



MARKET PERSPECTIVES

Lessons from companies that have built enduring businesses in Indonesia

BioGaia

14 Years of Building a Category Through a Local Partner

The company in Indonesia

BioGaia is a Swedish probiotics company founded in Stockholm in 1990 and listed on Nasdaq Stockholm. It develops, manufactures and sells supplements based on patented strains of *Limosilactobacillus reuteri* (*L. reuteri*) for gut health, immune health, and oral health, and invests roughly 10 percent of net sales in research and development. Net sales reached SEK 1 538 million in 2025, and the products are sold through distribution partners (partnerships with nutrition and pharmaceutical companies) and through our own distribution (subsidiaries) in over 100 countries.

Indonesia is a partner market, and has been since the beginning. *L. reuteri* first reached Indonesian consumers in 2007 through partner-branded tablets, and Nestlé introduced the strain in infant formula in 2011. The business took its present shape in 2012, when PT Interbat — a Jakarta pharmaceutical company founded in 1948, with a plant in Sidoarjo, East Java — launched the drops under the Interlac brand and detailed them to paediatricians. Interlac now spans drops, sachets, chewable tablets and lozenges. BioGaia itself has no entity in the country. The logic of the timing was simple: one of the most populous countries in the world, entered early, through distributors already established in the relevant channels.

Company snapshot

Sector	Probiotics; health supplements (suplemen kesehatan)
Global headquarters	Stockholm, Sweden; listed on Nasdaq Stockholm (BIOG B)
In Indonesia since	2007 through partner brands; 2012 through PT Interbat as Interlac
Market model	Distribution partnership through local distributors; no BioGaia entity in Indonesia
Indonesian partner	PT Interbat, founded 1948; Jakarta head office, Sidoarjo plant
Scale	Net sales SEK 1 538 million (2025); 100+ markets; >290 clinical studies
Websites	biogaiagroup.com · biogaia.com · interbat.co.id

Timeline

2007	L. reuteri reaches Indonesian consumers for the first time, as tablets under a partner's brand.
2011	Nestlé introduces infant formula containing the strain in Indonesia.
2012	PT Interbat launches the drops as Interlac, detailing them to paediatricians rather than retail.
2015	Tablet format re-launched in Indonesia.
2016	Powder format launched in Indonesia.
2020	Oral health lozenge launched in Indonesia.
2023	BioGaia's chief executive attends the Jakarta launch of a probiotic-and-vitamin D extension.

Lessons from 14 years in Indonesia

Fourteen years in one market leaves a record of what worked and what cost time. Five points stand out, and none of them are particular to probiotics.

1. Relationships matter more than transactions

The Indonesian business rests on one relationship that has held for fourteen years. Interbat is not a logistics contractor: it holds the BPOM registrations, employs the medical representatives, funds the marketing and carries the inventory risk, while BioGaia supplies strain, product and evidence. The partnership has instead evolved over time, expanding from a single infant product into four dosage forms covering newborns through adults. BioGaia's own account of what made it work is short: a strategic partner with the same long-term view, and persistence in building presence across every channel.

2. Local presence beats remote management

BioGaia has no office in Jakarta, which makes the point in reverse: the local presence is Interbat's. What the company does not delegate is contact. Executives travel, launches are attended in person, and the medical narrative is carried to Indonesian paediatricians in collaboration with BioGaia and international scientists. Operations can sit with a capable partner; technical credibility cannot be managed by email from Stockholm.

3. Invest in local talent

The clinical work done in Indonesia is the clearest example. Nine published studies have been run in Indonesian patients — newborns, premature infants, children and adults — alongside the global clinical trials. That evidence exists because Indonesian investigators and hospitals were



engaged. In a market where the paediatrician decides what a parent buys, local investigators contribute to locally relevant scientific evidence, while trained medical representatives help communicate the evidence to healthcare professionals.

4. Compliance is a capability, not a cost

A supplement cannot be sold in Indonesia without a BPOM registration held by a local entity. Product registration was the hardest part of the early years, and it is the one thing BioGaia says it would start sooner if it began again. Interbat holds the registrations; BioGaia's contribution is documentation built to answer questions a regulator has not asked yet — for a live-culture product, the production chain and not only the finished formulation.

5. Think in decades, not annual budgets

Building a probiotic category in a market that had little idea what a probiotic was took the full fourteen years. The early work was clinical education aimed at doctors, with almost no consumer visibility; brand recognition and e-commerce volume came much later. Patience and flexibility in meeting local requirements were the working method rather than a concession, and the partner-led model is the one BioGaia intends to keep.

Adapting Swedish Business Practices to Indonesia

Little about the product changes between Stockholm and Jakarta. What changes is who decides, who approves and where the sale happens — and each of those differences has had to be worked into how the business is run.

Sweden / Nordics	Indonesia
The consumer chooses the supplement	The paediatrician's recommendation drives first purchase
EU or US approval demonstrates safety	BPOM runs its own assessment; approvals do not transfer
The pharmacy shelf is the channel	Pharmacy, marketplaces and social commerce in parallel
Own brand from the outset	The partner's brand may carry the category for years
One national market	Java-centred distribution, 38 provinces beyond it

The Swedish contribution

What BioGaia brings is documented evidence to its *L. reuteri* bacterial strains, that are among the most scientifically validated probiotics globally. The company has spent three decades funding trials rather than claims — a discipline that suits a market where BPOM restricts what a



supplement may say and where doctors, not advertising, open the category. Live cultures also have to be manufactured, shipped and stored under controlled conditions to reach a pharmacy shelf with the labelled count intact. Neither capability is quickly copied.

Fourteen years to build a category, held together by one partnership and a body of clinical evidence. Neither could have been bought quickly.

– Hok Ting Yau, Regional Director

Advice to companies entering Indonesia today

Asked what they would tell a Swedish company looking at Indonesia now, BioGaia's answer was short: think long term, stay flexible, and work with someone already established in the industry. The two lists below follow from that.

Three recommendations

1. Build trust and relationships before pursuing sales.
2. Work with a partner already established in your industry.
3. Plan in decades, and start product registration earlier than feels necessary.

Three mistakes to avoid

1. Competing only on price.
2. Underestimating geography.
3. Treating compliance as administration.

Looking ahead

Demand in the Indonesian supplements market is expanding rather than shifting — from paediatric use towards oral and adult health. BioGaia's adult segment grew faster than its paediatric segment worldwide in 2025, and urban Indonesian consumers are following the same path towards preventive gut, oral and immune health, with awareness driven by omni-channel exposure and online channels above all. Looking ahead, BioGaia sees continued opportunities to develop the Indonesian market together with strong local expertise and in response to evolving consumer needs.