

The logo for BioGaia is centered on a light blue background with white curved lines. The text "BioGaia" is written in a bold, dark brown, sans-serif font. The "Bio" part is in a slightly smaller font size than "Gaia". A registered trademark symbol (®) is located to the right of the word "Gaia".

BioGaia®

Telephone Conference - 7th of February 2023 09:30

Year-End Report Q4 2023

Theresa Agnew, CEO
Alexander Kotsinas, CFO



Q4 2023 Executive Summary

- Sales were 298 MSEK (+9%) driven by strong sales growth in APAC and Americas
- Sales in EMEA decreased by -29%
- EBIT 81 MSEK (+13%) and EBIT margin 27% (26%)
- BioGaia has terminated the distribution agreement with the Italian company Nóos S.r.l. for non-performance and initiated arbitration proceedings. BioGaia is securing availability of products through previous sub-distributor.
- The Board proposes an ordinary dividend according to policy of SEK 1.90 per share, plus an extra dividend of SEK 5.00 per share resulting in a total dividend of SEK 6.90

Dividend

- The Board proposes an ordinary dividend according to policy of SEK 1.90 (1.45) per share, plus an extra dividend of SEK 5.00 (1.45) per share resulting in a total dividend of SEK 6.90 (2.90) per share, corresponding to SEK 696.8 million (292.8)
- In October 2020 BioGaia announced that it had carried out a directed issue of shares, raising proceeds of SEK 1.1 billion. Since then, BioGaia has evaluated several larger potential acquisitions, but but could not satisfactorily conclude the viability or strategic fit
- BioGaia will focus on evaluating smaller and more tactical acquisitions. BioGaia has an excess cash position and has therefore decided to increase its dividends as follows
- In addition to the current dividend policy of 50% of the group earnings after tax and after adjustment of non-recurring items, for the coming years BioGaia intends to give extra dividends of 50 to 100% of the group earnings after tax and after adjustment of non-recurring items, provided that the future cash flows are in line with BioGaia's projections. BioGaia will still have sufficient net cash to allow selective acquisitions of considerable size while maintaining sufficient funding to deal with future potential variations of the group earnings

Key Events and Launches

- October 16th: BioGaia announced that results for the third quarter exceeded market expectations

Distributor	Country	Product
Sued	Dominican Republic	BioGaia Gastrus
Nestlé	Spain, Portugal	NanCare B.lactis drops 5 ml
Ewopharma	Slovakia	BioGaia Gastrus
Ewopharma	Romania	BioGaia Gastrus
Ewopharma	Czech Republic	BioGaia Gastrus
BioGaia	UK	BioGaia Pharax 5 ml, BioGaia Prodentis mint and apple
BioGaia	China	BioGaia Protectis tablets strawberry
Abbott Singapore	Singapore	BioGaia Protectis tablets with vitamin D
MTC Pharma	Vietnam	BioGaia Prodentis lozenges with new taste (apple)
Abbott/Zuellig Pharma	Cambodia	BioGaia Protectis minipack

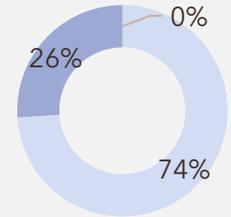
Sales per Segment

- **Total** sales for the quarter +9% (+7% excluding currency effects)
- **Pediatrics** sales were +6% (+5% excluding currency effects) increased in all regions, mainly in BioGaia USA, Canada and Turkey
- **Adult** sales increased by +18% (+17% excluding currency effects) thanks to increased sales of Protectis Tablets in APAC and EMEA, mainly in Hong Kong, and Prodentis mainly in Japan and the USA

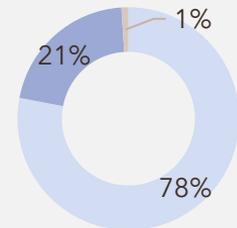
MSEK	Q4	Q4	Change	YTD	YTD	Change
	2023	2022		2023	2022	
Pediatrics	220	207	6%	1,014	868	17%
Adult Health	76	65	18%	275	230	20%
Other	1	2	-40%	8	5	44%
Total	298	274	9%	1,297	1,104	17%

Sales per Segment

Q4 2023



YTD 2023



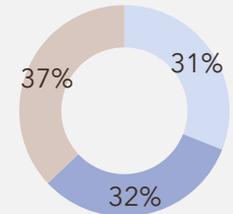
Sales per Region

- **EMEA:** sales decreased by -29%, mainly in Eastern Europe, France and Italy. BioGaia has terminated the distribution agreement with the Italian company Nóos S.r.l. and initiated arbitration proceedings with the Arbitration Institute of the Stockholm Chamber of Commerce.
- **APAC:** sales increased by +60%. Sales increased mainly in China, South Korea and the Philippines.
- **Americas:** sales increased by +28% mainly in BioGaia USA, Brazil and Canada. Gerber announced that they would stop selling BioGaia's products and focus solely on their own products. Despite this, USA continued to outperform with growth of +26% in the fourth quarter. In Brazil, sales were positively impacted by an inventory build-up due to the launch of Protectis Easy Dropper.

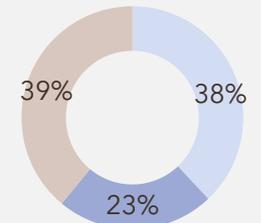
MSEK	Q4			YTD		
	2023	2022	Change	2023	2022	Change
EMEA	92	128	-29%	492	511	-4%
APAC	96	60	60%	304	223	36%
Americas	110	86	28%	501	369	35%
Total	298	274	9%	1,297	1,104	17%

Sales per Region

Q4 2023



YTD 2023



Alexander Kotsinas, CFO

Financials



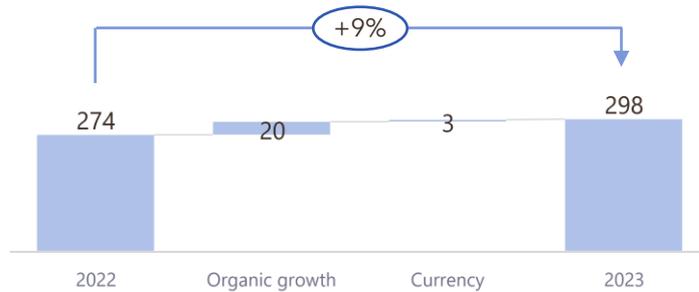
Q4 Financials

- Revenues were 298 (274) MSEK, +9% growth
- EBIT was 81 (71) MSEK (+13%)
- EBIT margin of 27% (26%)
- Earnings per share were 0.67 (1.38) SEK
- Operating cash flow at 122 (94) MSEK

Net sales and EBIT margin (%)



Q4 Sales Bridge



MSEK	Q4	Change	YTD	Change
2022	274		1,104	
Organic growth	+20	+7.4%	+125	+11.3%
Currency	+3	+1.2%	+67	+6.1%
2023	298	+9%	1,297	+17%

Gross Margin per Segment

The gross margin was stable at 76% compared to 76% one year ago.

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
MSEK				
Pediatrics	78%	77%	75%	74%
Adult Health	68%	72%	67%	67%
Total	76%	76%	73%	73%

Operating Expenses (OPEX)

OPEX +6%

- Sales costs increased due to increased activities related to sales and marketing
- R&D and Admin costs stable
- Other OPEX at 8.6 MSEK compared to 3.5 MSEK one year ago due to increased exchange losses

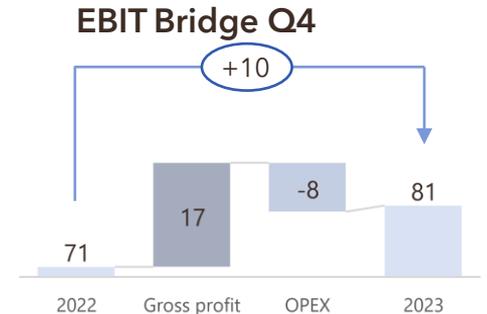
MSEK	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Sales and Marketing	-97.4	-88.5	10%	-363.3	-320.8	13%
Research and Development	-28.6	-31.4	-9%	-106.8	-106.8	0%
Administration	-10.2	-13.4	-24%	-39.2	-39.8	-1%
Other OPEX	-8.6	-3.5	149%	2.2	27.0	-92%
TOTAL OPEX	-144.9	-136.9	6%	-507.1	-440.5	15%
TOTAL OPEX excluding adjustments ¹	-144.9	-135.1	7%	-505.9	-435.4	16%

¹ restructuring costs and costs for evaluation of acquisition candidates

Profit and Loss Statement

- Sales +9%
- OPEX +6%
- EBIT +13% and EBIT Margin 27%

MSEK	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Sales	298	274	9%	1,297	1,104	17%
Gross profit	225	208	8%	950	802	18%
- percentage of revenues	76%	76%		73%	73%	
OPEX	-145	-137	6%	-507	-441	15%
EBIT	81	71	13%	443	361	23%
- percentage of revenues	27%	26%		34%	33%	
Adjusted EBIT	81	73	10%	444	367	21%
- percentage of revenues	27%	27%		34%	33%	
Profit after tax	67	139	-52%	365	374	-2%
EPS	0.67	1.38	-52%	3.62	3.70	-2%



Cashflow

- Cash Flow from Operating Activities increased with 29% to 122 (94) MSEK, mainly due to higher operating profit
- Cash Flow for the period at 100 (89) MSEK
- Cash at the end of the period at 1,544 MSEK

MSEK	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Cash flow from operating activities before changes in net working capital	100	88	15%	427	324	32%
Changes in working capital	21	7	225%	-1	-5	-76%
Cash flow from operating activities	122	94	29%	426	319	34%
Cash flow from investing activities	-14	-3	435%	-51	-18	181%
Cash flow from financing activities	-8	-3	192%	-308	-314	-2%
Cash flow for the period	100	89	13%	67	-13	-621%
Cash at the end of period	1,544	1,488	4%	1,544	1,488	4%

Concluding Remarks

- With Q4 sales at +9% (+7% excluding currency effects), YTD sales are solid at +17% (+11% excluding currency effects)
- EMEA had a decrease of -29%. EMEA sales YTD at -4% and needs improvement. Italy impacting sales.
- APAC continues its solid growth trajectory at +60% in the quarter and +36% YTD driven by large markets such as China and South Korea.
- Americas impressive performance continues with a growth of +28% in the quarter and +35% YTD despite Gerber's decision to stop selling BioGaia drops. Our direct markets in the USA and Canada are continuing to perform well.
- Our costs increased in line with sales and our gross margin is stable.
- Our EBIT margin was 27% in the quarter and 34% YTD which is in line with our financial target.

Q&A