

The background of the slide is a close-up, shallow depth-of-field photograph of numerous white, round pills scattered on a light-colored surface. The pills are in various positions, some in sharp focus and others blurred, creating a sense of depth and texture. The overall color palette is monochromatic, consisting of various shades of white and light gray.

CHR. HANSEN HOLDING A/S

Q1 REPORT 2015/16

1 September 2015 - 30 November 2015

14 January 2016

Safe harbor statement

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Forward-looking statements are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "outlook," "will," "may," "continue," "should" and similar expressions identify forward-looking statements.

Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company's markets; the impact of regulatory initiatives; and the strength of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in records and other data available from third parties.

Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond our control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice. The Company and its respective agents, employees or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances beyond what is required by applicable law or applicable stock exchange rules and regulations.

By viewing this presentation, you acknowledge and agree to be bound by the foregoing limitations and restrictions.

Commercial
excellence

Financial highlights YTD 2015/16

Revenue

EUR **214** million
(up 14% on 2014/15)

Organic growth

14%
(9% in 2014/15)

Operating profit (EBIT) margin before special items

25.2%
(23.1% in 2014/15)

Profit for the period

EUR **39** million
(up 31% from 2014/15)

R&D expenditures incurred

EUR **17** million
(7.8% of revenue, compared to 6.8% in 2014/15)

Free cash flow

EUR **(17)** million
(EUR (30) million in 2014/15)

Regional highlights YTD 2015/16

Organic growth

EMEA

8%

- Strong growth in natural colors, fermented milk, cheese and meat
- Probiotic cultures for fermented milk at the same level as in 2014/15
- Revenue from enzymes, human health and animal health lower than 2014/15
- Positive impact from enforcing EUR based pricing to protect EBIT from depreciating currencies

AMERICAS

17%

- Strong growth across all segments except for probiotic cultures for fermented milk and animal health
- Animal health negatively impacted by a major customer's decision to insource the production of silage inoculants from Q3 2014/15

APAC

31%

- Strong growth in fermented milk including probiotics, natural colors and human health
- Organic growth especially strong in China across all segments

Share of revenue



45%



40%



15%

Strategic & operational highlights 2015/16

No.1

Nature's No. 1 strategy launched in September 2013 with the ambition to pursue growth opportunities in the current core businesses and within new microbial solutions



Reaping the benefits from fermentation capacity in Denmark and Germany with positive impact on profitability



Challenged market for biological plant protection in Brazil will impact especially Q2 negatively



Positive contribution to growth in CED from innovation and conversion. Acquired bacterial strain collection from Dairy Innovation Australia Ltd (DIAL)



Agreed acquisition of Nutrition Physiology Co. LLC (NPC) to expand business in the market for microbial solutions to the livestock industry



Progress in natural colors. Working with a number of US food & beverage producers to prepare a potential future conversion



Strategy update progressing as planned. Capital Market Day will be held in Copenhagen on 12 April 2016 to present findings



Entered into first commercial partnership in the human microbiome initiative with Caelus Health

Attractive animal health market

High growth and continued upside from further penetration

Demand for natural solutions to advance health and productivity in the livestock industry on the rise

- Need for increased output to feed a growing population: Food production has to increase by est. 70% to feed the world by 2050
- Sustained productivity gains essential to meet this challenge
- Nutritional optimization will play a major role in driving gains

Pressure to curb the usage of antibiotic growth promoters driving increased demand for natural alternatives

- Increased focus on antibiotic resistance in livestock production given increasing illness and death in humans caused by antibiotic resistant bacteria
- Legislators taking measures: The EU banned the use of antibiotic growth promoters in 2006 and in 2014 the FDA announced legislation to curb their usage in the U.S.
- Major companies placing demand on suppliers to curb usage of antibiotic growth promoters (e.g. McDonalds, Subway, Wal-Mart)

Attractive market for microbial solutions to Animal Health & Nutrition

7-9% global market growth

Only 10-15% current global average penetration creating upside potential

Acquisition of Nutrition Physiology Co.

Creating a broader platform

CHR HANSEN

Improving food & health



Strong fit with Nature's No.1 strategy

- Expanding existing business in animal health through complementary microbial solutions for beef cattle
- Aligned with capital allocation principles - bolt-on acquisition to support market presence and technology

Attractive synergies

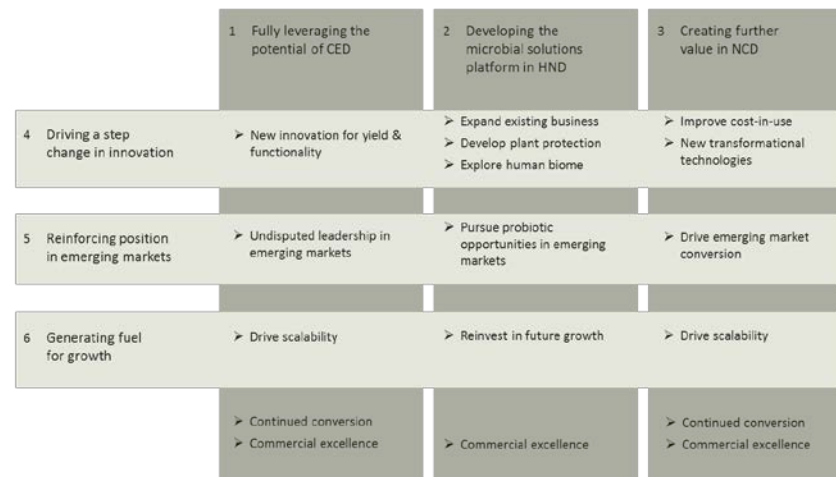
- Sales, supply chain, and innovation
- Synergies expected to be achieved in the coming two years

Fast returns

- Acquisition is expected to be EPS accretive by 2016/17

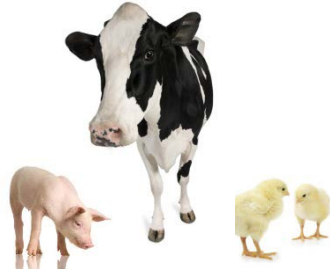
Natures No.1 strategy

Evolution, not revolution



CHR HANSEN

Improving food & health



The animal health business is part of the Health & Nutrition Division and supply well documented microbial solutions to the global animal health industry

- Revenue EUR ~60 million*
- Production at own facilities in Germany and Czech Republic
- Dedicated employees within sales, R&D and production

Key industries:

- Dairy cattle, swine, poultry and microbial inoculants for silage production

*2014/15 actuals



Nutrition Physiology Co. LLC



NPC is a provider of microbial solutions to the US livestock industry, especially within the beef cattle segment. Founded in 1993

- Revenue USD 41 million and EBITDA USD 10 million*
- Strong customer relationships backed by strong scientific trial data with IP protection
- Asset light operations with outsourced production (Chr. Hansen a supplier)
- 52 employees across US, mainly within sales and R&D

Key products:

- Bovamine®, Bovamine® Defend™, Bovamine® Dairy

*2015 estimate

Transaction overview

Purchase price

- Enterprise value USD 185 million paid in cash
- The EV/EBITDA multiple of 15.9x (2016 estimates before synergies)

Completion

- Subject to customary closing conditions
- Closing is expected during the first three month of 2016

Financing

- The acquisition will be funded through Chr. Hansen's own cash flow and current credit facilities
- NIBD is expected to be around 1.8x EBITDA by the end of 2015/16 when including the impact from the acquisition



Value creating synergies

Synergies to be realized mainly through

- Utilization of commercial opportunities from complementary businesses
- Optimization of supply chain
- Strengthened innovation efforts

Synergies are expected to be achieved in the coming two years

Full tax deductibility on acquired intangible assets

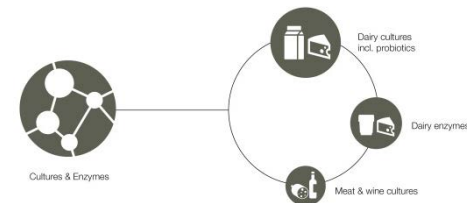
Asses strategic fit of NPC distributor business

Approx. EUR 6 million in non-recurring costs related to the transaction and integration (recognized as special items), however acquisition expected to be EPS accretive by 2016/17

The acquisition is expected to be margin accretive to the Health & Nutrition Division once synergies are fully realized



Cultures & Enzymes

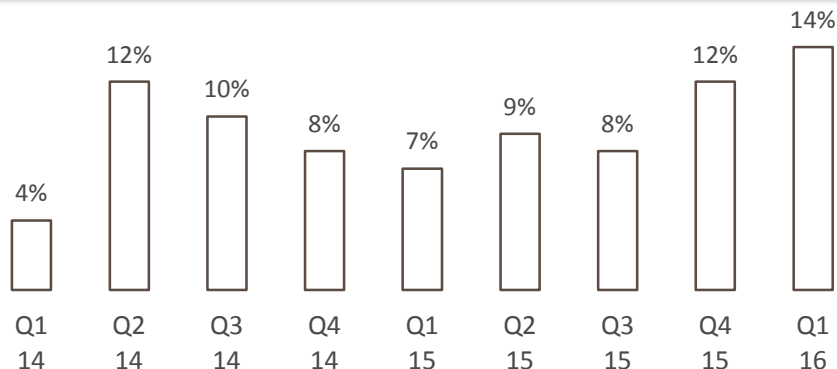


EUR million	Q1 15/16	Q1 14/15
Revenue	133	118
Organic growth	14%	7%
EBIT	42	32
EBIT margin	31.3%	27.3%
ROIC ex. goodwill	40.0%	31.6%

Organic growth

- Volume/mix 10% and price 4%. Local price increases mainly through EUR based pricing
- Strong growth in fermented milk, cheese and meat. Solid growth in probiotics and enzymes.
- Fermented milk driven by China and the US. Cheese supported by conversion in the US. Positive impact from innovations such as SoGreek, YoFlex® Premium, and bioprotective cultures

Quarterly organic growth



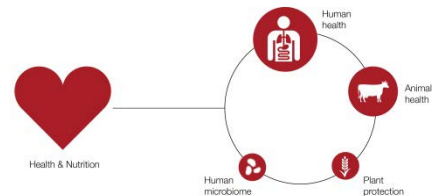
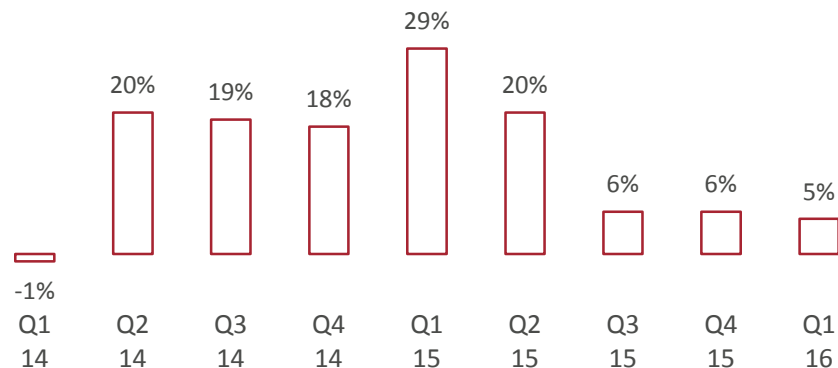
EBIT margin

- Margin up 4.0%-points on Q1 2014/15
 - Operational efficiencies, including lower depreciation level and impact from start-up costs in Q1 2014/15
 - Favorable exchange rates
 - Product mix
 - Partly offset by non-recurring administration expenses

Health & Nutrition

EUR million	Q1 15/16	Q1 14/15
Revenue	36	32
Organic growth	5%	29%
EBIT	9	9
EBIT margin	24.7%	26.3%
ROIC ex. goodwill	24.9%	27.0%

Quarterly organic growth



Organic growth

- Volume/mix 5%
- Strong growth in human health, driven by Americas (positive impact from timing of orders) and APAC (China and South Korea). EMEA below last year
- Revenue from animal health below last year due to insourcing silage inoculants at major customer from Q3 2014/15 and trading conditions in EMEA

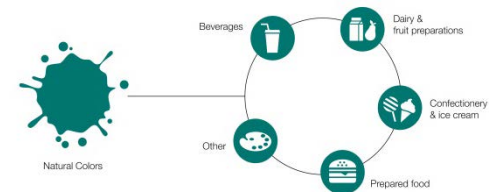
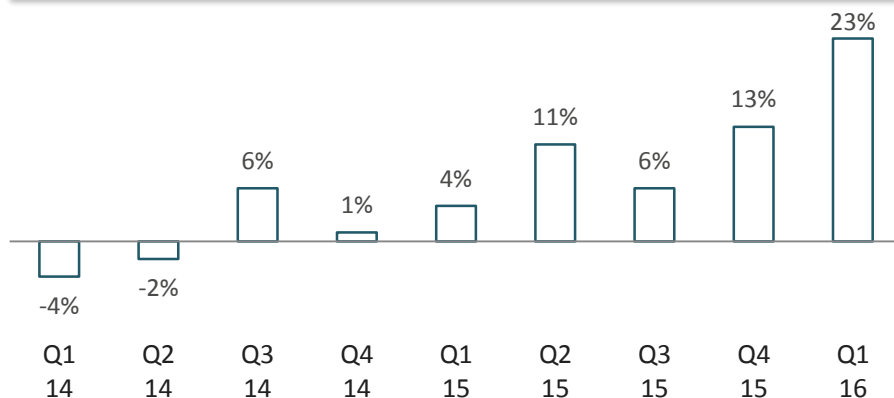
EBIT margin

- Margin down 1.6 %-points on 2014/15
 - Higher scrapping in human health
 - Increased research & development activity
 - Non-recurring administration expenses
- Partly offset by favorable exchange rates
- New dedicated freeze dryers for human health is over a period of time expected to help address the current scrapping level

Natural Colors

EUR million	Q1 15/16	Q1 14/15
Revenue	45	38
Organic growth	23%	4%
EBIT	4	3
EBIT margin	7.8%	7.3%
ROIC ex. goodwill	15.2%	12.8%

Quarterly organic growth



Organic growth

- Volume/mix 19% and price 4%. Local price increases mainly to reflect increased raw material prices and through enforcing EUR based pricing
- Strong growth in confectionery & ice cream and prepared food. Modest growth in beverage
- EMEA (FruitMax®), Americas (market share in Latin America and conversion in US), and APAC (China on weak Q1 2014/15) all delivered strong growth

EBIT margin

- Margin up 0.5%-point on 2014/15
 - Increased volume
 - Saving initiatives
- Partly offset by unfavorable exchange rates and increased raw material costs

Cash flow and balance sheet

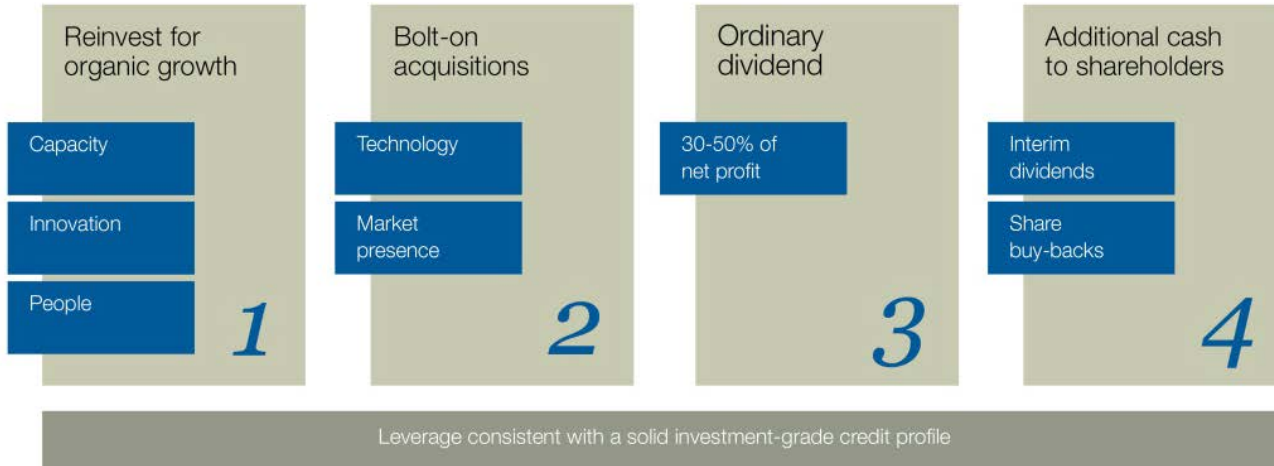
EUR million	Q1 15/16	Q1 14/15
Cash flow		
Operating activities	1	(16)
Investing activities	(18)	(14)
Free cash flow	(17)	(30)
Balance sheet		
Total assets	1,456	1,390
Equity	564	625
Net interest-bearing debt	513	432
Key Figures		
<i>Net working capital</i>	<i>19.4%</i>	<i>20.7%</i>
<i>Capital expenditure</i>	<i>8.3%</i>	<i>7.6%</i>
<i>ROIC excluding goodwill</i>	<i>33.1%</i>	<i>28.0%</i>
<i>NIBD/EBITDA</i>	<i>1.7x</i>	<i>1.7x</i>

Highlights

- Cash flow from operating activities improved by EUR 17 million, mainly due to improved operating profit and improved net working capital ratio
- Cash flow used for investing activities increased by EUR 4 million. Investments in laboratory facilities for the human microbiome initiative and packaging capacity for cultures
- Capital expenditures corresponded to 8.3% of revenue, compared to 7.6% in 2014/15
 - Capitalized development expenditures increased to 2.0% of revenue, compared to 1.1% in 2014/15 driven by acquisition of a bacterial strain collection from DIAL
- Free cash flow improved by EUR 13 million
- ROIC excluding goodwill up 5.1%-points

Capital allocation priorities

No additional cash to shareholders expected in 2015/16



As a consequence of the acquisition the Board of Directors does not expect to execute share-buy-back programs or pay out interim dividends during 2015/16

NIBD expected to be around 1.8x EBITDA by the end of 2015/16

Total spend 2013/14 to 2014/15 (EUR million)

<i>Capacity (PPE)</i>	105	<i>Dial</i>	N/A	<i>Dividend</i>	148	<i>Interim</i>	115
<i>Innovation</i>	100	NPC	~170	<i>of profit</i>	50%	<i>Buy-backs</i>	80

Outlook for 2015/16

Organic growth target increased

	<i>Realized 2014/15</i>	<i>Outlook 2015/16</i>	<i>Long-term financial ambitions**</i>
Organic revenue growth	10%	9-11%*	7-10%
✓ <i>Cultures & Enzymes Division</i>	9%	<i>Above long-term ambitions*</i>	7-8%
✓ <i>Health & Nutrition Division</i>	13%	<i>Below 2014/15</i>	+10%
✓ <i>Natural Colors Division</i>	9%	<i>Above 2014/15</i>	<i>Targeting around 10%</i>
R&D expenditures (as percentage of revenue)	6.4%	6.5-7.0%	Around 7%
EBIT margin b.s.i.	27.1%	Above 2014/15	Increasing
✓ <i>Cultures & Enzymes Division</i>	31.5%	<i>Above 2014/15</i>	<i>Increasing</i>
✓ <i>Health & Nutrition Division</i>	33.3%	<i>Below 2014/15</i>	<i>Around 30%</i>
✓ <i>Natural Colors Division</i>	8.3%	<i>Above 2014/15</i>	<i>Increasing</i>
Free cash flow before acquisition and divestments	EUR 151 million	Above 2014/15	Increasing

* Previously "8-10%" and "in line with long-term ambitions" (21 October 2015)

** Baseline 2012/13

Q&A



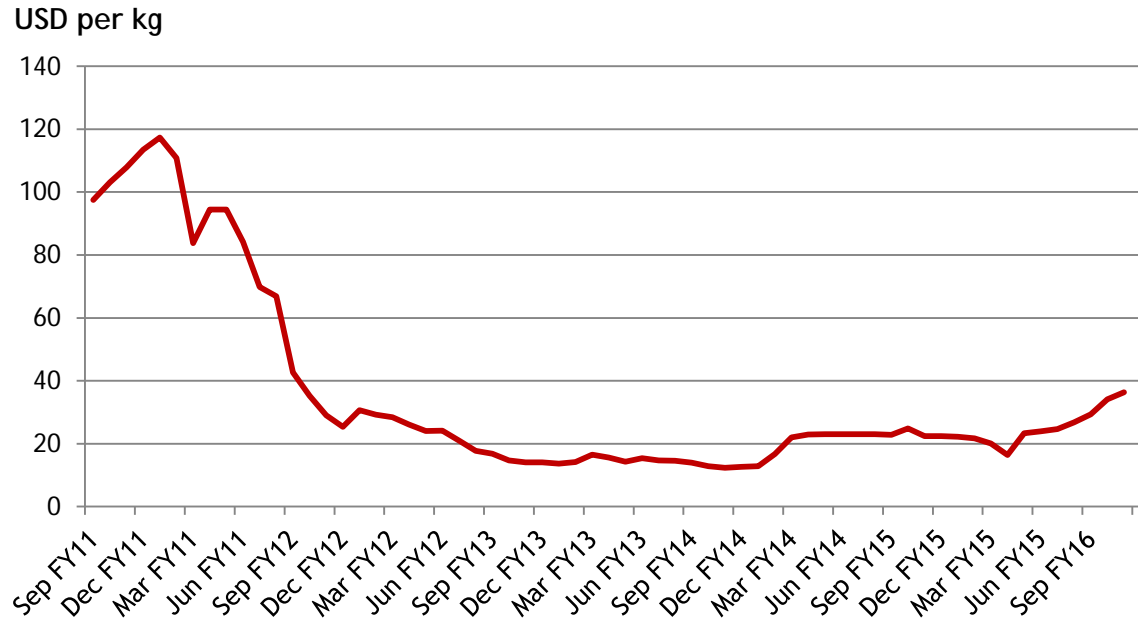
A close-up photograph of a dark, textured surface, possibly a fabric or paper, featuring several large, irregular circular patterns. The patterns are formed by a lighter, smoother material, creating a high-contrast, abstract design. The lighting is dramatic, highlighting the texture of the dark material and the smoothness of the circular areas.

Back up

Income statement

EUR million	Q1 15/16	Q1 14/15
Revenue	214	188
<i>EUR growth</i>	14%	10%
<i>Organic growth</i>	14%	9%
<i>Gross margin</i>	52.3%	51.2%
R&D expenses	(14)	(12)
Sales & marketing expenses	(27)	(26)
Administrative expenses & other income/expenses	(18)	(15)
EBIT before special items	54	44
<i>EBIT margin b.s.i.</i>	25.2%	23.1%
Net financials	(2)	(3)
Income tax	(13)	(11)
Profit for the period	39	30

Cochineal price development



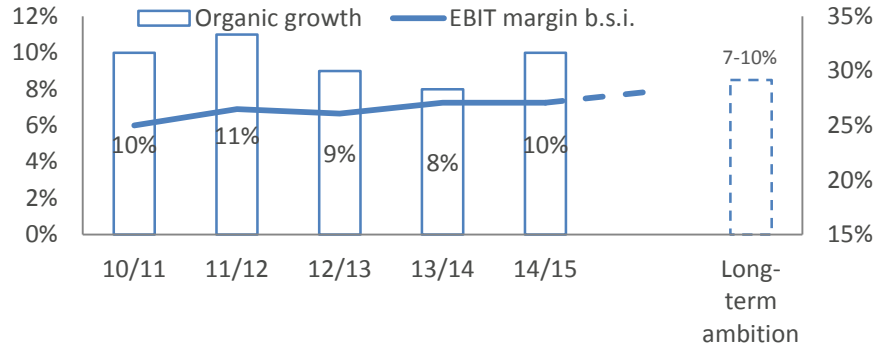
R&D expenditures

EUR million	YTD 15/16	Share of revenue	YTD 14/15	Share of revenue
R&D expenses (P/L)	13.9	6.5%	12.2	6.5%
- Amortization	(1.5)	(0.7)%	(1.4)	(0.8)%
+ Capitalized development costs	4.3	2.0%	2.0	1.1%
R&D expenditures incurred	16.7	7.8%	12.8	6.8%
- Depreciation	(0.8)	(0.4)%	(0.6)	(0.3)%
+ Investment in tangible assets	2.8	1.4%	1.8	0.9%
Total R&D investment	18.7	8.8%	14.0	7.4%

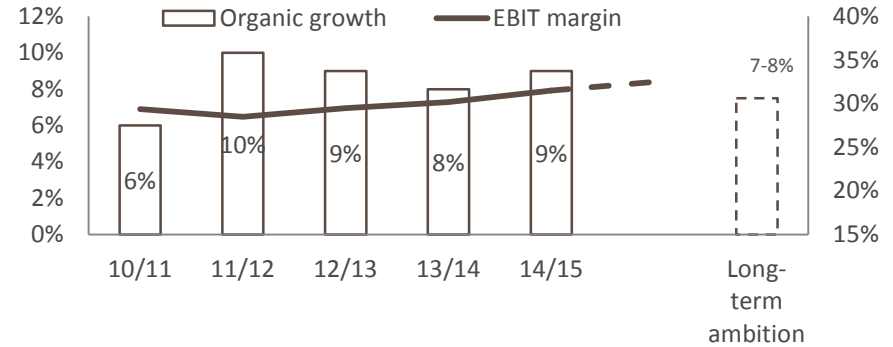
R&D expenditures incurred up 30% in Q1, mainly driven by acquisition of a bacterial strain collection from the Board of Dairy Innovation Australia (part of capitalized development costs)

Organic growth and EBIT margin history

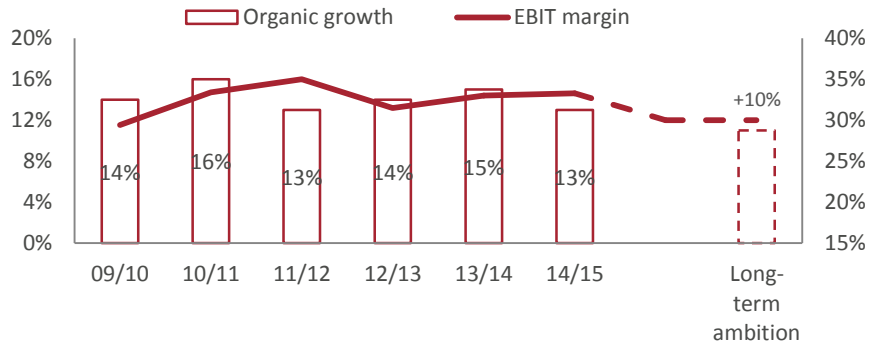
Group



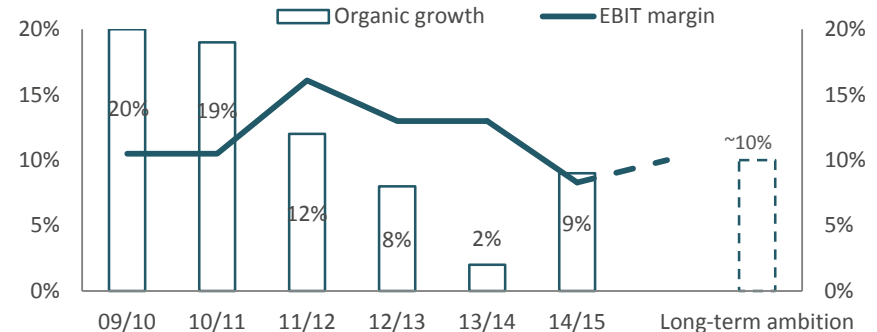
CED



HND



NCD



* Baseline 2012/13

Definitions

Organic growth

Adjusted organic revenue growth is calculated based on the reported International Financial Reporting Standards revenue adjusted for sales reductions (such as commissions and sales discounts), further adjusted for acquisitions and divestitures in order to standardize year-on-year comparisons and measured in local currency

Special items

Special items comprise material amounts that cannot be attributed to recurring operations, such as income and expenses related to divestment, closure or restructuring of subsidiaries and business lines from the time the decision is made. Also classified as special items are, if major, gains and losses on disposal of subsidiaries not qualifying for recognition as discontinued operations in the income statement. Material nonrecurring income and expenses that originate from projects related to the strategy for the development of the Group and process optimizations are classified as special items

EBIT (Earnings before interest & taxes)

EBIT is calculated as profit for the period before financial income and expenses and corporate income taxes. EBIT also excludes income and expenses from discontinued operations

Free cash flow

Free cash flow is a measure of financial performance calculated as operating cash flow less net capital expenditures

Invested capital

Invested capital is calculated as intangible assets, property, plant and equipment, trade receivables and inventories less trade payables

ROIC (return on invested capital) excluding goodwill

Operating profit as a percentage of average invested capital excluding goodwill

Share details

Share Data

Number of shares of DKK 10 (1 September 2015)	131,852,496
Own shares (30 November 2015)	1,517,276
Classes of shares	1
Voting & Ownership restrictions	None

NASDAQ Copenhagen

ISIN code	DK0060227585
Ticker symbol	CHR
Sector	Health Care

OTC ADR Level 1 program (BNY Mellon)

DR Symbol	CHYHY
CUSIP	12545M207
DR ISIN	US12545M2070
Ratio	DR:ORD 2:1
Effective Date	Jan 27, 2014
Industry	General Industrials

Financial Calendar 2015/16

7 April 2016	Q2 interim report
12 April 2016	Capital Market Day
5 July 2016	Q3 interim report
26 October 2016	Annual Report 2015/16
29 November 2016	Annual General Meeting

Contact Chr. Hansen

Head of Investor Relations	IR Manager
Anders Mohr Christensen	Anders Enevoldsen
Office: +45 45 74 76 18	Office: +45 45 74 76 30
Mobile: +45 25 15 23 64	Mobile: +45 53 39 22 54
dkamc@chr-hansen.com	dkanen@chr-hansen.com