

22 Jul 2022 09:30

Telephone Conference – Interim Management Statement Q2 2022

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO

Q2 2022 – Executive Summary

- +42% sales increase driven by continued strong demand in Europe
- Record revenue (288 MSEK) and operating profit (101 MSEK, +46%)
- Strong operating cash flow



Key Events

- 25th of April: Result for the first quarter exceed market expectations
- 6th of May: Record date for share split idetermined as 19th of May 2022
- 17th of May: BioGaia starts its own distribution in Canada
- 8th of June: Exclusive agreement in South Korea for baby gut health range
- 1st of July: BioGaia launches probiotic product to support children’s respiratory health
- 14th of July: Result for the second quarter exceed market expectations

Launches

Distributor	Country	Product
Abbott	Ecuador	BioGaia Protectis drops vitamin D
Abbott	Ecuador	BioGaia Protectis tabs vitamin D
Ethical Nutrition	Argentina	BioGaia Protectis drops
Ethical Nutrition	Argentina	BioGaia Protectis tabs
Interbat	Indonesia	BioGaia Protectis tabs vitamin D
Denomics	South Korea	BioGaia Prodentis Kids
Unilab	Philippines	BioGaia Minipack
Dr Mums	China	BioGaia Pharax
BG Distribution	Hungary	BioGaia Prodentis tabs



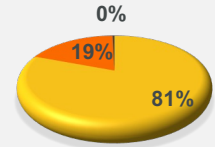
Sales per Segment (MSEK)

- Total sales for the quarter increased with +42% (+33% excluding currency effects)
- Pediatrics sales increased with +44% mainly thanks to increased sales of Protectis Drops in EMEA and Americas
- Adult sales increased with +33% mainly thanks to increased sales of Protectis Tablets in EMEA

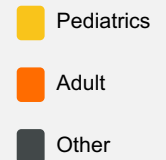
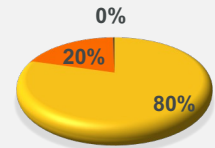
	Q2		Q2 Change	YTD		YTD Change
	2022	2021	%	2022	2021	%
Total Pediatrics	233	161	44%	455	323	41%
Total Adult Health	54	41	33%	115	80	44%
Other	1	1	6%	2	3	-36%
Total	288	203	42%	572	405	41%

Proportion Sales by segment

Q2 2022



YTD





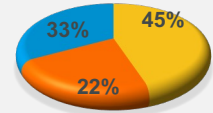
Sales per Geographical Market (MSEK)

- **EMEA:** sales increased mainly in Italy and France
- **APAC:** sales increased mainly in South Korea and China
- **Americas:** sales increased mainly in the US and Canada

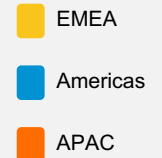
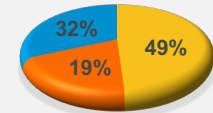
	Q2			YTD		
	2022	2021	%	2022	2021	%
EMEA	130	70	86%	280	164	71%
APAC	63	55	16%	110	97	13%
Americas	95	79	21%	182	144	26%
Total	288	203	42%	572	405	41%

Proportion Sales by Region

Q2 2022



YTD



Gross Margin per Segment

- Gross margins slightly decreased due to product mix effects and campaigns

	Q2	Q2	YTD	YTD
	2022	2021	2022	2021
Total Pediatrics	73%	75%	73%	75%
Total Adult health	63%	70%	65%	65%
Total	71%	74%	71%	73%



BioGaia® Protectis® tablets
FOR IMMUNE SYSTEM*
with vitamin **D+**

Lactic acid bacteria, 90 chewable tablets (40.5 g) with L. reuteri DSM 17938 and 20 µg vitamin D₃ Orange Flavoured

Financials

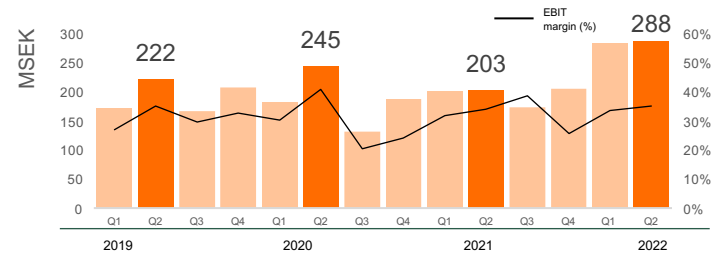
Alexander Kotsinas. CFO

Q2 FINANCIALS



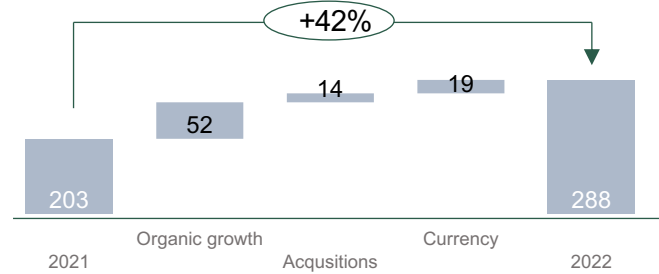
- Revenues were 288 (203) MSEK, +42% growth. Organic growth of 26 % (growth excluding currency and acquisitions)
- EBIT was 101 (69) MSEK (46% growth)
- EBIT margin of 35% (34%)
- Earnings per share were 0.78 (0.54) SEK
- Operating cash flow at 87 (56) MSEK

Net sales and EBIT margin (%)





Q2 SALES BRIDGE



Q2

	in MSEK	Change (%)
2021	203	
Organic Growth	+52	+26%
Acquisitions	+14	+7%
Currency	+19	+9%
2022	288	+42%

YTD

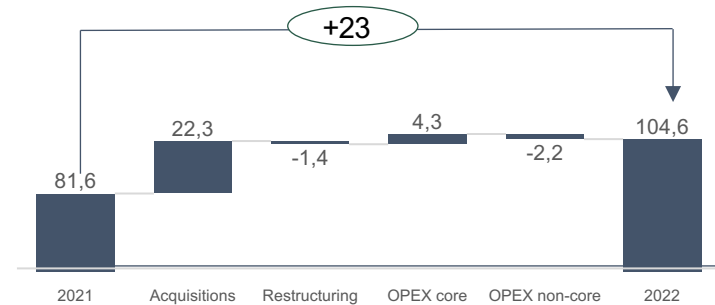
	in MSEK	Change (%)
2021	405	
Organic Growth	+101	+25%
Acquisitions	+29	+7%
Currency	+37	+9%
2022	572	+41%

GROUP OPEX

Total OPEX +28%. OPEX excluding Acquisitions +1%

- Sales costs increased mainly due to Everidis (22.3 MSEK) but also due to increased activities.
- Admin costs flat and included costs for evaluation of acquisition candidates 0.3 (0,0 MSEK) and impairment of right-of-use assets linked to a rental contract for premises in Lund -1.7 (0.0 MSEK)
- R&D costs excluding MetaboGen and BioGaia Pharma increased slightly due to phasing of costs for clinical studies
- Other costs at -14,2 MSEK due to positive currency effects

Q2 BRIDGE



GROUP P&L (MSEK)	Q2 2022	Q2 2021	Change	YTD 2022	YTD 2021	Change
TOTAL OPEX	104,6	81,6	28%	211,6	162,6	30%
TOTAL OPEX excl Restructuring ¹	106,0	81,6	30%	208,3	152,6	37%
TOTAL OPEX excl Acquisitions ²	82,3	81,6	1%	168,3	162,6	4%
OPEX Core	100,0	74,8	34%	202,2	149,9	35%
Sales	83,2	44,0	89%	155,3	87,3	78%
Admin	7,8	7,7	1%	18,8	23,4	-19%
R&D	23,3	21,3	9%	43,4	42,6	2%
Other	-14,2	1,8	-881%	-15,3	-3,3	359%
OPEX Non-Core (MetaboGen+BioGaia Pharma)	4,6	6,8	-32%	9,4	12,7	-26%

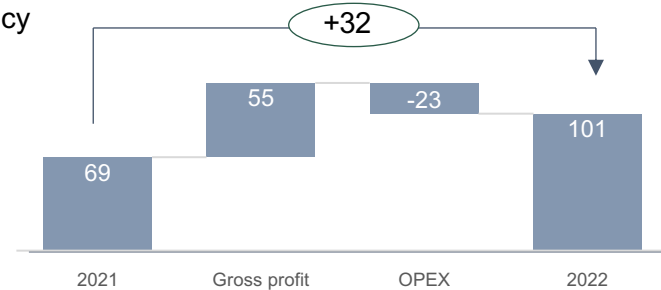
¹ excl. restructuring costs and excluding costs evaluation of acquisition candidates

² excl BioGaia USA

GROUP PROFIT AND LOSS

- Sales +42% (+33% excl. currency, +26% excl. currency and excl. acquisitions)
- OPEX +28% (+1% excl. acquisitions)
- EBIT +46% and EBIT Margin 35%
- Adjusted EBIT +44% and Adjusted EBIT Margin 35%

Q2 BRIDGE



GROUP P&L (MSEK)	Q2 2022	Q2 2021	Change	YTD 2022	YTD 2021	Change
Sales	288	203	42%	572	405	41%
Gross Profit	206	151	37%	408	296	38%
- as a of percentage of revenues	71%	74%		71%	73%	
OPEX	-105	-82	28%	-212	-163	30%
EBIT	101	69	46%	197	133	47%
- as a of percentage of revenues	35%	34%		34%	33%	
Adjusted EBIT ¹	100	69	44%	200	143	39%
- as a of percentage of revenues	35%	34%		35%	35%	
Profit after Tax	79	55	44%	155	105	47%
EPS (before and after dilution)	0,78	0,54	44%	1,53	1,04	47%

¹ excl. restructuring costs and excluding costs evaluation of acquisition candidates

CASH FLOW

GROUP Cash Flow (MSEK)	Q2 2022	Q2 2021	Change (%)	YTD 2022	YTD 2021	Change (%)
Cash Flow from Operating Activities before Changes in Net Working Capital	74	57	29%	155	115	35%
Changes in Working Capital	13	-2	-860%	25	-17	-250%
Cash Flow from Operating Activities	87	56	57%	180	98	85%
Cash Flow from Investing Activities	-9	-1	1 042%	-14	-24	-42%
Cash Flow from Financing Activities	-303	-71	326%	-306	-73	321%
Cash Flow for the period	-225	-16	1 291%	-139	1	-13184%
Cash at the end of period	1 356	1 469	-8%	1356	1469	-8%

- Cash Flow from Operating Activities increases with 57 % to 87 (56) MSEK due to strong operating profits and Changes in Working Capital
- Cash Flow for the period at -225 (-16) MSEK due to dividend -301 (-69)
- Cash at the end of the period at 1 356 MSEK

BALANCE SHEET

GROUP Balance Sheet (MSEK)	30 june 2022	30 june 2021	31 dec 2021	Change (%)
Assets	2 083	1 936	2 128	8%
Total Non-current Assets	421	230	376	83%
Total Current Assets	1662	1706	1752	-3%
EQUITY and Liabilities	2 083	1 936	2 128	8%
Total Equity	1 747	1 785	1 877	-2%
Total Liabilities	336	151	251	123%
Total Non-current Liabilities	120	16	109	645%
Total Current Liabilities	203	124	127	64%
Deferred Tax Liability	13	11	14	19%

- The increase in Assets mainly due to the acquisition of Everidis during Q4 2021
- Total Equity 1 747 (1 785) MSEK



Concluding Remarks
Isabelle Ducellier. CEO



Conclusion

- Another strong quarter with +42% growth mainly driven by the lifting of covid restrictions and the wider implementation of our omni-channel retailing strategy of our global premium brand BioGaia
- EMEA is continuing its recovery with a strong +86% driven by Italy, France, Spain and Eastern Europe
- Americas is performing well due to the acquisition of our distributor Everdis despite weaker sales in Brazil due to phasing of orders. Everdis local sales weak in the quarter due to strong Q2 2021
- APAC is continuing its impressive growth thanks to South Korea and China despite China still negatively affected by new lockdowns
- This strong quarter again reinforces our confidence for the future of BioGaia. There is a sizeable addressable market that is growing but risks related to challenging macro economics and continued covid restrictions. We will continue our strategy to focus on brand building and scientifically proven probiotics and are confident that we will meet our financial targets



Q&A

BioGaia®

Probiotics grounded in evolution
Driven by science

