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.

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Food Cultures & Enzymes and Health & Nutrition share a common research platform, and production method. The R&D platform is a process of screening, developing and upscaling of microbes. Production is the optimization of recipes, flows and infrastructure for the fermentation of microbes. Together: The Microbial Platform.
Sustainability is at the core of what we do

Better farming
We help feed the growing population by promoting sustainable agriculture
Expand reach of natural plant protection by 25m hectares (2025)

Good health
We improve global health through healthier, safer and more products
Launch 6 new products with a documented health effect (2022)

Less waste
We help customers reduce food waste and improve yield and productivity
Reduce global yogurt waste by 1.2m ton (2022)

82% of Chr. Hansen’s revenue contributes to the UN Global Goals - reviewed by PWC
**MEGATRENDS**

We deliver natural innovative solutions that address global challenges by advancing food, health, and productivity

<table>
<thead>
<tr>
<th>The trend</th>
<th>Our opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>📅 Growing world population and resource scarcity</td>
<td>Need for innovation to improve productivity &amp; reduce food waste</td>
</tr>
<tr>
<td>🌾 “Real foods” and consumerism</td>
<td>Optimization of recipes to meet clean label demands</td>
</tr>
<tr>
<td>⚡ Aging population and increasing health care costs</td>
<td>Need for cheaper and preventive solutions</td>
</tr>
<tr>
<td>🏙️ Urbanization and industrialization</td>
<td>Enhanced value of potential markets</td>
</tr>
<tr>
<td>⚛️ Technology breakthroughs</td>
<td>Scientific evidence of benefits from good bacteria</td>
</tr>
</tbody>
</table>
**STRATEGY**

Our Nature’s no.1 strategy: evolution since 2013 – now Sustainably

<table>
<thead>
<tr>
<th>Nature’s no.1</th>
<th>FOCUS AREAS</th>
<th>FOCUS AREAS</th>
<th>FOCUS AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FOOD CULTURES &amp; ENZYMES</td>
<td>HEALTH &amp; NUTRITION</td>
<td>NATURAL COLORS</td>
</tr>
<tr>
<td></td>
<td>Leverage the full potential</td>
<td>Develop the microbial platform</td>
<td>Create further value</td>
</tr>
</tbody>
</table>

### Drive penetration of new innovation
- Continue to prioritize core dairy business
- Develop adjuncts and adjacencies
- Drive Bioprotection lighthouse to EUR 200m by 2025

### Reinforce position in growth markets
- Further strengthen global market presence
- Application support in core adjacencies
- Human Health: Expansion into emerging markets and growth segments
- Strengthen route-to-market in Ag businesses
- Drive US conversion and secure APAC growth

### Generate fuel for growth
- Drive scalability in supply chain
- Digitalize core processes
- Reinvest in future growth
- Continue drive to restore profitability
Our three lighthouses address challenges within food safety, agriculture and public health

**FOOD CULTURES & ENZYMES**

- **Bioprotection**
  Bacterial solutions for food safety and freshness – target of EUR 200m by 2025

- **Plant Health**
  Bacterial cultures for crop protection – target of EUR 100m by 2025

- **Human Microbiome**
  Next generation bacteria for Human Health

**HEALTH & NUTRITION**

- Lighthouse
  Potential revenue of minimum EUR 100m per year

Designated as lighthouse in 2013
Designated as lighthouse in 2013
Designated as lighthouse in 2016
We retain our long term growth guidance with majority of growth coming from core customers and markets.

- **Organic growth divisional target**: 7-8%
- **Upselling and innovation in core business**: 2-3% growth
- **Extension into new food categories and near adjacencies**: <1% growth
- **Fundamental market growth, pricing and market share**: ~4% growth
- **Further conversion of dairies**: ~1% growth
Upselling novel solutions and increasing wallet size with existing customers will be a key focus in 2018/19

**Rejuvenate product offerings** and up-sell customers to newer, higher priced solutions

Develop **new adjunct uses** of cultures and enzymes

Selling **more solutions to each existing customer** on average

Identify paths to outpace volume growth in mature fermented milk markets (France, Russia and US)
**FOOD CULTURES & ENZYMES**

**We continue to roll out the 2nd generation bioprotection in emerging markets and drive penetration across core food applications**

Bioprotection has made strong progression since 2013, and will continue to create long-term revenue optionality

<table>
<thead>
<tr>
<th>Food waste</th>
<th>Traditionally Fermented Food Products</th>
<th>Non Traditionally Fermented Food Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelf life extension targeting yeasts/mould</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Food Safety</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Additional protection against gram-positive food pathogens (listeria, clostridium)</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
</tbody>
</table>

7% of Food Cultures & Enzymes revenue in 2017/18
HEALTH & NUTRITION

Potential to increase penetration of microbial solutions

Attractive market growth driven by megatrends

- Growing world population and rapid urbanization
- Increasing scientific evidence of health benefits from “good bacteria” (and KOL/consumer awareness)
- Resource scarcity creates productivity squeeze for customers
- Need to reduce Antibiotic Growth Promoter usage in livestock production
- Pressure to curb chemicals usage in crop production

Source: Euromonitor and management estimates
HEALTH & NUTRITION

Human Health to focus on launch of new products

1. **Microbiome is creating new opportunities within conventional strains and existing end markets**

   - **Infants in hospitals**: Reduce risk of gastrointestinal complications
   - **Infant**: Support infant gut microbiome for healthy development
   - **Adult**: Promote intestinal integrity
   - **Women**: Rebalance a healthy vaginal microbiome

2. **Recent partnership with Prota Therapeutics to treat peanut allergy with LGG®**

   - Conventional strains
   - Exotic strains

Fit to current capabilities
HEALTH & NUTRITION

Animal Health to further strengthen route-to-market globally

North America
- Direct route-to-market
- Introducing our newest innovations

EMEA
- Optimizing our business partner relationships
- Launching new products; Gallipro Fit and Bovamine

LATAM
- Combining direct sales and business partner network
- Launching new products in cattle and poultry

APAC
- New business partners
- More dedicated resources on the ground
- Growing portfolio

>60% of revenue\(^1\)
16% of global meat and dairy production

<20% of revenue\(^1\)
37% of global meat and dairy production

<10% of revenue\(^1\)
33% of global meat and dairy production

1 Fiscal Year 2017
Source: FAOSTAT, tons of meat/dairy produced in 2016 (cattle, poultry, swine)
HEALTH & NUTRITION

Plant Health to unlock a potential of EUR 100m revenue by 2025

**Big and growing market**

- 5% penetration of microbial products in the industry
- >10% expected growth of the bio-pesticide industry towards 2021
- 2.5% expected growth of the Crop protection industry towards 2021

**Hectares harvested in existing vs. potential markets, 2015**

- **Sugarcane**
  - 23m
  - Latin America
  - North America
- **Soybean**
  - 108m
  - Latin America
  - North America
- **Corn**
  - 119m
  - Latin America
  - North America

**Ambitions of Plant Health**

- **Today:** On market primarily in South America (Brazil)
- **2019/20:** Expansion in North America
- **2024/25:** Presence in all major geographies

- *Ramping up investments in capacity, discovery, and tech support*

**EUR 100m**

Unlocked potential by 2025

*Source: Phillips McDougall, FaoStat, Markets&Markets*
Natural Colors presents an attractive growth opportunity

**Key messages**
- Attractive growth potential from conversion and coloring foodstuff
- Transformation project completed
- Limited synergies between Natural Colors and our microbial platform

**Main trend and projected value**
- Demand for cleaner, healthier and more natural products
- Projected 2030 market value of EUR 2.0 - 2.5bn

**Current market overview**

- **NORTH AMERICA**
  - Market value EUR: ~150m
  - Conversion volume: ~25%

- **EMEA**
  - Market value EUR: ~500m
  - Conversion volume: ~60%

- **LATAM**
  - Market value EUR: ~100m
  - Conversion volume: ~25%

- **APAC**
  - Market value EUR: ~225m
  - Conversion volume: ~30%

- **GLOBAL**
  - Market value EUR: ~1,000m
  - Conversion volume: ~35%

**Projected 2030 market value**
- Global market growth: 5-7%

**Source:** Euromonitor and management estimates.
**Note:** Market value measured as Food & Beverages Natural Colors including Coloring Foods, and excluding Caramel colors (approximately EUR 200m)
FINANCIAL PERFORMANCE

Great track record of financial performance on Group level...

**Revenue** in EUR m / organic growth, %

- 8% (13/14)
- 10% (14/15)
- 12% (15/16)
- 10% (16/17)
- 9% (17/18)

**Free cash flow before special items and acquisitions** in EUR m / CAGR, %

- 12% (13/14)
- 151 (14/15)
- 175 (15/16)
- 188 (16/17)
- 198 (17/18)

**EBIT before special items and acquisitions** in EUR m / margin, %

- 27.1% (13/14)
- 233 (14/15)
- 28.2% (15/16)
- 307 (16/17)
- 29.2% (17/18)

**Return on invested capital** in EUR m / ROIC, %

- 34.9% (13/14)
- 1,214 (14/15)
- 37.6% (15/16)
- 1,445 (16/17)
- 39.7% (17/18)
- 40.1% (17/18)
- 38.0%
FINANCIAL PERFORMANCE

... and across the business units

FOOD CULTURES & ENZYMES

- 30.2% in 13/14
- 31.5% in 14/15
- 34.3% in 15/16
- 34.5% in 16/17
- 34.3% in 17/18

59% of Group sales

HEALTH & NUTRITION

- 33.0% in 13/14
- 33.3% in 14/15
- 28.3% in 15/16
- 29.2% in 16/17
- 31.0% in 17/18

21% of Group sales

NATURAL COLORS

- 13.0% in 13/14
- 8.3% in 14/15
- 10.9% in 15/16
- 12.9% in 16/17
- 12.0% in 17/18

20% of Group sales
LONG-TERM AMBITION

We will continue to pursue profitable growth through 2021/22

8-10% organic growth
with 7-8% organic growth in FC&E

30+% EBIT margin b.s.i.

+10% CAGR FCF b.s.i.a.
Our capital priorities are unchanged with organic growth still being the top priority.

1. Reinvest for organic growth
   - Capacity
   - Innovation
   - People
   - EUR ~425m capex spent 13/14 - 17/18

2. Bolt-on acquisitions
   - Technology
   - Market presence
   - EUR ~250m in acquisitions 13/14 - 17/18

3. Ordinary dividend
   - 40-60%
   - EUR ~410m ordinary dividend 13/14 - 17/18

4. Additional cash to shareholders
   - Extraordinary dividend
   - Share buy-back
   - EUR ~460m additional cash distributed 13/14 -17/18

Leverage consistent with a solid investment-grade credit profile.
FY 2017/18 Results
Another successful year for Chr. Hansen; financial targets met

**FINANCIAL HIGHLIGHTS**

- **9%** organic growth
  - Guidance FY 17/18: 8-10%

- **29.2%** EBIT margin b.s.i.
  - Guidance FY 17/18: Around the same level as in 16/17 (28.9%)

- **EUR 196m** FCF b.s.i.a.
  - Guidance FY 17/18: Around the same level as in 16/17 (EUR 188m)

- **EUR 0.87** dividend proposal per share (50% of net profit)
  - Guidance FY 17/18: 40-60% of net profit
## FINANCIAL HIGHLIGHTS

Double-digit growth in Food Cultures & Enzymes paired with solid growth in Health & Nutrition and good momentum in Natural Colors

<table>
<thead>
<tr>
<th>organic growth</th>
<th>FY 17/18</th>
<th>Q4 17/18</th>
<th>FY 17/18</th>
<th>Q4 17/18</th>
<th>FY 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+12%</td>
<td>+12%</td>
<td>+8%</td>
<td>+10%</td>
<td>+5%</td>
</tr>
<tr>
<td>Share of Group revenue 17/18</td>
<td>59%</td>
<td>21%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Food Cultures & Enzymes**: 59%
- **Health & Nutrition**: 21%
- **Natural Colors**: 20%
### STRATEGIC & OPERATIONAL HIGHLIGHTS

#### Good progress on Nature’s no. 1 strategy in 2017/18

<table>
<thead>
<tr>
<th>Nature's no. 1</th>
<th>PROGRESS 17/18</th>
<th>PROGRESS 17/18</th>
<th>PROGRESS 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOOD CULTURES &amp; ENZYMES</strong></td>
<td><strong>HEALTH &amp; NUTRITION</strong></td>
<td><strong>NATURAL COLORS</strong></td>
<td></td>
</tr>
<tr>
<td>Leverage the full potential</td>
<td>Develop the microbial platform</td>
<td>Create further value</td>
<td></td>
</tr>
<tr>
<td><strong>Drive penetration of new innovation</strong></td>
<td>Bioprotection grew 35%, especially driven by 1st generation in dairy</td>
<td>Good progress in Human Health &amp; Human Microbiome on new product development</td>
<td>Launched FRUITMAX® oil soluble range for applications in key regions</td>
</tr>
<tr>
<td></td>
<td>2nd generation bioprotection successfully introduced</td>
<td>Launch of two Plant Health products in Brazil, renegotiated collaboration terms with FMC</td>
<td></td>
</tr>
<tr>
<td><strong>Reinforce position in growth markets</strong></td>
<td>Strong organic growth in Latin America and solid growth in APAC</td>
<td>Strong organic growth in Human and Animal Health in Asia-Pacific and Latin America</td>
<td>Successful expansion into food service segment</td>
</tr>
<tr>
<td></td>
<td>Expanded local customer support teams and infrastructure</td>
<td></td>
<td>Strong momentum in coloring foods</td>
</tr>
<tr>
<td><strong>Generate fuel for growth</strong></td>
<td>Scalability impacts from new expansion</td>
<td>Scalability and efficiencies in production</td>
<td>Streamlined product portfolio</td>
</tr>
<tr>
<td></td>
<td>Excellent delivery performance</td>
<td></td>
<td>Strengthened operational processes to enable scalability of the business</td>
</tr>
</tbody>
</table>
82% of our revenue contributes to UN Global Goals

**SUSTAINABILITY HIGHLIGHTS**

**BETTER FARMING**

<table>
<thead>
<tr>
<th>Year</th>
<th>farmland treated with natural solutions (cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>2.2 million hectares</td>
</tr>
<tr>
<td>16/17</td>
<td>3.5 million hectares</td>
</tr>
<tr>
<td>17/18</td>
<td>6.7 million hectares</td>
</tr>
<tr>
<td>24/25 Goal</td>
<td></td>
</tr>
</tbody>
</table>

**BETTER HEALTH**

<table>
<thead>
<tr>
<th>Year</th>
<th>New products launched with health benefits (cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>1</td>
</tr>
<tr>
<td>16/17</td>
<td>2</td>
</tr>
<tr>
<td>17/18</td>
<td>3</td>
</tr>
<tr>
<td>21/22 Goal</td>
<td></td>
</tr>
</tbody>
</table>

**LESS WASTE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yogurt waste reduced (cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>0.1 million tons</td>
</tr>
<tr>
<td>16/17</td>
<td>0.2 million tons</td>
</tr>
<tr>
<td>17/18</td>
<td>0.4 million tons</td>
</tr>
<tr>
<td>21/22 Goal</td>
<td></td>
</tr>
</tbody>
</table>
EMEA, Asia-Pacific and Latin America driving global organic growth

**NORTH AMERICA**
- FY: Solid growth in FC&E and AH; HH declined; NCD flat
- Q4: Solid growth in FC&E and AH; HH declined due to customer destocking in dietary supplements; NCD slightly down

**LATAM**
- FY: Strong growth in FC&E, AH and PH; NCD flat
- Q4: Strong growth in FC&E, AH and PH; NCD with good performance

**APAC**
- FY: Strong growth in H&N and NCD, whilst FC&E reported solid growth
- Q4: Strong growth in H&N and good growth in FC&E and NCD

**EMEA**
- FY: Strong growth in FC&E and AH; NCD solid; HH in decline due to customer destocking in infant formula
- Q4: Strong growth in FC&E, solid growth in NCD; HH declined due to timing of orders; AH on par

---

FC&E= Food Cultures & Enzymes, H&N= Health & Nutrition, NCD= Natural Colors (Division), AH= Animal Health, HH= Human Health, PH= Plant Health.
**FOOD CULTURES & ENZYMES**

**Solid volume growth in Q4 and margin improvements from CPH expansion**

**+12% ORGANIC GROWTH FY 17/18**

**FY**
- Double digit growth in cheese, fermented milk, meat and enzymes, whilst probiotics grew slightly
- Bioprotection delivered ~35% organic growth

**Q4**
- Organic growth was driven by strong growth in cheese, fermented milk, meat and enzymes
- Bioprotection delivered ~30% organic growth

**34.3% EBIT MARGIN FY 17/18 (-0.2%-point yoy)**

**FY**
- Slight decline vs. prior year due to adverse currency impacts
- Positive margin contribution from new capacity

**Q4**
- Increase driven by scalability from new production and absence of ramp-up costs incurred in Q4 16/17

---

**Quarterly development of organic revenue growth and EBIT margin, %**

<table>
<thead>
<tr>
<th>EBIT margin</th>
<th>Q4 15/16</th>
<th>Q1 16/17</th>
<th>Q2 16/17</th>
<th>Q3 16/17</th>
<th>Q4 16/17</th>
<th>Q1 17/18</th>
<th>Q2 17/18</th>
<th>Q3 17/18</th>
<th>Q4 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
<td>12%</td>
<td>11%</td>
<td>12%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q4 16/17</th>
<th>Q4 17/18</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>165</td>
<td>173</td>
<td>618</td>
<td>647</td>
</tr>
<tr>
<td>Organic growth</td>
<td>10%</td>
<td>12%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Volume/mix</td>
<td>9%</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>EBIT b.s.i. margin</td>
<td>37.1%</td>
<td>39.4%</td>
<td>34.5%</td>
<td>34.3%</td>
</tr>
<tr>
<td>ROIC ex. goodwill</td>
<td>47.1%</td>
<td>45.6%</td>
<td>47.1%</td>
<td>45.6%</td>
</tr>
</tbody>
</table>
HEALTH & NUTRITION

Solid performance despite headwinds in Human Health

**+8%** ORGANIC GROWTH FY 17/18

- **HH** with strong growth in infant formula in APAC and NA as well as in dietary supplements in APAC; decline in dietary supplements in NA and infant formula in EMEA due to inventory reductions and order patterns of customers
- Strong growth in silage and solid growth in swine and poultry; cattle declined due to difficult US market conditions
- PH benefited strongly from new product launches in Brazil

**31.0%** EBIT MARGIN FY 17/18 (+1.8%-points yoy)

- Increase driven by positive product mix in HH, lower scrap and synergies from NPC and LGG®, partly offset by FX
- Improvement due to positive product mix and the absence of impairments in Q4 2017/18 compared to prior year, partially offset by FX and costs for NN1 initiatives

### Quarterly development of organic revenue growth and EBIT margin, %

<table>
<thead>
<tr>
<th>EBIT margin</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16/17</td>
<td>225</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>231</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organic growth</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16/17</td>
<td>62</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>66</td>
</tr>
</tbody>
</table>

<table>
<thead>
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</tr>
<tr>
<td>FY 16/17</td>
</tr>
<tr>
<td>FY 17/18</td>
</tr>
</tbody>
</table>
**ORGANIC GROWTH FY 17/18**

**FY**
- Strong growth in coloring foodstuff range FRUITMAX®, particularly in APAC and EMEA
- Strong momentum in ice cream

**Q4**
- Solid growth in EMEA and APAC, driven by FRUITMAX®
- Strong growth in ice cream and solid momentum in confectionary and beverage applications

**12.0%** **EBIT MARGIN FY 17/18 (-0.9%-point yoy)**

**FY**
- Decrease due to FX headwinds, a negative impact from raw materials on inventories and one-off costs related to management changes

**Q4**
- 1.0%-point increase primarily due to margin management initiatives

---

**Quarterly development of organic revenue growth and EBIT margin, %**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Organic Growth</th>
<th>EBIT Margin</th>
<th>ROIC ex. goodwill</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16/17</td>
<td>11%</td>
<td>14.3%</td>
<td>30.3%</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>6%</td>
<td>15.3%</td>
<td>24.6%</td>
</tr>
</tbody>
</table>

**EBIT margin**

- 11.2%
- 10.5%
- 12.5%
- 14.1%
- 14.3%
- 8.4%
- 9.5%
- 14.4%
- 15.3%

---

**Quarterly development**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
<th>Organic Growth</th>
<th>Volume/mix</th>
<th>EBIT b.s.i. margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 15/16</td>
<td>57</td>
<td>11%</td>
<td>8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Q1 16/17</td>
<td>58</td>
<td>6%</td>
<td>5%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Q2 16/17</td>
<td>220</td>
<td>10%</td>
<td>6%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Q3 16/17</td>
<td>219</td>
<td>5%</td>
<td>2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Q4 16/17</td>
<td>30.3%</td>
<td>24.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 17/18</td>
<td>30.3%</td>
<td>24.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 17/18</td>
<td>30.3%</td>
<td>24.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 17/18</td>
<td>30.3%</td>
<td>24.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 17/18</td>
<td>30.3%</td>
<td>24.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INCOME STATEMENT

Group margins up despite substantial headwinds from FX

Comments

- Organic growth of 9% mainly driven by volume growth; FX headwinds of -6%
- Increase in gross margin driven by favorable product mix in H&N offsetting adverse FX
- Operating expenses totaled EUR 280m or 25.6% of revenue in line with prior year
- EBIT margin b.s.i. up 30bps mainly due to higher gross profit; negative hit from FX
- Financial result negatively impacted by unrealized FX losses (ARS, BRL, CNY, TRY); net interest cost was EUR 11m, slightly up compared to prior year

Revenue growth FY 2017/18

<table>
<thead>
<tr>
<th></th>
<th>FY 16/17</th>
<th>FY 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,063</td>
<td>1,097</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-484</td>
<td>-497</td>
</tr>
<tr>
<td>Gross profit</td>
<td>578</td>
<td>601</td>
</tr>
<tr>
<td>Gross margin</td>
<td>54.4%</td>
<td>54.7%</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>-71</td>
<td>-73</td>
</tr>
<tr>
<td>% of sales</td>
<td>6.7%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>-134</td>
<td>-139</td>
</tr>
<tr>
<td>% of sales</td>
<td>12.6%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-71</td>
<td>-70</td>
</tr>
<tr>
<td>% of sales</td>
<td>6.7%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Other operating income/expenses</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>EBIT b.s.i.</td>
<td>307</td>
<td>320</td>
</tr>
<tr>
<td>EBIT b.s.i. margin</td>
<td>28.9%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Special items</td>
<td>-1</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>306</td>
<td>320</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>28.8%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Net financial items</td>
<td>-15</td>
<td>-24</td>
</tr>
<tr>
<td>EBT</td>
<td>291</td>
<td>296</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-67</td>
<td>-68</td>
</tr>
<tr>
<td>Tax rate</td>
<td>23.0%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>224</td>
<td>228</td>
</tr>
</tbody>
</table>
CASH FLOW STATEMENT

Free cash flow on prior year level as expected

Comments

- Operating cash flow increased by 6% to EUR 302m mainly due to improved EBIT and non-cash adjustments, offset by the changed Danish export credit scheme
- Net working capital increased driven by higher inventories and receivables
- Operational investing cash flow was EUR 107m or 9.8% of revenue (in line with 16/17)
- Free cash flow b.s.i.a. was EUR 196m, up 4% from EUR 188m in 2016/17
- ROIC ex. Goodwill was down 2.1%-points due to higher invested capital and a substantially larger FX headwind on EBIT compared to invested capital

<table>
<thead>
<tr>
<th>Change in free cash flow b.s.i.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>188</td>
</tr>
<tr>
<td>FX</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>-4</td>
</tr>
<tr>
<td>-2</td>
</tr>
<tr>
<td>-4</td>
</tr>
<tr>
<td>196</td>
</tr>
</tbody>
</table>

In EUR m

<table>
<thead>
<tr>
<th>FY 16/17</th>
<th>FY 17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow</td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>284</td>
</tr>
<tr>
<td>Operational investing activities</td>
<td>(104)</td>
</tr>
<tr>
<td>Free operating cash flow</td>
<td>180</td>
</tr>
<tr>
<td>Free cash flow b.s.i.a.</td>
<td>188</td>
</tr>
<tr>
<td>Acquisition activities</td>
<td>(73)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>107</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td>Equity</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net working capital</td>
</tr>
<tr>
<td>Capital expenditure</td>
</tr>
<tr>
<td>ROIC excluding goodwill</td>
</tr>
<tr>
<td>NIBD/EBITDA</td>
</tr>
</tbody>
</table>

1 Before special items and acquisitions.
2 Includes other payables and receivables.
## OUTLOOK

Strong organic growth with EUR price list effect and free cash flow impacted by peak capex expected for 2018/19

<table>
<thead>
<tr>
<th></th>
<th>Realized 2017/18</th>
<th>Outlook 2018/19(^1)</th>
<th>Long-term financial ambition(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic revenue growth</strong></td>
<td>+9%</td>
<td>9-11%</td>
<td>8-10%</td>
</tr>
<tr>
<td>Food Cultures &amp; Enzymes</td>
<td>+12%</td>
<td>Above long-term ambition</td>
<td>7-8%</td>
</tr>
<tr>
<td>Health &amp; Nutrition</td>
<td>+8%</td>
<td>10% or above</td>
<td>n.a.</td>
</tr>
<tr>
<td>Natural Colors</td>
<td>+5%</td>
<td>6-10%</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>EBIT margin b.s.i.</strong></td>
<td>29.2%</td>
<td>Around 29.5%</td>
<td>30+%</td>
</tr>
<tr>
<td><strong>Free cash flow b.s.i.a.</strong></td>
<td>EUR 196m  +4% yoy</td>
<td>Around the same level as in 17/18(^3)</td>
<td>+10% CAGR</td>
</tr>
</tbody>
</table>

---

1. Based on constant currencies and stable raw material prices, and assumes no acquisitions. The outlook is also based on the current political and economic environment, although there is a risk of increased political and economic uncertainty – e.g. the economic climate in the Middle East and Latin America, and trade tensions between large economies. Any deterioration in these situations might impact the outlook.


3. Assumes lower growth in cash flow from operating activities than growth of EBIT before special items, due to a higher level of taxes to be paid in 2018/19, mainly related to the absence of acquisition-driven tax benefits realized in 2017/18. Cash flow used for operational investment activities will be at a relatively high level, and is expected to be between EUR 110-130 million. This includes multiple investments across the group, and also assumes a successful sale-and-lease-back of the company’s main site in Hørsholm in Q4 2018/19.
OUTLOOK

Peak capex in 18/19, partially to be financed with sale-and-lease-back

Capex projection in EUR m and % of revenue (illustrative)

Selection of major investment projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Expected year of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freeze dried &amp; powder packaging</td>
<td>19/20</td>
</tr>
<tr>
<td>Natural Colors US footprint &amp; Montpellier R&amp;D upgrade</td>
<td>19/20</td>
</tr>
<tr>
<td>Capacity expansion in Health &amp; Nutrition</td>
<td>20/21</td>
</tr>
<tr>
<td>R&amp;D facility</td>
<td>20/21</td>
</tr>
<tr>
<td>Dairy expansion</td>
<td>Beyond 21/22</td>
</tr>
</tbody>
</table>

~9% average

~10% average

~10% of net revenue capex p.a. 2017/18 – 21/22