



4 Feb 2022 09:30

Telephone Conference – Interim Management Statement Q4 2021

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO



Q4 2021 – Executive Summary

- Q4 sales increased with +10% (+11% excluding currency effects)

Sales 2021 increased with +5% (+12% excluding currency effects)

- Q4 sales increased in EMEA and APAC while Americas decreased due to weaker Brazil sales

- Q4 EBIT increased with 17%

2021 EBIT increased with 11%

Q4 2021 – Key Events



- 13th of October: BioGaia's profit for third quarter to exceed market expectations. BioGaia was requested by certain customers at risk of running out of stock to bring orders forward, which had a positive impact on sales for the quarter.
- 30th of December: BioGaia announced that it signed an agreement to acquire all shares in Nutraceuticals Corporation. Nutraceuticals holds all shares in Everidis Inc, which is BioGaia's exclusive distributor of BioGaia branded products in the US.
- The board of directors propose ordinary dividend of 3.63 SEK per share and extra dividend of 11.29 SEK per share, a total dividend of 14.92 SEK per share.

The board also propose a share split of 5:1 of ordinary shares (A- and B-shares).



Acquisition of Everidis – US Distributor

- BioGaia acquired 80% of Nutraceutics Corporation on the 30th of December 2021 and will buy the remaining 20% of the shares during 2027 or 2028. Nutraceutics holds all shares in Everidis, which is BioGaia's exclusive distributor of BioGaia branded products in the US
- The US is the number one probiotic market globally and is a key market for BioGaia, where it has worked in partnership with Everidis since 2007
- The company has been very successful with its omni-channel strategy in combination with marketing both to healthcare professionals and to end-consumers which has resulted in the US being BioGaia's largest market in 2021
- Nutraceutics and Everidis have together 23 employees and had revenues of 16.6 million USD and operating profits of 2.6 million USD in 2021. The acquisition is financed from existing cash reserves

Q4 2021 Launches

Distributor	Country	Product
BioGaia	Finland	BioGaia Gastrus
BioGaia	Finland	BioGaia Prodentis
Phillips Therapeutics	Kenya	BioGaia Immune Boost drops
BioGaia	China	BioGaia Protectis capsules
Abbott	Mexico	BioGaia Protectis tablets with vitamin D
BioGaia	UK	BioGaia Protectis drops, easydropper with vitamin D
BioGaia	UK	BioGaia Protectis tablets with vitamin D
Ewopharma	North Macedonia	BioGaia Protectis drops with vitamin D
Ewopharma	Romania	BioGaia Protectis capsules



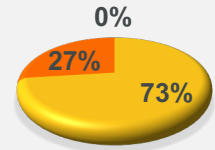
Sales per Segment (MSEK)

- Pediatrics sales increased with +8% mainly thanks to increased sales of Protectis Tablets in APAC and Americas.
- Adult sales increased with +17% mainly thanks to increased sales of Protectis Tablets and Prodentis
- Total sales for the quarter increased with +10% (+11% excluding currency effects) and YTD with +5% (+12% excluding currency effects)

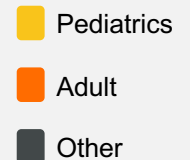
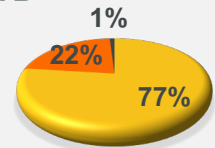
	Q4			YTD		
	2021	2020	Change %	2021	2020	Change %
Total Pediatrics	150	140	8%	604	583	4%
Total Adult health	55	47	17%	177	161	10%
Other	1	1	30%	5	3	64%
Total	206	188	10%	785	747	5%

Proportion Sales by segment

Q4 2021



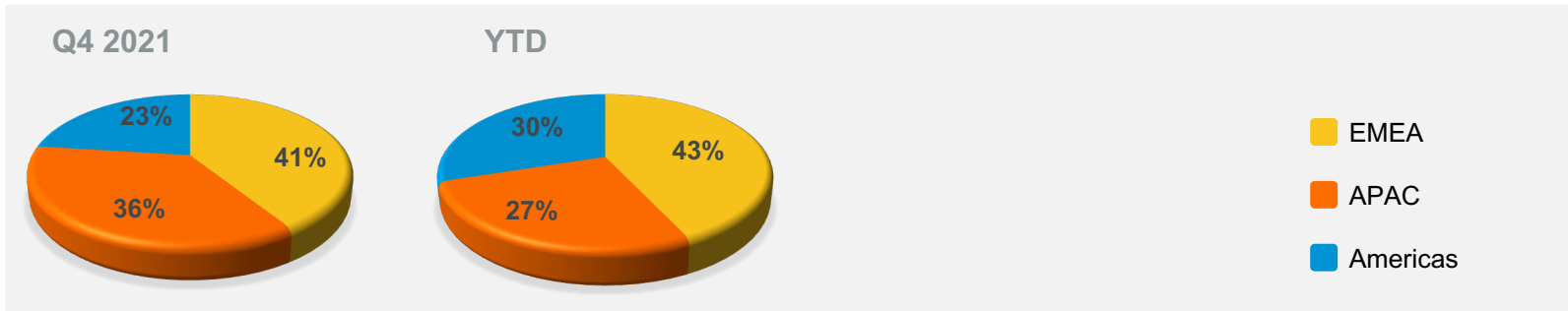
YTD



Sales per Geographical Market (MSEK)

- **EMEA:** sales and increased in Italy and Spain in the quarter. YTD sales decreased in Italy, Finland and parts of Eastern Europe.
- **APAC:** sales increased mainly in China, Indonesia, Japan and Hong Kong in the quarter and YTD.
- **Americas:** sales decreased in Americas in the quarter due to weak sales in Brazil. YTD sales increased in the US and LATAM.

	Q4	Q4	Change	YTD	YTD	Change
	2021	2020	%	2021	2020	%
EMEA	85	83	2%	336	373	-10%
APAC	73	54	35%	214	171	26%
Americas	48	50	-4%	235	204	15%
Total	206	188	10%	785	747	5%



Gross Margin per Segment

- Gross margins increased in the quarter mainly due to positive product mix effects and increased productivity at BioGaia Production. Stable YTD margins for Pediatrics products and lower margins YTD for Adult health products due to product mix and campaigns.

	Q4	Q4	YTD	YTD
	2021	2020	2021	2020
Pediatrics products	79%	76%	76%	74%
Adult health products	73%	70%	68%	70%
Total	77%	75%	74%	73%



Financials

Alexander Kotsinas. CFO

OPEX (MSEK)

OPEX +12%

OPEX excluding restructuring costs and excluding costs for evaluation of acquisition candidates - 1%

- Sales costs increased mainly due to increased marketing activities and personnel costs related to restructuring (6.5 MSEK)
- Admin costs increased due to evaluation of acquisition candidates (6.7 MSEK) and impairment of right-of-use assets linked to a rental contract for premises in Lund (-0.8 MSEK)
- R&D costs excluding MetaboGen and BioGaia Pharma increased due to higher costs for clinical studies.
- Other costs at +3,3 MSEK due to positive currency effects.

	Q4	Q4	Change	YTD	YTD	Change
	2021	2020	%	2021	2020	%
OPEX	-105.9	-94.7	12%	-329.2	-318.8	3%
OPEX excl. restructuring costs and excluding costs evaluation of acquisition candidates	-93.6	-94.7	-1%	-306.9	-318.8	-4%
OPEX Core	-99.6	-86.4	15%	-305.9	-291.9	5%
Sales	-66.6	-49.7	34%	-192.4	-171.6	12%
Admin	-12.2	-7.2	68%	-42.5	-26.1	63%
R&D	-24.2	-21.3	13%	-82.1	-77.8	5%
Other	3.3	-8.2	-140%	11.2	-16.3	-169%
OPEX Non-Core	-6.3	-8.3	-24%	-23.4	-26.8	-13%

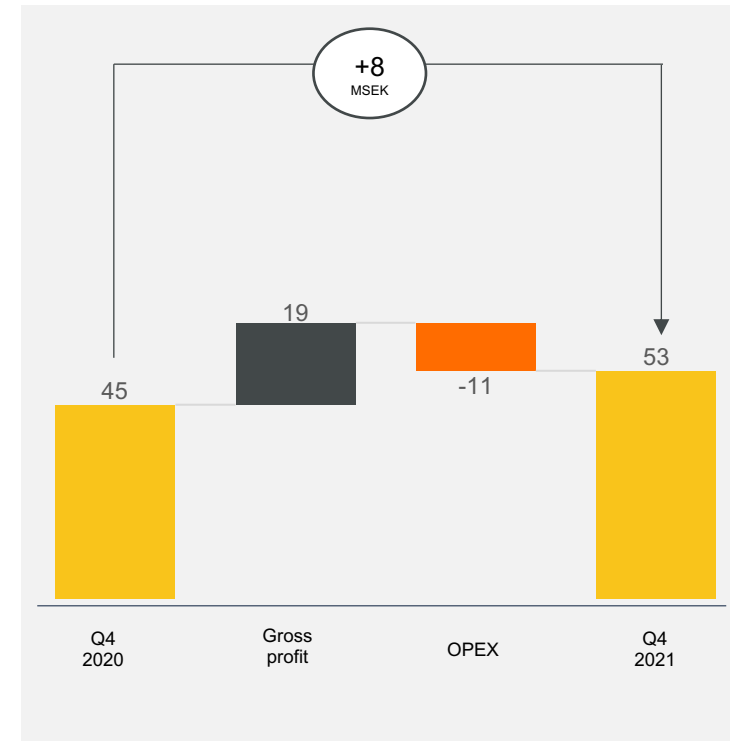
P&L (MSEK)

- Sales +10% (11% excluding currency effects)
- OPEX +12%
- EBIT +17% and EBIT Margin 26%
- Adjusted EBIT +45% and Adjusted EBIT Margin 32%

	Q4	Q4	Change	YTD	YTD	Change
	2021	2020	%	2021	2020	%
Sales	206	188	10%	785	747	5%
Gross Profit	159	140	14%	583	547	7%
OPEX	-106	-95	12%	-329	-319	3%
EBIT	53	45	17%	254	228	11%
EBIT Margin	26%	24%		32%	31%	
Adjusted EBIT*	65	45	45%	276	228	21%
Adjusted EBIT Margin*	32%	24%		35%	31%	
Profit after Tax	38	38	0%	196	180	9%
EPS (before and after dilution)	1.90	2.02	-6%	9.72	10.07	-3%

* excl. restructuring costs and excluding costs evaluation of acquisition candidates

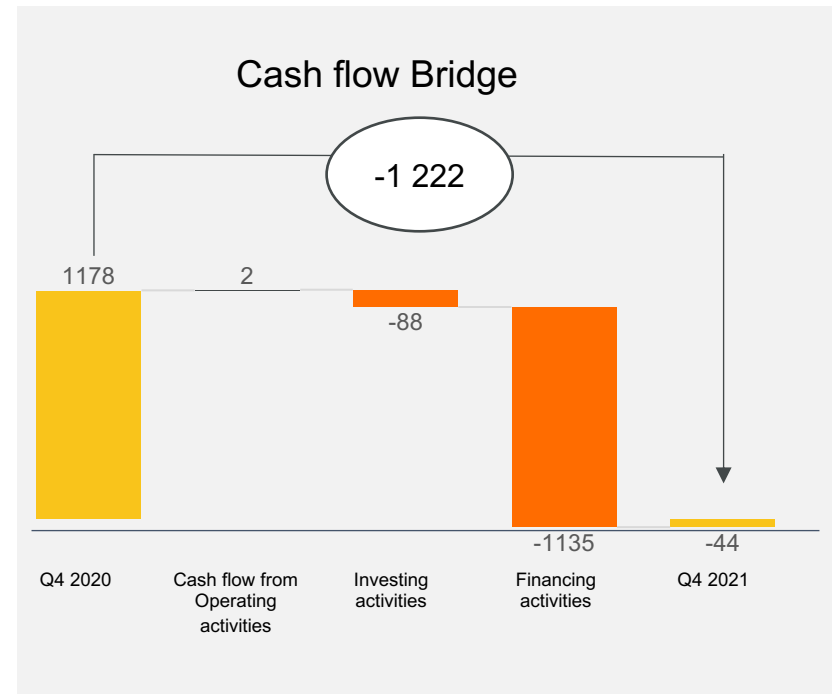
EBIT Bridge Q4



Cash Flow (MSEK)

- Cash Flow from operating activities increase with 3% to 56.3 (54.6) MSEK.
- Cash Flow for the period at -43.6 (1,177.6) MSEK. The lower cash flow is mainly related to investing activities and equity increase prior year (1,126.8) MSEK. Cash flow from investing activities includes acquisition of Nutraceutics (86.9 MSEK) . Cash flow from investing activities YTD also includes investments in Boneprox (10.5 MSEK) and Skinome (11.5 MSEK) and the acquisition of the remaining MetaboGen shares (11.2 MSEK)

	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Cash flow from operating activities before changes in net working capital	57.4	29.5	224.0	172.2
Changes in working capital	-1.1	25.1	-2.1	49.0
Cash flow from operating activities	56.3	54.6	221.9	221.3
Cash flow from investing activities	-90.1	-2.0	-127.0	-16.1
Cash flow from financing activities	-9.8	1,125.0	-81.8	1,051.4
Cash flow for the period	-43.6	1,177.6	13.1	1,256.6
Cash at end of period	1,484.7	1,467.9	1,484.7	1,467.9





Concluding Remarks
Isabelle Ducellier. CEO



Conclusion

- Healthy Q4 with 11% growth due to increased consumer demand, less negative effects of covid-19 and implementation of numerous digital marketing campaigns worldwide
- EMEA recovering (2% growth) driven by Italy initiating its first social media campaigns and e-sales on amazon.it. APAC has strong growth (35%) thanks to China, Australia, Indonesia and Vietnam and Americas slightly weaker due to Brazil despite great sales in the US generated by new product launches
- Accelerating our B to C journey with the launch of BioGaia UK and acquisition of Everidis
- Despite Omicron spreading, based on a good 2021 year, we remain confident about BioGaia's future thanks to a growing global market for probiotics driven by a sound consumer demand and our BioGaia brand and new organization in place to seize opportunities



Q&A

BioGaia®

Probiotics grounded in evolution
Driven by science

