



BioGaia®

Probiotics grounded in evolution
Driven by science



Pareto Securities Health Care Conference
3 September 2020



BioGaia in short



Founded in 1990



157 employees



Listed on the Nasdaq
Stockholm (mid cap list)



Holds 555 patents
in 30 families



Products in more than
100 markets
through distributors



Offices in Sweden
(Stockholm, Lund, Eslöv, Gothenburg),
Singapore, USA, Japan



A group of four people (two women and two men) are running up a set of wide stone steps in a park-like setting. They are wearing athletic gear: the first woman is in a black long-sleeved top and patterned leggings; the second woman is in a pink hoodie and patterned leggings; the first man is in an orange hoodie and black leggings; and the second man is in a grey hoodie and black leggings. They are all wearing sneakers. The background shows green trees and a building on a hill.

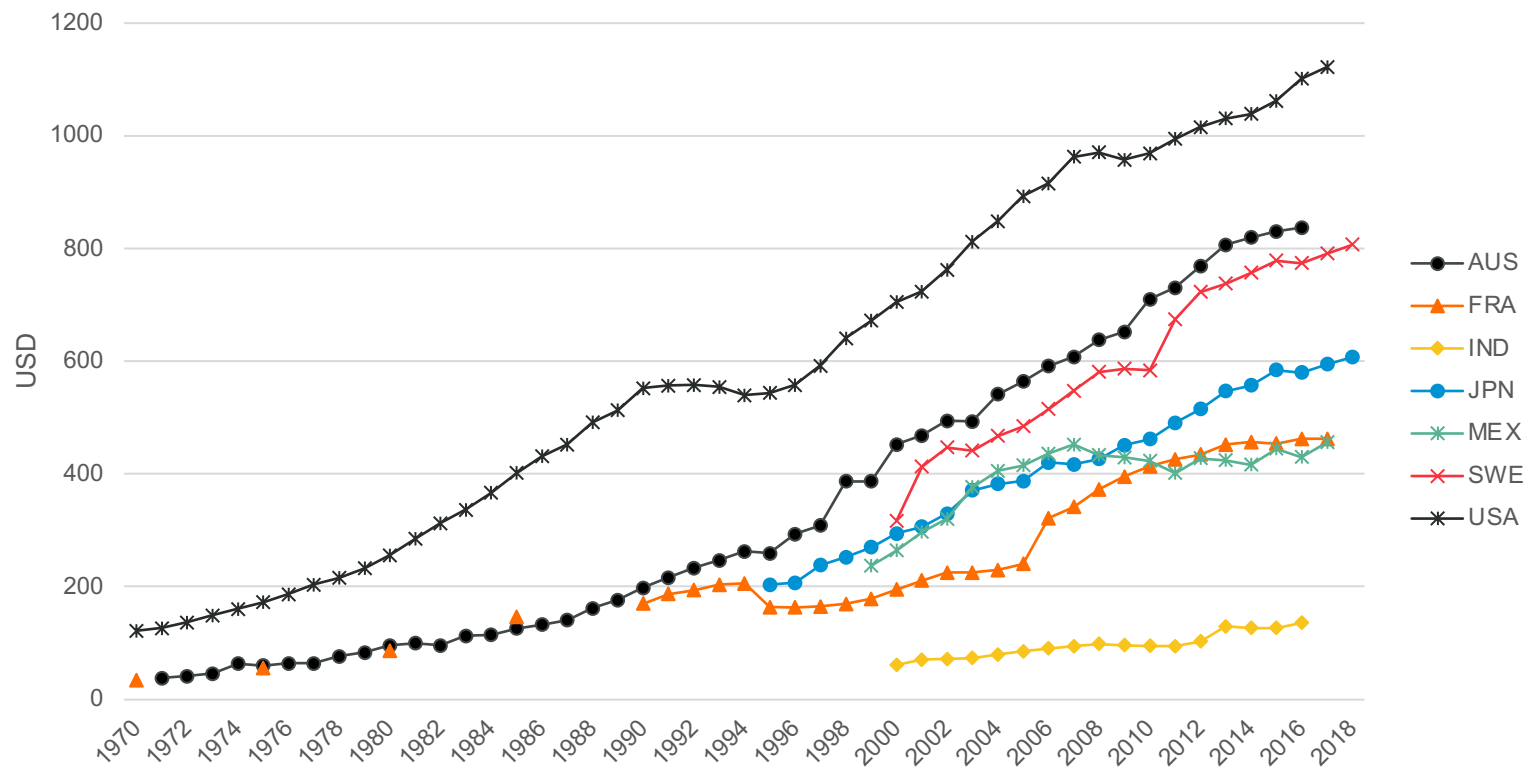
OUR MISSION

To be the ground-breaking leader in probiotics that contributes to improved health by educating people and providing probiotic products for defined indications

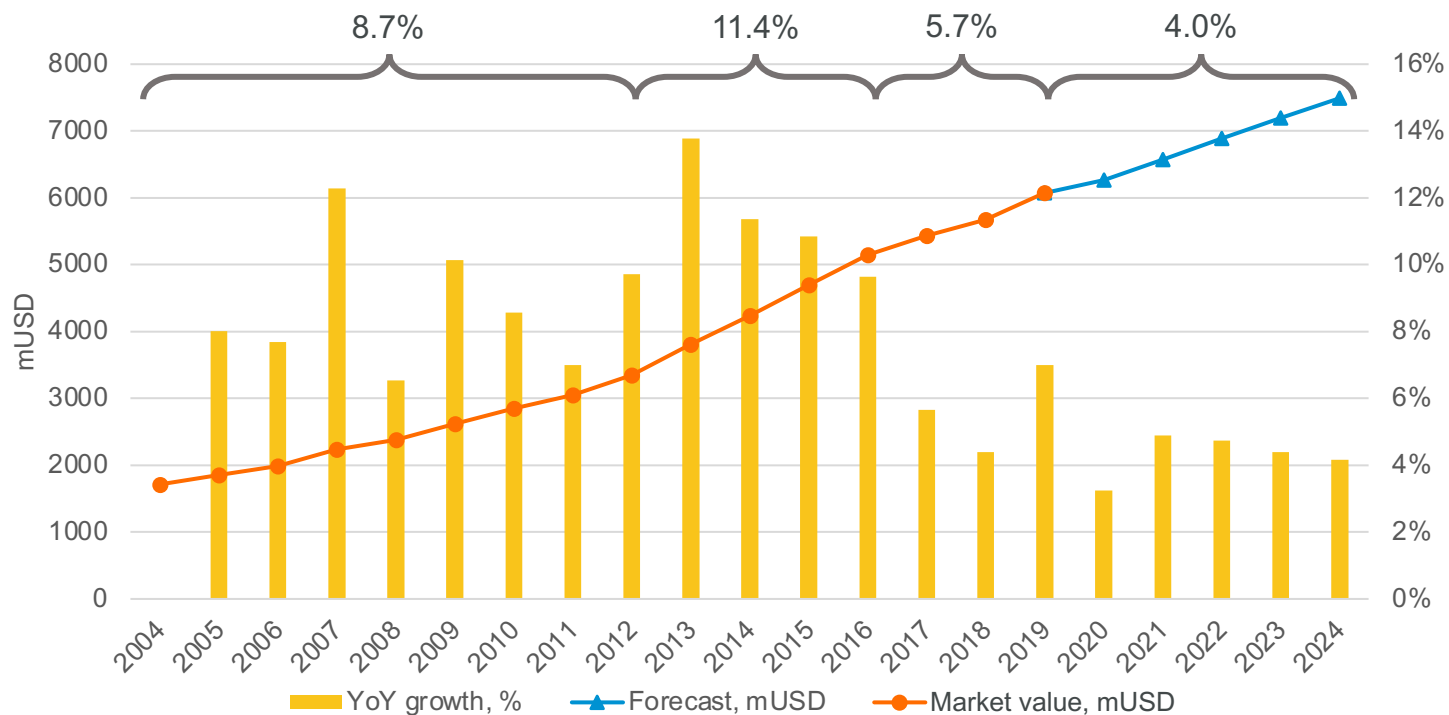


The global probiotics market

Increasing out-of-pocket healthcare expenditure



Global probiotic market





BioGaia has a unique business model

A vertical bar on the left side of the slide consisting of seven colored circles: yellow, orange, blue, green, light green, purple, and dark purple.

All BioGaia probiotics are clinically proven

217

...**clinical studies**. Results published in scientific journals



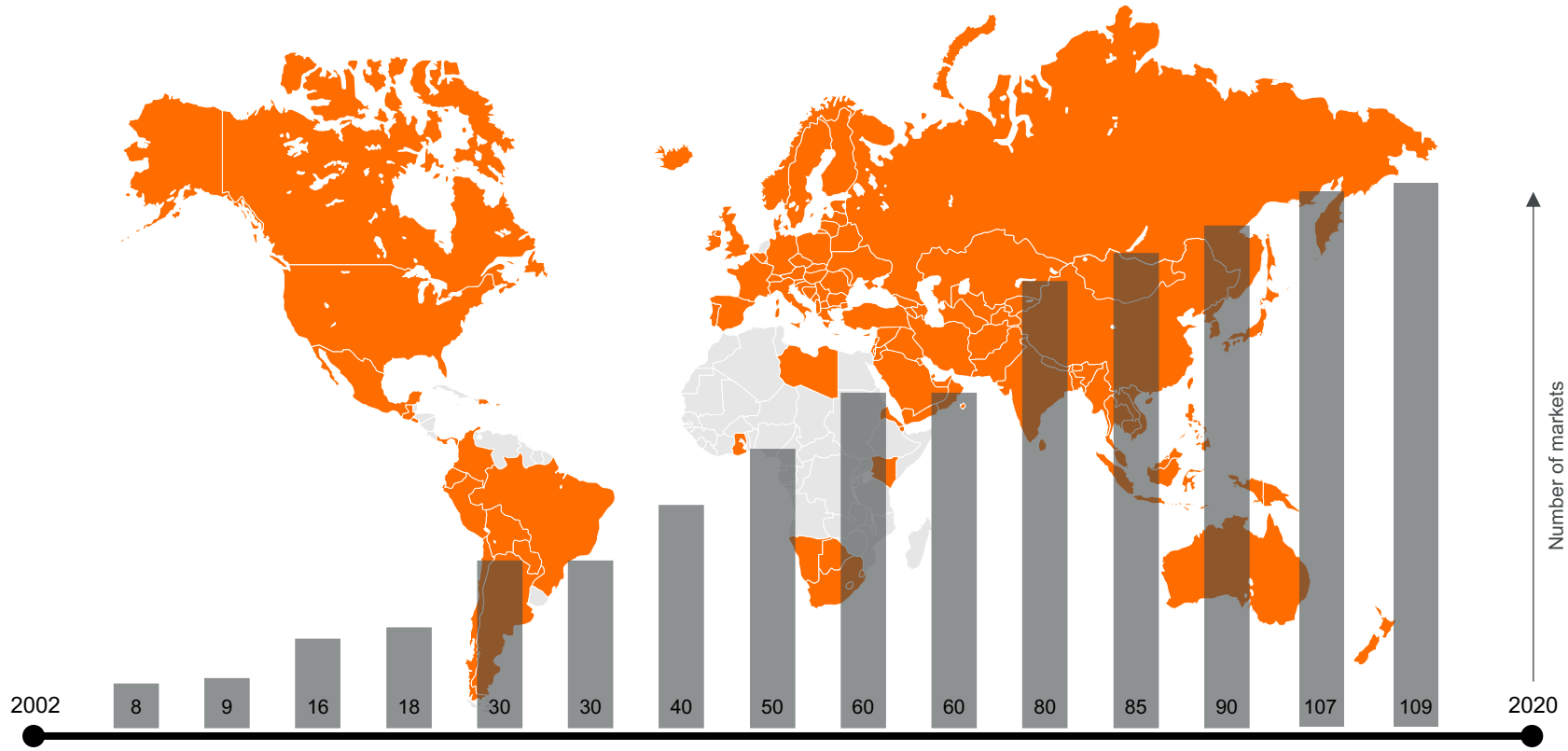
...**individuals of all ages** have taken part in clinical studies with BioGaia's human strains of *L. reuteri*

18,000





A global distribution network





BioGaia B2B2C business model

- **Business to Business:** we develop products and sell around the world via a network of partners
- **Business to Consumer:** we build a strong brand towards healthcare professionals and consumers



B2B2C – Medical marketing



BioGaia Academy



New target groups



Medical congresses



Digital campaigns for
healthcare professionals

B2B2C – Consumer marketing

- TV, radio and digital marketing (Facebook, Instagram, LinkedIn)
- Customer service





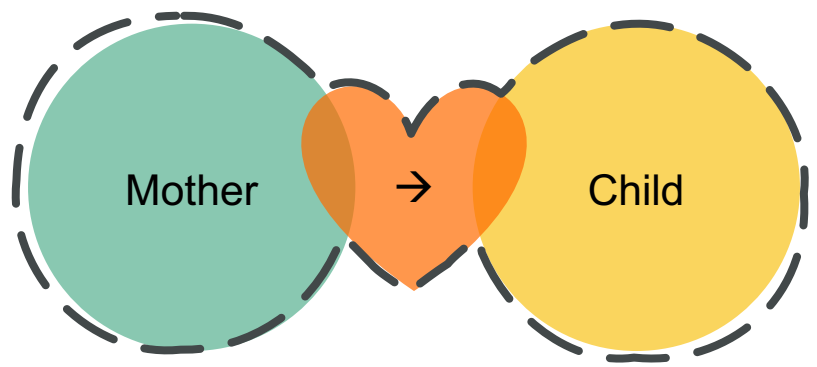
BioGaia focus areas



Mother & Child



Healthy ageing



Pregnancy



Birth



Infancy



Childhood



Healthy ageing

BioGaia focus on **prevention** of age-related conditions
and **maintenance** of general well-being

GUT HEALTH
Gut motility
Gut inflammation

ORAL HEALTH
Periodontal disease

BONE HEALTH
Bone loss
(osteopenia)

**INFECTION
PROTECTION**
Strengthen immune
system



Healthy ageing

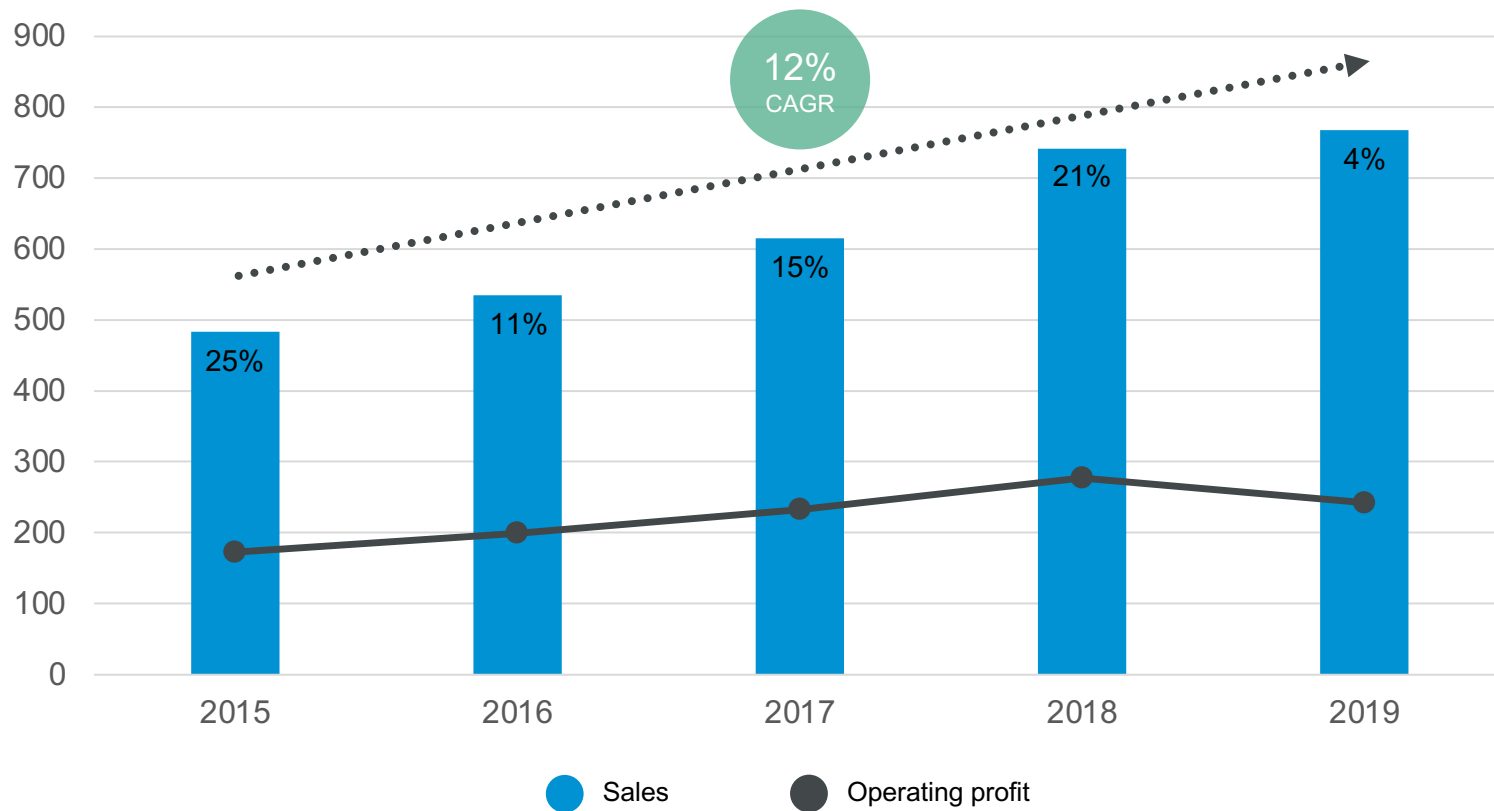
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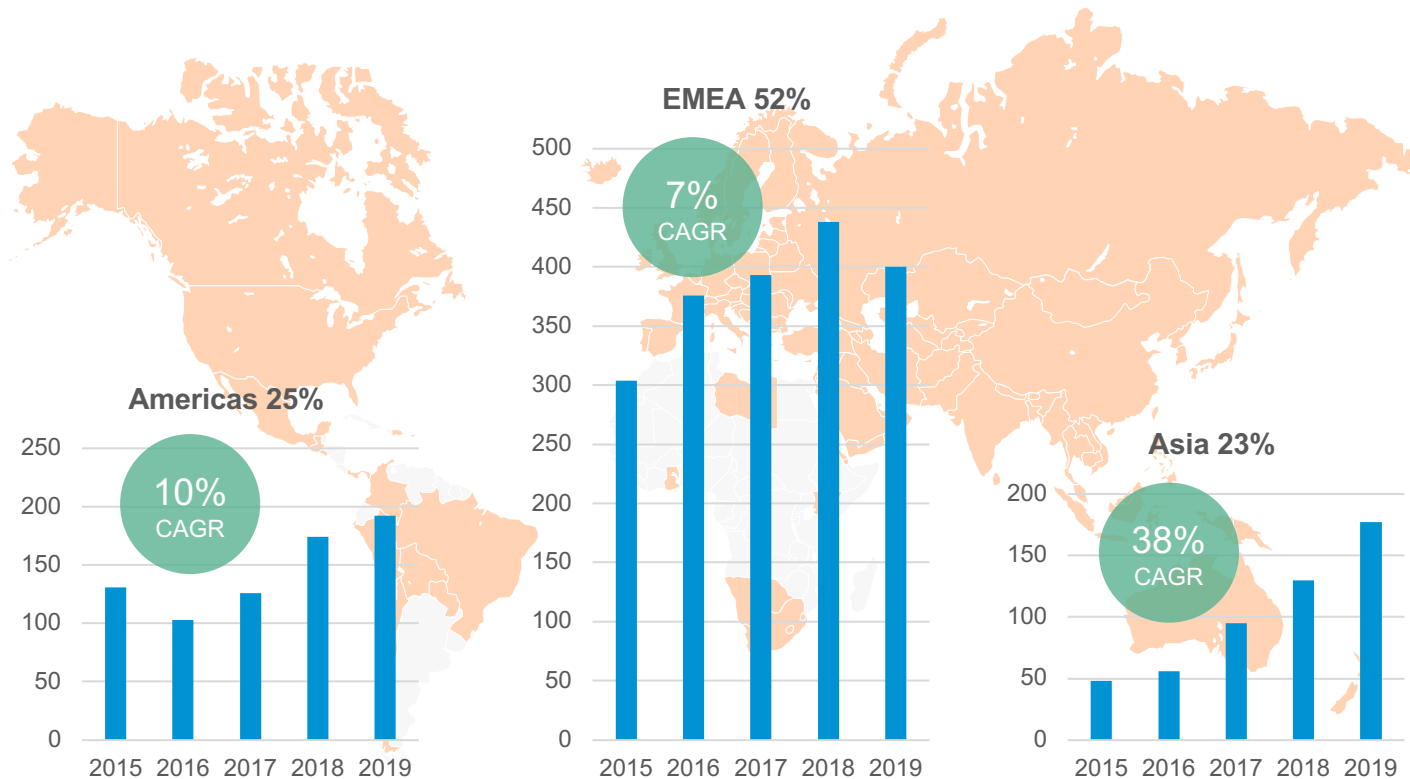


Sales and financial development

BioGaia 5-year development



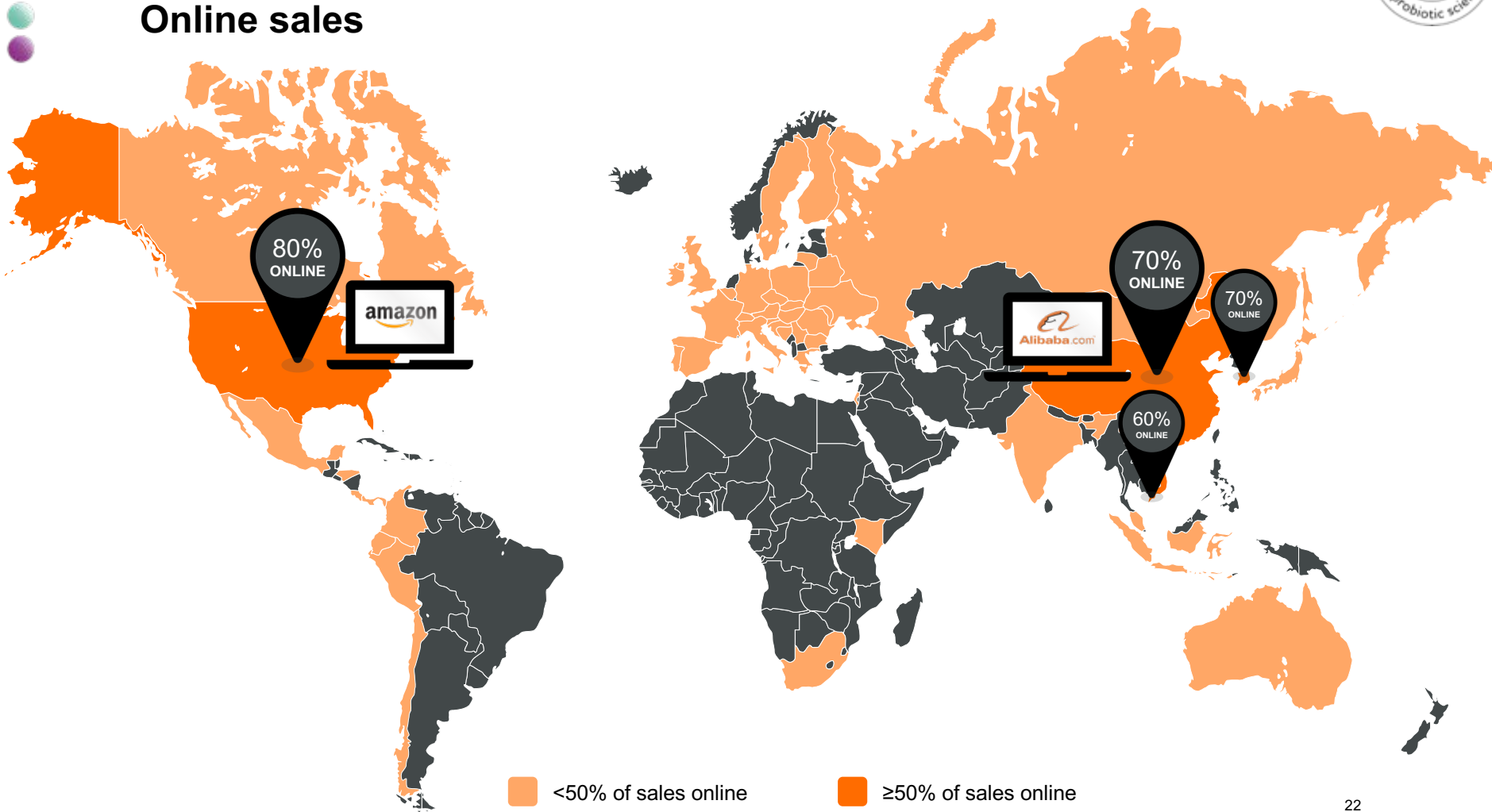
BioGaia regional sales development (MSEK)



Online sales



Online sales





Second quarter 2020 results

Quarter 2 2020 – Executive Summary



- Total sales +10% (8% excluding currency) mostly due to increased sales in Pediatrics. Product sales increased by 9%
- Good sales growth for BioGaia Protectis drops, BioGaia Prodentis and BioGaia Gastrus tablets
- Sales growth in all regions: EMEA (+1%), APAC (+23%) and Americas (+17%)



Quarter 2 2020 – Key Events

- Regarding COVID-19 BioGaia has continued to take a number of precautions to protect its employees and business. To date, impact on operations has been limited
- BioGaia launched Protectis Capsules in the Swedish market

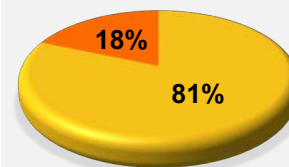
Sales per Segment (MSEK)

- Pediatrics sales +10% mostly due to increased sales of Protectis drops
- Adult sales +8% mostly due to increased sales of BioGaia Prodentis and BioGaia Gastrus tablets

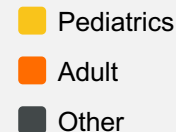
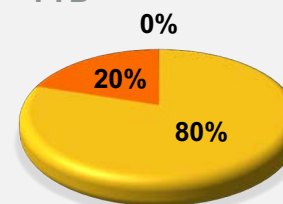
	Q2 2020	Q2 2019	Change	YTD 2020	YTD 2019	Change
Total Pediatrics	199	181	10%	342	315	9%
Total Adult health	44	41	8%	85	79	8%
Other	1	0	325%	1	0	374%
Total	245	222	10%	428	394	9%

Proportion Sales by segment

Q2 2020



YTD



Gross Margin per Segment

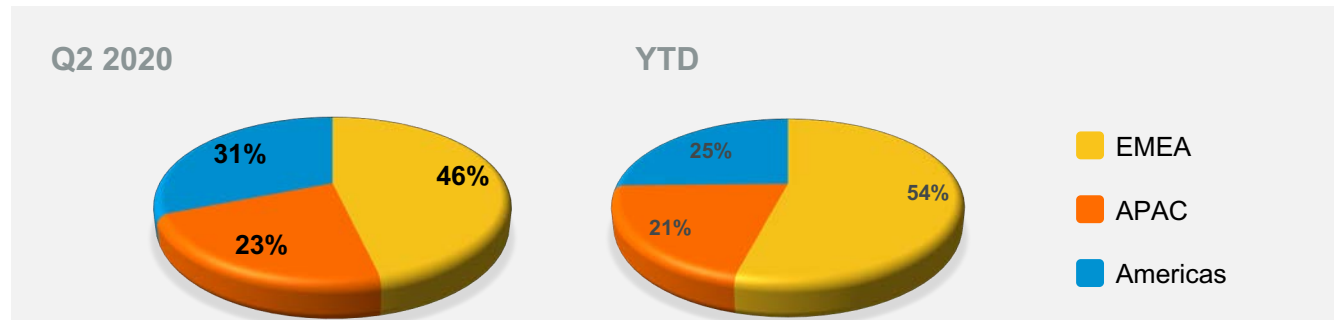
- Pediatrics: strong gross margin in the quarter
- Adults: lower margin due to increased transportation costs due to COVID-19

	Q2	Q2	YTD	YTD
	2020	2019	2020	2019
Pediatrics products	77%	74%	75%	74%
Adult health products	68%	72%	69%	71%
Total	75%	74%	74%	73%

Sales per Geographical Market (MSEK)

- Strong growth in **APAC and Americas** mainly due to increased sales in China and the US (increase partly due to periodization of orders in the US)
- Limited growth in EMEA due to weak performance in some countries including Italy and Finland

	Q2	Q2	Change	YTD	YTD	Change
	2020	2019	%	2020	2019	%
EMEA	113	112	1%	231	216	7%
APAC	55	45	23%	88	80	10%
Americas	76	65	17%	108	98	11%
Total	245	222	10%	428	394	9%

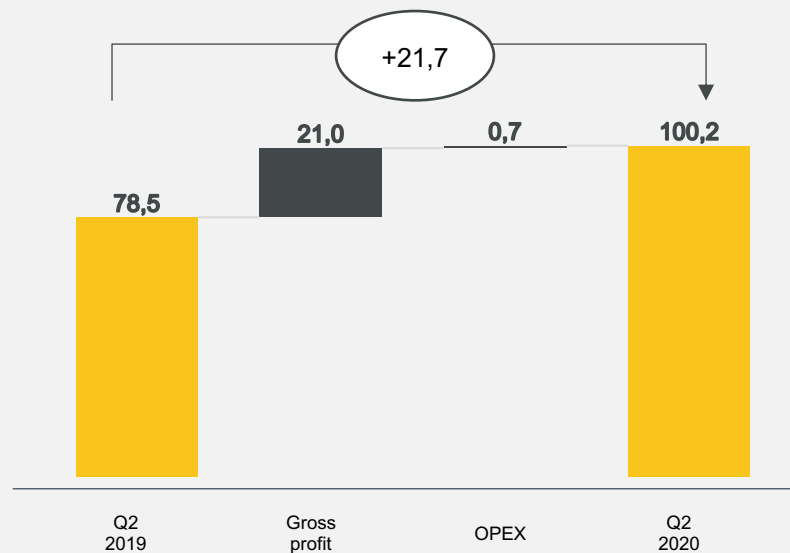


P&L (MSEK)

- Sales +10% and Gross Profit +13%
- OPEX -1%
- EBIT growth +28% - EBIT Margin 41%

	Q2 2020	Q2 2019	Change %	YTD 2020	YTD 2019	Change %
Sales	245	222	10%	428	394	9%
Gross Profit	184	163	13%	317	288	10%
OPEX	-84	-85	-1%	-162	-163	-1%
EBIT	100	79	28%	156	125	25%
EBIT Margin	41%	35%		36%	32%	
Profit after Tax	79	61	29%	121	97	25%
EPS	4.56	3.52	29%	6.97	5.58	25%

EBIT Bridge



Conclusion

Good performance Q1 and Q2, driven by

- Resilience of our paediatric portfolio despite health and economic crisis
- Growing consumer demand for probiotics with vitamin D to strengthen the immune system
- Fast track of our business model's digitalisation:
 - Scientific webinars with healthcare professionals
 - Digital meetings with our international distribution network allowing numerous roll-outs of BioGaia products despite lockdowns
 - Focus on e-commerce paying back with promising results in the USA, China and Vietnam
 - Social media content management in line with newly initiated B2B2C strategy
- Limited impact of COVID-19
- Difficult to predict future effects
- Strong financial situation – well equipped to address uncertainties and opportunities



BioGaia30

Celebrating **30** years of probiotic science

