



Chr. Hansen acquires UAS Laboratories LLC

CHR HANSEN

Improving food & health

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Chr. Hansen acquires UAS Laboratories LLC to extend the microbial platform and strengthen probiotic production flexibility

COMPANY DESCRIPTION AND KEY FACTS

About UAS Labs

- ▶ US biotechnology company offering probiotic cultures and finished products
- ▶ UAS Labs has shifted focus from being a CMO player to develop own products
- ▶ Two GMP facilities in Wisconsin, close to Chr. Hansen’s own facilities in Milwaukee, with fermentation capacity and downstream processing
- ▶ Commercial presence in over 35 countries
- ▶ UAS Labs has a strong organic growth track record based on documented strains and high-potency multi-species blends of probiotics, serving a range of application areas



~85 USDm
2020B revenue



>30 USDm
2020B EBITDA



35 countries
Offering over 60 private label SKUs



Founded in 1979
As a scientific CMO focused on dietary supplement probiotics



230 employees



Located in Wisconsin
Close to Chr. Hansen US site

Key trademarks and products



Digestive disorders



Immune stimulation



Infant probiotics



Weight management



High-potency multispecies blends



Chr. Hansen's and UAS Labs' combined capabilities holds significant potentials for production, innovation and commercial synergies



Broader offerings to customers



Chr. Hansen's global infrastructure to complement UAS' product portfolio



Two GMP facilities in Wisconsin to complement Chr. Hansen's own facilities



Reduced enterprise risk



Increased flexibility in phasing of CAPEX projects



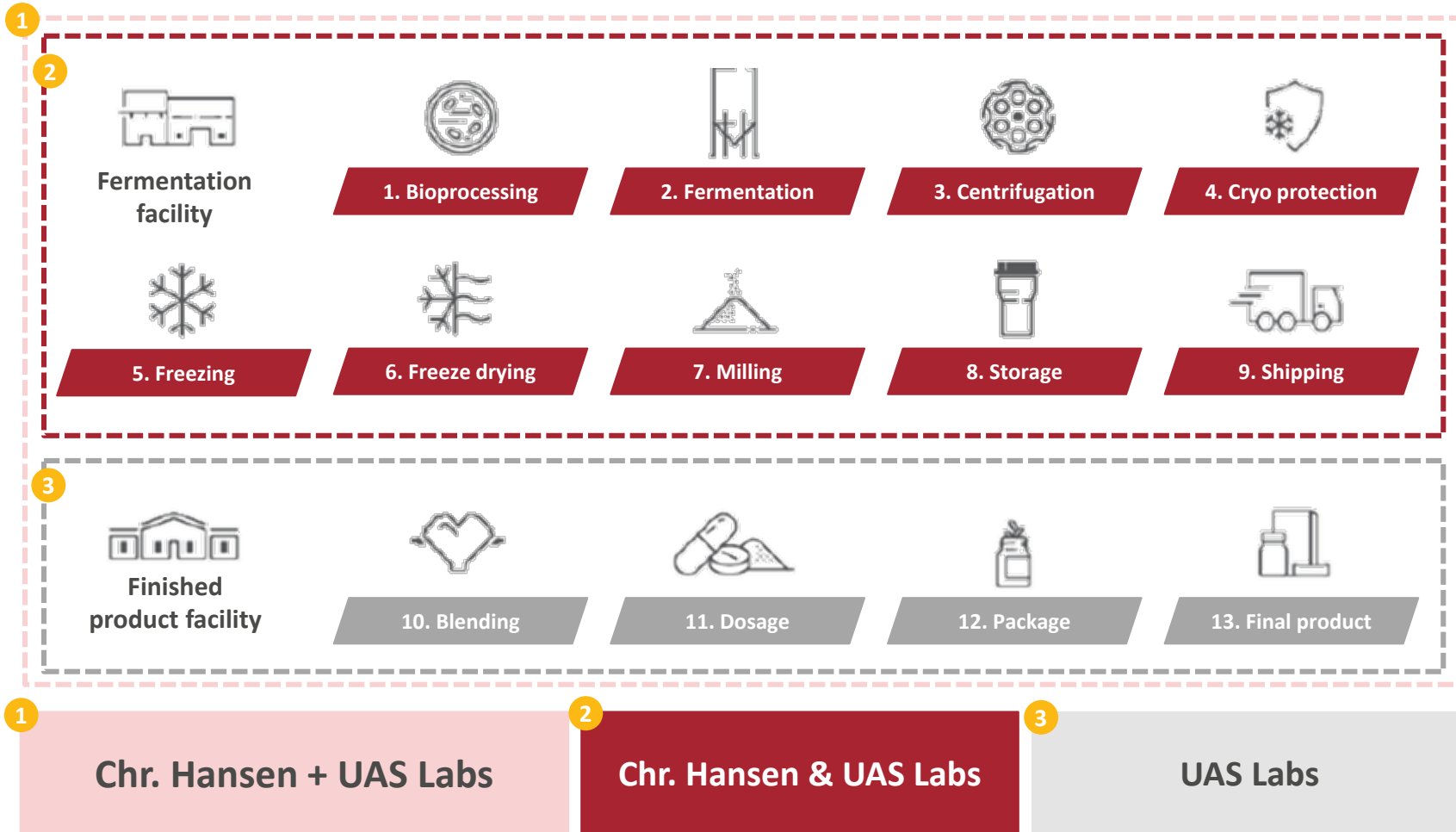
Optimization and cost reductions of existing production





Acquiring UAS Labs will make Chr. Hansen a stronger partner with a full value chain offering to customers across the high-end and mid-tier

FULL SOLUTIONS OFFERING ACROSS ENTIRE VALUE CHAIN



Production flexibility

- ▶ Today, in Human Health, Chr. Hansen produces bacteria and relies to a large extent on external providers for downstream processing
- ▶ UAS Labs has its own downstream processing, in addition to own fermentation capacity
- ▶ By acquiring UAS Labs, Chr. Hansen increases the capacity to produce and expands the downstream capabilities
- ▶ The result is a stronger partner to customers across the high-end and mid-tier segments, with a full value chain ability to supply anything from fermented bacteria to final product

FY 2019/20 outlook unchanged – EBIT margin neutral to slightly accretive by 2024/25

- ▶ Transaction value net of tax assets of USD 530 million
- ▶ The acquisition is fully aligned with Chr. Hansen’s capital allocation principles of pursuing bolt-on acquisitions, and does not impact the ability to pay out an ordinary dividend of 40-60% of net profit
- ▶ The purchase price will be financed from a low-interest bridge facility provided by core banks
- ▶ Closing of the transaction is pending customary regulatory review in the United States

FY 2019/20	FY 2020/21	FY 2024/25
<ul style="list-style-type: none"> ▶ Full-year outlook for organic growth and free cash flow before acquisitions and special items are unaffected ▶ Depending on the timing of the closing, there will be a minor negative impact on the outlook for 2019/20 EBIT margin before special items, but the guidance of around 29.5% is maintained 	<ul style="list-style-type: none"> ▶ Minor EBITDA margin accretion ▶ In 2020/21, there will be a negative impact on group EBIT margin before special items of around 1%-point (preliminary estimate) due to depreciations of the acquired tangible and intangible assets 	<ul style="list-style-type: none"> ▶ EBIT margin neutral to slightly accretive by 2024/25
	<ul style="list-style-type: none"> ▶ Increased flexibility in phasing of CAPEX projects 	