



4 Feb. 2021 09:30

**Telephone Conference – Interim Management Statement Q4 2020**

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO



## Quarter 4 2020 – Executive Summary

- Total sales -10% (-4% excluding currency) mainly due to covid-19. For the full year sales -3% (-2% excluding currency)
- Sales decreased in EMEA and APAC but increased in Americas mainly thanks to omni-channel strategy
- Sales decreased somewhat for BioGaia Protectis tablets but increased for BioGaia Prodentis and BioGaia Gastrus
- The Board proposes that the upcoming Annual General Meeting on 6 May 2021 approves an ordinary dividend according to the policy of SEK 3.41 (3.75) per share



## Quarter 4 2020 – Key Events



- 12th of October: BioGaia estimates that sales and earnings will be negatively affected both in quarter three and quarter four 2020
- 30th of October: BioGaia successfully completed a directed issue of 2.86 million new class B shares, at a subscription price of SEK 400 per share, entailing proceeds of approximately SEK 1.1 billion.

The Directed Issue was oversubscribed and a wide range of Swedish and institutional investors participated, including the strategic investors Cargill Inc. and EQT Public Value Fund, as well as certain existing shareholders.

In connection with the Directed Issue, certain larger shareholders, among others, Annwall & Rothschild Investments AB and David Dangoor, sold 229,332 class B shares in total, at the same price as in the Directed Issue

- 3<sup>rd</sup> of February 2021: The Board of BioGaia announced that the company has decided to revise the dividend policy to pay a shareholder dividend equal to 50% of profit after tax in the parent company compared to a previous 40 %.

# Quarter 4 2020 Launches

Distributor	Country	Product
Abbott	Uruguay	BioGaia Protectis drops, BioGaia Protectis lozenges
Abbott	Chile	BioGaia Gastrus
Abbott	Bolivia	BioGaia Gastrus
BioGaia	Sweden	BioGaia Osfortis, BioGaia Prodentis
BioGaia Japan	Japan	BioGaia Prodentis MUM
Abbott	Thailand	BioGaia Gastrus, BioGaia Protectis lozenges
Ewopharma	Bulgaria	BioGaia Protectis capsules
Everidis	USA	BioGaia Prodentis, BioGaia Protectis MUM capsules



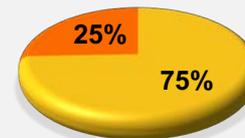
## Sales per Segment (MSEK)

- Pediatrics sales -11% mainly due to decreased sales of Protectis Tablets
- Adult sales -5 % mainly due to decreased sales of Protectis Tablets
- Full year sales -3%

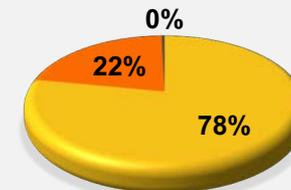
	Q4	Q4	Change	YTD	YTD	Change
	2020	2019		2020	2019	
Total Pediatrics	140	157	-11%	583	600	-3%
Total Adult health	47	50	-5%	161	167	-4%
Other	1	0	115%	3	1	197%
<b>Total</b>	<b>188</b>	<b>208</b>	<b>-10%</b>	<b>747</b>	<b>768</b>	<b>-3%</b>

**Proportion Sales by segment**

Q4 2020



YTD



- Pediatrics
- Adult
- Other

## Gross Margin per Segment

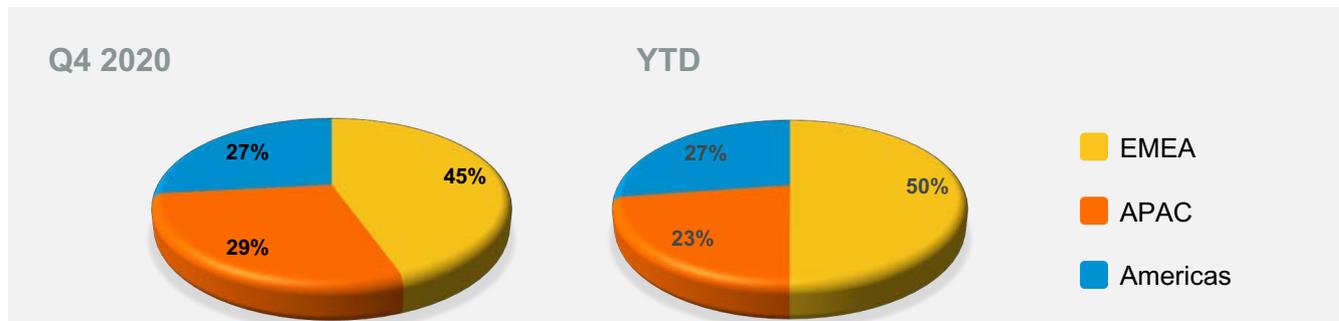
- Stable gross margins in the quarter and YTD

	Q4	Q4	YTD	YTD
	2020	2019	2020	2019
Pediatrics products	76%	76%	74%	74%
Adult health products	70%	69%	70%	70%
<b>Total</b>	<b>75%</b>	<b>74%</b>	<b>73%</b>	<b>73%</b>

## Sales per Geographical Market (MSEK)

- **EMEA:** declining sales in large markets like Italy and Spain both in the quarter and YTD
- **APAC:** declining sales in Hong Kong and Indonesia while sales increased in China
- **Americas:** sales increased in the US while LATAM decreased

	Q4	Q4	Change	YTD	YTD	Change
	2020	2019		2020	2019	
EMEA	83	107	-22%	373	400	-7%
APAC	54	55	-2%	171	177	-4%
Americas	50	46	10%	204	192	6%
<b>Total</b>	<b>188</b>	<b>208</b>	<b>-10%</b>	<b>747</b>	<b>768</b>	<b>-3%</b>





## **Financials**

Alexander Kotsinas, CFO

## OPEX (MSEK)

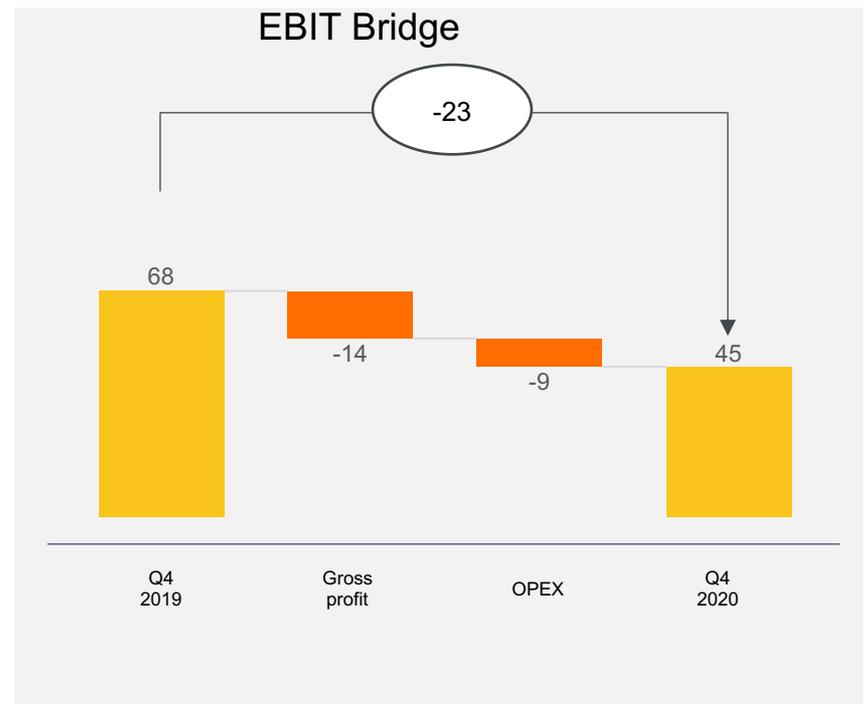
- OPEX +10%
- Sales costs lower than 2019 due to covid-19
- R&D costs higher than 2019 for the quarter but lower YTD
- Other costs at -8.2 MSEK due to negative currency effects

	Q4	Q4	Change	YTD	YTD	Change
	2020	2019	%	2020	2019	%
<b>OPEX</b>	<b>-94,7</b>	<b>-86,1</b>	<b>10%</b>	<b>-318,8</b>	<b>-321,5</b>	<b>-1%</b>
<b>OPEX Core</b>	<b>-86,4</b>	<b>-79,1</b>	<b>9%</b>	<b>-291,9</b>	<b>-300,1</b>	<b>-3%</b>
Sales	-49,7	-55,6	-11%	-171,6	-184,3	-7%
Admin	-7,2	-6,9	5%	-26,1	-24,6	6%
R&D	-21,3	-16,5	29%	-77,8	-83,6	-7%
Other	-8,2	-0,1	9412%	-16,3	-7,5	118%
<b>OPEX Non-Core</b>	<b>-8,3</b>	<b>-7,0</b>	<b>19%</b>	<b>-26,8</b>	<b>-21,4</b>	<b>25%</b>

## P&L (MSEK)

- Sales -10%
- OPEX +10%
- EBIT -34% - EBIT Margin 24%

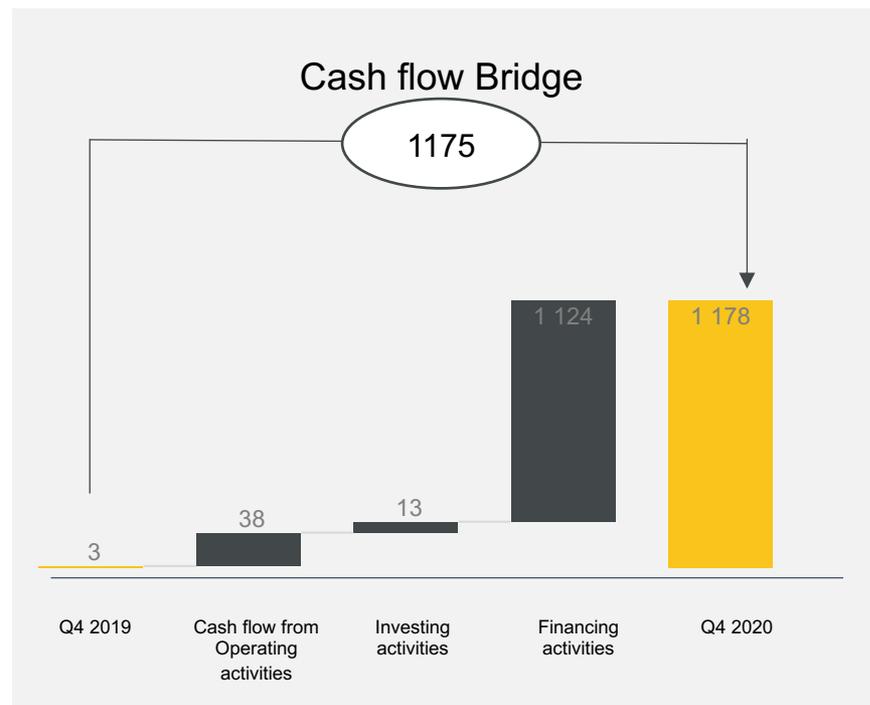
	Q4 2020	Q4 2019	Change %	YTD 2020	YTD 2019	Change %
Sales	188	208	-10%	747	768	-3%
Gross Profit	140	154	-9%	547	564	-3%
OPEX	-95	-86	10%	-319	-321	-1%
EBIT	45	68	-34%	228	243	-6%
EBIT Margin	24%	33%		31%	32%	
Profit after Tax	38	51	-24%	180	187	-4%
EPS	2.02	2.91	-31%	10.07	10.72	-6%



## Cash Flow (MSEK)

- Cash Flow from operating activities 54.6 (17.1) MSEK
- Cash Flow for the period at 1,177.6 (2.8) MSEK mainly thanks to equity increase (+1,126.8) MSEK

	Q4 2020	Q4 2019
Cash flow from operating activities before changes in net working capital	29.5	50.1
Changes in working capital	25.1	-33.0
Cash flow from operating activities	54.6	17.1
Cash flow from investing activities	-2	-14.8
Cash flow from financing activities	1,125.0	0.6
Cash flow for the period	1,177.6	2.8
Cash at end of period	1,467.9	213.8





**Concluding Remarks**  
Isabelle Ducellier, CEO

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## Conclusion

- Due to “lock-downs” in most of our biggest markets such as Italy or Spain, the consumers have not been able to purchase probiotics at the traditional point of sales (pharmacies, clinics). In addition to this the consumers have been less sick, using less antibiotics and thus also less probiotics
- We see better performance in countries where we have initiated an omni-channel strategy such as the US. Together with the fact that prevention and health remain the major consumer trends worldwide, this comforts us that we will be able to go out from this health-economic crisis
- In the meantime, we are monitoring our costs closely
- Even though the lower sales are very unfortunate we believe it is mainly related to covid-19. Based on success stories in countries where we have started to implement our new B2C/omni-channel strategy, we are confident that our long-term ambitions are achievable



**Q&A**