

A photograph of a man standing in a field of green crops, likely soybeans. He is wearing a straw hat and a red and black plaid shirt, with his arms crossed. The background shows a rolling green field under a clear sky.

# Chr. Hansen Holding A/S Annual General Meeting 2019

November 27, 2019

**CHR HANSEN**

*Improving food & health*

# Agenda

- 1   ▶ Report on the Company's activities
- 2   ▶ Approval of the 2018/19 Annual Report
- 3   ▶ Resolution on the appropriation of profit
- 4   ▶ Resolution on remuneration of members of the Board of Directors
- 5   ▶ Proposal from the Board of Directors
- 6   ▶ Election of members to the Board of Directors
- 7   ▶ Election of a company auditor
- 8   ▶ Authorization of the Chairman of the Annual General Meeting

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Welcome





**7%**

Organic growth

9% in 2017/18



**29.6%**

EBIT margin b.s.i.<sup>1</sup>

29.2% in 2017/18



EUR **229**<sub>m</sub>

Free cash flow b.s.i.a.<sup>2</sup>

EUR 196m in 2017/18

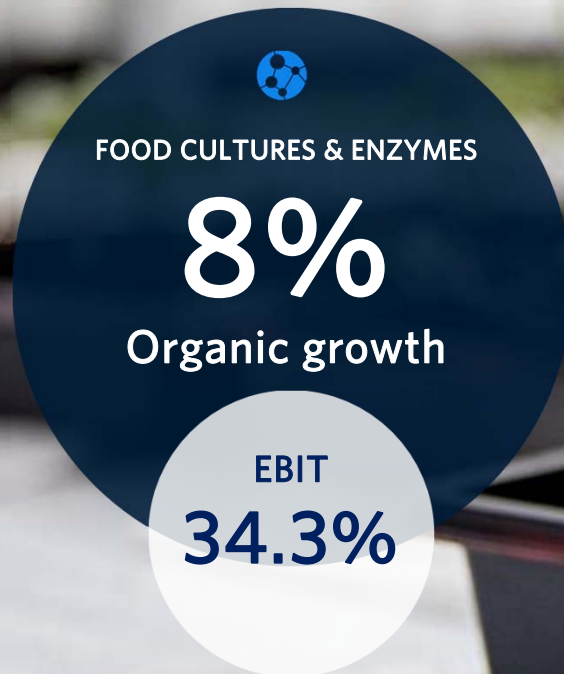
<sup>1</sup> Before special items

<sup>2</sup> Before special items and acquisitions

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## Divisional performance





## Cash returned to shareholders (in EUR million)



2017/18



2018/19



2019/20

EUR **0.95** per share  
DKK 7.07



## Total Shareholder Return



1Y

**+9%**  
Peer group

**-3%**  
Nasdaq OMX  
C25 index

**-11%**  
Chr. Hansen  
share

5Y

**+124%**  
Peer group

**34%**  
Dow Jones  
Eurostoxx\*

**+235%**  
Chr. Hansen  
share

\* Dow Jones Eurostoxx chosen for the 5-year comparison as the C25 index began in December 2017

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## Guidance for 2019/20

**4-8%**

Organic growth



**~29.5%**

EBIT margin b.s.i.<sup>1</sup>



EUR **~190<sub>m</sub>**

Free cash flow b.s.i.a.<sup>2</sup>

<sup>1</sup> Before special items

<sup>2</sup> Before special items and acquisitions

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A microscopic view of numerous Lactobacillus bacteria, which are rod-shaped and often appear in chains or pairs. The bacteria are light purple or white against a dark blue background.

# The power of good bacteria





[chr-hansen.com/  
goodbacteria](https://chr-hansen.com/goodbacteria)





# Nature

the greatest scientist of all time

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# Leading player in the food industry





# BACTERIA

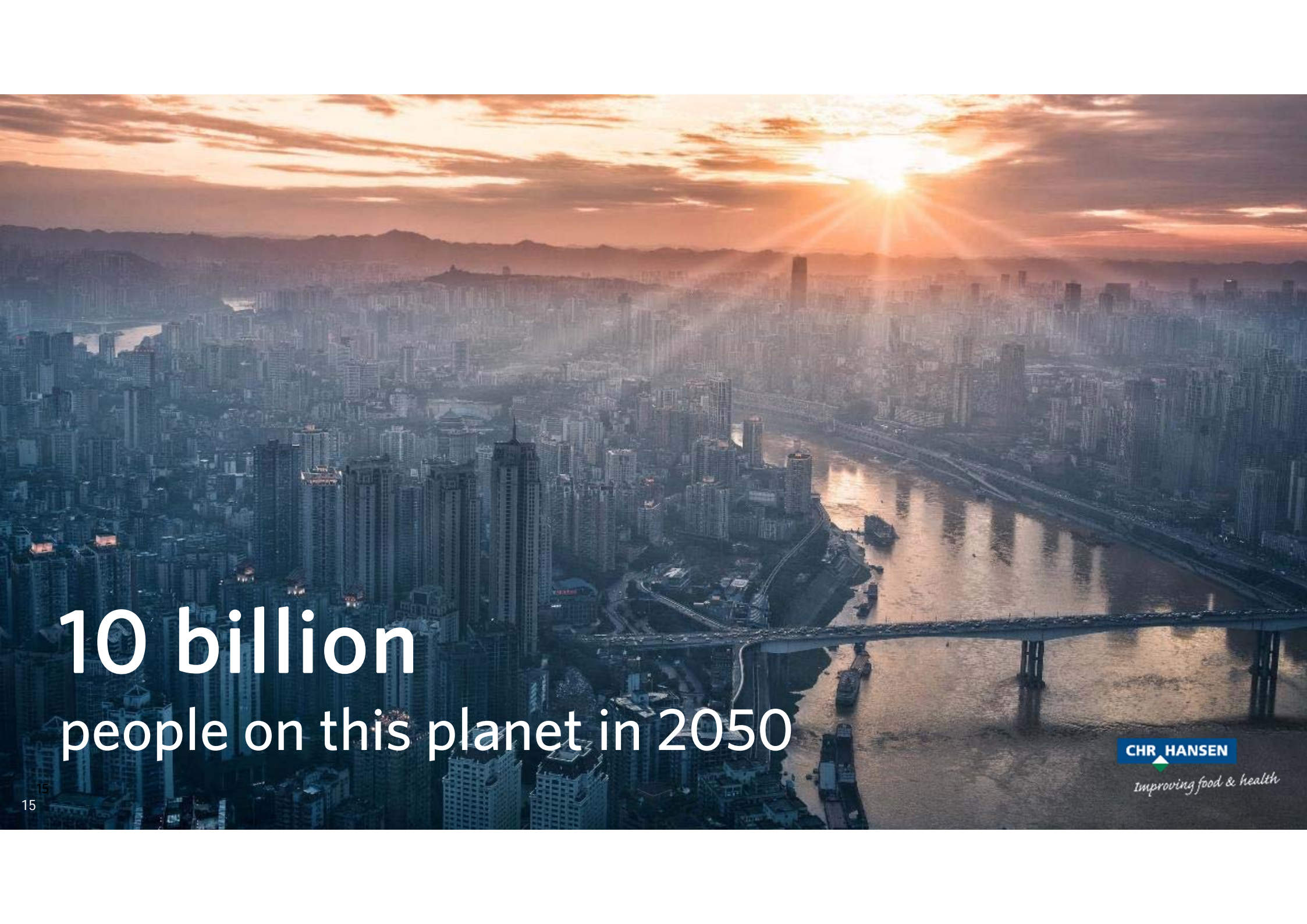
A close-up photograph of a newborn baby lying on its back on a light-colored surface. The baby has dark hair and eyes, and its mouth is open in a happy expression. An adult's hand is visible, gently stroking the baby's belly. The background is softly blurred, showing a domestic setting.

Leading producer of  
**good bacteria**

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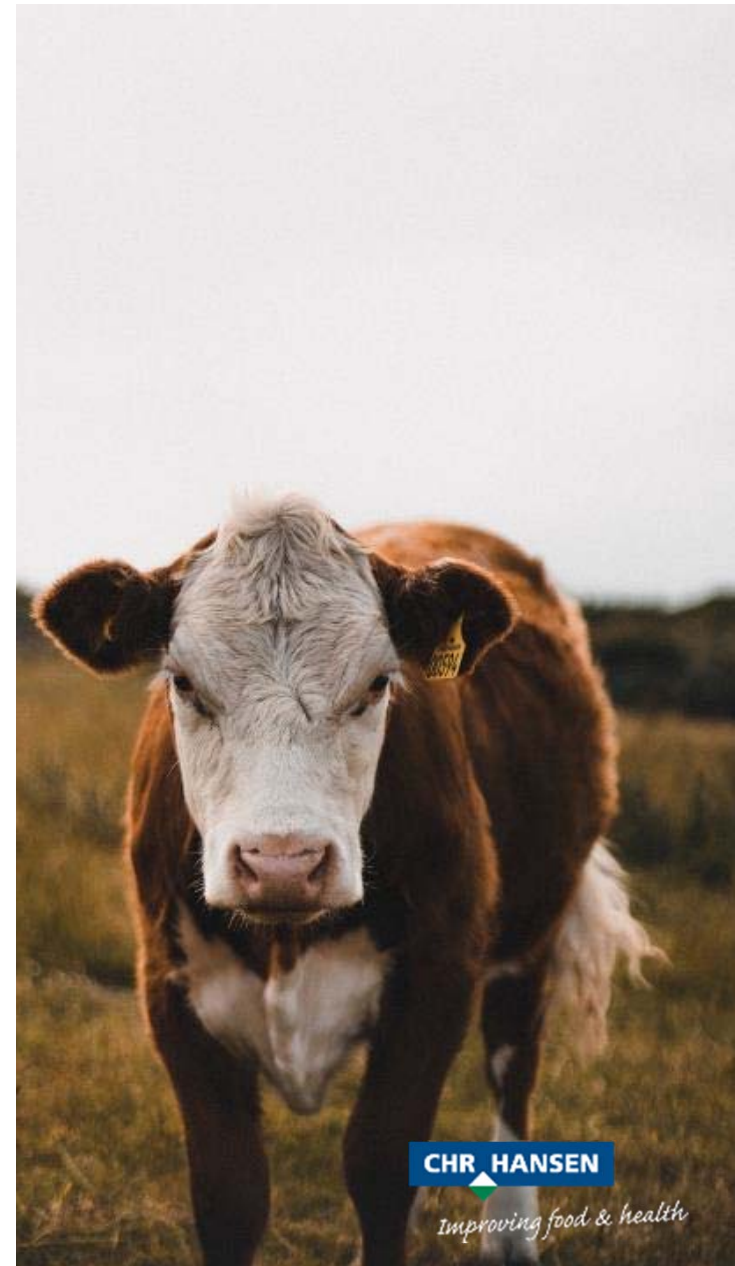
An aerial photograph of a sprawling, densely populated city, likely Hong Kong, captured during a dramatic sunset. The sun is a bright, glowing orb in the upper right, casting long, golden rays across a sky filled with soft, orange-hued clouds. The city below is a vast, intricate tapestry of high-rise buildings, their windows reflecting the ambient light. A wide river or harbor winds through the lower right portion of the frame, with several large cargo ships and smaller boats visible on its surface. A prominent bridge spans the water in the foreground. The overall atmosphere is one of a bustling, modern metropolis at the close of a day.

10 billion  
people on this planet in 2050

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World's most  
**sustainable company**

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NASDAQ CONGRATULATES  
CHR. HANSEN

AS #1 MOST SUSTAINABLE  
COMPANY IN THE WORLD

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Corporate Knights 2019 Global Top 100



You  
have  
perf  
be h

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Clear  
environmental and  
social benefits

Documented  
impact



82 %

of revenue has positive  
impact on SDGs



# Progress on commercial goals

## BETTER FARMING

25m

hectares of farmland  
treated with natural  
solutions

(2025)



## GOOD HEALTH

6

new products launched  
with health effect

(2022)



## LESS WASTE

1.2m

tons of yoghurt  
waste reduced

(2022)





# Progress on operational goals:

## Workplace responsibility

### INCIDENTS

**$\leq 1.8$**

Lost Time Incident  
Frequency  
(2022)



### DIVERSITY

**30%**

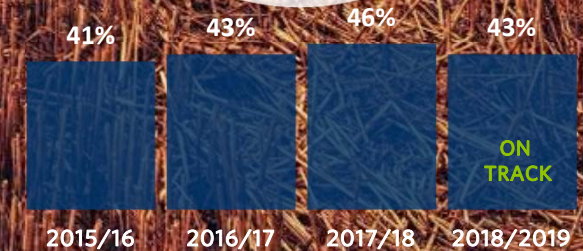
women at  
Directors+ level  
(2022)



### DIVERSITY

**55%**

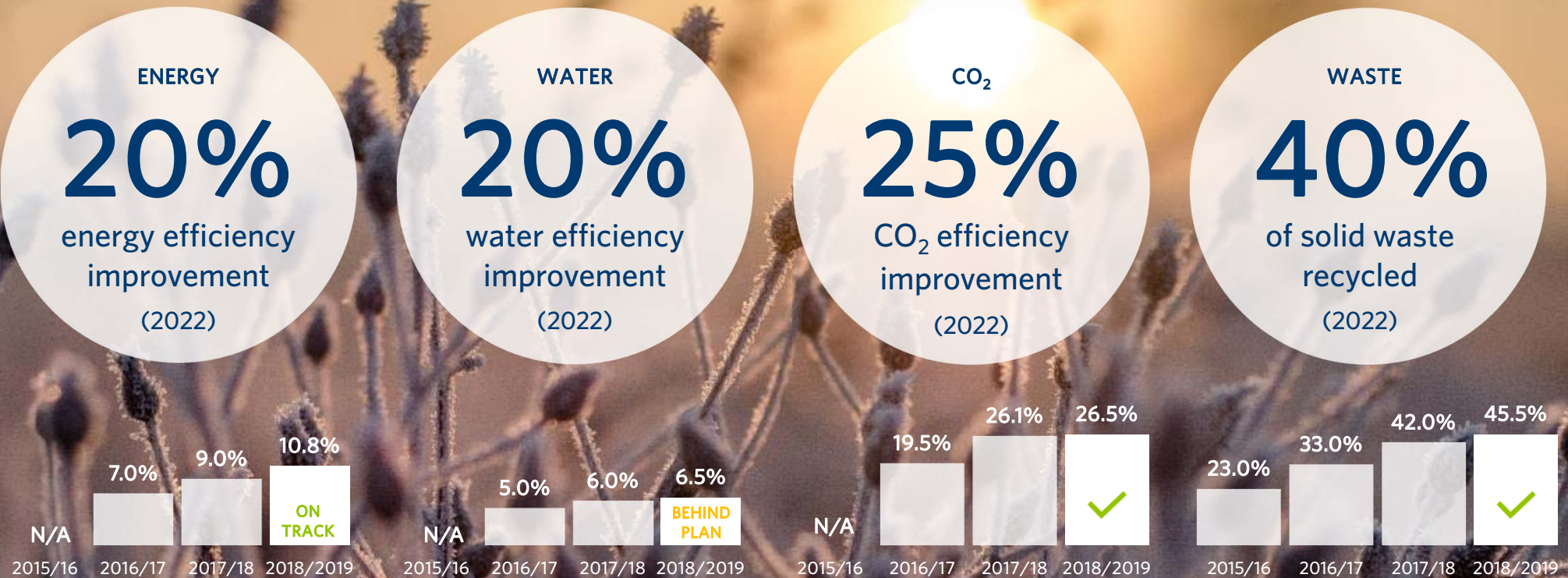
non-Danes at  
Directors+ level  
(2022)





# Progress on operational goals:

## Climate and Environment





# Fit for the future

**Nature's**  
Sustainably  
**no. 1™**

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# Taking care of employees



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# Engagement matters

4.28

Grand mean score

Top strengths:

**Expectation  
Care**

Room for improvement:

**Recognition  
Best friend**

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# Strong leadership

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# Culture

**We work for  
a better world**

**We rely on  
each other**

**We act with  
freedom**

**We deliver  
results**

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# Diversity and inclusion



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An aerial photograph of a winding asphalt road through a dense forest. The trees are in various stages of autumn, with many showing bright yellow and orange foliage, while others remain green. The road curves through the landscape, and a small white car is visible on one of the curves. The overall scene is serene and natural.

The future is powered by

# Good bacteria

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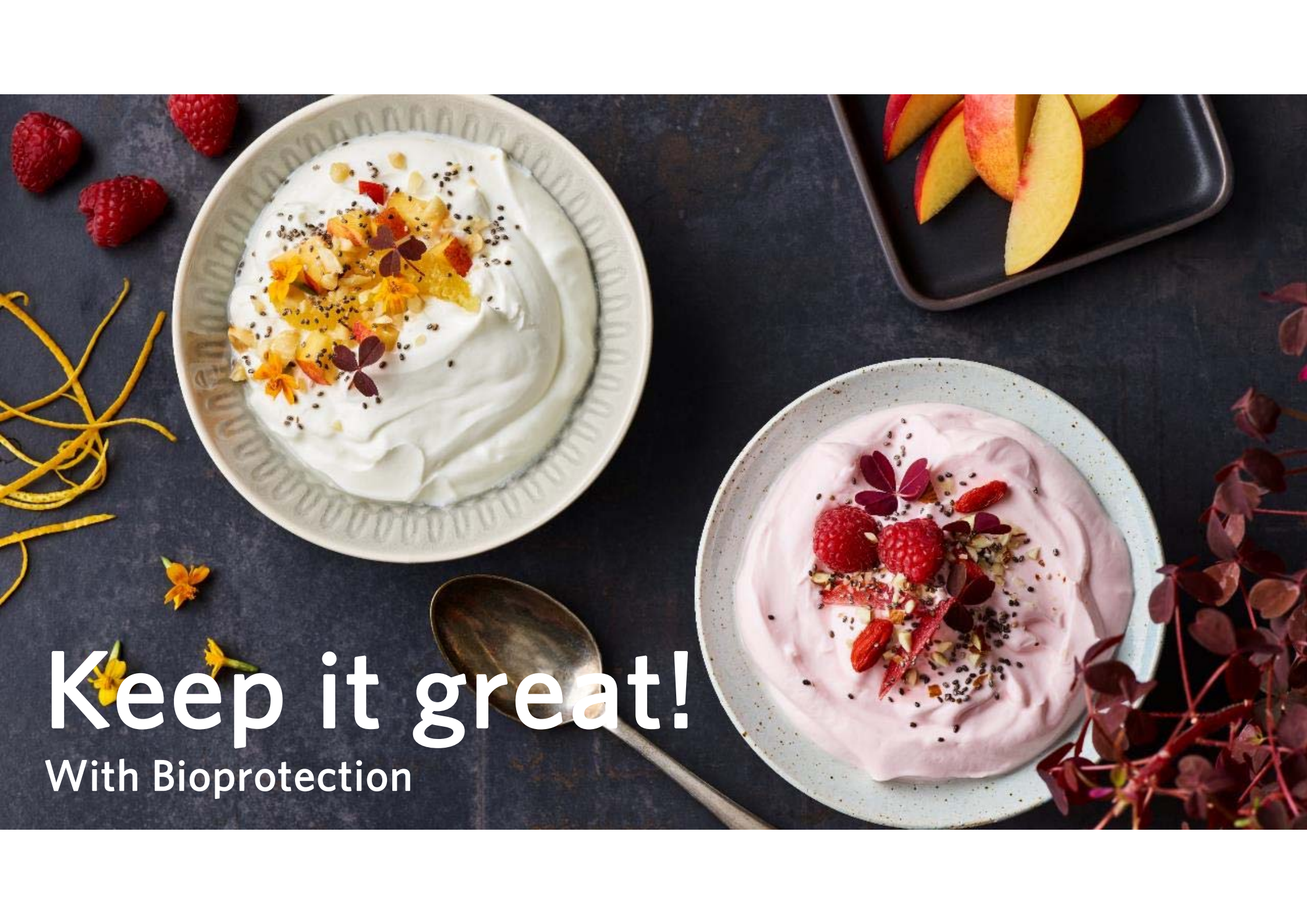
A photograph of a white lighthouse with a green band and a black lantern room, situated on a rocky pier extending into the ocean. The sky is a mix of orange, pink, and blue, indicating sunset or sunrise. The water is calm, and the rocks are dark and jagged.

## Progress on lighthouses and key innovations

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# Keep it great!

With Bioprotection



A woman with dark curly hair and sunglasses on her head, wearing a blue denim jacket, is looking down at a small white rectangular product she is holding in her left hand. She is standing in a grocery store aisle, with shelves of various products visible in the background. The image is split into two panels by a vertical line. The left panel shows the woman's face and upper body, while the right panel shows her hands holding the product. The background is a blurred view of a grocery store aisle with shelves of products.

Authentic  
Tasty  
Safe  
Healthy  
Convenient





Pioneering science





1/3



An aerial photograph of a city. The foreground is filled with a dense, sprawling residential area with many small, closely packed houses, mostly with reddish-brown tiled roofs. In the background, a modern city skyline is visible, featuring numerous tall skyscrapers and commercial buildings. The sky is blue with scattered white clouds. Overlaid on the right side of the image is white text.

In 2050 we will be  
**10 billion**  
**people**



# Keeping food safe and fresh

using good bacteria



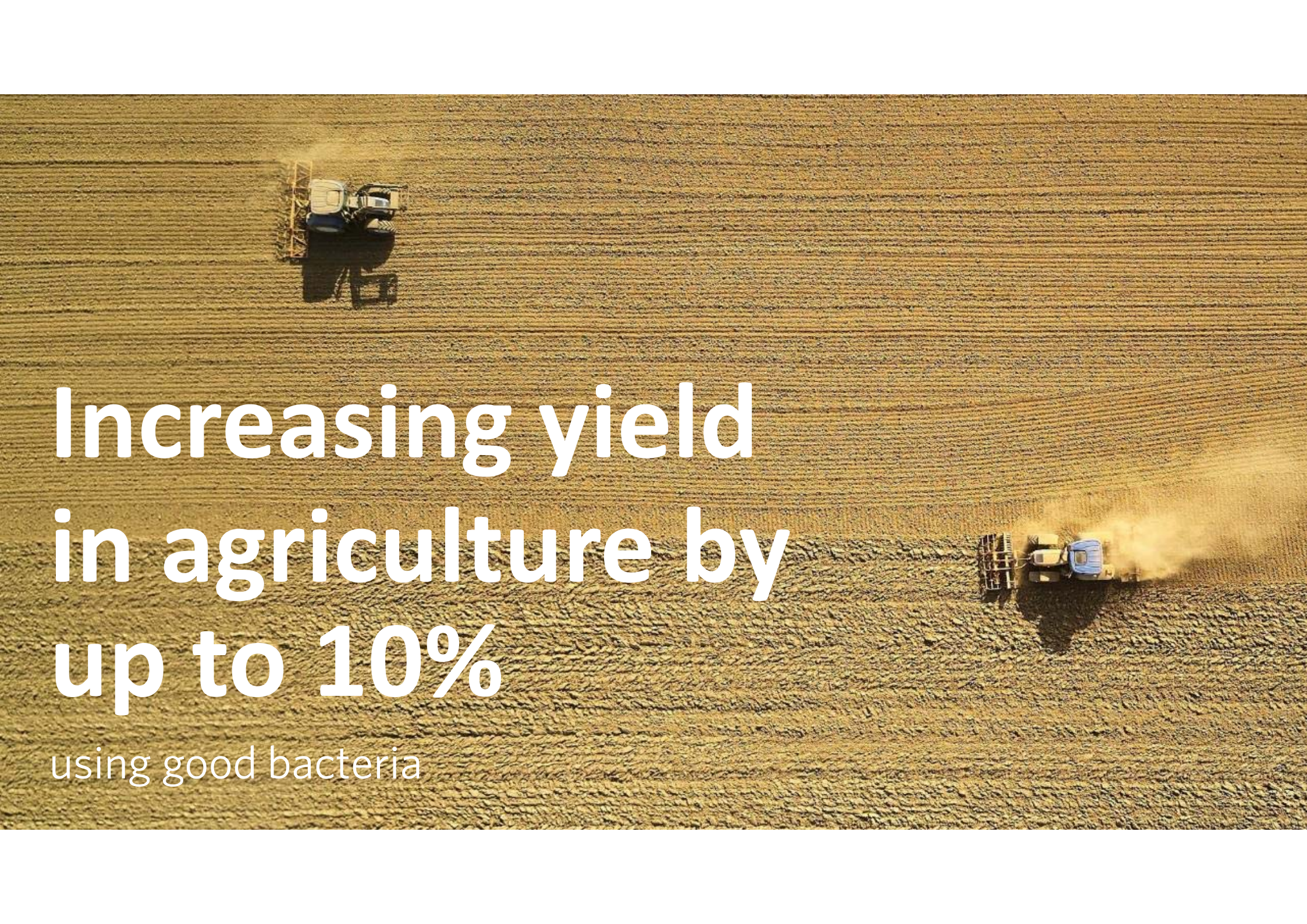




Agricultural efficiency has to

**Increase by 70%**

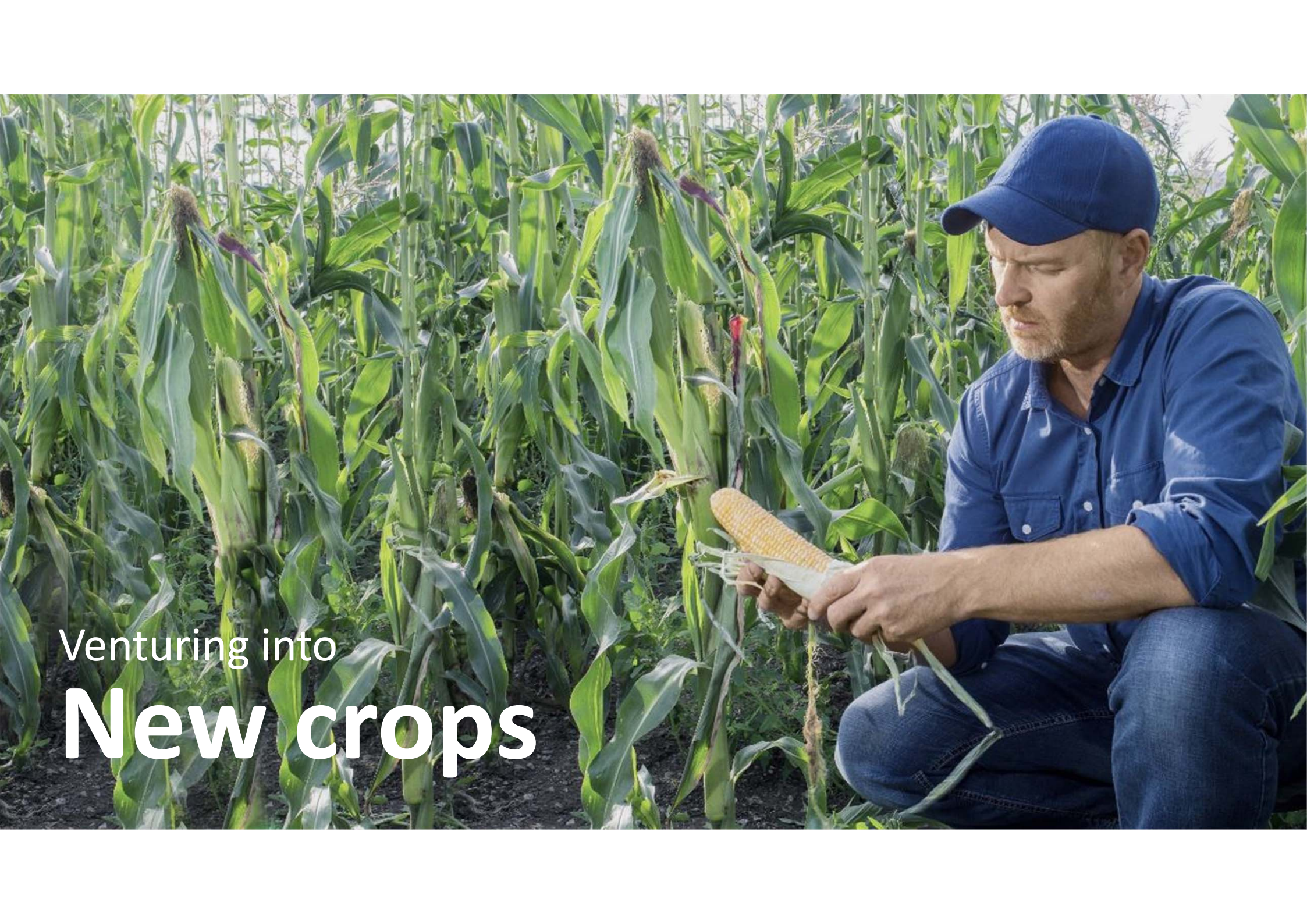




# Increasing yield in agriculture by up to 10%

using good bacteria





Venturing into  
**New crops**





# Trillions of good bacteria

lives in our gut from shortly after birth



# The gut

is our second brain

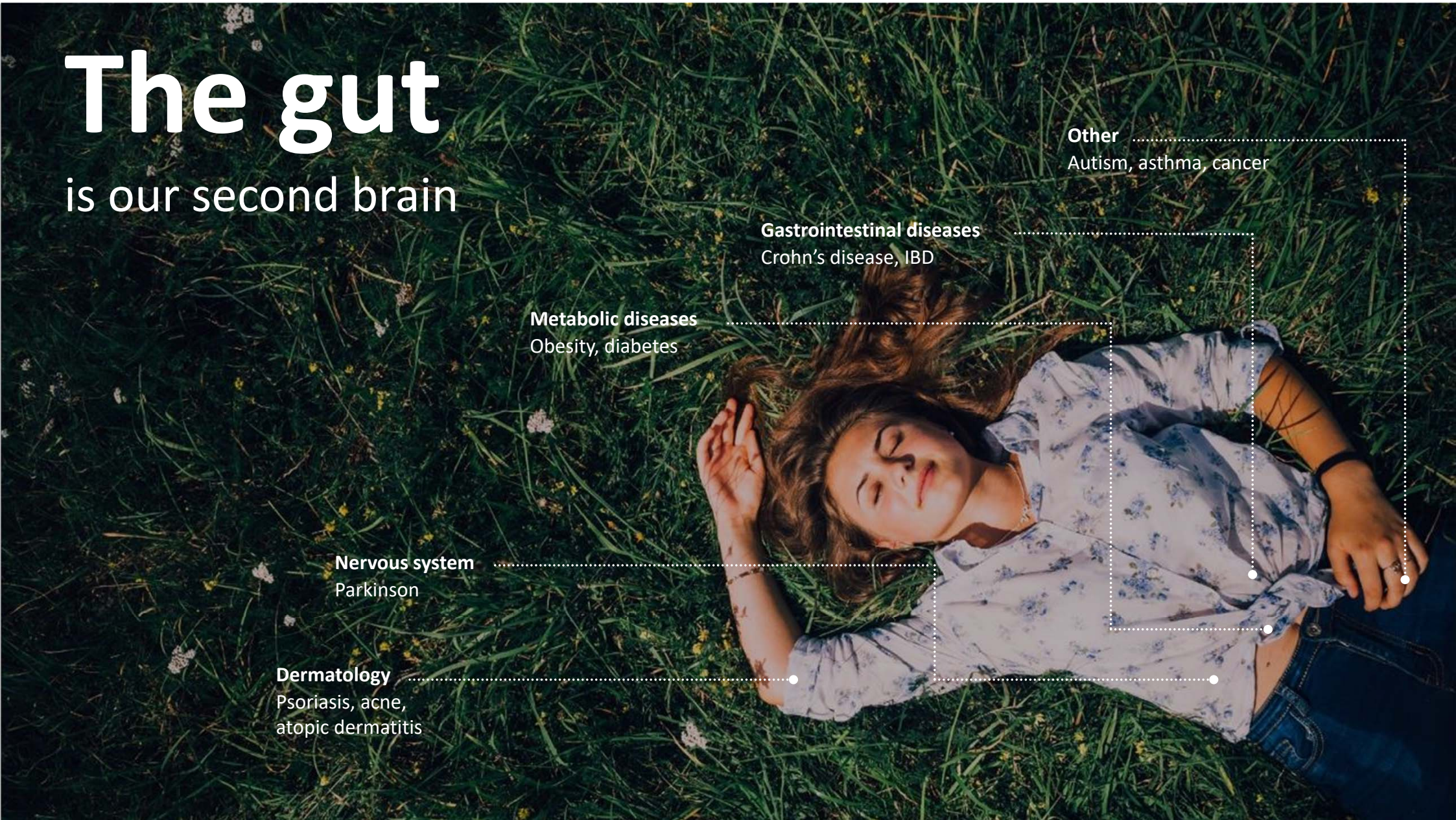
**Dermatology**  
Psoriasis, acne,  
atopic dermatitis

**Nervous system**  
Parkinson

**Metabolic diseases**  
Obesity, diabetes

**Gastrointestinal diseases**  
Crohn's disease, IBD

**Other**  
Autism, asthma, cancer





Enabling a new industry with

# BACTERERA







Commercializing  
innovations



# Getting more out of milk

with CHY-MAX<sup>®</sup> Supreme

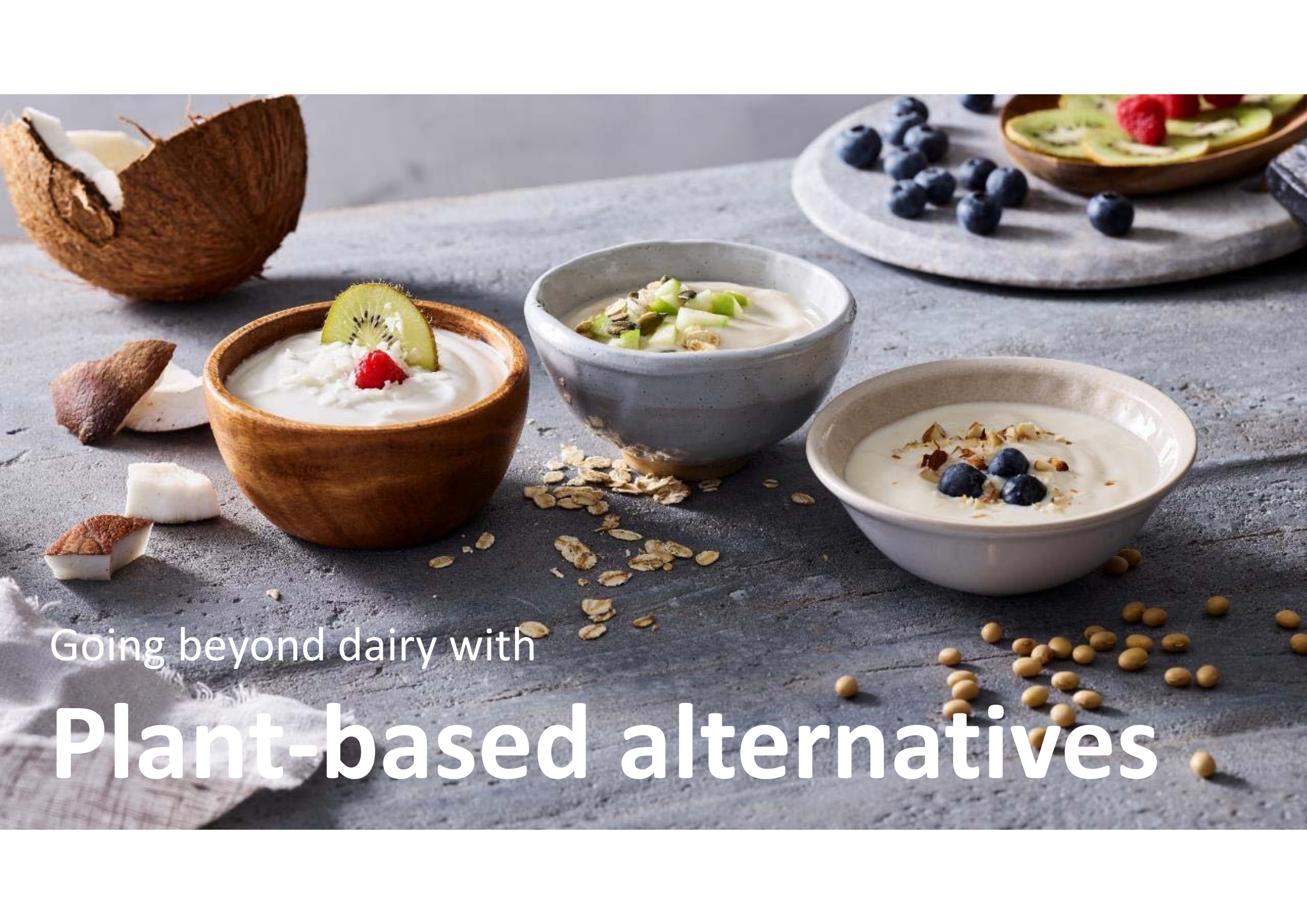




The image shows two white ceramic bowls filled with a thick, pink yogurt. The bowl on the left is topped with two fresh raspberries, chopped pistachios, and a dusting of dark purple powder. The bowl on the right is topped with a mix of green pumpkin seeds, red pomegranate seeds, and white coconut flakes. A wooden spoon lies to the right of the bowls. In the upper right corner, there are some pink flower petals and a small green stem. The background is a light grey, textured surface.

Award winning  
**Sweetie<sup>®</sup> Y-1**





Going beyond dairy with

# Plant-based alternatives





**A red like no other**

the Hansen Sweet Potato™

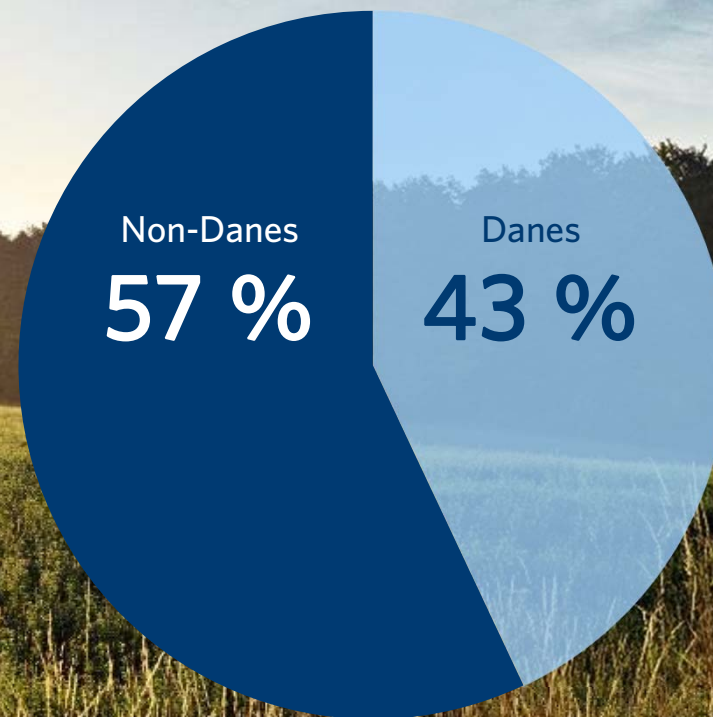
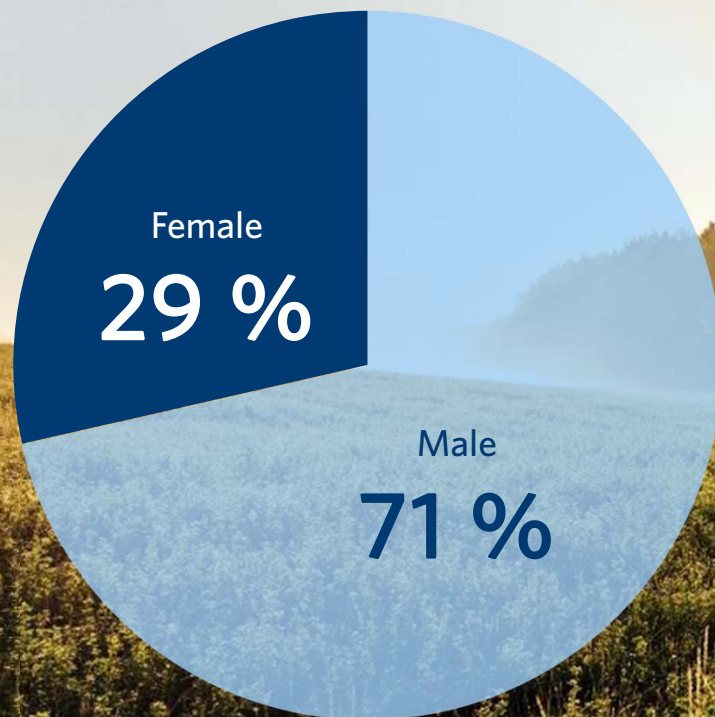


Continuing to bring innovations  
**faster to market**





# Composition of the Board



*Charts show shareholder elected members. The 4 employee elected members are 2 female and 2 male Danes.*





# Evaluation of the Board of Directors



## Management remuneration: Executive Board

EUR million	2017/18	2018/19
Base salary & pension	2.0	2.4
Short-term incentive cash & RSU	1.8	1.3
Long-term incentive (matching shares)	1.6	1.1
Other	0.1	0.7
<b>TOTAL</b>	<b>5.5</b>	<b>5.5</b>



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# Resolution on remuneration of members of the Board of Directors

Fees in DKK	2018/19	2019/20 Proposal
<b>Board of Directors</b>		
Members	400,000	400,000
Chair	x3	x3
Vice chair	x2	x2
<b>Committee chairs</b>		
Audit	300,000	300,000
Scientific & Remuneration	250,000	250,000
Nomination	200,000	200,000
<b>Committee members</b>		
Audit, Scientific	150,000	150,000
Nomination, Remuneration	125,000	125,000

*In addition to the fees, board members and committee members receive a fixed travel allowance of EUR 3,000 in connection with travel to Board and/or committee related meetings outside their country of residence. Previously, travel allowance has only been received in connection with overseas travel.*



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# Remuneration Policy Proposal

The revised Remuneration Policy includes the following substantive changes compared to the current policy and guidelines:

- **Short-term incentive (cash bonus and restricted stock units) for the Executive Board:**
  - The target value for the chief executive officer (CEO) may not exceed 85% of the annual base salary including pension, and 70% of the annual base salary including pension for the other members of the Executive Board. Previously no target value was applied.
  - The maximum value for the CEO may not exceed 120% of the CEO's annual base salary including pension, and 95% of the annual base salary including pension for the other members of the Executive Board. The maximum value was previously 120% of the annual base salary for all the Executive Board members, excluding pension and other accessory payments.
  - Minimum one third (1/3) of the earned short-term incentives will be granted in the form of restricted stock units.
- **Long-term incentive (matching shares) for the Executive Board:**
  - The target value for the CEO may not exceed 80% of the annual base salary including pension and 60% of the annual base salary including pension for the other members of the Executive Board. Previously no target value was applied.
  - The maximum value for the CEO may not exceed 125% of the annual base salary including pension, and 90% of the annual base salary including pension for the other members of the Executive Board. The maximum target value was previously 100% of the annual base salary for all the Executive Board members, excluding pension and other accessory payments.
- **Mandatory claw-back in the event of errors in the accounting figures or other basis for the award or vesting under the scheme.**
- **Fixed travel allowance to board members in connection with Board and committee related meetings outside their country of residence. Previously, travel allowance has only been received in connection with overseas travel.**



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# Proposal to re-elect all members to the Board of Directors



**Dominique Reiniche,  
Chair**



**Jesper Brandgaard**



**Luis Cantarell**



**Heidi Kleinbach-Sauter**



**Niels Peder Nielsen**



**Kristian Villumsen**



**Mark Wilson**



## Members of the Board of Directors elected by employees



**Kim Ib Sørensen**



**Lisbeth Grubov**



**Charlotte Hemmingsen**



**Per Poulsen**



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# The Board of Directors proposes to re-elect PwC as Company Auditor:

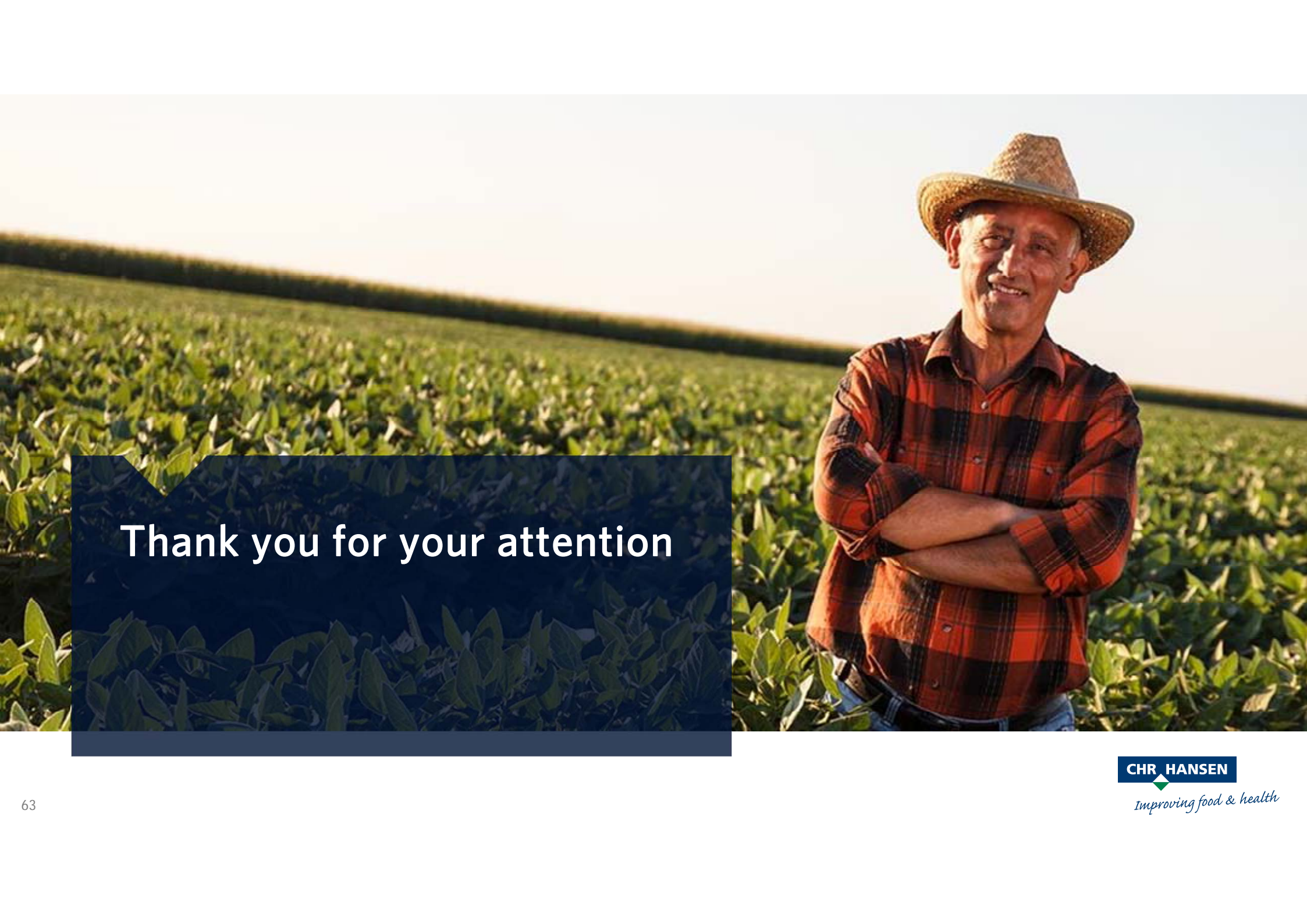
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab



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Thank you for your attention

**CHR HANSEN**

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