

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## STATEMENT OF RESULTS 2018/19



OCTOBER 10, 2019 - ANNOUNCEMENT NO. 16

### SOLID ORGANIC GROWTH AND SOLID MARGIN EXPANSION IN 2018/19, CAUTIOUS OUTLOOK FOR 2019/20

CEO Mauricio Graber says: "2018/19 was a solid year for Chr. Hansen, although it was not without its challenges as tougher market conditions especially in emerging markets made it more difficult to grow to the level of our ambition. We ended the year with 7% organic growth for the group, at the low end of the guidance provided in June. However, we are satisfied that we delivered well on the financial targets for EBIT margin and free cash flow that we set at the beginning of the year, with EBIT margin before special items reaching 29.6% and 17% growth in free cash flow before acquisitions and special items. For the full year, Food Cultures & Enzymes delivered solid organic growth of 8%, while Health & Nutrition delivered 9% and Natural Colors delivered 3%. In Q4, organic growth came down as expected for all three business areas, as we continued to see macroeconomic challenges in emerging markets, primarily impacting Food Cultures & Enzymes and Natural Colors.

We made very good progress on our strategic priorities: Plant Health had a very strong year in Latin America, and is set to have another strong year, selling in both Latin America and North America. We've reached an important milestone for our Human Microbiome lighthouse with the BacThera joint venture, and while bioprotection did not have a very strong year, it still delivered double-digit growth, and we are confident in the commercial pipeline and have accelerated the development of the 3<sup>rd</sup> generation technology.

We have a cautious outlook for 2019/20, given the market challenges we are facing. After a first quarter with flat to low-single digit growth, we expect to improve the momentum in Food Cultures & Enzymes and Health & Nutrition for the rest of the year to end at 4-8% organic growth for the group, with an EBIT margin on par with 2018/19 and an improved operating cash flow. Over the next six months, we will conduct our biennial review of the Nature's no. 1 strategy and will present the results at a Capital Markets Day in April 2020. Given our strong belief in the opportunities inherent in the strategy, fundamental changes from our focus on microbial and natural solutions produced via fermentation should not be expected. Until then, our business focus in 2019/20 will be to improve on our execution of the strategy."

#### 2018/19 IN BRIEF

Organic growth was 7%, and adjusting for a negative currency impact of 1%, corresponded to a revenue increase of 6% to EUR 1,161 million.

- Food Cultures & Enzymes: 8% organic growth
- Health & Nutrition: 9% organic growth
- Natural Colors: 3% organic growth

EBIT before special items increased by 7% to EUR 343 million. The EBIT margin before special items was 29.6%, compared to 29.2% in 2017/18. Profit for the year increased by 10% to EUR 250 million, up from EUR 228 million in 2017/18. Free cash flow before acquisitions and special items was EUR 229 million, compared to EUR 196 million in 2017/18.

#### DIVIDEND

An ordinary dividend for 2018/19 of EUR 0.95 (DKK 7.07) per share, or a total of EUR 125 million, is proposed. The proposed ordinary dividend is equivalent to 50% of the profit for the year. The Board of Directors will consider the options for distributing any excess cash during 2019/20, while maintaining financial leverage consistent with a solid investment-grade credit profile.

#### OUTLOOK FOR 2019/20

Organic revenue growth	4-8%
EBIT margin before special items	Around 29.5%
Free cash flow before acquisitions and special items	Around EUR 190 million

The guidance for EBIT margin before special items and for free cash flow before acquisitions, and special items assumes constant currencies from the time of this announcement and for the remainder of the financial year.

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## FINANCIAL HIGHLIGHTS AND KEY FIGURES

**CHR HANSEN**
*Improving food & health*

	Q4 2018/19	Q4 2017/18	Growth	YTD 2018/19	YTD 2017/18	Growth
<b>Income statement, EUR million</b>						
Revenue	305.9	296.5	3%	1,161.1	1,097.4	6%
Gross profit	176.2	168.9	4%	650.0	600.6	8%
EBITDA before special items	118.8	116.4	2%	407.8	384.0	6%
EBIT before special items	101.9	100.3	2%	343.2	320.2	7%
Special items	(0.9)	-	n/a	(2.3)	-	n/a
EBIT	101.0	100.3	1%	340.9	320.2	6%
Profit for the period	74.6	70.1	6%	250.2	228.2	10%
<b>Financial position, EUR million</b>						
Total assets				2,057.8	1,861.1	
Invested capital				1,745.4	1,631.5	
Net working capital				220.6	189.1	
Equity				797.2	771.6	
Net interest-bearing debt				734.4	658.7	
<b>Cash flow and investments, EUR million</b>						
Cash flow from operating activities	146.8	154.5	(5)%	298.6	302.4	(1)%
Cash flow used for investing activities	24.9	(34.4)	n/a	(81.6)	(107.0)	24%
Cash flow used for investing activities before acquisitions and sale-and-lease-back	(42.7)	(34.4)	(24)%	(139.4)	(107.0)	(39)%
Free cash flow	171.7	120.1	43%	217.0	195.4	11%
Free cash flow before acquisitions and special items	172.6	120.5	43%	229.1	195.9	17%
Free cash flow before acquisitions, special items and sales and lease back	105.0	120.5	(13)%	161.5	195.9	(18)%
<b>Earnings per share, EUR</b>						
EPS, diluted	0.57	0.53	8%	1.90	1.73	10%
<b>Key ratios</b>						
Organic growth, % *	2	10		7	9	
Gross margin, %	57.6	57.0		56.0	54.7	
EBITDA margin before special items, %	38.8	39.3		35.1	35.0	
EBIT margin before special items, %	33.3	33.8		29.6	29.2	
EBIT margin, %	33.0	33.8		29.4	29.2	
ROIC excl. goodwill, %	41.2	45.3		37.3	38.0	
ROIC, %	23.1	24.3		20.3	19.9	
NWC, %	19.0	17.2		19.0	17.2	
R&D, %	6.8	6.9		7.3	7.3	
Capital expenditures, %	14.0	11.9		12.0	9.8	
Net debt to EBITDA before special items				1.8x	1.7x	

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

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## 2018/19 FULL YEAR RESULTS



### REVENUE

Organic growth was 7%, and adjusting for a negative currency impact of 1%, corresponded to a revenue increase of 6% to EUR 1,161 million. The organic growth was negatively impacted by a volatile macroeconomic environment, particularly in emerging markets.

Organic growth was primarily driven by volume/mix effects, with around 2% from pricing. The impact from acquisitions was immaterial. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

REVENUE	YTD 2018/19
Organic growth (vol/mix)	5%
Organic growth (price)	2%
Acquisition	0%
<b>Organic growth</b>	<b>7%</b>
Currencies	(1)%
<b>EUR growth</b>	<b>6%</b>

### REVENUE BY BUSINESS AREA

#### Food Cultures & Enzymes

Organic growth was 8%, and adjusting for a negative currency impact of 3%, corresponded to a revenue increase of 5% to EUR 682 million. The impact from acquisitions was less than 1%. The contribution from volume was 4%, while the contribution from pricing was around 4%, mostly driven by the EUR-price list.

Organic growth was positively impacted by strong growth in enzymes and meat, solid growth from cheese and fermented milk, whereas probiotics declined driven by Asia-Pacific.

Bioprotective cultures delivered organic growth of approximately 10%, driven by the existing segments within fermented milk and meat. Bioprotection accounted for around 7% of the Food Cultures & Enzymes business in 2018/19.

#### Health & Nutrition

Organic growth was 9%, and adjusting for a positive currency impact of 1%, corresponded to a revenue increase of 10% to EUR 255 million, driven by volume/mix. Human Health delivered solid growth, Animal Health delivered good growth with momentum improving during the year, while Plant Health realized very strong growth.

Organic growth in Human Health was driven by very strong growth in infant formula, while dietary supplements was flat.

Animal Health delivered good growth, reflecting very strong growth in Poultry & Swine, while Cattle declined, mainly due to weak dairy farm economics in the first half of the year and timing of orders and lower demand for silage inoculants.

Plant Health delivered very strong growth in Latin America, with sales to both sugarcane and soybean growers.

#### Natural Colors

Organic growth was 3%, and adjusting for a negative currency impact of 1%, corresponded to a revenue increase of 2% to EUR 224 million. Organic volume growth was primarily driven by strong growth in the FRUITMAX® product range in North America, partly offset by price and volume declines for carmine and annatto.

### REVENUE BY REGION

#### EMEA (Europe, the Middle East and Africa)

The EMEA region accounted for 44% of revenue, compared to 45% in 2017/18. Organic growth was 4%, and adjusting for a negative currency impact of 1%, corresponded to a revenue increase of 3%. Organic growth was driven by solid growth in Food Cultures & Enzymes and good growth in Health & Nutrition, while Natural Colors grew slightly.

#### North America

The North American region accounted for 27% of revenue, compared to 26% in 2017/18. Organic growth was 7%, and adjusting for a positive currency impact of 5%, corresponded to a revenue increase of 12%. Organic growth was driven by very strong growth in Natural Colors, driven by large conversions to coloring foods and solid growth in Food Cultures & Enzymes. Health & Nutrition delivered good growth, as Human Health delivered solid growth, while Animal Health declined slightly as the cattle segment has had a challenging although gradually improving year.

#### APAC (Asia-Pacific)

The APAC region accounted for 17% of revenue, compared to 17% in 2017/18. Organic growth was 4%, corresponding to a revenue increase of 4%. Organic growth was driven by very strong growth in Health & Nutrition, while Food Cultures & Enzymes only grew slightly due to slowing demand in China, and Natural Colors declined.

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## 2018/19 FULL YEAR RESULTS



### LATAM (Latin America)

The LATAM region accounted for 12% of revenue, compared to 12% in 2017/18. Organic growth was 21%, and adjusting for a negative currency impact of 17%, corresponded to a revenue increase of 4%. Organic growth was driven by very strong growth in Food Cultures & Enzymes and Health & Nutrition, while Natural Colors declined due to a challenging economic climate impacting demand for natural colors.

### GROSS PROFIT

Gross profit was EUR 650 million, up 8% on 2017/18. The gross margin increased by 1.3%-points to 56.0%, driven by improvements in all three business areas. In Food Cultures & Enzymes, scalability benefits drove the margin improvement, in Health & Nutrition product mix was stronger, and in Natural Colors, lower raw material prices combined with operating efficiencies drove the margin increase. Acquisitions had an immaterial impact.

### OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 309 million (26.6%), compared to EUR 280 million (25.6%) in 2017/18.

Research & Development (R&D) expenses, including amortization and depreciation, amounted to EUR 79 million (6.8%), compared to EUR 73 million (6.7%) in 2017/18.

The net impact from capitalization less amortization and impairment of development costs was EUR 6 million (0.5%), compared to EUR 7 million (0.6%) in 2017/18.

Total R&D expenditures incurred increased by 6% to EUR 86 million (7.4%), from EUR 80 million (7.3%) in 2017/18.

The increase was driven by Nature's no. 1 initiatives, including bioprotection and Plant Health.

Sales & marketing expenses amounted to EUR 159 million (13.7%), compared to EUR 139 million (12.7%) in 2017/18. The increase was mainly driven by strategic initiatives to support Nature's no. 1, such as bioprotection, route-to-market in Animal Health, Plant Health and digitalization.

Administrative expenses amounted to EUR 71 million (6.1%), compared to EUR 70 million (6.4%) in 2017/18.

Net other operating income/expenses was an income of EUR 2 million, compared to EUR 3 million in 2017/18.

### OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 343 million, compared to EUR 320 million in 2017/18, an increase of 7%. The increase was mainly due to the higher gross profit.

The EBIT margin before special items was 29.6%, up from 29.2% in 2017/18, driven by underlying small improvements in Health & Nutrition and Natural Colors, while the EBIT margin in Food Cultures & Enzymes was similar to last year.

In Food Cultures & Enzymes, EBIT amounted to EUR 234 million, compared to EUR 222 million in 2017/18. The EBIT margin was 34.3%, on par with 2017/18. The scalability benefits achieved in production (around 1%-point on gross margin), most notably from increased capacity utilization at the Copenhagen plant, were offset by investments in strategic initiatives, e.g. bioprotection and digitalization.

In Health & Nutrition, EBIT amounted to EUR 80 million, compared to EUR 72 million in 2017/18. The EBIT margin was 31.5%, up 0.5%-point on 2017/18. The increase was driven by a positive product mix and a minor positive impact from currencies, partly offset by investments in strategic initiatives, e.g. route-to-market in Animal Health, the Human Microbiome and Plant Health.

In Natural Colors, EBIT amounted to EUR 29 million, compared to EUR 26 million in 2017/18. The EBIT margin was 12.7%, up 0.7%-point on 2017/18. The increase was driven by lower raw material costs combined with operating efficiencies, partly offset by organizational changes and currencies.

### SPECIAL ITEMS

Special items were an expense of EUR 2 million compared to nil in 2017/18 driven by costs related to the acquisition and integration of Hundsbichler GmbH as well as the joint venture established with Lonza.

### OPERATING PROFIT (EBIT)

EBIT amounted to EUR 341 million, compared to EUR 320 million in 2017/18, an increase of 6%. The EBIT margin was 29.4%, compared to 29.2% in 2017/18.

### NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 16 million, compared to EUR 24 million in 2017/18. The net interest expenses were EUR 12 million, up from EUR 11 million in 2017/18.

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## 2018/19 FULL YEAR RESULTS



The net impact from exchange rate adjustments was negative at EUR 2 million, compared to a negative EUR 12 million in 2017/18. The improvement was mainly due to a focused effort to reduce intercompany balances in emerging market currencies in order to manage the currency risk.

Income taxes amounted to EUR 75 million, equivalent to an effective tax rate of 23.0%, compared to EUR 68 million and 22.9%, respectively, in 2017/18.

### PROFIT FOR THE YEAR

Profit for the year increased by 10% to EUR 250 million, up from EUR 228 million in 2017/18.

### ASSETS

At August 31, 2019, total assets amounted to EUR 2,058 million, compared to EUR 1,861 million a year earlier. The increase was mainly due to investments in the microbial production platform and the sale-and-lease-back of the Company's main site in Hørsholm, Denmark.

Total non-current assets amounted to EUR 1,584 million, compared to EUR 1,450 million at August 31, 2018. Intangible assets increased by EUR 17 million, while property, plant and equipment increased by EUR 116 million.

Total current assets amounted to EUR 474 million, compared to EUR 411 million at August 31, 2018. Inventories increased by EUR 13 million, or 9%, and receivables were up by EUR 31 million, or 16%. Cash increased by EUR 18 million to EUR 87 million.

### NET WORKING CAPITAL

Net working capital was EUR 221 million, or 19.0% of revenue, compared to EUR 189 million, or 17.2%, in 2017/18, which was driven by higher trade receivables due to challenging market conditions in the Middle East, and slightly higher inventories.

### EQUITY

Total equity amounted to EUR 797 million at August 31, 2019, compared to EUR 772 million a year earlier. An ordinary dividend for the financial year 2017/18 totaling EUR 114 million was paid in December 2018, and an extraordinary dividend for the financial year 2018/19 totaling EUR 110 million was paid in July 2019.

### NET DEBT

Net interest-bearing debt amounted to EUR 734 million, or 1.8x EBITDA, compared to EUR 659 million, or 1.7x EBITDA, at August 31, 2018.

### RETURN ON INVESTED CAPITAL (ROIC)

The return on invested capital excluding goodwill was 37.3%, compared to 38.0% in 2017/18. The decrease was driven by investments in the microbial platform. Invested capital excluding goodwill increased to EUR 972 million, compared to EUR 870 million at August 31, 2018. The increase was mainly due to investments in the microbial platform.

The return on invested capital including goodwill was 20.3%, compared to 19.9% in 2017/18. Invested capital including goodwill increased to EUR 1,745 million, compared to EUR 1,632 million at August 31, 2018.

### CASH FLOW

Cash flow from operating activities was EUR 299 million, compared to EUR 302 million in 2017/18. The decrease was driven by the higher taxes paid. The increase in taxes paid was due to the absence of acquisition-related tax benefits recognized in 2017/18.

Cash flow used for operational investing activities was EUR 72 million, or 6.2% of revenue, compared to EUR 107 million, or 9.8% of revenue, in 2017/18. This includes the net proceeds of EUR 68 million from the sale-and-lease-back of the Company's main site in Hørsholm. Excluding this inflow, the cash flow used for operational investing activities was EUR 139 million, or 12.0% of revenue. The increase relative to last year was primarily driven by investments to expand the capacity for packaging freeze-dried products at the Copenhagen facility.

Free cash flow before acquisitions, and special items was EUR 229 million, compared to EUR 196 million in 2017/18. This includes the net proceeds of EUR 68 million from the sale-and-lease-back of the Company's main site in Hørsholm. Excluding this inflow, free cash flow before acquisitions, and special items was EUR 161 million.

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## Q4 2018/19 RESULTS



### REVENUE

Organic growth was 2%, and adjusting for a positive currency impact of 1%, corresponded to a revenue increase of 3% to EUR 297 million. Organic growth comprised 2% from volume/mix effects, and a slight positive impact 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.

### REVENUE

	Q4 2018/19
Organic growth (vol/mix)	2%
Organic growth (price)	0%
Acquisition	0%
<b>Organic growth</b>	<b>2%</b>
Currencies	1%
<b>EUR growth</b>	<b>3%</b>

### REVENUE BY BUSINESS AREA

#### Food Cultures & Enzymes

Organic growth was 3%, corresponding to a revenue increase of 3% to EUR 179 million. The impact from acquisitions was less than 1%. Organic growth comprised 2% from volume/mix and 1% from price increases. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

Organic growth was driven by solid growth in cheese cultures, fermented milk, dairy enzymes and meat, while probiotics declined primarily driven by a challenging market in China. Bioprotection only grew slightly as growth in the application for fermented milk and meat was offset by a decline in cheese, which represents the smallest potential for our bioprotection lighthouse.

#### Health & Nutrition

Organic growth was 4%, all from volume/mix, and adjusting for a positive currency impact of 2%, corresponded to a revenue increase of 6% to EUR 71 million.

Human Health delivered solid growth driven by very strong growth in infant formula, while dietary supplements declined, mainly due to order patterns in EMEA.

Animal Health also delivered solid growth driven by good growth in Cattle and solid growth in Poultry & Swine. Plant Health declined as expected, due to different order patterns from Q4 2017/18.

### Natural Colors

Organic growth was (2)%, and adjusting for a positive currency impact of 1%, corresponded to a revenue decline of 1% to EUR 57 million. The decline consisted of a largely flat volume/mix development and (2)% from price decreases in local currencies.

Organic volume growth was primarily driven by strong growth in the FRUITMAX® coloring foods range, while business related to carmine and annatto contracted due to declining raw material prices and lost business in emerging markets. North America continued to deliver strong growth, while the other regions declined.

### REVENUE BY REGION

#### EMEA (Europe, Middle East and Africa)

Organic growth was (2)%, and adjusting for a positive currency impact of 1% corresponded to a revenue decline of 1%. Food Cultures & Enzymes was flat as growth in fermented milk, cheese and enzymes were offset by declines, primarily in probiotics and wine. Health & Nutrition declined due to timing of orders, and Natural Colors declined due to weaker end market demand in the Middle East.

#### North America

Organic growth was 9%, and adjusting for a positive currency impact of 5%, corresponded to a revenue increase of 14%. Organic growth was driven by good growth in Food Cultures & Enzymes, very strong growth in Health & Nutrition and strong growth in Natural Colors.

#### APAC (Asia-Pacific)

Organic growth was 3% corresponding to a revenue increase of 3%. Organic growth was driven by good growth in Food Cultures & Enzymes, solid growth in Health & Nutrition while Natural Colors declined. In Food Cultures & Enzymes China grew slightly reflecting a decline in Probiotics that was offset by solid growth in traditional dairy segments.

#### LATAM (Latin America)

Organic growth was 2%, and adjusting for a negative currency impact of 5%, corresponded to a revenue decrease of 3%. Organic growth was driven by strong growth in Food Cultures & Enzymes, while Health & Nutrition declined due to timing of orders in Plant Health. Natural Colors declined due to a challenging economic climate impacting demand for natural colors.

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## Q4 2018/19 RESULTS



### GROSS PROFIT

Gross profit was EUR 176 million, up 4% on Q4 2017/18. The gross margin increased by 0.6%-point to 57.6%. The increase was mainly driven by Natural Colors and Health & Nutrition.

### OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 74 million (24.3%), compared to EUR 69 million (23.1%) in Q4 2017/18 reflecting continued investments in strategic priorities despite the low topline growth in the quarter.

### OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 102 million, compared to EUR 100 million in Q4 2017/18, an increase of 2%. The improvement was driven by Health & Nutrition, while Food Cultures & Enzymes was flat and Natural Colors declined. The EBIT margin before special items was 33.3%, down from 33.8% in Q4 2017/18.

In Food Cultures & Enzymes, EBIT amounted to EUR 68 million, compared to EUR 68 million in Q4 2017/18. The EBIT margin was 38.0%, down 1.4%-points on Q4 2017/18. The decrease was driven by the relatively low revenue growth, strategic investments, inventory reductions at our manufacturing and distribution sites, and only partly offset by underlying scalability in production.

In Health & Nutrition, EBIT amounted to EUR 26 million, compared to EUR 24 million in Q4 2017/18. The EBIT margin was 37.4%, up 1.7%-points on Q4 2017/18. The increase was driven by a favorable product mix and a smaller positive impact from currencies.

In Natural Colors, EBIT amounted to EUR 8 million, compared to EUR 9 million in Q4 2017/18. The EBIT margin was 13.4%, down 1.9%-points on Q4 2017/18. The decrease was primarily driven by changes in the commercial organization, higher production costs and currencies, partly offset by lower raw material costs.

### SPECIAL ITEMS

Special items were an expense of EUR 1 million, compared to nil in Q4 2017/18 due to the joint venture established with Lonza.

### OPERATING PROFIT (EBIT)

EBIT increased by 1% to EUR 101 million, compared to EUR 100 million in Q4 2017/18. The EBIT margin was 33.0%, compared to 33.8% in Q4 2017/18.

### NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 4 million, compared to EUR 10 million in Q4 2017/18. The improvement was mainly due to lower balance sheet exposure to emerging market currencies.

Income taxes were EUR 22 million, equivalent to an effective tax rate of 22.9%, compared to 22.8% in Q4 2017/18.

### PROFIT FOR THE PERIOD

Profit for the period increased by 6% to EUR 75 million, up from EUR 70 million in Q4 2017/18.

### CASH FLOW

Cash flow from operating activities was EUR 147 million, compared to EUR 155 million in Q4 2017/18. The decrease was mainly driven by higher taxes paid.

Cash flow used for operational investing activities was a net inflow of EUR 25 million, compared to an outflow of EUR 34 million in Q4 2017/18. This includes the net proceeds of EUR 68 million from the sale-and-lease-back of the Company's main site in Hørsholm. Excluding this inflow, the cash flow used for operational investing activities amounted to EUR 43 million. The increase relative to last year was primarily driven by investments to expand the capacity for packaging freeze-dried products at the Copenhagen facility.

Free cash flow before special items and acquisitions was EUR 173 million, compared to EUR 121 million in Q4 2017/18. This includes the net proceeds of EUR 68 million from the sale-and-lease-back of the Company's main site in Hørsholm. Excluding this inflow, free cash flow before acquisitions, and special items was EUR 105 million.

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## OUTLOOK FOR 2019/20



### ORGANIC REVENUE GROWTH

For 2019/20, organic revenue growth is expected to be 4-8%, with a neutral impact from EUR pricing. The group guidance for the full year is below the long-term ambition of 8-10%, primarily due to an expected weak Q1 and a negative development in natural color raw material prices.

In Q1, the organic growth for the group is expected to be flat to low-single digit due to the challenges from the macroeconomic volatility in emerging markets that have impacted the business in the second half of 2018/19, order timing in Health & Nutrition, and an expected normalization of inventory levels in the distribution chain for Food Cultures & Enzymes as a result of the lower end-market demand.

For the remainder of the year Food Cultures & Enzymes and Health & Nutrition in combination are expected to grow 7-10%, in-line with the group long-term ambition of 8-10% organic growth given the absence of a positive EUR pricing impact. There are several points that underpin this growth expectation: the actions that have been taken to improve execution in several areas, the positive view of the commercial pipeline in Food Cultures & Enzymes, new product launches in Human Health, a continued improvement in Animal Health and strong growth expected in Plant Health. Natural Colors is expected to grow organically at low to mid-single digit in the same period, driven primarily by continued growth in FRUITMAX® but partly offset by lower raw material prices leading to lower sales prices.

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

The EBIT margin b.s.i. is expected to be around 29.5%. Increased utilization of production capacity in Food Cultures & Enzymes will have a positive impact on the margin, which is expected to be offset by investments into the lighthouse projects and other strategic priorities.

### FREE CASH FLOW

Free cash flow before acquisitions and special items is expected to be around EUR 190 million. Cash flow used for operational investment activities is expected to be higher than the EUR 139 million realized in 2018/19 (excluding the proceeds from the sale-and-lease-back), primarily related to investment phasing from 2018/19 to 2019/20.

### ASSUMPTIONS

The outlook is 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. Any deterioration in the political and economic climate might impact the outlook negatively. This includes, but is not limited to, the economic climate in several emerging markets, such as China, Turkey, Brazil and Argentina; the risk of a global economic recession; the overall situation in the Middle East, including any potential sanctions; a deepening of the US-China trade tension; an escalation of the US-EU tariff situation; and a no-deal Brexit scenario.

### SENSITIVITY

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

The most significant currency exposure relates to USD, which accounts for around 30% of revenue, while exposure to other currencies is more modest. A 5% decrease in the EUR/USD exchange rate would impact revenue measured in EUR negatively by around EUR 15-20 million.

Organic revenue growth is sensitive to exchange rate fluctuations in currencies for which Chr. Hansen applies a EUR-based pricing model, and to changes in raw material prices for Natural Colors as some contracts are adjusted for movements in raw material prices.

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 EUR/USD exchange rate. Therefore, the relative EBIT exposure is higher than the revenue exposure. A 5% decrease in the EUR/USD exchange rate would impact EBIT negatively by roughly half of the revenue impact.

The sensitivity to currency also applies to free cash flow.

The use of currency hedging of balance sheet exposures and future cash flows is described in note 4.3 to the Consolidated Financial Statements 2018/19.



# ADDITIONAL INFORMATION

## SHORT-TERM INCENTIVE PROGRAM

Chr. Hansen has put in place a short-term incentive program of up to 130,000 restricted share units (RSUs) for around 160 key employees. The number of RSU's vesting is subject to specified KPIs and criteria supporting performance and retention, including financial performance indicators (organic growth and EBIT). The RSU's vest over a period of two years.

Upon vesting the RSUs may be exercised for a period of 2 years at DKK 0 per share from the time of the first open trading window after vesting. The theoretical market value of the grant is EUR 10.1 million, applying the principles described in the Group's annual report in note 5.1.

## LONG-TERM INCENTIVE PROGRAM

Pursuant to the Company's overall guidelines for incentive-based remuneration and the matching shares program, the Board of Directors has made grants to the Company's Executive Board and other members of the Corporate Leadership Team.

In accordance with the program, the participants are required to acquire a number of existing shares in Chr. Hansen Holding A/S (investment shares) and retain ownership of such shares for a predefined holding period of three (3) years (the holding period). Upon expiration of the holding period and subject to fulfillment of certain predefined performance targets, the participants will be entitled to receive up to five and a half (5.5) additional shares in Chr. Hansen Holding A/S (matching shares) per investment share against no consideration.

The defined performance targets are related to the development of organic growth, EBIT as well as the Total Shareholder Return defined as the relative return compared to a predefined group of peer companies.

The total number of matching shares which the participants will be able to receive based on the grants made is 35,618. The theoretical market value of the grants amounts to DKK 12,542,069 based on likely level of achievement of the performance targets, i.e. 3.34 matching shares per investment share with three (3) years of estimated dividends of 1.5% per year deducted.

The Board of Directors has given a preliminary approval to adjust the long-term incentive program if any changes are made to the Remuneration Policy at the upcoming Annual General Meeting on November 27, 2019.

## CONFERENCE CALL

Chr. Hansen will host a conference call on October 10, 2019 at 10:00 am CET. The conference call can be accessed via the Company's website, [www.chr-hansen.com](http://www.chr-hansen.com).

For further information, please contact:

**Martin Riise, Head of IR**  
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**Annika Stern, IR Officer**  
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## FINANCIAL CALENDAR 2019/2020

November 27, 2019	Annual General Meeting 2019
January 15, 2020	Interim Report Q1 2019/20
April 16, 2020	Interim Report Q2 2019/20
July 2, 2020	Interim Report Q3 2019/20
October 8, 2020	Annual Report 2019/20
November 25, 2020	Annual General Meeting 2020

## COMPANY INFORMATION

Chr. Hansen Holding A/S  
Bøge Allé 10-12  
2970 Hørsholm  
Denmark  
Tel. +45 45 74 74 74  
[www.chr-hansen.com](http://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 around 40,000 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. Sustainability is an integral part of Chr. Hansen’s vision to improve food and health. In 2019 Chr. Hansen was ranked as the world’s most sustainable company by Corporate Knights thanks to our strong sustainability efforts and our many collaborative partnerships with our customers. We have been delivering value to our partners – and, ultimately, end consumers worldwide – for over 145 years. We are proud that more than 1 billion people consume products containing our natural ingredients every day.

# 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 August 31, 2019.

The Board of Directors and Executive Board also approved this unaudited Statement of Results containing financial information for Q4 2018/19 and condensed financial information for the financial year ended August 31, 2019.

The Consolidated Financial Statements in the Annual Report have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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 August 31, 2019 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 August 31, 2019 and further requirements in the Danish Financial Statements Act, 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 the description in the Annual Report of the principal risks and uncertainties that the Group faces in accordance with requirements in the Danish Financial Statements Act.

**Hørsholm, October 10, 2019**

## Executive Board

Mauricio Graber  
President and CEO

Søren Westh Lonning  
CFO

Thomas Schäfer  
CSO

## Board of Directors

Dominique Reiniche  
Chair

Jesper Brandgaard  
Vice Chair

Luis Cantarell

Lisbeth Grubov

Charlotte Hemmingsen

Heidi Kleinbach-Sauter

Niels Peder Nielsen

Per Poulsen

Kim Ib Sørensen

Kristian Villumsen

Mark Wilson

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## INCOME STATEMENT

**CHR HANSEN**

*Improving food & health*

EUR million	<b>Q4 2018/19</b>	Q4 2017/18	<b>YTD 2018/19</b>	YTD 2017/18
<b>REVENUE</b>	305.9	296.5	1,161.1	1,097.4
Cost of sales	(129.7)	(127.6)	(511.1)	(496.8)
<b>Gross profit</b>	<b>176.2</b>	<b>168.9</b>	<b>650.0</b>	<b>600.6</b>
Research and development expenses	(20.0)	(17.2)	(79.4)	(73.4)
Sales and marketing expenses	(41.1)	(37.2)	(158.5)	(139.3)
Administrative expenses	(13.6)	(16.0)	(71.1)	(70.4)
Other operating income	0.8	1.9	4.9	3.5
Other operating expenses	(0.4)	(0.1)	(2.7)	(0.8)
<b>Operating profit before special items</b>	<b>101.9</b>	<b>100.3</b>	<b>343.2</b>	<b>320.2</b>
Special items	(0.9)	-	(2.3)	-
<b>Operating profit (EBIT)</b>	<b>101.0</b>	<b>100.3</b>	<b>340.9</b>	<b>320.2</b>
Net financial expenses	(4.3)	(9.5)	(16.1)	(24.1)
<b>Profit before tax</b>	<b>96.7</b>	<b>90.8</b>	<b>324.8</b>	<b>296.1</b>
Income taxes	(22.1)	(20.7)	(74.6)	(67.9)
<b>Profit for the period</b>	<b>74.6</b>	<b>70.1</b>	<b>250.2</b>	<b>228.2</b>
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	<b>74.6</b>	<b>70.1</b>	<b>250.2</b>	<b>228.2</b>
Earnings per share (EUR)	0.57	0.53	1.90	1.73
Earnings per share, diluted (EUR)	0.57	0.53	1.90	1.73

# STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q4 2018/19	Q4 2017/18	YTD 2018/19	YTD 2017/18
<b>Profit for the period</b>	74.6	70.1	250.2	228.2
<b>Items that will not be reclassified subsequently to the income statement:</b>				
Remeasurements of defined benefits plans	(0.5)	0.1	(0.5)	0.1
<b>Items that will be reclassified subsequently to the income statement when specific conditions are met:</b>				
Currency translation of foreign Group companies	(0.8)	(5.7)	5.7	(13.3)
Deferred gains/(losses) on cash flow hedges arising during the year	(1.7)	-	(6.9)	0.4
Gains/(losses) on cash flow hedges expiring during the year	-	0.4	-	1.1
Tax related to cash flow hedges	0.3	(0.6)	1.4	(0.3)
<b>Other comprehensive income for the period</b>	<b>(2.7)</b>	<b>(5.8)</b>	<b>(0.3)</b>	<b>(12.0)</b>
<b>Total comprehensive income for the period</b>	<b>71.9</b>	<b>64.3</b>	<b>249.9</b>	<b>216.2</b>
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	71.9	64.3	249.9	216.2

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## BALANCE SHEET

CHR HANSEN

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EUR million	Aug 31, 2019	Aug 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Goodwill	772.9	761.7
Other intangible assets	172.3	173.8
Intangible assets in progress	53.2	45.4
<b>Total intangible assets</b>	<b>998.4</b>	<b>980.9</b>
<b>Property, plant and equipment</b>		
Land and buildings	207.1	145.3
Plant and machinery	200.7	188.1
Other fixtures and equipment	31.6	25.0
Property, plant and equipment in progress	138.4	103.1
<b>Total property, plant and equipment</b>	<b>577.8</b>	<b>461.5</b>
<b>Other non-current assets</b>		
Deferred tax	7.6	7.4
<b>Total other non-current assets</b>	<b>7.6</b>	<b>7.4</b>
<b>Total non-current assets</b>	<b>1,583.8</b>	<b>1,449.8</b>
<b>Current assets</b>		
<b>Inventories</b>		
Raw materials and consumables	30.0	25.9
Work in progress	59.8	53.4
Finished goods and goods for resale	70.2	67.6
<b>Total inventories</b>	<b>160.0</b>	<b>146.9</b>
<b>Receivables</b>		
Trade receivables	192.7	160.8
Tax receivables	3.8	3.0
Other receivables	19.1	21.4
Prepayments	11.0	10.1
<b>Total receivables</b>	<b>226.6</b>	<b>195.3</b>
<b>Cash and cash equivalents</b>	<b>87.4</b>	<b>69.1</b>
<b>Total current assets</b>	<b>474.0</b>	<b>411.3</b>
<b>Total assets</b>	<b>2,057.8</b>	<b>1,861.1</b>

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## BALANCE SHEET

**CHR HANSEN**

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EUR million

### EQUITY AND LIABILITIES

#### Equity

Share capital	176.8	176.8
Reserves	620.4	594.8
<b>Total equity</b>	<b>797.2</b>	<b>771.6</b>

#### Liabilities

##### Non-current liabilities

Employee benefit obligations	7.8	7.1
Deferred tax	91.2	81.6
Provisions	3.7	3.6
Borrowings	668.9	632.4
Finance lease (due after 1 year)	54.6	-
Tax payables	15.6	21.3
Deferred gain	49.6	-
Other payables	8.3	-
<b>Total non-current liabilities</b>	<b>899.7</b>	<b>746.0</b>

##### Current liabilities

Provisions	0.1	0.1
Borrowings	96.2	95.4
Finance lease (due within 1 year)	2.1	-
Prepayments from customers	0.2	0.2
Trade payables	132.1	118.6
Tax payables	40.7	44.4
Deferred gain	1.8	-
Other payables	87.7	84.8
<b>Total current liabilities</b>	<b>360.9</b>	<b>343.5</b>

#### Total liabilities

1,260.6      1,089.5

#### Total equity and liabilities

2,057.8      1,861.1

# STATEMENT OF CHANGES IN EQUITY

EUR million	2018/19				
	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
<b>Equity at September 1, 2018</b>	176.8	(51.0)	(0.7)	646.5	771.6
Total comprehensive income for the year, cf. statement of comprehensive income	-	5.7	(5.5)	249.7	249.9
<b>Transactions with owners:</b>					
Purchase of treasury shares	-	-	-	(5.4)	(5.4)
Share-based payment	-	-	-	4.7	4.7
Tax related to share-based payment	-	-	-	0.7	0.7
Dividend	-	-	-	(224.3)	(224.3)
<b>Equity at August 31, 2019</b>	176.8	(45.3)	(6.2)	671.9	797.2

  

EUR million	2017/18				
	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
<b>Equity at September 1, 2017</b>	177.3	(38.2)	(1.9)	631.3	768.5
Total comprehensive income for the year, cf. statement of comprehensive income	(0.5)	(12.8)	1.2	228.3	216.2
<b>Transactions with owners:</b>					
Purchase of treasury shares	-	-	-	(4.7)	(4.7)
Exercised share options	-	-	-	1.1	1.1
Share-based payment	-	-	-	5.5	5.5
Tax related to share-based payment	-	-	-	1.9	1.9
Dividend	-	-	-	(216.9)	(216.9)
<b>Equity at August 31, 2018</b>	176.8	(51.0)	(0.7)	646.5	771.6



# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## CASH FLOW STATEMENT

CHR HANSEN

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EUR million	Q4 2018/19	Q4 2017/18	YTD 2018/19	YTD 2017/18
<b>Operating profit</b>	101.0	100.3	340.9	320.2
Non-cash adjustments	17.9	16.7	65.3	65.9
Change in working capital	37.5	42.7	(24.7)	(28.5)
Interest payments made	(3.0)	(3.3)	(10.6)	(10.6)
Taxes paid	(6.6)	(1.9)	(72.3)	(44.6)
<b>Cash flow from operating activities</b>	<b>146.8</b>	<b>154.5</b>	<b>298.6</b>	<b>302.4</b>
Investments in intangible assets	(6.7)	(7.0)	(23.3)	(19.1)
Investments in property, plant and equipment	(36.2)	(28.3)	(116.3)	(88.8)
Sale and lease back proceeds	67.6	-	67.6	-
Sale of property, plant and equipment	0.2	0.9	0.2	0.9
<b>Cash flow used for operational investing activities</b>	<b>24.9</b>	<b>(34.4)</b>	<b>(71.8)</b>	<b>(107.0)</b>
<b>Free operating cash flow</b>	<b>171.7</b>	<b>120.1</b>	<b>226.8</b>	<b>195.4</b>
Acquisition of entities, net of cash acquired	-	-	(9.8)	-
<b>Cash flow used for investing activities</b>	<b>24.9</b>	<b>(34.4)</b>	<b>(81.6)</b>	<b>(107.0)</b>
<b>Free cash flow</b>	<b>171.7</b>	<b>120.1</b>	<b>217.0</b>	<b>195.4</b>
Borrowings	94.4	(78.6)	306.9	60.5
Repayment of long-term loans	(133.5)	77.2	(277.8)	(35.6)
Exercise of options	-	0.3	-	1.1
Purchase of treasury shares, net	(3.2)	-	(5.3)	(4.7)
Dividends paid	(110.1)	(104.9)	(224.3)	(216.9)
<b>Cash flow used in financing activities</b>	<b>(152.4)</b>	<b>(106.0)</b>	<b>(200.5)</b>	<b>(195.6)</b>
<b>Net cash flow for the period</b>	<b>19.3</b>	<b>14.1</b>	<b>16.5</b>	<b>(0.2)</b>
Cash and cash equivalents, beginning of period	68.3	57.3	69.1	73.0
Unrealized exchange gains/(losses) included in cash and cash equivalents	(0.2)	(2.3)	1.8	(3.7)
Net cash flow for the year	19.3	14.1	16.5	(0.2)
<b>Cash and cash equivalents, end of period</b>	<b>87.4</b>	<b>69.1</b>	<b>87.4</b>	<b>69.1</b>

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## QUARTERLY KEY FIGURES

CHR HANSEN

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EUR million	2018/19				2017/18			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Group</b>								
<b>Income statement</b>								
Revenue	306	302	284	269	297	283	264	255
Gross profit	176	171	155	148	169	157	141	134
EBITDA before special items	119	108	95	86	116	100	87	80
Depreciation, amortization and impairment	(17)	(16)	(16)	(16)	(16)	(16)	(16)	(15)
EBIT before special items	102	92	79	71	100	84	71	65
EBIT	101	91	78	70	100	84	71	65
Net financial items	(4)	(5)	(3)	(4)	(10)	(5)	(5)	(4)
Profit before tax	97	86	75	66	91	79	66	60
Income taxes	(22)	(20)	(17)	(15)	(21)	(18)	(15)	(14)
Profit for the period	75	67	58	51	70	61	51	47
<b>Cash flow</b>								
Cash flow from operating activities	147	85	70	(3)	155	92	52	4
Cash flow used for investing activities	25	(37)	(30)	(39)	(34)	(28)	(22)	(23)
Free cash flow	172	48	40	(42)	120	64	30	(19)
Free cash flow before acquisitions and special items	173	49	40	(33)	121	64	30	(19)
<b>Key ratios</b>								
EPS, diluted	0.57	0.50	0.44	0.39	0.53	0.46	0.39	0.35
Organic growth, %	2	8	8	10	10	9	9	10
Gross margin, %	57.6	56.6	54.7	54.9	57.0	55.6	53.4	52.5
EBITDA margin before special items, %	38.8	35.7	33.4	32.1	39.3	35.5	33.1	31.4
EBIT margin before special items, %	33.3	30.4	27.8	26.3	33.8	29.7	27.0	25.4
EBIT margin, %	33.0	30.2	27.6	26.1	33.8	29.7	27.0	25.4
ROIC excl. goodwill, %	41.2	37.1	33.3	31.4	45.3	37.7	32.8	30.9
R&D, %	6.8	7.4	7.5	7.8	6.9	7.3	7.4	7.8
Capital expenditure, %	14.0	12.2	10.6	11.1	11.9	9.8	8.3	9.1
NWC, %	19.0	23.2	22.0	20.8	17.2	21.9	21.3	19.7
Net debt to EBITDA	1.8x	1.8x	2.0x	1.8x	1.7x	1.8x	2.0x	1.8x

# QUARTERLY KEY FIGURES

EUR million	2018/19				2017/18			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>FOOD CULTURES &amp; ENZYMES</b>								
<b>Income statement</b>								
Revenue	179	177	166	161	173	166	154	155
Depr., amort. and impair.	(10)	(10)	(10)	(9)	(10)	(10)	(10)	(9)
EBIT	68	62	53	51	68	58	48	49
<b>Key ratios</b>								
EUR growth, %	4	7	8	4	5	2	5	7
Organic growth, %	3	8	11	10	12	11	12	12
EBIT margin, %	38.0	35.1	32.1	31.7	39.4	34.7	31.0	31.7
Invested capital excl. goodwill	558	576	563	542	504	517	504	494
ROIC excl. goodwill, %	44.2	41.1	39.1	39.0	53.2	41.6	39.7	40.8
<b>HEALTH &amp; NUTRITION</b>								
<b>Income statement</b>								
Revenue	71	67	63	56	66	59	57	48
Depr., amort. and impair.	(5)	(5)	(5)	(5)	(5)	(4)	(4)	(4)
EBIT	26	21	20	14	24	18	19	11
<b>Key ratios</b>								
EUR growth, %	6	13	9	15	8	1	(2)	5
Organic growth, %	4	11	6	17	10	7	7	10
EBIT margin, %	37.4	30.8	31.0	25.4	35.7	30.8	32.5	23.2
Invested capital excl. goodwill	290	284	273	265	256	254	247	240
ROIC excl. goodwill, %	29.5	26.7	25.3	21.7	37.1	26.0	24.6	18.7
<b>NATURAL COLORS</b>								
<b>Income statement</b>								
Revenue	57	59	55	53	58	58	53	51
Depr., amort. and impair.	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
EBIT	8	9	6	6	9	8	5	4
<b>Key ratios</b>								
EUR growth, %	(2)	2	4	3	2	-	(3)	(1)
Organic growth, %	(2)	3	5	6	6	6	4	4
EBIT margin, %	13.4	15.5	11.0	10.9	15.3	14.4	9.5	8.4
Invested capital excl. goodwill	125	146	132	129	110	130	129	125
ROIC excl. goodwill, %	24.2	21.7	19.4	19.2	29.0	20.1	15.9	15.0

# CHR. HANSEN HOLDING A/S FULL YEAR REPORT

## SEGMENT INFORMATION

CHR HANSEN

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EUR million				Q4 2018/19
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
<b>INCOME STATEMENT</b>				
Revenue	178.6	70.5	56.8	305.9
EUR growth	4%	6%	(2)%	3%
Organic growth	3%	4%	(2)%	2%
Depreciation, amortization and impairment losses	(10.3)	(4.7)	(1.9)	(16.9)
EBIT before special items	67.9	26.4	7.6	101.9
EBIT margin before special items	38.0%	37.4%	13.4%	33.3%
Special items and net financial expenses				(5.2)
<b>Profit before tax</b>				<b>96.7</b>

EUR million				YTD 2018/19
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
<b>INCOME STATEMENT</b>				
Revenue	682.3	255.1	223.7	1,161.1
EUR growth	5%	10%	2%	6%
Organic growth	8%	9%	3%	7%
Depreciation, amortization and impairment losses	(39.2)	(18.4)	(7.0)	(64.6)
EBIT before special items	234.3	80.4	28.5	343.2
EBIT margin before special items	34.3%	31.5%	12.7%	29.6%
Special items and net financial expenses				(18.4)
<b>Profit before tax</b>				<b>324.8</b>

CHR. HANSEN HOLDING A/S FULL YEAR REPORT  
**SEGMENT INFORMATION**  
 (CONTINUED)



EUR million				Q4 2017/18
	<b>Food Cultures &amp; Enzymes</b>	<b>Health &amp; Nutrition</b>	<b>Natural Colors</b>	<b>Group</b>
<b>INCOME STATEMENT</b>				
Revenue	172.5	66.3	57.7	296.5
EUR growth	5%	8%	2%	5%
Organic growth	12%	10%	6%	10%
Depreciation, amortization and impairment losses	(9.8)	(4.6)	(1.7)	(16.1)
EBIT before special items	67.9	23.6	8.8	100.3
EBIT margin before special items	39.4%	35.7%	15.3%	33.8%
Special items and net financial expenses				(9.5)
<b>Profit before tax</b>				<b>90.8</b>
EUR million				YTD 2017/18
	<b>Food Cultures &amp; Enzymes</b>	<b>Health &amp; Nutrition</b>	<b>Natural Colors</b>	<b>Group</b>
<b>INCOME STATEMENT</b>				
Revenue	647.2	230.9	219.3	1097.4
EUR growth	5%	3%	0%	3%
Organic growth	12%	8%	5%	9%
Depreciation, amortization and impairment losses	(38.9)	(17.8)	(7.1)	(63.8)
EBIT before special items	222.2	71.6	26.4	320.2
EBIT margin before special items	34.3%	31.0%	12.0%	29.2%
Special items and net financial expenses				(24.1)
<b>Profit before tax</b>				<b>296.1</b>



EUR million					Q4 2018/19
	EMEA	North America	LATAM	APAC	Group
<b>GEOGRAPHIC ALLOCATION</b>					
Revenue	131.5	89.3	34.8	50.3	305.9
EUR growth	(1)%	14%	(3)%	3%	3%
Organic growth	(2)%	9%	2%	3%	2%
					YTD 2018/19
	EMEA	North America	LATAM	APAC	Group
Revenue	507.5	316.6	144.1	193.0	1,161.1
EUR growth	3%	12%	4%	4%	6%
Organic growth	4%	7%	21%	4%	7%
<b>Non-current assets excluding deferred tax</b>	<b>1,340.3</b>	<b>190.8</b>	<b>32.2</b>	<b>12.9</b>	<b>1,576.2</b>
					Q4 2017/18
EUR million	EMEA	North America	LATAM	APAC	Group
Revenue	133.4	78.6	35.8	48.6	296.5
EUR growth	5%	1%	2%	12%	5%
Organic growth	9%	2%	26%	13%	10%
					YTD 2017/18
	EMEA	North America	LATAM	APAC	Group
Revenue	491.6	281.6	138.0	186.2	1,097.4
EUR growth	6%	(5)%	2%	12%	3%
Organic growth	8%	3%	19%	16%	9%
<b>Non-current assets excluding deferred tax</b>	<b>1,239.3</b>	<b>160.9</b>	<b>29.2</b>	<b>13.0</b>	<b>1,442.4</b>