

The logo for BioGaia, featuring the brand name in a bold, dark brown, sans-serif font. The text is centered horizontally and set against a light blue background with two thick, white, curved lines that sweep across the frame. A registered trademark symbol (®) is located at the end of the word.

BioGaia®

Telephone Conference - 20th of October 2023 09:30

Interim Management Statement Q3 2023

Theresa Agnew, CEO
Alexander Kotsinas, CFO

Theresa Agnew

- CEO of BioGaia since September 25, 2023
- Holds a B.S. in Biology from Boston College
- Previously, GlaxoSmithKline (GSK) Consumer Healthcare, Essilor, and Johnson & Johnson
- 20 years of experience in various leadership roles within consumer healthcare, over-the-counter (OTC) drugs, and medical devices





Q3 2023 Executive Summary

- Sales were 318 MSEK (+23%) driven by strong sales growth in all regions
- EBIT 120 MSEK (+28%) and EBIT margin 38% (36%)

Key Events

- 5th of July: Clinical study with BioGaia Protectis show increased SARS-CoV-2 antibody titres when 28 days or more had elapsed from vaccination. It suggests that probiotic supplementation may enhance the long-term protection against breakthrough infections
- 2nd of August: Theresa Agnew appointed as the new Chief Executive Officer
- 7th of August: A paper written by a team of researchers from the University of Gothenburg and BioGaia published in the journal Nature reported a novel method to overcome oxygen sensitivity to beneficial resident bacteria in the human gut, which are significantly reduced in metabolic conditions and cardiovascular disease.
- 25th of September: Theresa Agnew began as Chief Executive Officer
- 16th of October: BioGaia announced that results for the third quarter exceeded market expectations.

Launches

Distributor	Country	Product
BioGaia	Sweden	BioGaia Prodentis Kids
Nestlé	Colombia, Peru	NanCare Protectis minipack, NanCare B.lactis drops 5 ml
Agefinsa	Guatemala, El Salvador, Honduras	BioGaia drops vitamin D 5 ml, BioGaia tablets vitamin D
Delta Medical	Kyrgyzstan	BioGaia Protectis drops 5 ml
Ewopharma	Poland	BioGaia Protectis drops easydropper 5ml
BioGaia	Canada	BioGaia Prodentis mint and apple
BioGaia	Ireland	BioGaia Protectis tablets Strawberry, BioGaia Pharax 5 ml
HealthExport	Tunisia	BioGaia Prodentis drops 5 ml
Grace	Korea	BioGaia Protectis minipack
Abbott Singapore	Singapore	BioGaia Protectis easydropper 5 ml
Axero	Sri Lanka	BioGaia Protectis minipack
Lenus Med	Mongolia	BioGaia Prodentis drops 5 ml
Biowelltech	Hong Kong	BioGaia Prodentis apple

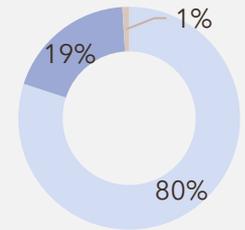
Sales per Segment

- **Total** sales for the quarter +23% (+17% excluding currency effects)
- **Pediatrics** sales +24% (+18% excluding FX) increased in all regions, mainly in BioGaia USA, Canada and Turkey. Sales were positively affected by quarterly variations for individual orders
- **Adult** sales increased with +17% (+11% excluding FX) thanks to increased sales of Protectis Tablets in APAC and EMEA, mainly in Hong Kong, and Prodentis mainly in Japan and the US

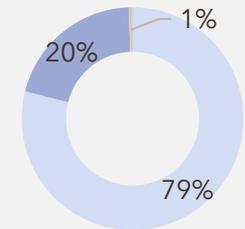
	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
MSEK						
Pediatrics	256	206	24%	794	661	20%
Adult Health	59	51	17%	199	165	20%
Other	3	2	78%	6	3	99%
Total	318	258	23%	999	830	20%

Sales per Segment

Q3 2023



YTD 2023



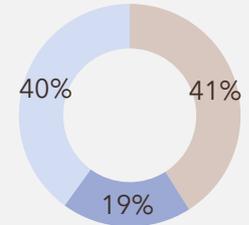
Sales per Region

- **EMEA:** sales increased with 25%, mainly in Eastern Europe, Turkey and Spain. Sales were positively affected by quarterly variations for individual orders
- **APAC:** sales increased with 17%. Sales increased mainly in Japan, Korea and Vietnam
- **Americas:** sales increased with 25% mainly in BioGaia USA, Brazil and Canada

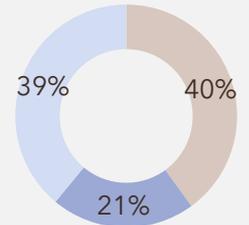
	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
MSEK						
EMEA	129	103	25%	400	383	4%
APAC	62	53	17%	208	163	28%
Americas	127	102	25%	391	284	38%
Total	318	258	23%	999	830	20%

Sales per Region

Q3 2023



YTD 2023



Gross Margin per Segment

The gross margin continues to be negatively affected by increased costs of goods but increased to 74% compared to 72% one year ago.

During 2023 BioGaia has implemented price increases and will continue to do so if necessary

MSEK	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Pediatrics	75%	74%	74%	73%
Adult Health	68%	64%	66%	64%
Total	74%	72%	73%	72%

Q3 Financials

- Revenues were 318 (258) MSEK, +23% growth
- EBIT was 120 (94) MSEK (+28%)
- EBIT margin of 38% (36%)
- Earnings per share were 1.01 (0.79) SEK
- Operating cash flow at 99 (47) MSEK

Net sales and EBIT margin (%)



Q3 Sales Bridge



MSEK	Q3	Change	YTD	Change
2022	258		830	
Organic growth	+43	+17%	+105	+13%
Currency	+17	+7%	+64	+8%
2023	318	+23%	999	20%

Operating Expenses (OPEX)

OPEX +26%

- Sales costs increased due to increased activities related to sales and marketing
- R&D and Admin costs stable
- Other OPEX at 0.3 MSEK compared to 15.1 MSEK one year ago

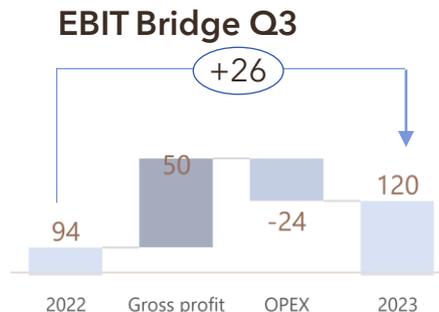
MSEK	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
Sales and Marketing	-88.1	-77.0	14%	-265.9	-232.3	14%
Research and Development	-20.6	-22.6	-8%	-78.1	-75.4	4%
Administration	-7.9	-7.6	5%	-29.1	-26.4	10%
Other OPEX	0.3	15.1	-98%	10.8	30.4	-64%
TOTAL OPEX	-116.3	-92.0	26%	-362.2	-303.6	19%
TOTAL OPEX excluding adjustments ¹	-116.3	-92.0	26%	-361.1	-300.3	20%

¹ restructuring costs and costs for evaluation of acquisition candidates

Profit and Loss Statement

- Sales +23%
- OPEX +26%
- EBIT +28% and EBIT Margin 38%

MSEK	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
Sales	318	258	23%	999	830	20%
Gross profit	236	186	27%	725	594	22%
- percentage of revenues	74%	72%		73%	72%	
OPEX	-116	-92	26%	-362	-304	19%
EBIT	120	94	28%	363	290	25%
- percentage of revenues	38%	36%		36%	35%	
Adjusted EBIT	120	94	28%	364	294	24%
- percentage of revenues	38%	36%		36%	35%	
Profit after tax	102	80	28%	298	234	27%
EPS	1.01	0.79	28%	2.95	2.32	27%



Cashflow

- Cash Flow from Operating Activities increased with 109% to 99 (47) MSEK, mainly due to higher operating profit
- Cash Flow for the period at 88 (37) MSEK
- Cash at the end of the period at 1,453 MSEK

MSEK	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
Cash flow from operating activities before changes in net working capital	122	81	51%	327	236	38%
Changes in working capital	-23	-34	-32%	-23	-8	170%
Cash flow from operating activities	99	47	109%	304	228	34%
Cash flow from investing activities	-9	-5	97%	-37	-18	101%
Cash flow from financing activities	-2	-5	-69%	-301	-311	-3%
Cash flow for the period	88	37	137%	-34	-102	-67%
Cash at the end of period	1,453	1,402	4%	1,453	1,402	4%

Concluding Remarks

- With Q3 sales at +23% (+17% excluding FX), YTD sales is solid at +20% (+13% excluding FX)
- EMEA had a growth of +25%, however sales were positively impacted by quarterly variations for individual orders. EMEA sales YTD is only at +4% and needs improvement
- APAC continues its solid growth at +17% in the quarter and +28% YTD driven by large markets such as China, Japan and Korea
- Americas impressive performance continues with a growth of +25% in the quarter and +38% YTD. Our direct markets in the US and Canada are performing very well and we also see impressive sales growth in the rest of Americas
- Our success in the direct markets (USA, Canada, UK, Finland, Japan, Sweden) have made us convinced that we will expand our direct operations to more markets in the future
- We continue to operate a cost-efficient model. We have seen increased costs for raw materials but have managed to partly compensate for this by price increases
- With an EBIT margin of 38% in the quarter and 36% YTD we are above our financial target

Q&A