

CHR. HANSEN HOLDING A/S

STATEMENT OF RESULTS

2016/17

CHR. HANSEN – NATURE'S NO. 1

"2016/17 was another good year for Chr. Hansen. We delivered successfully on our operational and strategic priorities, achieving strong financial results while continuing to build long-term growth opportunities. Organic growth reached 10%, and the EBIT margin before special items ended at 28.9%, up from 28.2% the year before. Finally, free cash flow before special items and acquisitions was EUR 188 million, an improvement of 7%, despite considerable investments in both new capacity and future growth opportunities in line with our Nature's no. 1 strategy," says CEO Cees de Jong.

Food Cultures & Enzymes and Health & Nutrition both delivered strong growth, performing slightly above the long-term ambitions for these businesses, while Natural Colors grew in line with ambitions. This meant we reached the high end of our revenue expectations. Profitability improved in all areas, and the significant profitability improvement in Natural Colors is particularly encouraging.

Our lighthouses progressed well during the year. Revenue in bioprotection grew around 30%, and a range of second-generation products has just been launched to fuel future momentum in this category. In plant health, we received registration for two new products ahead of schedule, and we believe both products offer great prospects. In the human microbiome, we expanded our strain library with lead candidates targeting gastrointestinal, immune and metabolic health. Shortly after the end of our financial year, we completed the large capacity expansion for dairy cultures in Copenhagen, and this complex project has been executed fully according to plan.

The key focus for Chr. Hansen continues to be strong organic growth through innovation and, with good progress in many of our strategic initiatives, the building blocks for achieving our ambitious financial targets are in place.

2016/17 IN BRIEF

Revenue of EUR 1,063 million, compared to EUR 949 million in 2015/16, corresponding to organic growth of 10%.

- Food Cultures & Enzymes: 9% organic growth
- Health & Nutrition: 14% organic growth
- Natural Colors: 10% organic growth

EBIT before special items increased by 15% to EUR 307 million, compared to EUR 268 million in 2015/16. The EBIT margin before special items was 28.9%, compared to 28.2% in 2015/16.

Profit for the year increased by 22% to EUR 224 million, compared to EUR 184 million in 2015/16.

Free cash flow before special items and acquisitions of EUR 188 million, compared to EUR 175 million in 2015/16.

Q4 2016/17 IN BRIEF

Revenue of EUR 283 million, compared to EUR 256 million in Q4 2015/16, corresponding to organic growth of 12%.

- Food Cultures & Enzymes: 10% organic growth
- Health & Nutrition: 21% organic growth
- Natural Colors: 11% organic growth

EBIT before special items increased by 14% to EUR 90 million, compared to EUR 79 million in Q4 2015/16. The EBIT margin before special items was 31.8%, compared to 30.9% in Q4 2015/16.

Profit for the period increased by 22% to EUR 68 million, compared to EUR 56 million in Q4 2015/16.

Free cash flow before special items and acquisitions of EUR 90 million, compared to EUR 118 million in Q4 2015/16.

DIVIDEND

An ordinary dividend for 2016/17 of EUR 0.85 (DKK 6.33) per share, or a total of EUR 112 million, is proposed. The proposed ordinary dividend is equivalent to 50% of the profit for the year. The Board of Directors will consider the option of distributing excess cash during 2017/18, while maintaining financial leverage consistent with a solid investment-grade credit profile.

OUTLOOK FOR 2017/18

Organic revenue growth
EBIT margin before special items
Free cash flow before special items, acquisitions and divestments

8-10%
Around the 28.9% achieved in 2016/17
Around the EUR 188 million achieved in 2016/17

FINANCIAL HIGHLIGHTS AND KEY FIGURES

EUR million	Q4 2016/17	Q4 2015/16	Growth	YTD 2016/17	YTD 2015/16	Growth
Income statement						
Revenue	283.0	255.9	11%	1,062.5	948.9	12%
Gross profit	158.9	139.6	14%	578.1	505.4	14%
EBITDA before special items	107.3	96.0	12%	368.1	324.0	14%
EBIT before special items	89.9	79.0	14%	307.1	267.8	15%
Special items	-	(4.3)	(100)%	(1.4)	(12.2)	(89)%
EBIT	89.9	74.6	21%	305.7	255.6	20%
Profit for the period	68.2	56.0	22%	224.0	183.8	22%
Financial position						
Total assets				1,802.1	1,715.3	
Invested capital				1,581.1	1,445.0	
Net working capital				174.8	147.4	
Equity				768.5	730.3	
Net interest-bearing debt				628.4	547.9	
Cash flow and investments						
Cash flow from operating activities	123.4	129.9	(5)%	283.7	244.8	16%
Cash flow used for investing activities	(34.1)	(14.1)	(142)%	(176.5)	(244.4)	(28)%
Free cash flow	89.3	115.8	(23)%	107.2	0.4	-
Free cash flow before special items and acquisitions	89.5	117.5	(24)%	187.8	175.2	7%
Earnings per share						
EPS, diluted	0.51	0.43	19%	1.68	1.40	20%
Key ratios						
Organic growth, %	12	9		10	12	
Gross margin, %	56.1	54.5		54.4	53.3	
Operating expenses, %	24.4	23.7		25.5	25.0	
EBITDA margin before special items, %	37.9	37.4		34.6	34.1	
EBIT margin before special items, %	31.8	30.9		28.9	28.2	
EBIT margin, %	31.8	29.2		28.8	26.9	
ROIC excl. goodwill, %	43.7	42.5		40.1	39.7	
ROIC, %	22.6	19.9		20.3	19.9	
NWC, %	16.5	15.5		16.5	15.5	
R&D, %	6.9	6.6		7.0	7.1	
Capital expenditures, %	12.1	6.7		10.0	8.2	
Net debt to EBITDA before special items				1.7x	1.7x	

Organic growth: Increase in revenue adjusted for sales reduction, acquisitions and divestments, and measured in local currency.

CHR. HANSEN HOLDING A/S

2016/17 FULL YEAR RESULTS

REVENUE

Revenue increased by 12% to EUR 1,063 million (10% excluding NPC and LGG[®]), corresponding to organic growth of 10%.

Organic growth was primarily driven by volume/mix effects, with less than 1% coming from price increases in local currencies. Minor price increases were implemented in Food Cultures & Enzymes, while there was a net positive impact from changes in raw material prices in Natural Colors.

REVENUE BY BUSINESS AREA

Food Cultures & Enzymes

Revenue increased by 9% to EUR 618 million, corresponding to organic growth of 9%, mainly from volume/mix. There was a positive impact from pricing, but the effect was below 1%.

Organic growth was positively impacted by strong growth in cheese, fermented milk, meat and wine, while probiotics and enzymes delivered good growth.

The growth in cheese was partly driven by the conversion of various customers in the US, while the growth in fermented milk was driven by further penetration of both ambient and regular yogurts in China and other emerging markets.

Bioprotective cultures delivered organic growth of approximately 30%, predominantly driven by the existing segments within fermented milk, cheese and meat.

Health & Nutrition

Revenue increased by 22% to EUR 225 million (14% excluding NPC), corresponding to organic growth of 14%, driven by volume/mix. Human health, animal health and plant health all realized strong growth.

Organic growth in human health was driven by dietary supplements and infant formula, with strong growth for both categories in APAC and EMEA.

Animal health was positively impacted by strong growth in silage and poultry, driven by wins of customer projects. Swine, and dairy and beef cattle showed modest growth.

Plant health benefited mainly from the continued penetration of NEMIX[®] C in Brazil.

Natural Colors

Revenue increased by 10% to EUR 220 million, corresponding to organic growth of 10%. Organic growth comprised

approximately 6% from volume/mix and 4% from price increases in local currencies. The price increases mainly reflected increased raw material prices and, to a lesser extent, the use of EUR-based pricing to protect EBIT from depreciating currencies.

Organic volume growth was primarily driven by strong growth in the natural carotene, annatto and anthocyanin categories, while carmine volume declined due to a dedicated effort to improve profitability. Coloring foodstuffs showed strong growth.

Organic growth was anchored across most business areas, with strong growth in beverages, dairy and prepared food.

REVENUE BY REGION

EMEA (Europe, Middle East and Africa)

The EMEA region accounted for 44% of revenue, compared to 46% in 2015/16. Revenue increased by 8%, with organic growth of 7%. Organic growth was driven by strong growth in human health and solid growth in cheese, meat, enzymes, animal health and natural colors. Fermented milk including probiotics delivered good growth.

North America

The North America region accounted for 28% of revenue, compared to 26% in 2015/16. Revenue increased by 19%, with organic growth of 13%. Organic growth was driven by strong growth in cheese, meat, probiotics for fermented milk, animal health and natural colors. Fermented milk showed solid growth, while human health and enzymes delivered good growth.

APAC (Asia-Pacific)

The APAC region accounted for 15% of revenue, compared to 15% in 2015/16. Revenue increased by 15%, with organic growth of 16%, mainly driven by China. Organic growth was due to strong growth in fermented milk including probiotics, enzymes and human health. Cheese and natural colors delivered solid growth, while revenue from animal health was below last year.

LATAM (Latin America)

The LATAM region accounted for 13% of revenue, unchanged from 2015/16. Revenue increased by 9%, with organic growth of 10%. Organic growth was driven by strong growth in cheese, meat, human health, animal health and plant health. Natural colors showed solid growth, while fermented milk and enzymes delivered good growth. Revenue from probiotics for fermented milk was unchanged from 2015/16.

GROSS PROFIT

Gross profit was EUR 578 million, up 14% on 2015/16. The gross margin increased by 1.1 percentage points to 54.4%, driven by improvements in all businesses.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 271 million (25.5%), compared to EUR 238 million (25.0%) in 2015/16.

Research & development (R&D) expenses, including amortization and depreciation, amounted to EUR 71 million (6.7%), compared to EUR 63 million (6.6%) in 2015/16.

The net impact from capitalization less amortization and impairment of development costs was EUR 3 million (0.3%), compared to EUR 4 million (0.5%) in 2015/16.

EUR million	2016/17	2015/16
R&D expenses (P&L)	71.4	62.6
- Amortization	6.9	6.3
- Impairment	1.6	2.8
+ Capitalization	11.6	13.4
R&D expenditures incurred	74.5	66.9

Total R&D expenditures incurred increased by 11% to EUR 75 million (7.0%), compared to EUR 67 million (7.1%) in 2015/16. The increase was driven by execution of Nature's no. 1 initiatives, including bioprotection and LGG[®], partly offset by the acquisition of a bacterial strain collection from Dairy Innovation Australia Ltd (DIAL) in 2015/16.

Sales & marketing expenses amounted to EUR 134 million (12.6%), compared to EUR 113 million (11.9%) in 2015/16. The increase was mainly driven by strategic initiatives to support Nature's no. 1, including bioprotection and the acquisition of NPC.

Administrative expenses amounted to EUR 71 million (6.7%), compared to EUR 66 million (6.9%) in 2015/16.

Net other operating income/expenses was an income of EUR 5 million, compared to EUR 4 million in 2015/16. The income was mainly driven by the sale of a property in Argentina.

OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 307 million, compared to EUR 268 million in 2015/16, an increase of 15%. The increase in EBIT was mainly due to higher sales volumes and operating efficiencies.

The EBIT margin before special items was 28.9%, up from 28.2% in 2015/16, driven by improvements in all business areas.

In Food Cultures & Enzymes, EBIT amounted to EUR 213 million, compared to EUR 194 million in 2015/16. The EBIT margin was 34.5%, up 0.2 percentage points on 2015/16, driven by scalability in production. The increase was partly offset by initiatives to enable full utilization of existing production capacity ahead of the new capacity expansion, and higher research & development expenses driven by bioprotection and LGG[®].

In Health & Nutrition, EBIT amounted to EUR 66 million, compared to EUR 52 million in 2015/16. The EBIT margin was 29.2%, up 0.9 percentage points on 2015/16, driven by scalability in production, including insourcing of NPC products, lower scrap levels in human health and positive timing of production costs. The increase was partly offset by increased activity to support strategic initiatives, including commercial support for LGG[®], and higher depreciation and amortization related to acquisitions.

In Natural Colors, EBIT amounted to EUR 29 million, compared to EUR 22 million in 2015/16. The EBIT margin was 12.9%, up 2.0 percentage points on 2015/16. The increase was mainly driven by ongoing optimization initiatives, including product management and operating efficiency gains, and positive timing of inventories.

SPECIAL ITEMS

Special items of EUR 1 million concerned costs related to the acquisition and integration of LGG[®] and the announced closure of the acquired factory. In 2015/16, special items of EUR 12 million concerned an accrual for US import tariff costs covering reclassification of certain human health products related to previous years, and costs related to the acquisition and integration of NPC.

OPERATING PROFIT (EBIT)

EBIT amounted to EUR 306 million, compared to EUR 256 million in 2015/16, an increase of 20%. The EBIT margin was 28.8%, compared to 26.9% in 2015/16.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 15 million, compared to EUR 16 million in 2015/16. The net interest cost was EUR 12 million, unchanged from 2015/16. Better financing terms offset the impact from higher debt.

The net impact from exchange rate adjustments was a negative EUR 3 million, compared to a negative EUR 4 million in 2015/16. The negative impact related mainly to unrealized losses from the depreciation of the Argentine peso.

Income taxes were EUR 67 million, equivalent to an effective tax rate of 23.0%, compared to 23.2% in 2015/16. The lower effective tax rate is partly due to one-off tax benefits related to the acquisition of NPC.

PROFIT FOR THE YEAR

Profit for the year increased by 22% to EUR 224 million, up from EUR 184 million in 2015/16.

ASSETS

At 31 August 2017, total assets amounted to EUR 1,804 million, compared to EUR 1,715 million a year earlier. The increase was mainly due to the acquisition of LGG[®] and investments in the microbial production platform.

Total non-current assets amounted to EUR 1,416 million, compared to EUR 1,307 million at 31 August 2016. Intangible assets increased by EUR 51 million, while property, plant and equipment increased by EUR 58 million.

Total current assets amounted to EUR 388 million, compared to EUR 408 million at 31 August 2016. Inventories increased by EUR 15 million, or 13%, and receivables by EUR 11 million, or 7%. Cash decreased by EUR 47 million to EUR 73 million, mainly due to the extraordinary dividend payout in July 2017.

EUR million	LGG [®]
Intangible assets incl. goodwill	71.7
Property, plant and equipment	2.0
Inventories	0.6
Other receivables and payables, net	(1.3)
Total effect	73.0

NET WORKING CAPITAL

Net working capital was EUR 175 million, or 16.5% of revenue, compared to EUR 147 million, or 15.5%, in 2015/16, which was positively impacted by a favorable development in trade payables that was not repeated in 2016/17.

EQUITY

Total equity amounted to EUR 769 million at 31 August 2017, compared to EUR 730 million a year earlier. An ordinary dividend for the financial year 2015/16 totaling EUR 92 million was paid in December 2016, and an extraordinary dividend for

the financial year 2016/17 totaling EUR 100 million was paid in July 2017.

NET DEBT

Net interest-bearing debt amounted to EUR 628 million, or 1.7x EBITDA, compared to EUR 548 million, or 1.7x EBITDA, at 31 August 2016.

RETURN ON INVESTED CAPITAL (ROIC)

The return on invested capital excluding goodwill was 40.1%, compared to 39.7% in 2015/16. Invested capital excluding goodwill increased to EUR 814 million, compared to EUR 719 million at 31 August 2016. The increase was mainly due to investments in the microbial platform and the acquisition of LGG[®].

The return on invested capital including goodwill was 20.3%, compared to 19.9% in 2015/16. Invested capital including goodwill increased to EUR 1,581 million, compared to EUR 1,445 million at 31 August 2016. Goodwill increased by EUR 40 million due to the acquisition of LGG[®].

CASH FLOW

Cash flow from operating activities was EUR 284 million, compared to EUR 245 million in 2015/16. The increase was mainly due to the improved operating profit and lower tax paid following the acquisition of NPC, partly offset by a less favorable development in working capital. Special items accounted for EUR 8 million in 2016/17.

Cash flow used for operational investing activities was EUR 104 million, or 9.7% of revenue, compared to EUR 75 million, or 7.9% of revenue, in 2015/16. The increase was primarily driven by capacity expansion for culture production.

Development expenditures of EUR 12 million, or 1.1% of revenue, were capitalized, compared to EUR 13 million, or 1.4%, in 2015/16. The decrease was primarily due to the acquisition of a bacterial strain collection from DIAL in 2015/16.

Free cash flow before acquisitions, divestments and special items was EUR 188 million, compared to EUR 175 million in 2015/16.

Cash flow used for acquisitions was EUR 73 million and related to the acquisition of LGG[®] in November 2016. In 2015/16, the cash flow used for acquisitions was EUR 169 million and related to the acquisition of NPC.

CHR. HANSEN HOLDING A/S

Q4 2016/17 RESULTS

REVENUE

Revenue increased by 11% to EUR 283 million (10% excluding NPC), corresponding to organic growth of 12%. Organic growth comprised 11% from volume/mix effects and 1% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies and, to a lesser extent, reflect higher raw material prices in Natural Colors.

REVENUE

	Q4 2016/17
Organic growth (vol/mix)	11%
Organic growth (price)	1%
Organic growth	12%
Currencies	(1)%
LGG® acquisition	0%
EUR growth	11%

REVENUE BY BUSINESS AREA

Food Cultures & Enzymes

Revenue increased by 7% to EUR 165 million, corresponding to organic growth of 10%. Organic growth comprised 9% from volume/mix and 1% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

Organic growth was primarily driven by strong growth in cheese, meat and wine. Fermented milk including probiotics and enzymes showed solid growth. Fermented milk, cheese and meat were all supported by very strong growth in bioprotective cultures.

Health & Nutrition

Revenue increased by 23% to EUR 62 million (22% excluding LGG®). Organic growth was 21%, all from volume/mix.

Organic growth was driven by strong growth in human health and plant health, while animal health showed good growth.

Natural Colors

Revenue increased by 8% to EUR 57 million, corresponding to organic growth of 11%. Organic growth comprised approximately 8% from volume/mix effects and 3% from price increases in local currencies. The price increases reflected increased raw material prices, use of EUR-based

pricing in certain countries to protect EBIT from depreciating currencies and general price increases.

Organic volume growth was primarily driven by strong growth in coloring foodstuffs (through our FRUITMAX® range), and the beta carotene and natural carotene categories, while carmine declined due to a focused effort to improve profitability. Organic growth was anchored across most industries, with strong growth in dairy, prepared food and beverages.

REVENUE BY REGION

EMEA (Europe, Middle East and Africa)

Revenue increased by 9%, with organic growth of 10%, driven by strong growth in enzymes and human health. Cheese, fermented milk including probiotics and natural colors showed solid growth, while meat delivered good growth. Revenue from animal health was unchanged from Q4 2015/16.

North America

Revenue increased by 17%, with organic growth of 18%, driven by strong growth in all product areas except enzymes, which showed good growth.

LATAM (Latin America)

Revenue increased by 10%, with organic growth of 14%, so growth accelerated. Organic growth was driven by strong growth in cheese, plant health and natural colors. Enzymes showed solid growth, while revenue from fermented milk was lower than in Q4 2015/16.

APAC (Asia-Pacific)

Revenue increased by 4%, with organic growth of 8%. Organic growth was driven by strong growth in human health and natural colors. Fermented milk and cheese delivered solid growth, while probiotics for fermented milk showed good growth. Growth in fermented milk in China was lower than in the first nine months due to tougher comparables.

GROSS PROFIT

Gross profit was EUR 158 million, up 14% on Q4 2015/16. The gross margin increased by 1.6 percentage points to 56.1%. The increase was mainly driven by margin management initiatives in Natural Colors and by timing of production costs, insourcing of NPC products and lower scrap levels in Health & Nutrition.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 69 million (24.4%), compared to EUR 61 million (23.7%) in Q4 2015/16.

The increase was driven by strategic initiatives to support Nature's no. 1, including bioprotection and the acquisition of LGG®.

OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 90 million, compared to EUR 79 million in Q4 2015/16, an increase of 14%. The increase in EBIT was mainly due to operational efficiencies, including insourcing of NPC products in Health & Nutrition, and positive timing of production costs.

Optimization initiatives and positive timing of inventories in Natural Colors, partly offset by a decrease in Food Cultures & Enzymes driven by higher sales and marketing costs to support strategic initiatives, and a tough comparable from the sale of a property in Q4 2015/16, also contributed.

The EBIT margin before special items was 31.8%, up from 30.9% in Q4 2015/16.

In Food Cultures & Enzymes, EBIT amounted to EUR 61 million, compared to EUR 59 million in Q4 2015/16. The EBIT margin was 37.1%, down 1.3 percentage points on Q4 2015/16. The decrease was primarily due to higher sales and marketing costs to support the strategic initiatives and a tough comparable related to the sale of a property in the UK last year. Costs continued to be incurred related to initiatives to enable full utilization of existing production capacity, ahead of the new capacity being finalized.

In Health & Nutrition, EBIT amounted to EUR 21 million, compared to EUR 14 million in Q4 2015/16. The EBIT margin was 33.6%, up 5.3 percentage points on Q4 2015/16. The increase was driven by operational efficiencies, including insourcing of NPC products and lower scrap levels in human health, positive timing of production costs and higher sales volumes. This was only partly offset by a reversal of the previous quarter's positive impact from the discontinuation of NPC-traded products. There was also a positive impact from a lower level of impairment in Q4 2016/17 compared to Q4 2015/16.

In Natural Colors, EBIT amounted to EUR 8 million, compared to EUR 6 million in Q4 2015/16. The EBIT margin was 14.3%, up 3.1 percentage points on Q4 2015/16. The increase was primarily driven by margin management initiatives and the positive timing of inventories..

SPECIAL ITEMS

No special item costs were incurred, compared to EUR 4 million in Q4 2015/16. Last year, special items mainly

concerned costs related to the acquisition and integration of NPC and an accrual for US import tariff costs covering reclassification of certain human health and natural color products related to previous years.

OPERATING PROFIT (EBIT)

EBIT increased by 20% to EUR 90 million, compared to EUR 75 million in Q4 2015/16. The EBIT margin was 31.8%, compared to 29.2% in Q4 2015/16.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 4 million, compared to EUR 6 million in Q4 2015/16. The decrease related mainly to lower unrealized losses from the depreciation of the Argentine peso compared to last year.

Income taxes were EUR 18 million, equivalent to an effective tax rate of 20%, compared to 19% in Q4 2015/16, which was positively impacted by a reduction in tax-related risks as a consequence of the positive outcome of tax audits in certain countries.

PROFIT FOR THE PERIOD

Profit for the period increased by 22% to EUR 68 million, up from EUR 56 million in Q4 2015/16.

CASH FLOW

Cash flow from operating activities was EUR 124 million, compared to EUR 132 million in Q4 2015/16. The decrease was caused by a tough comparable for net working capital, partly offset by higher operating profit.

Cash flow used for operational investing activities was EUR 34 million, compared to EUR 14 million in Q4 2015/16. The increase was primarily driven by the capacity expansion for dairy cultures in Copenhagen.

Free cash flow before special items and acquisitions was EUR 90 million, compared to EUR 117 million in Q4 2015/16.

CHR. HANSEN HOLDING A/S

QUARTERLY KEY FIGURES

EUR million	2016/17				2015/16			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Group								
Income statement								
Revenue	283	278	259	242	256	250	229	214
Gross profit	159	151	139	129	140	133	121	112
EBITDA before special items	107	97	85	80	96	84	77	67
Depreciation, amortization and impairment	(17)	(15)	(15)	(14)	(17)	(14)	(13)	(13)
EBIT before special items	90	82	70	66	79	71	64	54
EBIT	90	81	70	65	75	70	57	54
Net financial items	(4)	(5)	(3)	(3)	(6)	(1)	(7)	(2)
Profit before tax	86	76	67	62	69	69	50	52
Income taxes	(18)	(18)	(16)	(15)	(13)	(17)	(13)	(13)
Profit for the period	68	58	51	47	56	52	37	39
Cash flow								
Cash flow from operating activities	123	91	67	2	130	60	53	1
Cash flow used for investing activities	(34)	(22)	(25)	(95)	(14)	(20)	(24)	(18)
Free cash flow	89	68	43	(93)	116	41	(140)	(17)
Free cash flow before special items and acquisitions	90	68	49	(19)	118	42	33	(17)
Key ratios								
EPS, diluted	0.51	0.44	0.38	0.35	0.43	0.39	0.29	0.30
Organic growth, %	12	10	9	11	9	12	12	14
Gross margin, %	56.1	54.2	53.7	53.4	54.5	53.3	52.7	52.3
EBITDA margin before special items, %	37.9	34.7	32.7	32.9	37.4	33.8	33.6	31.1
EBIT margin before special items, %	31.8	29.3	27.0	27.1	30.9	28.4	27.9	25.2
EBIT margin, %	31.8	29.1	27.0	26.8	29.2	28.0	24.9	25.2
ROIC excl. goodwill, %	43.7	39.2	34.1	34.3	42.5	37.5	36.0	33.1
R&D, %	6.9	6.7	7.1	7.4	6.6	7.0	7.2	7.8
Capital expenditure, %	12.1	8.0	9.5	10.2	6.7	7.8	10.3	8.3
NWC, %	16.5	19.9	21.1	20.5	15.5	21.0	19.7	19.4
Net debt to EBITDA	1.7x	1.8x	2.0x	1.9x	1.7x	2.1x	2.3x	1.7x

CHR. HANSEN HOLDING A/S

EUR million	2016/17				2015/16			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
FOOD CULTURES & ENZYMES								
Income statement								
Revenue	165	162	147	144	153	144	135	133
EBITDA	71	66	54	59	68	59	52	50
Depr., amort. and impair.	(10)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
EBIT	61	57	45	50	59	50	43	42
Key ratios								
EUR growth, %	7	12	9	9	8	6	10	13
Organic growth, %	10	10	8	10	11	13	13	14
EBITDA margin, %	43.0	40.7	36.5	41.0	44.1	40.9	38.8	37.9
EBIT margin, %	37.1	35.1	30.5	35.0	38.4	34.8	32.1	31.3
Invested capital excl. goodwill	472	467	473	465	432	458	440	425
ROIC excl. goodwill, %	52.1	45.0	42.0	45.0	52.9	44.7	40.1	40.0
HEALTH & NUTRITION								
Income statement								
Revenue	62	59	59	46	50	52	45	36
EBITDA	27	21	23	13	21	17	17	11
Depr., amort. and impair.	(6)	(4)	(4)	(4)	(7)	(3)	(3)	(2)
EBIT	21	17	19	10	14	14	15	9
Key ratios								
EUR growth, %	23	12	30	28	11	22	3	11
Organic growth, %	21	14	13	8	-	3	-	5
EBITDA margin, %	43.2	35.4	38.8	29.2	41.7	33.3	38.0	31.2
EBIT margin, %	33.6	28.3	31.7	21.1	28.3	27.2	32.5	24.7
Invested capital excl. goodwill	238	250	243	235	202	204	198	147
ROIC excl. goodwill, %	33.9	26.4	25.4	17.8	28.0	28.3	34.1	24.9
NATURAL COLORS								
Income statement								
Revenue	57	58	54	51	52	53	49	45
EBITDA	10	10	9	7	8	8	7	5
Depr., amort. and impair.	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
EBIT	8	8	7	5	6	7	6	4
Key ratios								
EUR growth, %	8	8	11	13	14	9	16	20
Organic growth, %	11	6	9	13	16	17	21	23
EBITDA margin, %	17.3	17.0	15.6	13.6	14.3	15.2	14.9	11.1
EBIT margin, %	14.3	14.1	12.5	10.5	11.2	12.4	11.9	7.8
Invested capital excl. goodwill	104	114	118	111	84	103	107	101
ROIC excl. goodwill, %	29.7	27.4	24.1	22.1	24.8	25.0	22.3	15.2

CHR. HANSEN HOLDING A/S

OUTLOOK 2017/18

ORGANIC REVENUE GROWTH

For 2017/18, organic revenue growth is expected to be 8-10%.

Food Cultures & Enzymes is expected to grow slightly above the long-term ambition, while Health & Nutrition and Natural Colors are expected to grow in line with the long-term ambitions.

EBIT MARGIN BEFORE SPECIAL ITEMS (B.S.I.)

The EBIT margin b.s.i. is expected to be around the 28.9% achieved in 2016/17.

In the first half of the year, costs to start and ramp up production using the new capacity in Copenhagen will impact the EBIT margin unfavorably. The current level of the USD will also, if maintained, impact the EBIT margin unfavorably in 2017/18.

FREE CASH FLOW

Free cash flow before acquisitions, divestments and special items is expected to be around the EUR 188 million achieved in 2016/17.

SENSITIVITY

Chr. Hansen is a global company serving more than 140 countries through subsidiaries in more than 30 countries.

The most significant exchange rate exposure relates to USD, which accounts for around 30% of revenue, while the exposure to other currencies is modest.

Organic revenue growth is sensitive to exchange rate fluctuations in currencies where Chr. Hansen applies a EUR-based pricing model, and to changes in raw material prices for natural colors.

The EBIT margin is also sensitive to exchange rate fluctuations and to changes in raw material prices for natural colors.

Production in the US and sourcing in USD only partly offset the impact on revenue from changes in the USD exchange rate. Therefore, the relative EBIT exposure is higher than the 30% revenue exposure.

The use of currency hedging of balance sheet exposures and future cash flows is described in note 4.3 to the Consolidated Financial Statements 2016/17.

CHR. HANSEN HOLDING A/S

STATEMENT OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

Today, the Board of Directors and Executive Board considered and approved the audited Consolidated Financial Statements in the Annual Report of Chr. Hansen Holding A/S for the financial year ended 31 August 2017.

The Board of Directors and Executive Board also approved this unaudited Statement of Results containing financial information for Q4 2016/17 and condensed financial information for the financial year ended 31 August 2017.

The Consolidated Financial Statements in the Annual Report have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. In addition, the Annual Report has been presented in accordance with additional Danish disclosure requirements for listed companies. We consider the accounting policies applied to be appropriate and the accounting estimates reasonable, and in our opinion the Consolidated Financial Statements in the Annual Report give a true and fair view of the Group's assets, liabilities and financial position at 31 August 2017 and of the results of the Group's operations and cash flows.

This Statement of Results has been prepared in accordance with the accounting policies applied in the Consolidated Financial Statements for the financial year ended 31 August 2017 and additional Danish disclosure requirements for listed companies, and in our opinion the overall presentation of this Statement of Results is adequate.

We further consider that Management's Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the year and the financial position, together with a description of the principal risks and uncertainties that the Group faces in accordance with Danish disclosure requirements for listed companies.

Hørsholm, 25 October 2017

EXECUTIVE BOARD

Cees de Jong
President and CEO

Søren Westh Lonning
CFO

BOARD OF DIRECTORS

Ole Andersen
Chairman

Dominique Reiniche
Vice Chairman

Luis Cantarell

Svend Laulund

Tiina Mattila-Sandholm

Per Poulsen

Frédéric Stévenin

Kristian Villumsen

Mark Wilson

CHR. HANSEN HOLDING A/S

ADDITIONAL INFORMATION

CONFERENCE CALL

Chr. Hansen will host a conference call on 25 October 2017 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com.

For further information, please contact:

Martin Riise, Head of IR
+45 53 39 22 50

Anders Enevoldsen, Senior IR Officer
+45 45 74 76 30

FINANCIAL CALENDAR 2017/18

28 November 2017	Annual General Meeting 2017
12 January 2018	Interim Report Q1
11 April 2018	Interim Report Q2
28 June 2018	Interim Report Q3
11 October 2018	Annual Report 2017/18
29 November 2018	Annual General Meeting 2018

COMPANY INFORMATION

Chr. Hansen Holding A/S
Bøge Allé 10-12
2970 Hørsholm
Denmark
Tel. +45 45 74 74 74
www.chr-hansen.com
Company reg. no.: 28318677

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of Chr. Hansen Holding A/S, may cause actual developments and results to differ materially from the expectations expressed in this report.

ABOUT CHR. HANSEN

Chr. Hansen is a leading global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. We develop and produce cultures, enzymes, probiotics and natural colors for a rich variety of foods, confectionery, beverages, dietary supplements and even animal feed and plant protection. Our product innovation is based on more than 30,000 microbial strains – we like to refer to them as “good bacteria.” Our solutions enable food manufacturers to produce more with less – while also reducing the use of chemicals and other synthetic additives – which makes our products highly relevant in today’s world. We have been delivering value to our partners – and, ultimately, end consumers worldwide – for more than 140 years. We are proud that more than 1 billion people consume products containing our natural ingredients every day.