



Chr. Hansen Roadshow presentation

Q4 2019/20

CHR HANSEN

Improving food & health

Safe harbor statement

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Forward-looking statements are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "outlook," "will," "may," "continue," "should" and similar expressions identify forward-looking statements.

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

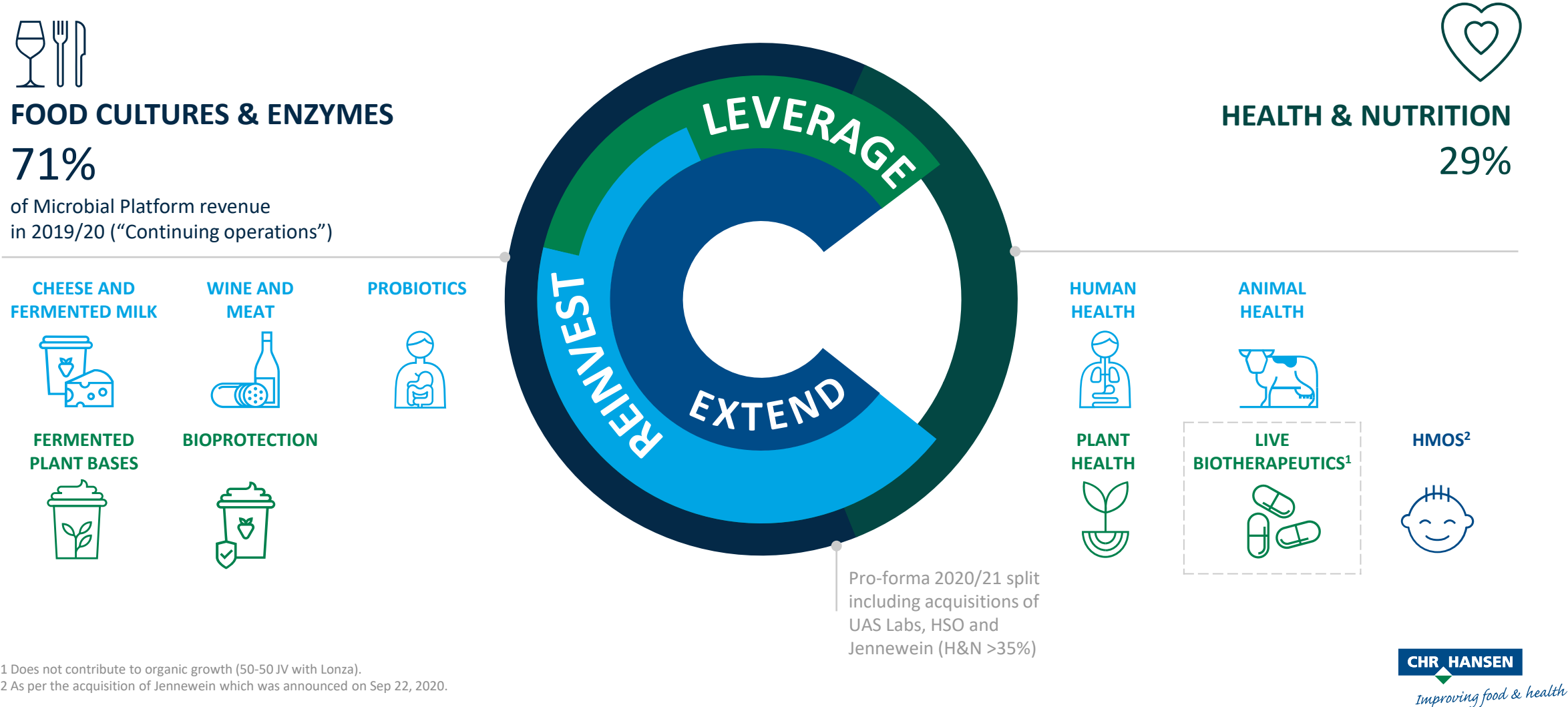
Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond our control. Such risks,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

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

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

We are market and technology leaders in our core businesses

Business overview

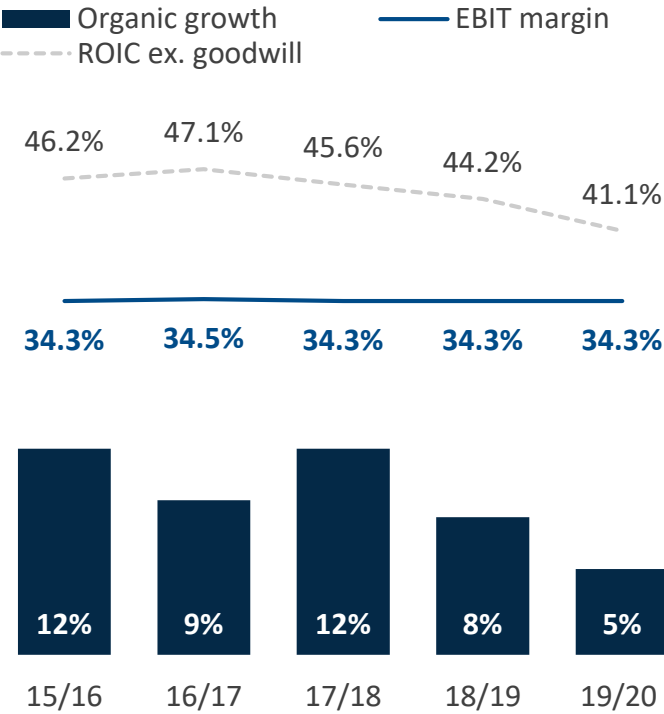


1 Does not contribute to organic growth (50-50 JV with Lonza).
2 As per the acquisition of Jennewein which was announced on Sep 22, 2020.

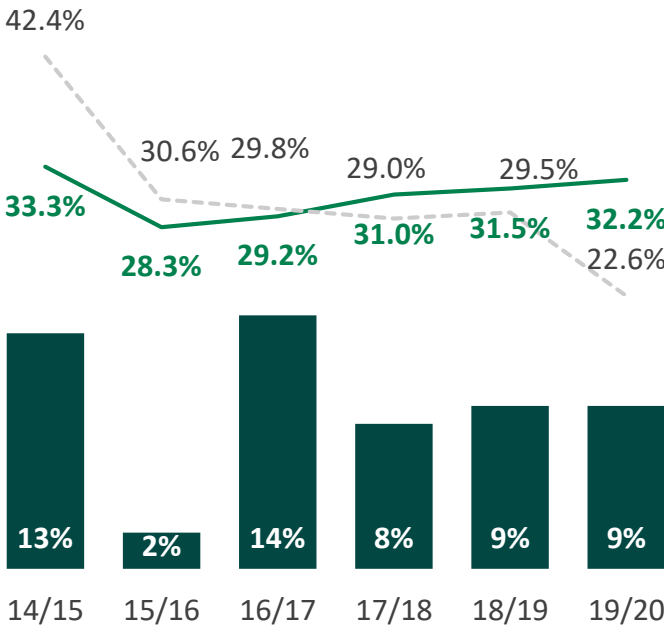
Two complementary businesses with great financial track record

and a regionally balanced footprint

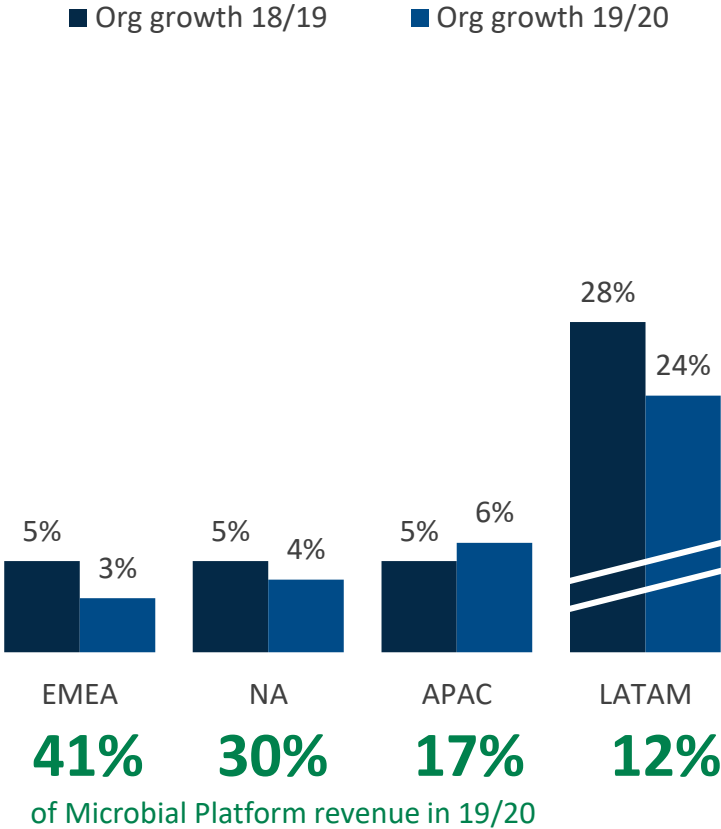
FOOD CULTURES & ENZYMES



HEALTH & NUTRITION



REGIONAL PERFORMANCE



What makes Chr. Hansen stand out

Market leader in attractive niche industries with unique technology platform

INDUSTRY ATTRACTIVENESS

Defensive nature

Strategic ingredient

Aligned with megatrends

Consolidated industry in FC&E

Innovation driven

OUR COMPETITIVE EDGE



Unique microbial and fermentation capabilities



Cost leadership through scalability



Close customer ties and high stickiness/switching costs



Strong purpose and performance culture



Contributing to United Nation's Sustainable Development Goals



MARKET LEADER WITH HIGH ENTRY BARRIERS

CHR. HANSEN

Improving food & health

Underlying markets remain attractive

supported by megatrends and a global sustainability agenda

Market growth rates and key drivers



FOOD CULTURES & ENZYMES

Driven by increasing dairy consumption in emerging markets



HEALTH & NUTRITION

Driven by increasing use of probiotics as dietary supplements, in infant formula, as animal feed ingredients and in crop protection



Megatrends



Growing world population
and resource scarcity



Real foods
consumerism



Aging population and
increasing health awareness



Sustainable agriculture and
attention to CO2 emissions



Technology
breakthroughs

Sources: Euromonitor, Markets and Markets, FAO statistics, BCG, McKinsey, IDF, EU milk statistics, Mintel, customer interviews.

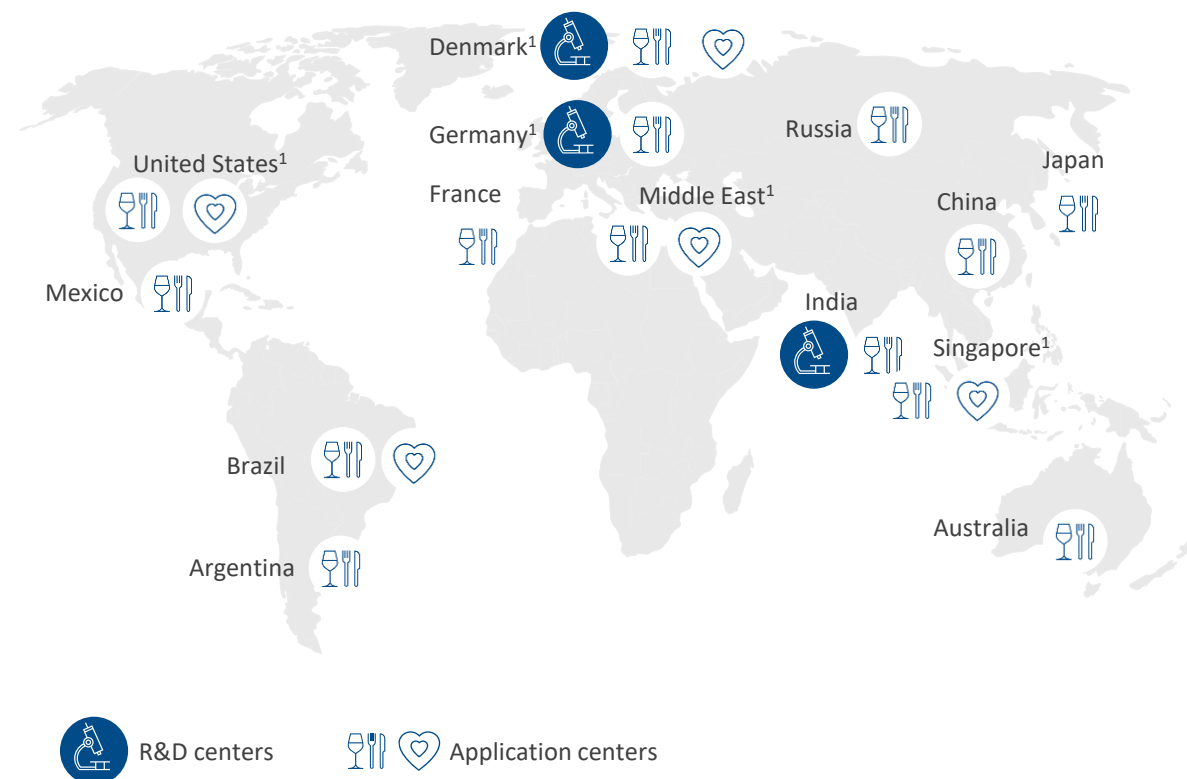
Unique microbial & fermentation capabilities and >145 years of experience

working with microbes across the entire R&D value chain from strain discovery to upscaling and application

STRONG INTERPLAY BETWEEN R&D AND APPLICATION

	DISCOVERY	CULTURES DEVELOPMENT	ANALYTICAL SOLUTIONS	PROCESS DEVELOPMENT
Application expertise	Fermented milk, cheese and meat applications			
	Fermented beverage applications			
	Dietary supplement and infant formula applications			
	Animal feed applications			
	Plant applications			
Research & development expertise				

THREE R&D HUBS AND GLOBAL NETWORK OF APPLICATION CENTRES



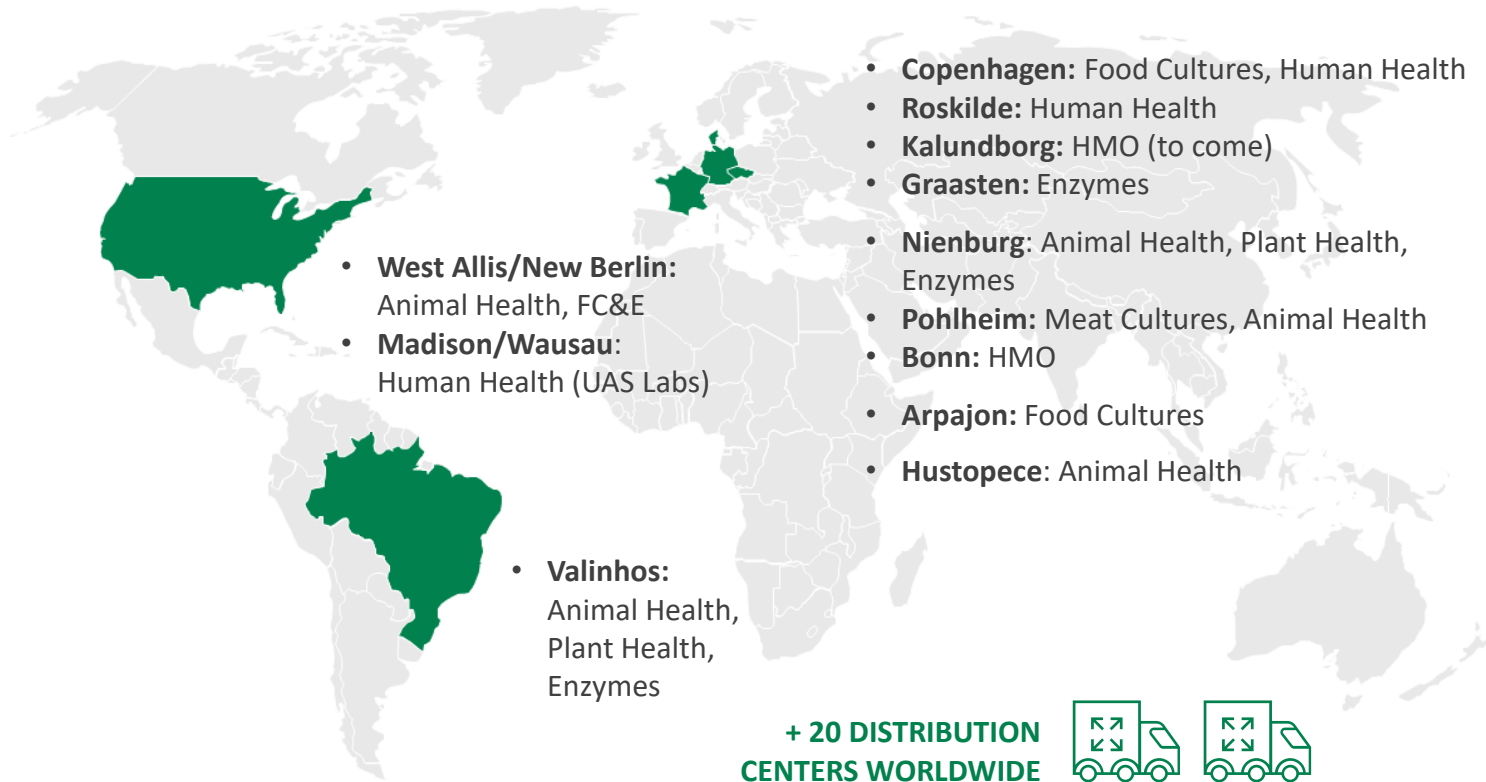
¹ New application center or further expansion/investments during strategy period.

Cost leaders in production with attractive margin expansion potential

thanks to increasing production scale and continuous efficiency improvements

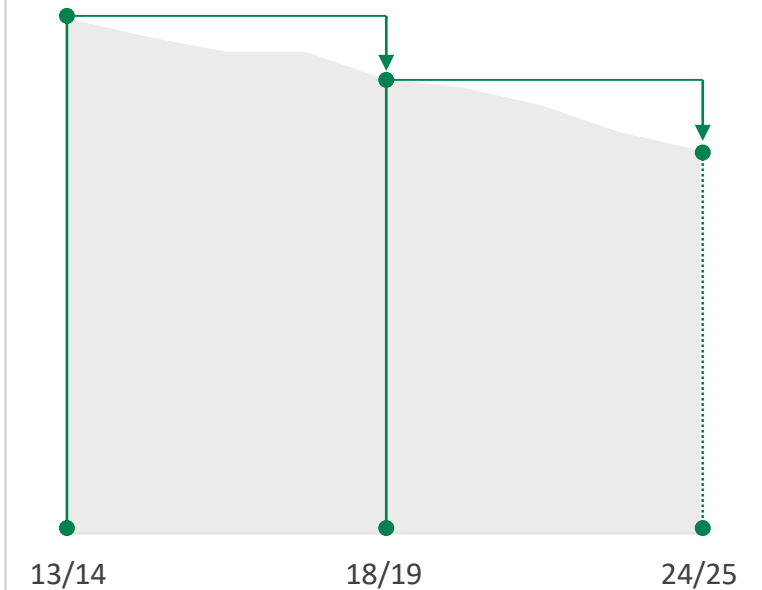
ONE PLANT – MANY LOCATIONS

Global operations footprint



GLOBAL OPERATIONS WILL CONTINUE TO DELIVER SIGNIFICANT COST SAVINGS

Cost of production in % of revenue (*illustrative*)



Operational efficiencies driven by process innovation and economies of scale

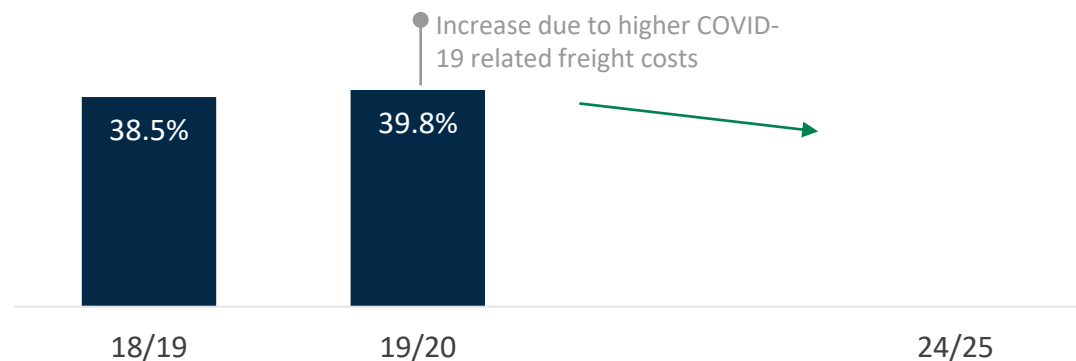
CHR HANSEN

Improving food & health

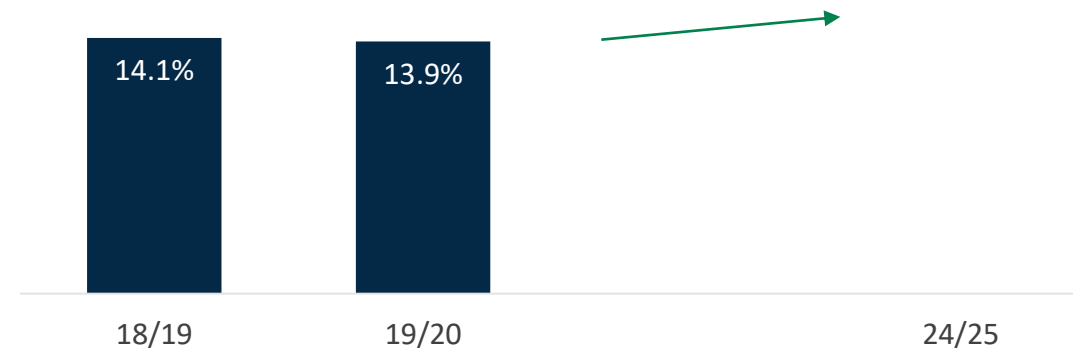
We will continue to drive scalability and efficiency

in production and administrative functions, while investing in growth priorities

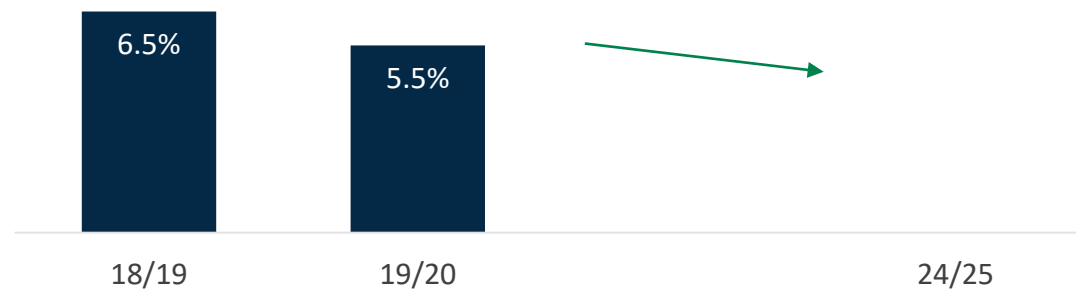
COST OF SALE % of revenue



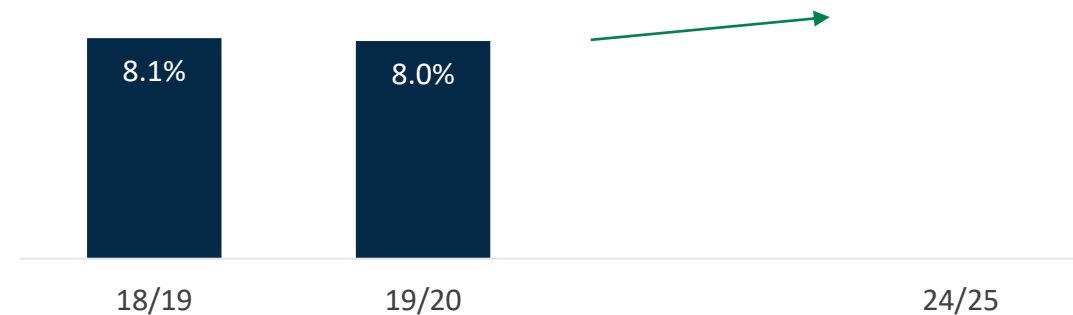
SALES & MARKETING EXPENSES % of revenue



ADMINISTRATIVE EXPENSES % of revenue



R&D EXPENSES INCL. CAPITALIZATIONS % of revenue



Note: Figures for continuing operations (Microbial Platform) only available for last two financial years.

2025 Strategy: Creating a differentiated bioscience company

with focus on microbial and fermentation technology platforms to Grow a Better World. Naturally.

Where to play



How to win

- | | | |
|---|-------------------|--|
| 1 | CUSTOMERS | Further expand customer base and global reach and excel in customer centricity |
| 2 | INNOVATION | Accelerate new product development and commercialization |
| 3 | OPERATIONS | Realize scalability benefits and operational efficiencies |
| 4 | PEOPLE | Safeguard culture and invest in talent management |
| 5 | PURPOSE | Drive sustainability agenda to Grow a better world. Naturally. |

REINVEST in core platforms

to defend and further strengthen market positions in dairy and meat, Human and Animal health



FOOD CULTURES & ENZYMES



Dairy
and meat

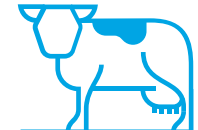


NEW:
Probiotics
in food

Probiotics
for fermented milk



Human Health
Dietary supplements
and infant formula



NEW:
Pet food

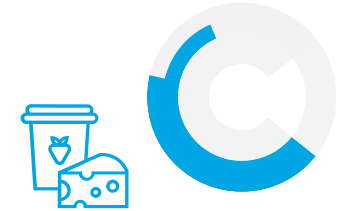
Animal Health
Cattle, swine
and poultry

CHR HANSEN

Improving food & health

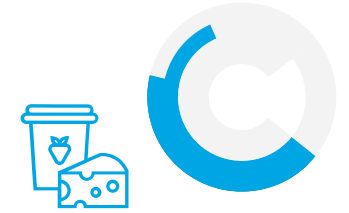
FC&E growth model

supports 5-7% organic growth during the strategy period



We will reinvest in our core dairy business

to bring new innovations to customers and increase our share of wallet through upselling



We have product solutions for both driving efficiencies and product differentiation



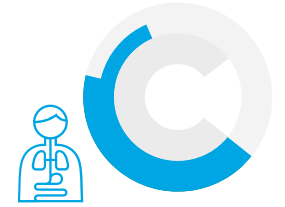
Product	Benefit	Saving in % of COGS ¹
YIELDMAX®	Yield improvement	1-1.5%
CHY-MAX® Supreme	Yield improvement	1-1.5%
ACIDIFIX®	Savings on protein	2-3%
YOFLEX® Premium	Protein savings due to better texture	~1%
SWEETY®	Sugar saving	~0.5%

Yogurt example	Regular	Lactose-free	Probiotic	Lactose-free clean-label probiotic
Retail price per liter	~1.5 EUR	~2.5 EUR	3 EUR	>3 EUR
Number of Chr. Hansen products included (<i>illustrative</i>)	DVS®	DVS® NOLA® Fit	DVS® LGG®	DVS® NOLA® Fit LGG® FRESHQ®

¹ Management estimates. Examples for illustrations, may differ depending on product type and production.

In Human Health we will shape the global probiotic market

through science leadership and expansion into new customer groups and segments



UNPARALLELED PRODUCT OFFERING ACROSS LIFE STAGES, INDICATION AREAS AND PRODUCT FORMATS

Gut health



Immune health



Women's health



Infant & young children



Novel indication areas



WITH THE ACQUISITIONS OUR INTERNAL CAPABILITIES COVER THE ENTIRE VALUE CHAIN FROM STRAIN TO SOLUTION

Innovation



- Strain safety and characterization
- Clinical trials and documentation
- Mode of action and microbiome research

Product development



- Strain selection
- Formulation and dosage forms
- Product grade

Manufacturing



- State-of-the-art fermentation facilities
- In-house finished goods manufacturing

Services



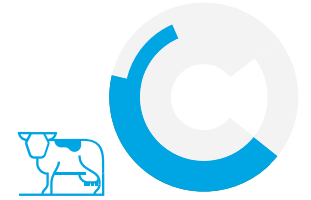
- Global regulatory and legal support
- Customer insights and marketing
- Health care professional education

CHR HANSEN

Improving food & health

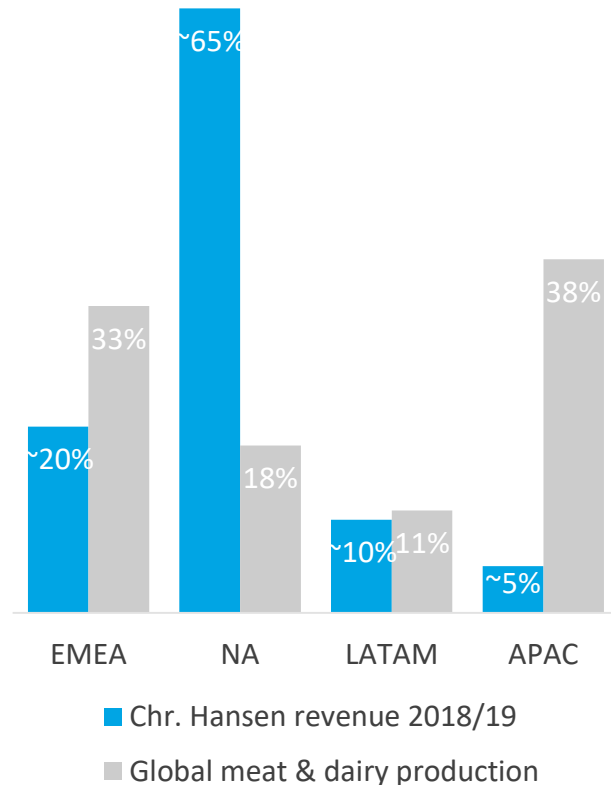
We continue to expand our market presence in Animal Health

working with partners and direct accounts and rolling our products out globally



EXPANDING OUTSIDE OF NORTH AMERICA

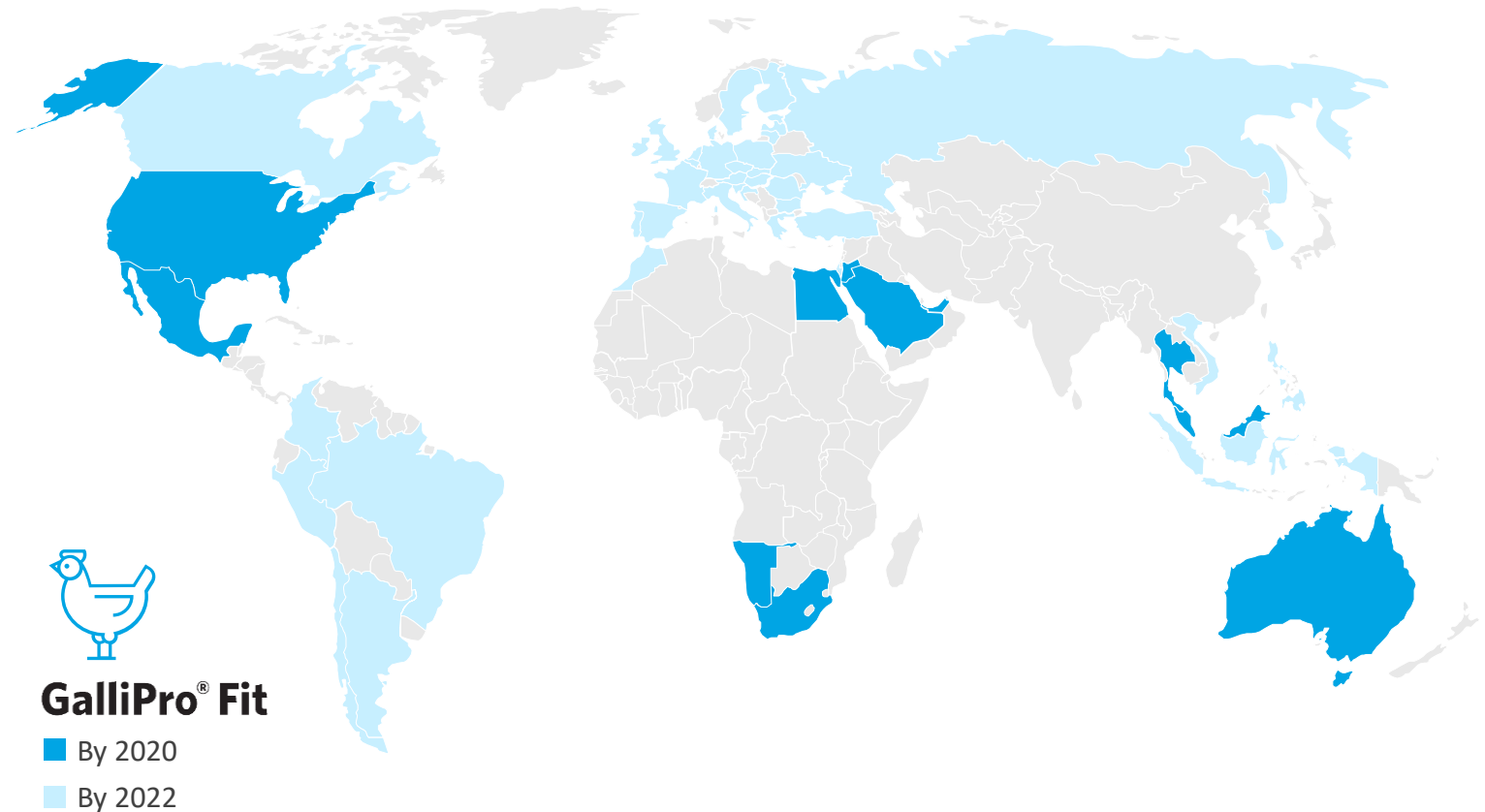
Animal Health revenue vs. global meat and dairy production volumes by regions¹



¹ FAOSTAT (2018).

GLOBAL ROLL-OUT OF PRODUCT PORTFOLIO

Example: Countries with (expected) registrations for GALLIPRO[®] Fit



CHR HANSEN

Improving food & health

LEVERAGE Microbial Platform to grow lighthouses

and bring microbial solutions to food, health, farming and pharma markets



FOOD CULTURES & ENZYMES



Bioprotection

Reduce food spoilage and increase food safety



Fermented Plant Bases

‘Fermented milk’ alternatives and fermented beverages

HEALTH & NUTRITION



Plant Health

Microbial crop protection for more sustainable farming



Live Biotherapeutics

Contract manufacturing for live biotherapeutics (Lonza JV)



HMOs

Prebiotics for infant formula (Jennewein)

Estimated addressable markets¹

EUR 200m

2025

EUR 1bn

Long-term

EUR <100m

2025

EUR >100m

Long-term

EUR 400m

2025

EUR >1bn

Long-term

EUR 150-200m

2025

EUR >1bn

Long-term

EUR >400m

2025

EUR >1bn

Long-term



















¹ Management estimates.

LIGHTHOUSE: New business area of strategic importance with minimum revenue potential of EUR 100m per year and above Group growth rates.

We continue our journey in Bioprotection

by further expanding our range to extend shelf life and increase food safety



APPLICATION		 FERMENTED MILK	 CHEESE	 FERMENTED MEATS	 OTHER MEATS & FISH	 DAIRY & MEAT ALTERNATIVES	 FRUITS & VEGETABLES
Value proposition	Extend shelf life & reduce food waste	✓	✓	✓		✓	
	Clean labelling & food safety		✓	✓	✓	✓	✓
Capabilities	Product offering						
	Commercial/ market access						
Opportunity	Penetration today	~10%	<5%	~10%		<1%	

With our lighthouse in Fermented Plant Bases we will capture growth in the fast-growing markets for alternative protein sources and healthier beverages



GROWTH DRIVERS



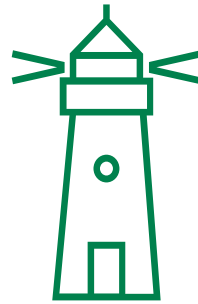
Changing consumer preferences
with focus on health and more sustainable consumption



Government and NGO support
driven by global climate agenda and increasing protein demand



Improving product quality, availability and pricing



NEW LIGHTHOUSE: Fermented Plant Bases

EUR >100m
long-term potential

EUR <100m
addressable market in 2025

'FERMENTED MILK' ALTERNATIVES

Solutions for spoonable and drinkable formats

FERMENTED BEVERAGES

Solutions for non-/low-alcohol beer & fermented tea

'MEAT' ALTERNATIVES

'CHEESE' ALTERNATIVES

ACCELERATE

EXPLORE

CHR HANSEN

Improving food & health

Our unique fermentation expertise positions us well

to develop safe, tasty, clean-label and healthy fermented plant based foods and beverages



HIGHLY ATTRACTIVE MARKET NICHE



A growing market



Premium pricing



Higher ingredient content



Attractive cross-selling

SUCCESS FACTORS TO WIN



Agility & speed-to-market



Access to established players and emerging challengers (e.g. via MISTA)



Managing complexity of different bases in application and R&D



Innovations that improve quality or reduce cost



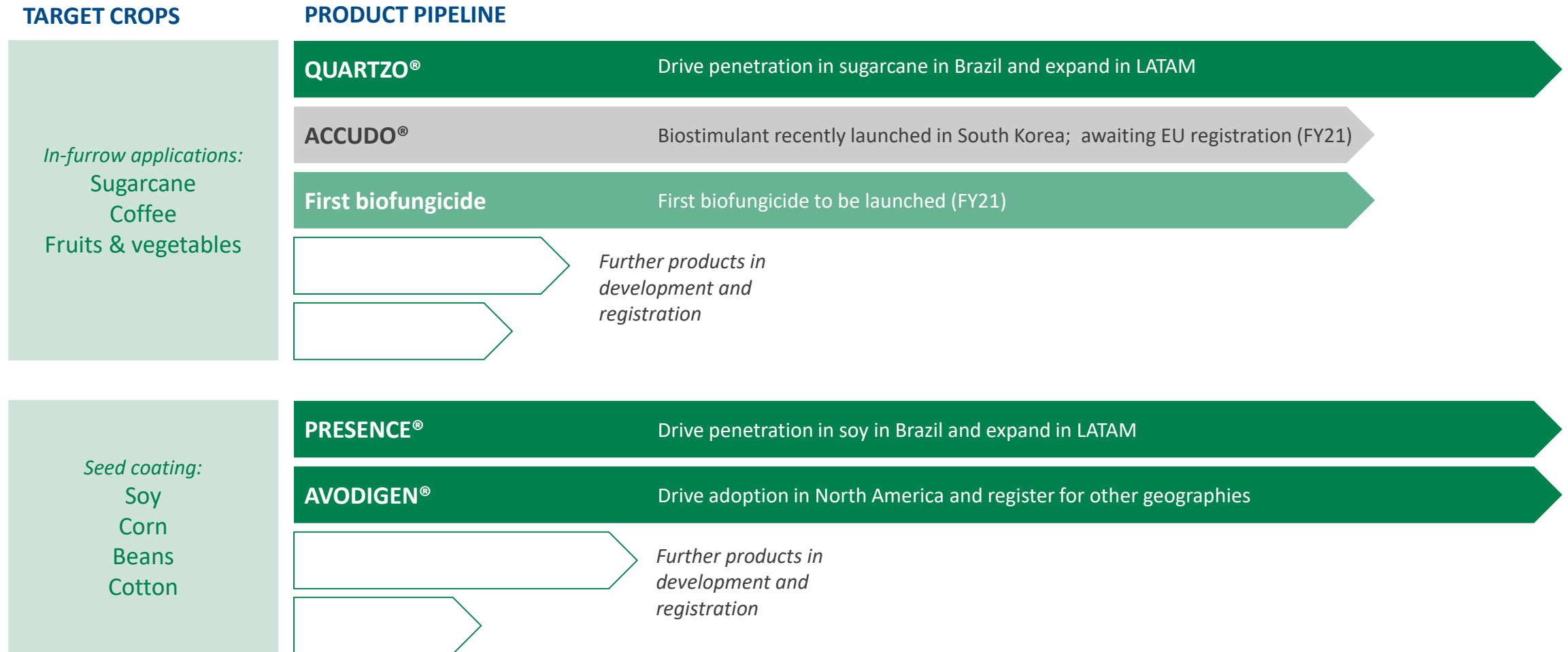
Production capabilities for 'vegan' cultures & enzymes

CHR HANSEN

Improving food & health

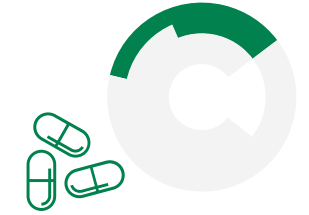
We have a strong product pipeline in Plant Health

and will be launching several new products over the coming years whilst expanding our global reach

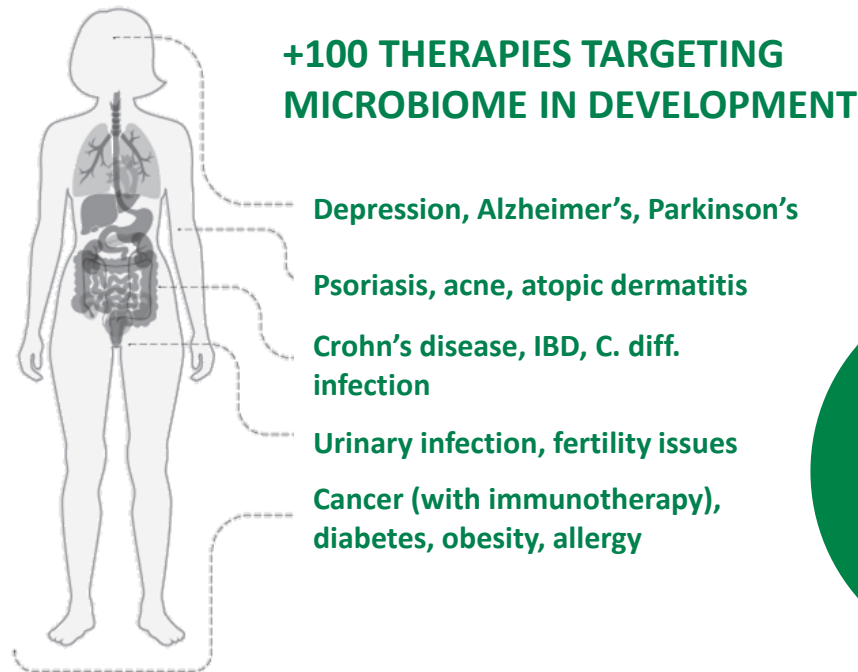


Bacthera is off to a strong start

with first customer contracts signed and investments progressing as planned



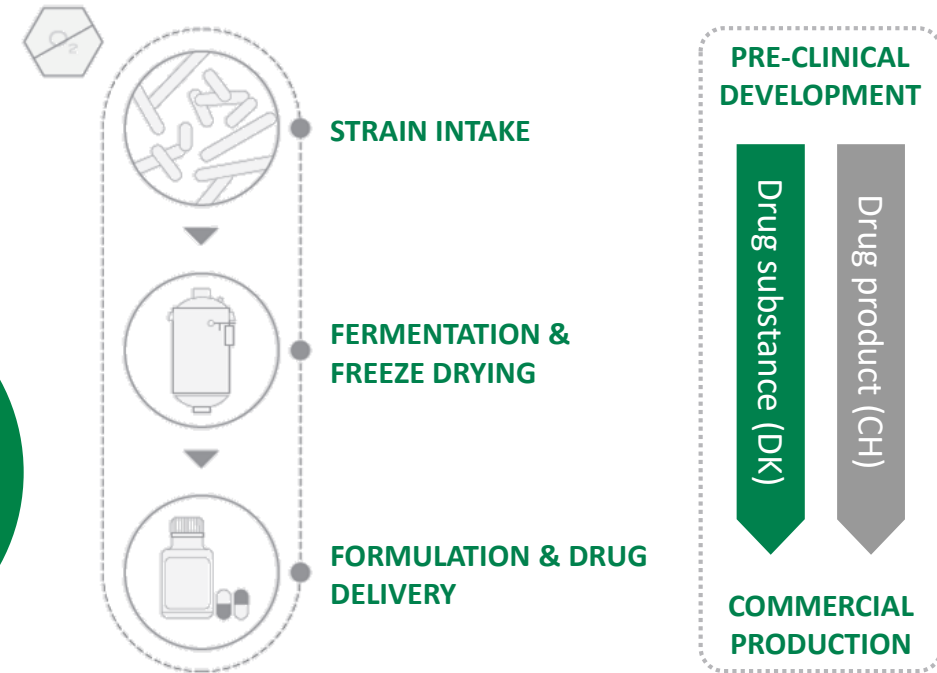
RAPIDLY EMERGING MARKET FOR LIVE BIOTHERAPEUTICS



EUR >1bn
long-term
market potential

EUR 150-200m
in 2025 (only
clinical trial)

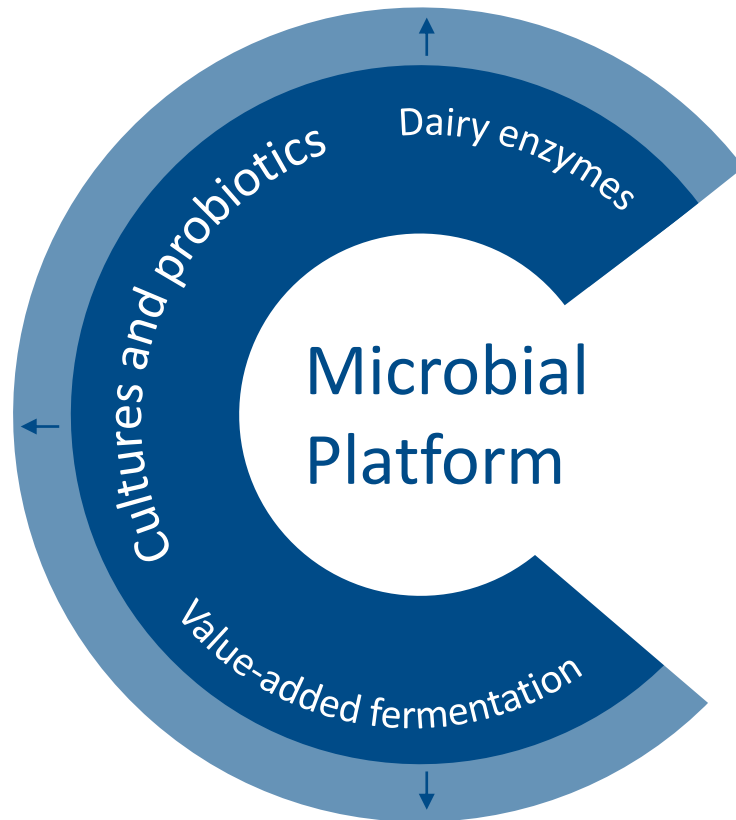
FULL SUPPLY CHAIN OFFERING WITH TRULY DISTINCT CAPABILITIES



- Organization established (+50 FTEs) and first customer contracts signed; strong pipeline
- Supply chain build-out progressing well with first phase of investments to be completed by end of Q1 FY21 (EUR 90m in total FY20-22 split between CHR/Lonza)
- Largely self-funding after FY22

EXTEND Microbial Platform through M&A and partnerships

to further enhance our microbial and fermentation capabilities



COMPLEMENTED WITH BOLT-ON ACQUISITIONS

2015
DIAL



2016
NPC



2016
LGG



2018
Hundsbichler



2020
HSO



2020
UAS Labs



2020
Jennewein



STRONG NETWORK OF GLOBAL PARTNERS



FOOD OPTIMIZED

Lonza



CHR HANSEN

Improving food & health

Chr. Hansen acquires Jennewein

to enter and lead the emerging, high-growth Human Milk Oligosaccharides (HMO) market



ACQUISITION RATIONALE

1. Enter high-growth HMO market as a global leader with strong product portfolio, customer reach and IP protection
2. Strengthen position in infant segment by adding HMOs (prebiotics) to offering and become a broader microbiome player
3. Extend Microbial Platform by adding capabilities in value-added fermentation with attractive synergy potential
4. Leverage R&D and commercial capabilities to build science and bring HMOs to larger customer base
5. Strong cultural fit & alignment on purpose

TRANSACTION DETAILS

- Transaction value of EUR 310m on debt-free basis
- Financed through existing debt financing partners
- Leverage to increase short-term to 3.5-4x EBITDA
- Capex investment of EUR >200m until 2025 to build brown-field factory to meet volume demands from long-term contracts
- FY20 outlook and long-term financial ambition unchanged
 - Accreditive to Group organic growth after 2020/21
 - EBIT margin potential in line with Group beyond 2024/25
- Jennewein to operate as a separate business unit under Health & Nutrition

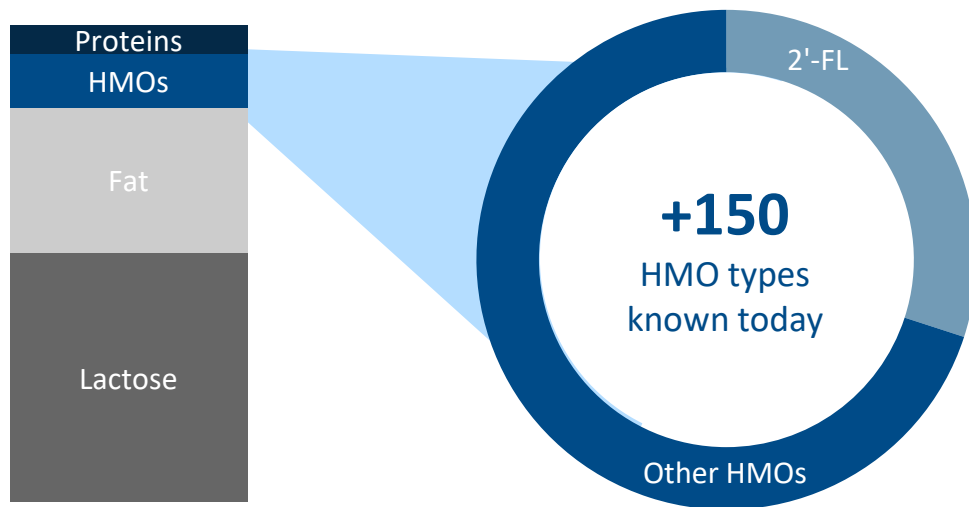
High growth in global HMO market

driven by consumer demand for 'close-to-nature' infant formula and increasing scientific evidence



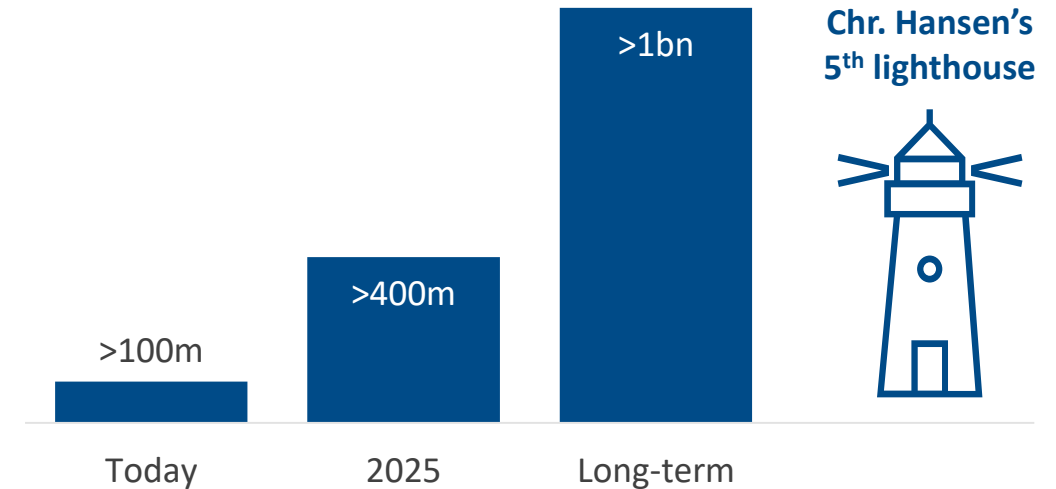
HMOs ARE THE THIRD LARGEST COMPONENT IN HUMAN MILK

Nutrient composition in human milk



DEMAND FOR HMOs IS EXPECTED TO INCREASE MEANINGFULLY

Addressable market in EUR¹



Selected health benefits:

- Support neuronal & brain development of infants
- Reduce risk of NEC in pre-terms infants
- Improve digestive health & strengthen immune system
- Immunomodulatory effect
- Act against bacterial/viral pathogens and toxins

Growth drivers:

- Premiumization trend in infant formula to drive penetration
- Regulatory approval in NA, Europe and parts of LATAM and Asia; further countries to come
- Increasing scientific evidence around health benefits
- Combination products and new applications

¹ Management estimates.

Strengthening Microbial Platform through acquisitions

in probiotics and HMO with attractive growth and margin expansion potential



HSO Health Care

Probiotics for women's health

- EUR 15m in revenue and >40% EBITDA margin in 2020 (> EUR 6m EBITDA)
- Strong double-digit organic growth expected from FY20-25
- Women's health probiotics market expected to grow >10% until FY25
- EBIT margin to reach ~30% by FY25



UAS Labs

Multi-species, high dosage probiotics

- USD 85m revenue and USD >30m in EBITDA (>35% margin) in 2020
- EBIT dilutive in FY21 (EUR ~10-15m)
- EBIT margin to reach ~30% by FY25
- USD 530m transaction value, net of tax assets (estimated value of USD 80m)



Jennewein

HMO

- EUR 50m revenue and net EBIT loss of EUR 10-15m (EBITDA EUR ~0m) expected in FY21
- EBIT margin dilutive throughout strategy period but beyond FY25 potential is expected to be ~30%
- Market size of EUR >100m today, EUR >400m in FY25 and > EUR 1bn long-term
- EUR +200m capex until FY25 of which EUR <100m in FY21
- EUR 310m transaction value on debt-free basis

We will execute on our 2025 Strategy across five dimensions

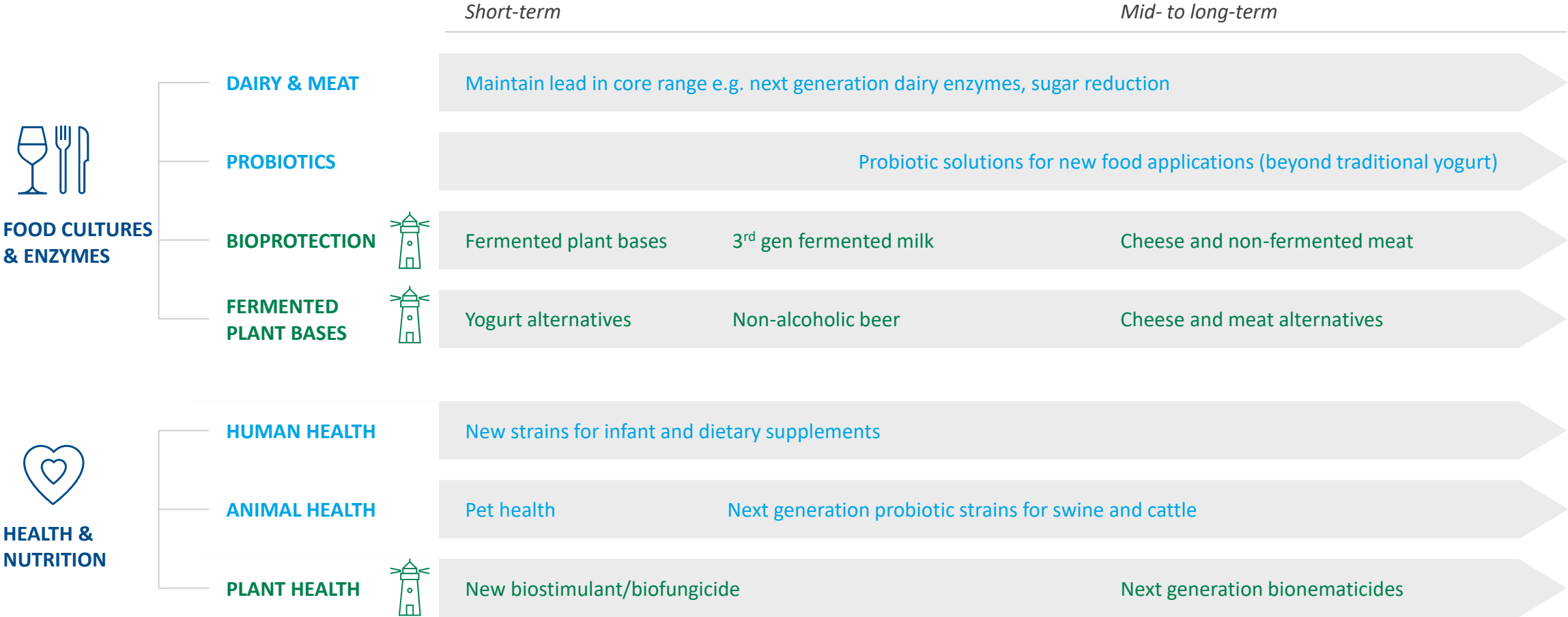
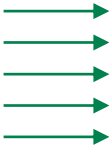
How to win

1	CUSTOMERS	Further expand customer base and global reach	... and excel in customer centricity by expanding route-to-market, adding resources in application, sales and marketing and advancing our digital agenda.
2	INNOVATION	Accelerate new product development and commercialization	... with dedicated project management and a new governance set-up, as well as through the expansion of R&D partner network and digitalization.
3	OPERATIONS	Realize scalability benefits and operational efficiencies	... through future capacity expansions, process innovations, robotics and automation.
4	PEOPLE	Safeguard culture and invest in talent management	... with a commitment to diversity, creating a safe workplace, driving a mindset of best and attracting millennials.
5	PURPOSE	Drive sustainability agenda to Grow a better world. Naturally.	... and committing to limit global temperature rise to 1.5 degrees.

We will invest 75% of R&D in new product development

to support growth across core businesses and lighthouses

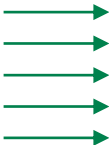
INNOVATION



We will expand our production capacity

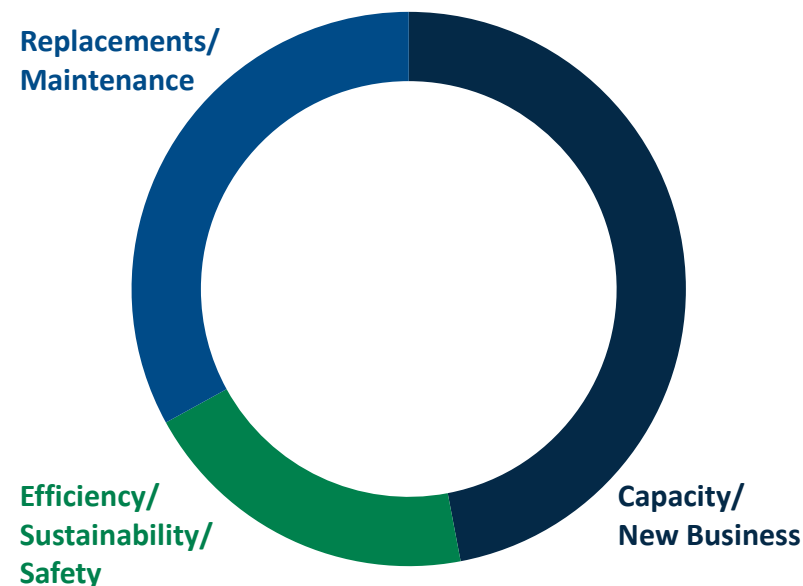
while realizing optimization initiatives and synergies from UAS Labs integration

OPERATIONS












MOST OF OUR CAPEX PROJECTS ARE CENTERED AROUND BUILDING CAPACITY

Illustrative based on capex spend in the last 5 fiscal years



UAS LABS ACQUISITION AND PRODUCTION OPTIMIZATION ALLOW FOR PHASING OF CAPEX PROJECTS TO BEYOND THE STRATEGY PERIOD

Selection of large capex projects	Expected completion
Capacity upgrade, Roskilde 	2021/22
Freeze dried & powder packaging, Copenhagen  	2022/23
Additional fermentation capacity upgrades, US 	2022/23
NEW: HMO production, Kalundborg (phase I) 	2022/23-23/24
Additional fermentation capacity upgrades, Germany  	2024/25
Innovation campus incl. application center & new pilot plant, Denmark 	2022/23
Next large-scale dairy expansion 	After 2024/25

Postponements of capex due to UAS Labs acquisition:

Expansion of Human Health facility, Roskilde

Dairy alternatives production

CHR HANSEN

Improving food & health

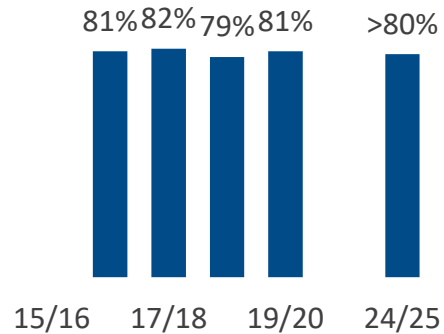
We will further advance our sustainability agenda

by focusing on products, planet and people



PRODUCTS

CONTRIBUTION TO GLOBAL GOALS
in % of gross revenue¹



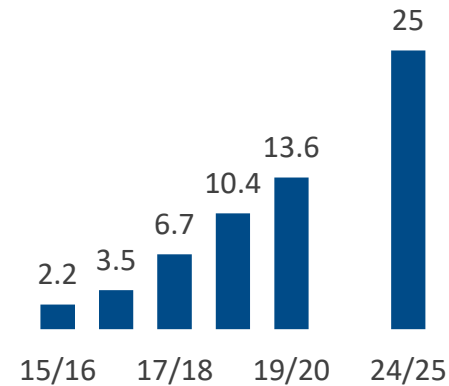
PLANET

40%
Usage of renewable
energy across sites (target: 100%)

PEOPLE

43:37 ratio
Female employees and women in
management (target: 1:1 ratio)

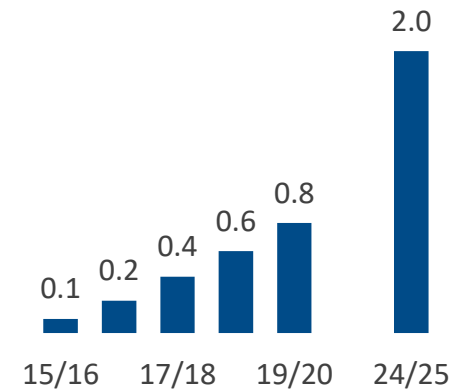
**FARMLAND TREATED WITH
NATURAL SOLUTIONS²** in m ha



69%
Circular management
of biowaste (target: 100%)

34%
Score in annual engagement
survey (target: top 25%)

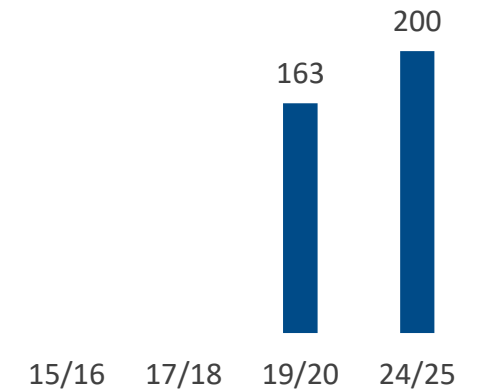
YOGURT WASTE SAVED
in m tons



67%
Key packaging materials
recyclable³ (target: 100%)

1.3
Lost Time Incident Frequency
(target: < 1.5)

PROBIOTICS CONSUMED
in million people



✓ **Better Energy agreement**
✓ **SBT initiative joined**

✓ **New purpose “Grow a
Better World. Naturally.”
launched**

¹ Continuing operations.

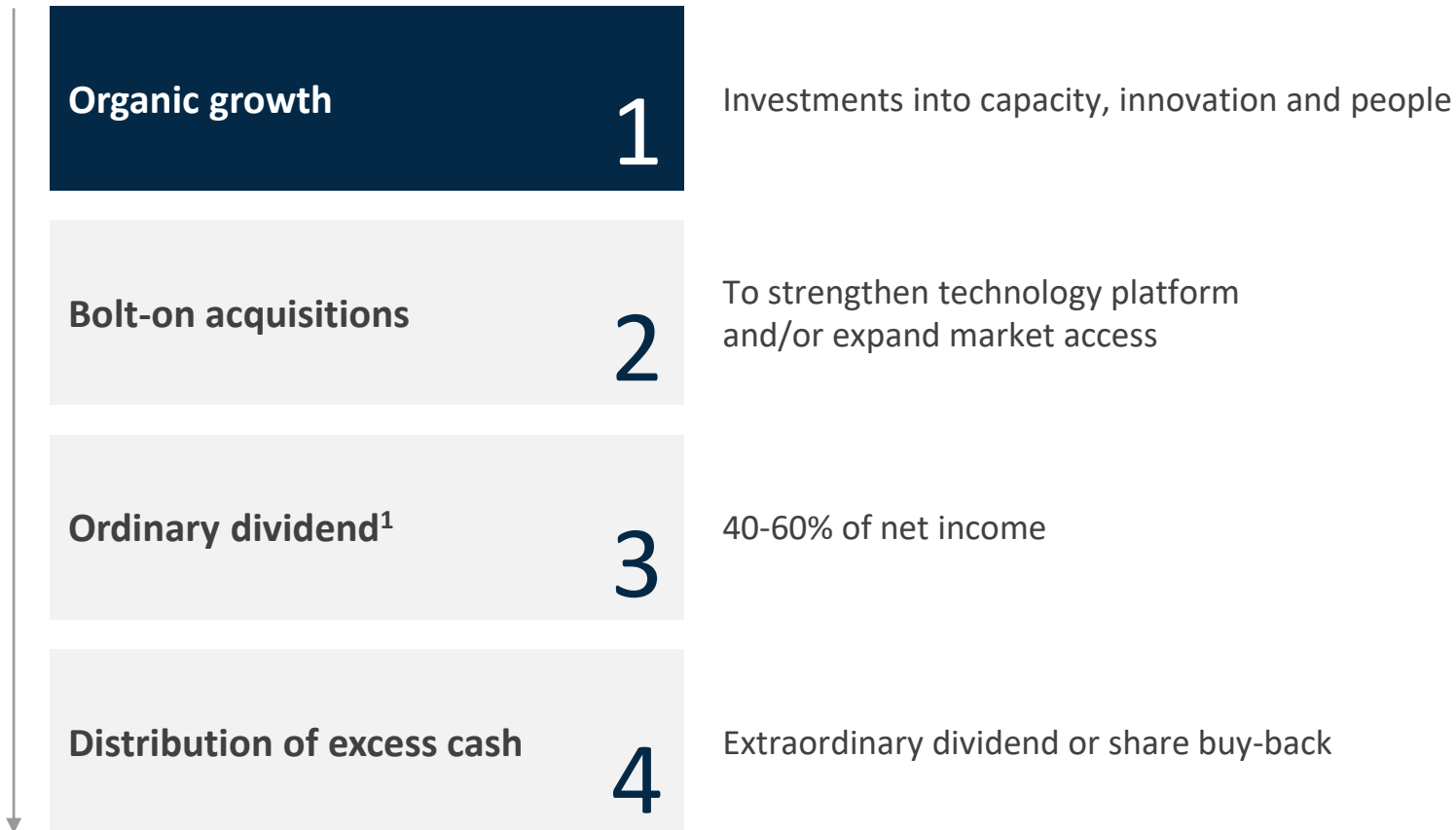
² Plant Health or silage inoculants.

³ Includes continuing operations and discontinued operations.

Creating shareholder value

by reinvesting in organic growth complemented with acquisitions; capital allocation framework unchanged

CAPITAL ALLOCATION PRIORITIES



¹ The dividend proposed will depend on the Board of Directors' assessment of factors such as business development, growth strategy, current leverage and financing needs, and there is no guarantee that an ordinary dividend will be proposed or declared in any given year.

WHAT WE WILL NOT DO

- X** Pursue acquisitions in unrelated areas
- X** Expand outside microbial and fermentation platform
- X** Expand enzyme business outside food enzymes
- X** Become an integrated solutions provider
- X** Become a full value-chain pharma company

Executive compensation

closely aligned with shareholder interests; strong incentive component

SHORT TERM: ANNUAL INCENTIVE PROGRAM FOR CEO AND CFO

- Based on group financial and non-financial targets
 - Non-financial KPIs related to customer service, quality, diversity, safety and environment
- Bonus is paid as a minimum 1/3 in Restricted Stock Units and 2/3 in cash; normally accounts for 25-30% of total remuneration package



In % of fixed pay ¹	Target	Max
CEO	70%	100%
CFO/EVP	50%	70%

LONG TERM: PROGRESSIVE THREE-YEAR INCENTIVE PROGRAM

- Requires personal investment in Chr. Hansen shares to participate
- Grant value estimated (based on Black-Scholes) at 20-25% of the remuneration package
- Vest in full after three years



Target matching shares per investment of one share

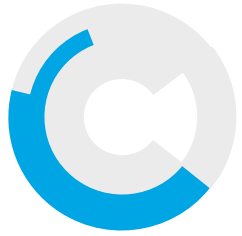
In % of fixed pay ¹	Target	Max
CEO	80%	120%
CFO/EVP	60%	90%

¹ Base plus pension.

Q4/FY 2019/20 Results

Eventful year with significant strategic progress despite COVID-19

Strategic highlights FY 2019/20



REINVEST



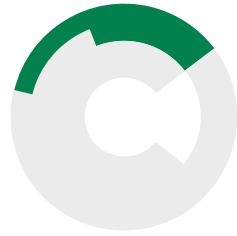
Good progress on commercialization of new launches



Strong year in Animal Health supported by new products



Human Health with strong H2 driven by increased demand for probiotics with immunity benefits



LEVERAGE



Scientific breakthrough in bioprotection on mode of action



Plant Health expansion into soy and North America



Bacthera organization established and first customers signed



Fermented Plant Bases lighthouse launched



EXTEND



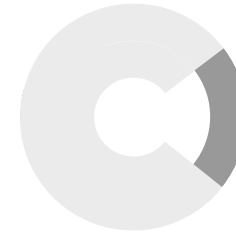
Strengthened position in women's health with HSO Health Care



Expanded into multi-species blends with UAS Labs



New lighthouse in HMOs following Jennewein acquisition



REVIEW



Strategic review process of Natural Colors concluded with sale to EQT (closing expected in spring 2021)

CHR HANSEN

Improving food & health

Portfolio changes pave way for future as microbial pureplay

with very attractive growth prospects and margin expansion potential

ACQUISITIONS



EUR 130-140m (FY21E)

EUR ~30m (FY21E)

~350

EUR 970m¹

Revenue

EBITDA

Employees

Transaction value

NATURAL COLORS



EUR 219m (FY20)

EUR 39m (FY20)

~650

EUR 800m



- Exclusive focus on microbial and fermentation technology platforms
- New lighthouse launched
- Accretive to Group organic growth with attractive synergy potential
- Meaningful EBIT margin expansion over the strategy period expected; EBITDA margin accretive already from day 1

¹ Before tax asset with estimated value of USD 80m from UAS Labs acquisition.

Guidance achieved despite challenging business environment

Financial highlights Q4 and FY 2019/20



ORGANIC GROWTH



EBIT MARGIN B.S.I.



FREE CASH FLOW B.A.S.I.

FY 2019/20	Guidance	4-6%	Around 29.5%	Above EUR 200m
	Group ¹	5%	29.9%	EUR 245m

Microbial Platform	Q4 2019/20	9% Q4 2018/19: 3%	38.4% Q4 2018/19: 37.9%	EUR 81m Q4 2018/19: EUR 82m ²
	FY 2019/20	6% FY 2018/19: 8%	33.7% FY 2018/19: 33.6%	EUR 225m FY 2018/19: EUR 153m ²

¹ Includes continuing and discontinued operations.

² Excluding inflow from sale-and-lease-back of Company's main site in Hørsholm.

Growth in all regions despite impacts from global COVID-19 pandemic

Regional highlights Q4 and FY 2019/20

EMEA



3% in Q4
3% FY

Microbial Platform¹

- **Q4:** Good growth in FC&E despite weakness in Middle East; solid growth in H&N driven by very strong momentum in AH and solid growth in HH
- **FY:** Good growth in FC&E, while H&N declined due to soft Q1

NORTH AMERICA



1% in Q4
4% FY

Microbial Platform¹

- **Q4:** Slight growth in FC&E as solid growth in cheese was offset by declines in wine and probiotics; H&N with slight growth as very strong growth in HH was largely offset by decline in AH
- **FY:** FC&E on par with last year as growth in fermented milk was offset by slight decline in cheese; H&N delivered strong growth

LATIN AMERICA



47% in Q4
24% FY

Microbial Platform¹

- **Q4:** Very strong growth in FC&E and in H&N driven very strong momentum in PH in line with expectations
- **FY:** Very strong growth in FC&E supported by CHY-MAX[®] Supreme and EUR pricing; solid growth in H&N

APAC



10% in Q4
6% FY

Microbial Platform¹

- **Q4:** FC&E declined due to COVID-19 related softness in China and India; H&N with very strong growth driven by HH
- **FY:** FC&E declined as solid growth in fermented milk was offset by decline in probiotics in China; H&N grew very strongly

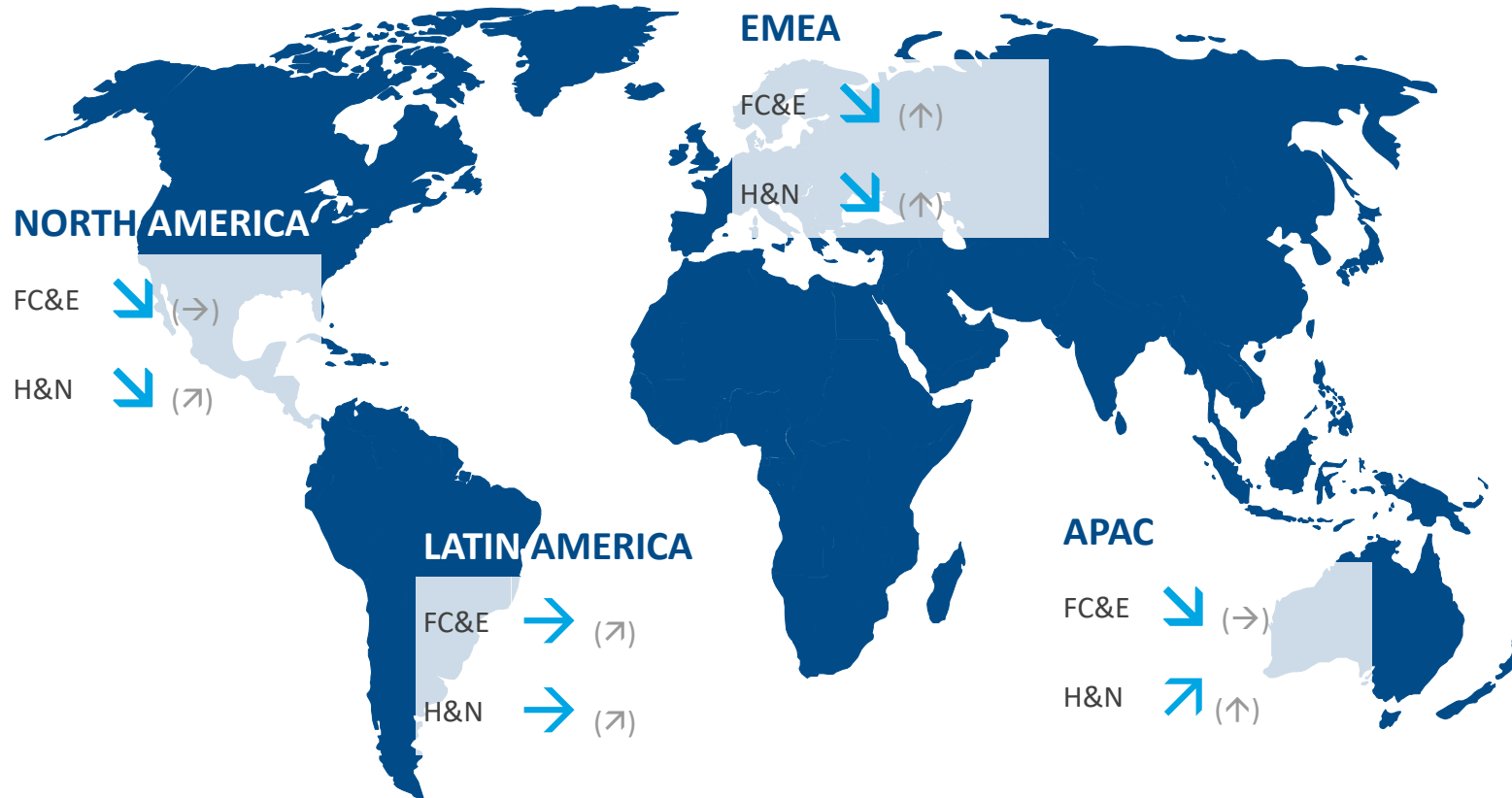
¹ Continuing operations.

AH= Animal Health, HH= Human Health, PH= Plant Health.

Solid commercial activity despite limited face-to-face customer access

Global COVID-19 pandemic

COVID net impacts **Q4 2019/20** (Q3)



Small net negative for Chr. Hansen in Q4 due to normalization of inventory levels, slower conversion of commercial pipeline and weak economic environment

- Consumer downtrading, particularly in emerging markets
- Upselling negatively impacted by travel restrictions and customer focus on cost
- Risk of delays in customer trials and product registrations

Supply chain/delivery performance very solid, but impact from high freight costs

Employee safety remains number #1 priority

CHR HANSEN

Improving food & health

Volume growth in cheese offset by FM & probiotics; positive from EUR pricing

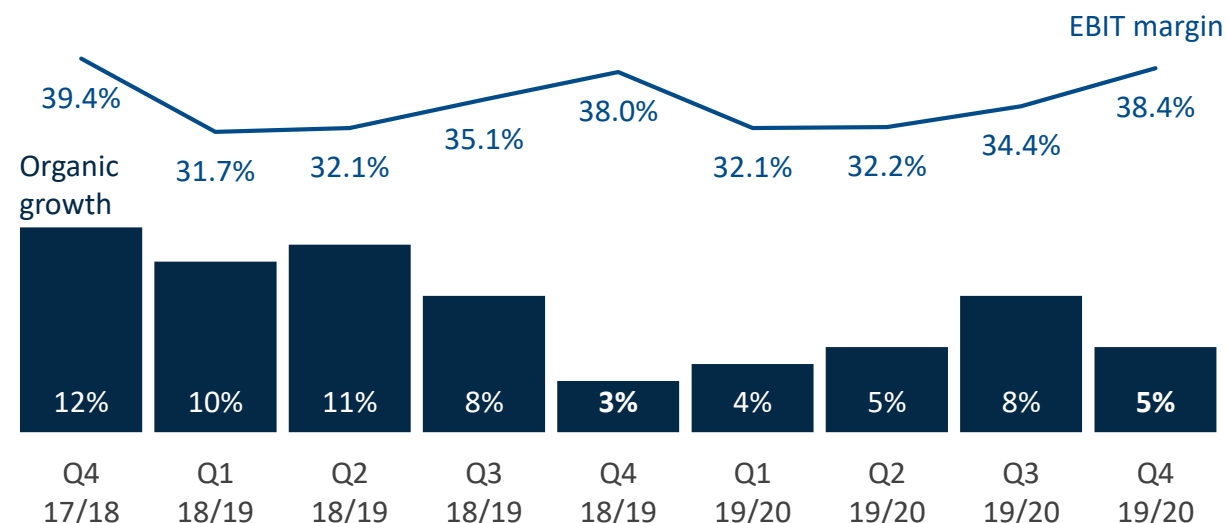
Food Cultures & Enzymes

SALES PERFORMANCE

- **Q4:** Strong growth in enzymes, bioprotection and meat followed by solid growth in cheese; fermented milk was on par with last year; probiotics and wine declined; volume growth impacted by weak economic environment in emerging markets (China, India, Middle East)
- **FY:** Strong growth in enzymes and bioprotection followed by solid growth in cheese and meat as well as good growth in fermented milk; probiotics declined, primarily due to lower volumes in China

MARGIN DEVELOPMENT

- **Q4:** +0.4%-pt. improvement driven by a positive one-off from a VAT dispute in Brazil and lower travel expenses that were partly offset by negative currencies
- **FY:** On par with last year as scalability benefits and production efficiencies as well as lower expenses related to COVID-19 (e.g. travel, training, less new hires etc.) were offset by higher freight costs and investments in strategic initiatives



EUR million	Q4 18/19	Q4 19/20	FY 18/19	FY 19/20
Revenue	178.5	173.3	682.3	693.1
Organic growth	3%	5%	8%	5%
Volume/mix	2%	0%	4%	3%
EBIT margin b.s.i.	38.0%	38.4%	34.3%	34.3%
ROIC ex. goodwill			44.2%	41.1%

Strong performance in supplements and Plant Health in Q4

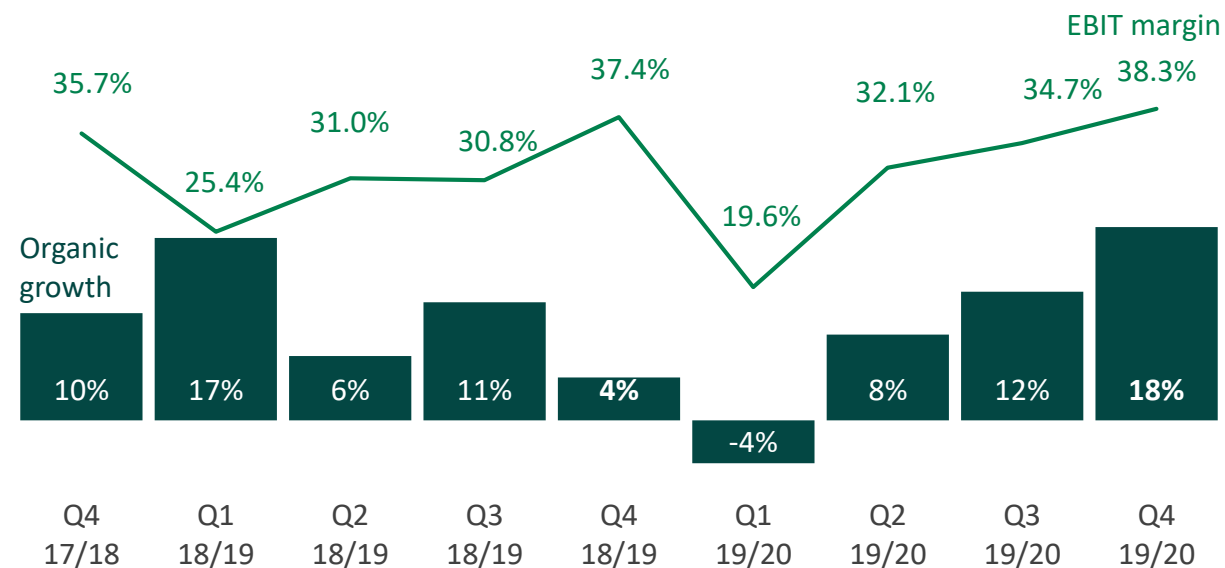
Health & Nutrition

SALES PERFORMANCE

- **Q4:** Very strong growth in HH driven by dietary supplements, while infant declined due to high comparables and destocking; good growth in AH across species driven by RoW, while NA declined; very strong growth in PH in line with expectations
- **FY:** HH with solid growth driven by dietary supplements while infant formula declined slightly; AH with strong growth driven by very strong growth in Cattle and solid growth in Poultry & Swine; PH declined due to order timing and lower-than-expected activity in soy in LATAM

MARGIN DEVELOPMENT

- **Q4:** 0.9%-pt. increase driven by single-line consolidation of UAS Labs, cost management initiatives and lower expenses due to COVID-19 partly offset by impairment loss and FX
- **FY:** 0.7%-pt. increase driven by single-line consolidation of UAS Labs, cost management initiatives and lower expenses due to COVID-19 partly offset by impairment loss



EUR million	Q4 18/19	Q4 19/20	FY 18/19	FY 19/20
Revenue	70.5	81.0	255.1	276.9
Organic growth	4%	18%	9%	9%
Volume/mix	4%	19%	9%	10%
EBIT margin b.s.i.	37.4%	38.3%	31.5%	32.2%
ROIC ex. goodwill			29.5%	22.6%

Strong underlying profitability further supported by positive one-offs

Income Statement

-1.3%-pts.

Gross margin
FY20 vs. FY19

- Increased freight costs, unfavorable product mix and slight FX impact only partly offset by scalability

Lower

Operating expenses

- Lower expenses due to COVID-19 partly offset by investments in strategic priorities

EUR 8m

Other operating
income

- Single-line consolidation of UAS Labs and favorable ruling in VAT dispute case in Brazil

33.7%

EBIT margin b.s.i.

- +0.1%-pt. for continuing operations (Microbial Platform) (Group margin incl. NCD of 29.9% (+0.3%-pt.))

EUR 14m

Special items

- Driven by acquisitions

Other

- EUR 4m loss from Bacthera in line with expectations

INCOME STATEMENT

EUR million	Q4 18/19	Q4 19/20	FY 18/19	FY 19/20
Revenue	249.0	254.3	937.4	970.0
Cost of sales	(91.9)	(97.6)	(360.5)	(386.0)
R&D expenses	(17.6)	(18.4)	(70.7)	(76.2)
S&M expenses	(33.8)	(34.5)	(131.9)	(135.1)
Administrative expenses	(11.6)	(12.0)	(60.8)	(53.3)
Other operating income	0.2	5.9	1.2	7.5
EBIT b.s.i.	94.3	97.7	314.7	326.9
Special items	(0.9)	(8.8)	(2.3)	(13.9)
Net financial expenses	(4.3)	(4.3)	(16.1)	(13.5)
Share of loss of joint ventures	-	(0.8)	-	(3.9)
Income taxes	(20.3)	(16.2)	(67.1)	(64.0)
Profit from continuing operations	68.8	67.6	229.2	231.6
Profit from discontinued operations	5.8	(1.4)	21.0	13.4
Net profit	74.6	66.2	250.2	245.0

CHR HANSEN

Improving food & health

Leverage impacted by acquisitions but very resilient cash generation

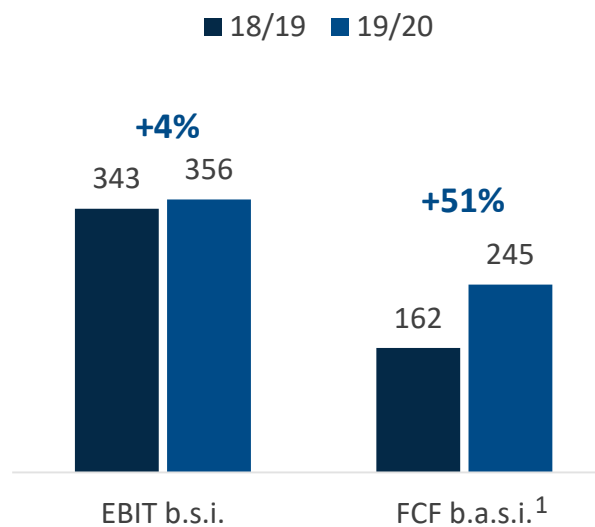
Cash Flow & Balance Sheet (Group incl. discontinued operations)

CASH FLOW STATEMENT

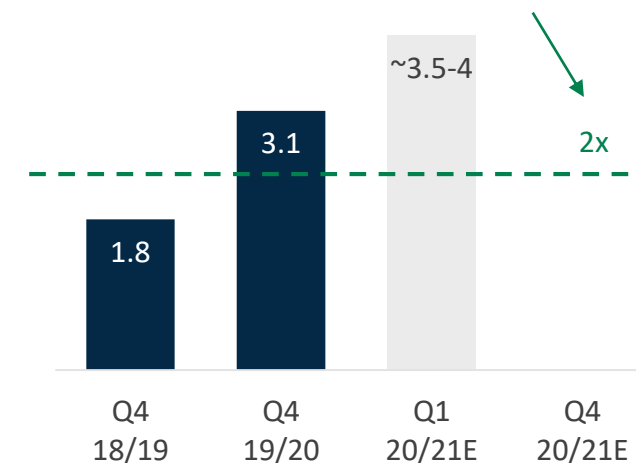
EUR million	FY 18/19	FY 19/20
Operating cash flow	298.6	364.6
Cash flow from op. invest. act.	(139.4) ¹	(139.7)
M&A	(9.8)	(657.2)
JV	-	(10.6)
Free cash flow	217.0	(442.9)
Financing cash flow	(200.5)	456.8
Net cash flow	16.5	13.9
FCF b.a.s.i.	161.5¹	244.5

- Increase in operating cash flow driven by positive development of WC and temporary COVID-19 related governmental liquidity support
- Operational investing cash flow ex. inflow from sale-and-lease-back of EUR 68 on par with last year as several projects were delayed due to COVID-19

GROWTH FCF B.A.S.I. vs. absolute EBIT b.s.i.



LEVERAGE RATIO in net debt/EBITDA b.s.i.



- Leverage above ambition to be in line with investment grade credit rating due to acquisitions
- BoD will propose no ordinary dividend to manage leverage prudently but expects to pay an extraordinary dividend after receipt of NCD proceeds at least equal to a normalised ordinary dividend for 2019/20

¹ Excludes proceeds from the sale-and-lease-back of the Company's main site in Hørsholm of EUR 68 m.

2020/21: A year of transition ahead

with portfolio changes, FX headwinds and higher uncertainty related to COVID-19



ORGANIC GROWTH



EBIT MARGIN B.S.I.



FREE CASH FLOW B.A.S.I.

before divestment

Outlook 2020/21

5-8% Group

27-28%

with ~-1%-pt. from FX

EUR 120-160m

with capex of EUR ~200m

**Long-term financial
ambition until 2024/25**

**Organic growth CAGR of
mid- to high single-digit**

**Underlying expansion in EBIT margin
b.s.i. before portfolio changes and FX**

**Free cash flow b.a.s.i.
to outgrow absolute EBIT b.s.i.**

The outlook is based on constant currencies and assumes no further acquisitions. The outlook is also based on the current political and economic environment. The depth and duration of a global recession, or other negative macroeconomic events, triggered by COVID-19 may affect demand negatively in the medium term, especially in emerging markets, and a combination of quarantine measures and recession may change consumption patterns between eating out, on-the-go and in-home. The various quarantine measures and travel restrictions already imposed around the world make it more difficult to visit customers to advance projects with new innovative solutions, a very important growth driver for Chr. Hansen, and this will slow the progress of the commercial project pipeline in the medium term. The impacts of COVID-19 are continuously being monitored and evaluated for their short- and medium-term effects. 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 overall situation in the Middle East, including any potential sanctions; a deterioration in global trading conditions; and a negative Brexit scenario.

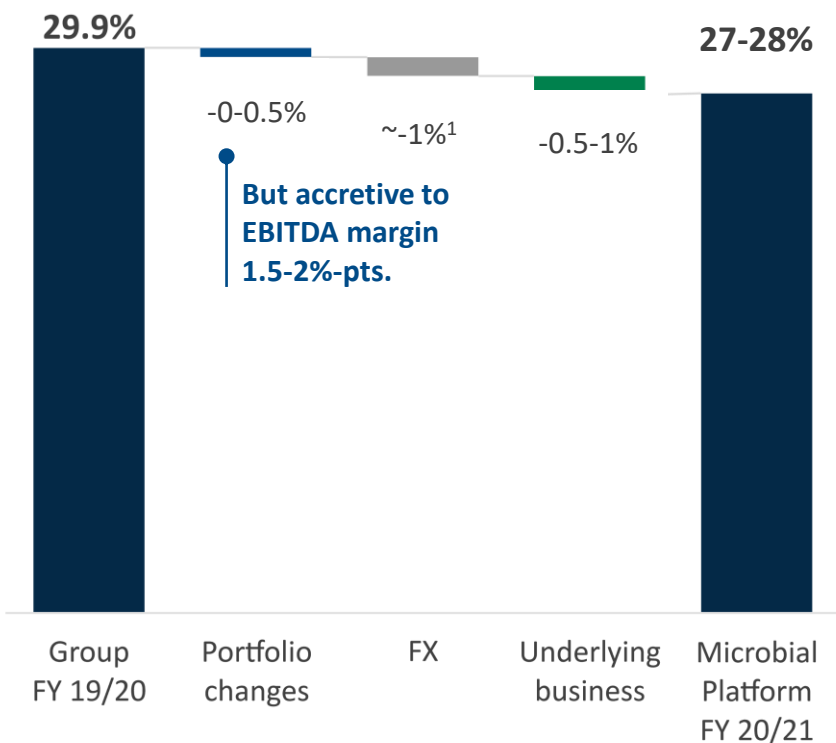
CHR HANSEN

Improving food & health

2020/21 profitability reflects recent portfolio changes

as well as an expected negative impact from currencies and a return to normal spending patterns

EBIT MARGIN B.S.I. PROFITABILITY DRIVERS



PORTFOLIO CHANGES

- Disposal of NCD will increase EBIT margin by 3.5-4%-pts., while the negative impact from the acquisitions is estimated to be slightly more in FY21 leading to -0-0.5%-pt. negative impact on Group level
- Acquisitions estimated to add EUR ~130-140m of revenue and EUR ~30m of EBITDA; D&A of acquisitions estimated to be EUR ~30-35m in FY21
- UAS Labs & HSO margins to increase gradually to reach ~30% by FY25 driven by scalability and synergies
- Jennewein to reach ~30% EBIT margin beyond strategy period



CURRENCIES

- Current rates suggest up to ~1%-pt. hit on EBIT margin in FY21
- Main exposure relates to USD and CNY: +/- 5% change in EUR/USD will impact the revenue by EUR ~20m and EBIT by EUR ~12m and a +/- 5% change in EUR/CNY will impact the revenue by EUR ~5m and EBIT by EUR ~4m



UNDERLYING BUSINESS

- Normalization of cost base following positive one-offs in FY20 (lower expenses due to COVID-19, VAT ruling, single-line consolidation UAS Labs)
- Return to normal spending patterns (travel etc.) in FY21 and investments in 2025 Strategy initiatives

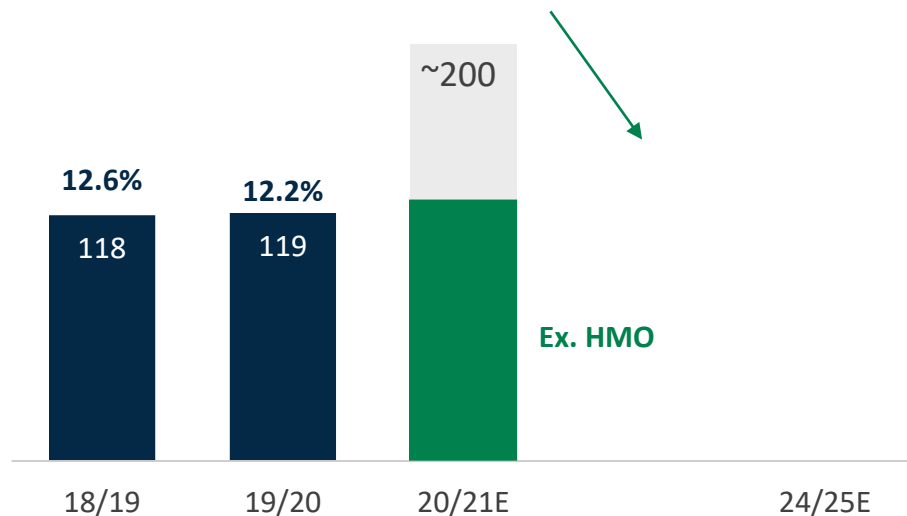
¹ Based on current FX rates.

2020/21 cash flow reflects investments into HMO

with operating cash flow estimated to be on par with last year despite higher interest and normalization of WC items

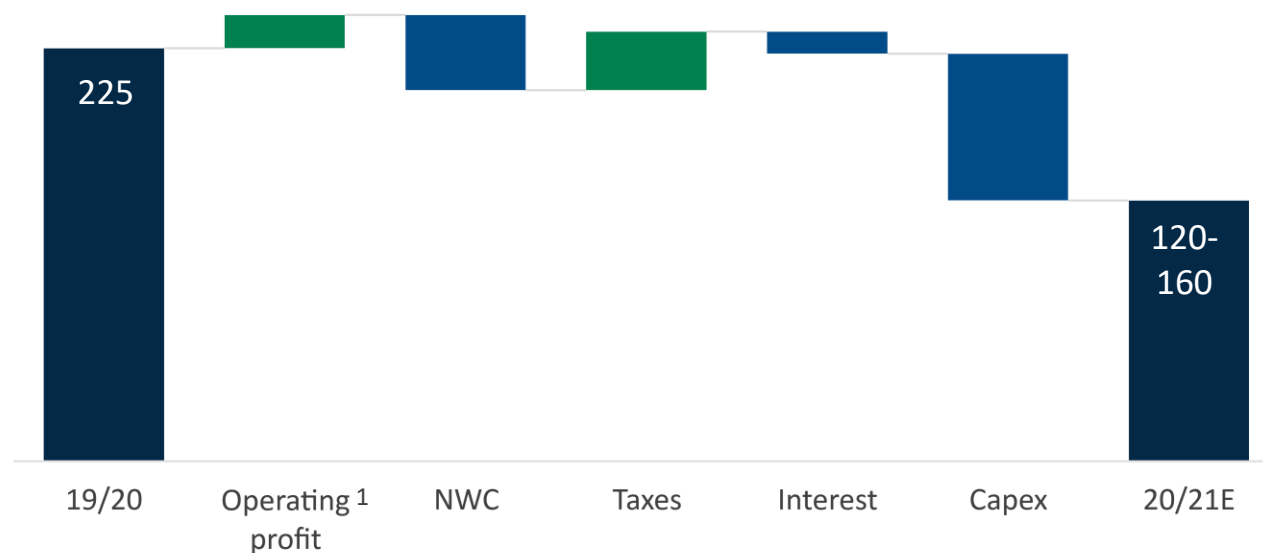
CAPEX SPENDING FOR CONTINUING OPERATIONS

in EUR million and % of revenue



FREE CASH FLOW BEFORE ACQUISITIONS, DIVESTMENTS AND SPECIAL ITEMS

In EUR million



- Operating cash flow expected to be at a similar level than in 2019/20 despite normalization of certain working capital items and higher interest costs
- Cash flow used for investing activities is expected to be around EUR 200m; capex-sales-ratio ex. HMO below FY20

¹ Including non-cash adjustments.
WC= working capital.

Financial calendar

November 25, 2020

Annual General Meeting 2020

January 14, 2021

Interim Report Q1 2020/21

April 15, 2021

Interim Report Q2 2020/21

July 8, 2021

Interim Report Q3 2020/21

October 14, 2021

Annual Report 2020/21

November 24, 2021

Annual General Meeting 2021

Contacts

Martin Riise

Head of Investor Relations

+45 53 39 22 50

DKMARI@chr-hansen.com

Annika Stern

Investor Relations Officer

+45 23 99 23 82

DKASTE@chr-hansen.com