

Q3 2020/21 in brief

July 8, 2021 – announcement no. 9

Third quarter in line with expectations and outlook for 2020/21 unchanged

- Q3 2020/21 organic sales growth was 4%, equally split between volume/mix and price. The Q3 organic growth was impacted by a reduced contribution from EUR-based pricing compared to the first half, and a higher comparable, as Q3 last year was positively impacted by COVID-19 related customer inventory build-up. YTD organic growth at 8% and on track to deliver 6-8% organic growth for the year.
- Integration of commercial activities in UAS/HSO has been completed and integration of manufacturing is progressing with good sales momentum in Q3.
- Q3 EBIT margin b.s.i. of 29.3%, bringing the YTD margin to 27.3% and well on track to deliver on the outlook for the year.
- Profit for Q3 of EUR 682 million was positively impacted by recognized gain from the divestment of Natural Colors of EUR 636 million.

EUR million	Q3 2020/21	Q3 2019/20	Growth	YTD 2020/21	YTD 2019/20	Growth
Revenue	280.6	256.1	10%	784.1	715.7	10%
EBITDA before special items	106.6	105.7	1%	287.5	279.6	3%
EBIT before special items	82.4	88.3	(7%)	213.9	229.2	(7%)
Profit from continuing operations	49.5	63.6	(22%)	131.7	164.0	(20%)
Free cash flow before acquisitions and special items	85.0	94.4	(10%)	119.9	143.5	(16%)
Organic growth	4%	9%		8%	6%	
Gross margin	57.3%	59.8%		56.6%	59.7%	
EBITDA margin before special items	38.0%	41.3%		36.7%	39.1%	
EBIT margin before special items	29.3%	34.5%		27.3%	32.0%	
ROIC excl. goodwill	25.3%	38.0%		23.7%	34.0%	

CEO Mauricio Graber says: "Organic growth in Q3 was lower than in the first half of the year, as expected. This was primarily due to a reduced positive effect from EUR-based pricing and a higher comparable as customers built safety inventories due to the COVID-19 lockdowns last year. Nevertheless, we did see an acceptable volume growth in FC&E driven by solid momentum in cheese in North America and a reduced negative impact from the Chinese dairy market. While not satisfactory, the flat organic growth for Health & Nutrition was partly driven by the higher comparable from Q3 last year for Human Health, while Animal and Plant Health delivered solid growth. The acquired probiotics businesses within Human Health delivered a strong sales performance in Q3.

As the world gradually re-opens we're focused on getting our sales force and innovation teams even closer to our markets and customers in order to fuel the innovation agenda of the markets we serve, in terms of both new applications and efficiencies. This is supported by the launch and implementation of new products addressing key challenges and opportunities such as bioprotection and fermented plant bases.

While keeping a firm focus on delivering on our outlook for the year, I'm pleased with the progress we're making in transforming Chr. Hansen into a fully-focused bioscience company based on our unique microbial and fermentation technology platforms. The completion of the NCD divestment was a key milestone, another being the integration of UAS and HSO. Despite the initial challenges, we're also progressing with the new long-term lighthouse within the emerging HMO market.

We remain on track to deliver on our ambition for the year and the outlook therefore remains unchanged. The overall outlook for Human Health remains positive but a changed mix between organic and acquisition driven sales which will keep Group organic growth below our original expectations in Q4."

Outlook for 2020/21

Organic revenue growth	6-8%
EBIT margin before special items	27-28%
Free cash flow before special items, acquisitions and divestments	EUR 140-160 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.

Financial highlights and key figures

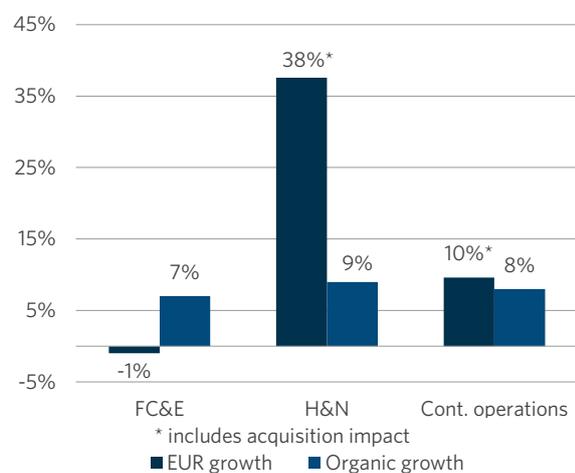
	Q3 2020/21	Q3 2019/20	Growth	YTD 2020/21	YTD 2019/20	Growth
Income statement, EUR million, cont. operations						
Revenue	280.6	256.1	10%	784.1	715.7	10%
Gross profit	160.7	153.2	5%	444.0	427.3	4%
EBITDA before special items	106.6	105.7	1%	287.5	279.6	3%
EBIT before special items	82.4	88.3	(7%)	213.9	229.2	(7%)
Special items	(11.2)	(2.9)	-	(21.8)	(5.1)	-
EBIT	71.2	85.4	(17%)	192.1	224.1	(14%)
Net financial expenses	(5.1)	(1.3)	292%	(16.1)	(9.1)	77%
Profit from continuing operations	49.5	63.6	(22%)	131.7	164.0	(20%)
Profit from discontinued operations	632.1	6.4	-	644.3	14.8	-
Profit for the period, Group	681.6	70.0	-	776.0	178.8	-
Cash flow, EUR million, Group						
Cash flow from operating activities	88.6	128.5	(31%)	175.8	222.5	(21%)
Cash flow from investing activities	749.5	(144.5)	-	343.1	(210.2)	-
Free cash flow	838.1	(16.0)	-	518.9	12.3	-
Free cash flow before acquisitions and special items	84.9	106.3	(20%)	107.4	147.4	(27%)
Free cash flow before acquisitions and special items, cont. operations	85.0	94.4	(10%)	119.9	143.5	(16%)
Balance sheet, EUR million, Group						
Total assets ¹⁾				3,066.5	2,267.2	
Invested capital ¹⁾				2,794.1	1,971.6	
Net working capital ¹⁾				227.6	252.9	
Equity				1,548.1	840.7	
Net interest-bearing debt				950.6	902.2	
Key ratios						
Continuing operations						
Organic growth ²⁾	4%	9%		8%	6%	
Gross margin	57.3%	59.8%		56.6%	59.7%	
EBITDA margin before special items	38.0%	41.3%		36.7%	39.1%	
EBIT margin before special items	29.3%	34.5%		27.3%	32.0%	
EBIT margin	25.4%	33.3%		24.5%	31.3%	
ROIC excl. goodwill	25.3%	38.0%		23.7%	34.0%	
ROIC	11.8%	20.2%		11.1%	17.8%	
R&D	8.2%	8.0%		8.4%	8.5%	
Capital expenditures	7.9%	9.0%		12.4%	9.4%	
Earnings per share diluted, EUR	0.38	0.48	(21%)	1.00	1.24	(19%)
Group						
Earnings per share diluted, EUR	5.16	0.53		5.88	1.35	
Net debt to EBITDA before special items				2.3x	2.1x	

1) The Natural Colors business was divested effective from March 31, 2021. In 2019/20, total assets, invested capital and net working capital included assets and liabilities related to the Natural Colors business.

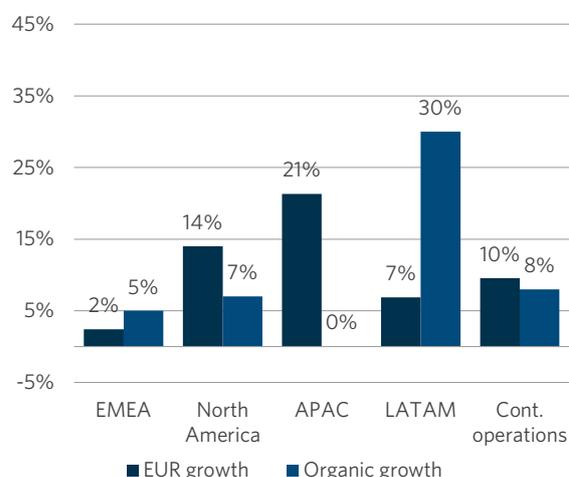
2) Organic growth: Increase in revenue adjusted for sales reduction, acquisitions and divestments, and measured in local currencies.

YTD 2020/21 results

Revenue growth by business - YTD



Revenue growth by region - YTD



Market developments

According to the Company's own estimates, the end markets for fermented milk declined globally in the first nine months of 2020/21 due to reduced production and weaker demand in China and Latin America, compared to the same period last year.

The global production of cheese is estimated to have grown by around 1% in the first nine months of 2020/21, driven by North America and Europe which both benefited from the re-opening of the food service channel in Q3.

The overall market for Human Health is estimated to have grown by 3-5% during the first nine months of 2020/21. While online sales channels have shown strong growth, the traditional sales channels continued to be impacted by among others elevated inventory positions in certain markets. A situation which is expected to continue in Q4.

The market for microbial-based solutions for animals developed favorably during the first nine months of 2020/21, supported by an expanding focus on reducing the use of antibiotics in livestock production. In the North American market, the economics of beef and milk production were stable during the period and supported demand for animal probiotics.

Revenue (cont. operations)

Organic growth was 8% and adjusted for a negative currency impact of 8% and a positive impact from acquisitions of 10% corresponded to a revenue increase of 10% to EUR 784 million. Revenues from acquired businesses amounted to EUR 73 million.

Organic growth was equally driven by volume/mix and price increases in local currencies.

Q3 organic growth was 4% and adjusted for a negative currency impact of 5% and a positive impact from acquisitions of 11% corresponded to a revenue increase of 10% to EUR 281 million. Revenues from acquired businesses amounted to EUR 30 million.

Revenue (cont. operations)	2020/21
Organic growth (vol/mix)	4%
Organic growth (price)	4%
Organic growth	8%
Currencies	(8)%
Acquisitions	10%
EUR growth	10%

Revenue by region (cont. operations)

EMEA (Europe, the Middle East and Africa)

Organic growth was 5% and adjusted for a negative currency impact of 5% and an acquisition impact of 2% corresponded to a revenue increase of 2%. Organic growth was driven by solid growth in Food Cultures & Enzymes, partly offset by a decline in Health & Nutrition.

Q3 organic growth was 3% and adjusted for a negative currency impact of 3% and an acquisition impact of 2% corresponded to a revenue increase of 2%. Organic growth was driven by good growth in Food Cultures & Enzymes, while Health & Nutrition declined. Growth in Q3 faced a higher comparable from last year driven by COVID-19.

North America

Organic growth was 7% and adjusted for a negative currency impact of 9% and an acquisition impact of 16% corresponded to a revenue increase of 14%. Organic growth was driven by solid growth in Food Cultures & Enzymes and Health & Nutrition.

YTD 2020/21 results

Q3 organic growth was 5% and adjusted for a negative currency impact of 8% and an acquisition impact of 17% corresponded to a revenue increase of 14%. Organic growth was driven by solid growth in Food Cultures & Enzymes, while Health & Nutrition declined slightly due to Human Health. The decline was partly offset by strong performance in the acquired businesses.

APAC (Asia-Pacific)

Organic growth was 0% and adjusted for a negative currency impact of 3% and an acquisition impact of 24% corresponded to a revenue increase of 21%. Organic growth was driven by very strong growth in Health & Nutrition, while Food Cultures & Enzymes declined as the production and demand for yogurt in China continued to decline.

Q3 organic growth was negative by 6%. Both Food Cultures & Enzymes and Health & Nutrition declined, but the drop in Food Cultures & Enzymes slowed down in Q3 compared to the first half of the year. The impact from the acquisitions was 30% and drove a total revenue increase of 24%.

LATAM (Latin America)

Organic growth was 30% and adjusted for a negative currency impact of 25% and a minor acquisition impact corresponded to a revenue increase of 7%. Organic growth was driven by very strong growth in Food Cultures & Enzymes strongly supported by EUR-based pricing, and very strong growth in Health & Nutrition.

Q3 organic growth was 19% and adjusted for a negative currency impact of 13% and a minor acquisition impact corresponded to a revenue increase of 6%. Organic growth was driven by very strong growth in both Food Cultures & Enzymes and Health & Nutrition, whereas the impact from EUR-based pricing was reduced.

Gross profit (cont. operations)

Gross profit was EUR 444 million, up 4% on the first nine months of 2019/20. The gross margin decreased by 3.1%-points to 56.6%, due to a more than 2%-point negative impact from acquisitions and about 1%-point negative currency impact. Production efficiencies were offset by a negative product mix and higher freight costs.

Q3 gross profit was EUR 161 million, up 5% on 2019/20. The gross margin declined by 2.5%-points to 57.3%, driven by the acquisitions and a negative currency impact, while the underlying gross margin was positively impacted by production efficiencies and lower freight costs.

Operating expenses (% of revenue, cont. operations)

Operating expenses totaled EUR 230 million (29.3%), compared to EUR 198 million (27.7%) in the first nine months of 2019/20.

Total R&D expenditures amounted to EUR 66 million (8.4%), compared to EUR 61 million (8.5%) in the first nine months of 2019/20. R&D expenses (P&L impact) impacted the EBIT margin negatively by 0.2%-point.

EUR million	YTD 2020/21	YTD 2019/20
R&D expenses (P&L)	64.9	57.8
- Amortization	5.7	5.1
- Impairment	-	-
+ Capitalization	6.8	8.2
R&D expenditures incurred	66.0	60.9

Sales & marketing expenses amounted to EUR 112 million (14.3%), compared to EUR 101 million (14.1%) in the first nine months of 2019/20. The increase in cost level from the acquisitions was partly offset by reduced travel expenses due to COVID-19 travel restrictions.

Administrative expenses amounted to EUR 55 million (7.0%), compared to EUR 41 million (5.8%) in the first nine months of 2019/20, while the increase in cost level was primarily driven by acquisitions.

Other operating income/expenses were a net income of less than EUR 2 million, in line with the first nine months of 2019/20.

The Q3 the total operating expenses were EUR 78 million (27.9%) compared to EUR 65 million (25.3%) in 2019/20. The increase was driven by acquisitions and higher activity due to the gradual re-opening following COVID-19.

EBITDA before special items (cont. operations)

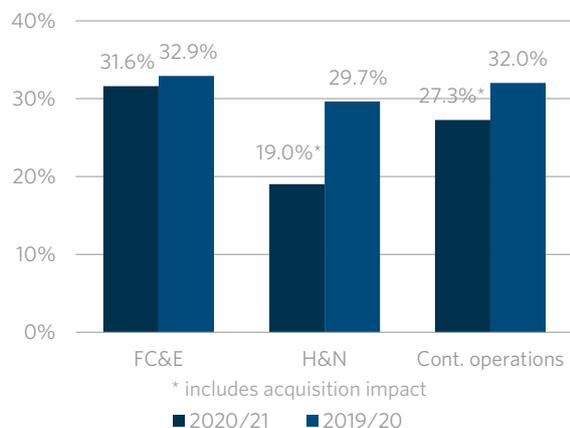
EBITDA amounted to EUR 288 million, including a positive contribution from acquisitions of EUR 12 million, compared to EUR 280 million in the first nine months of 2019/20.

The underlying EBITDA margin before special items, excluding the acquisitions, would have been 38.7%, compared to 39.1% in the first nine months of 2019/20. The decrease (excl. acquisitions) was mainly driven by the increased activity during Q3 in both Health & Nutrition and Food Cultures & Enzymes. The reported EBITDA margin before special items (incl. acquisitions) was 36.7%, down 2.4%-points from the first nine months of 2019/20.

The Q3 underlying EBITDA margin before special items, excluding the acquisitions, would have been 40.0% compared to 41.3% last year, primarily due to the ramp-up of activities.

YTD 2020/21 results

EBIT margin b.s.i – YTD



Operating profit (EBIT) before special items (cont. operations)

EBIT before special items amounted to EUR 214 million, including a negative impact from acquisitions of EUR 6 million, compared to EUR 229 million in the first nine months of 2019/20. The underlying EBIT margin before special items, excluding acquisitions, and including a negative currency impact of 1%-point, would have been 30.9%, down from 32.0% in the first nine months of 2019/20. The reported EBIT margin before special items (incl. acquisitions) was 27.3%.

The Q3 underlying EBIT margin before special items, excluding the acquisitions, and including a negative currency impact of around 0.5%-point, would have been 33.1% compared to 34.5% last year. The reported EBIT margin before special items (incl. acquisitions) was 29.3%.

Special items (cont. operations)

Special items were an expense of EUR 22 million compared to an expense of EUR 5 million in the first nine months of 2019/20, and the increase in expenses was primarily driven by costs in relation to the divestment of Natural Colors and the acquisition of Jennewein.

Operating profit (EBIT, cont. operations)

EBIT amounted to EUR 192 million, compared to EUR 224 million in the first nine months of 2019/20. The EBIT margin was 24.5%, compared to 31.3% in 2019/20. Adjusted for acquisitions, the EBIT margin would have been 27.9%.

Net financials, share of JV and tax (cont. operations)

Net financial expenses amounted to EUR 16 million, compared to EUR 9 million in the first nine months of 2019/20. Net interest expenses were EUR 17 million, up from EUR 10 million in the first nine months of 2019/20, the increase being due to the higher net debt.

The net impact from exchange rate adjustments was positive at EUR 1 million, in line with the first nine months of 2019/20.

The Bacthera JV produced a EUR 5 million loss to Chr. Hansen, compared to a loss of EUR 3 million in the first nine months of 2019/20.

Income taxes amounted to EUR 39 million, equivalent to an effective tax rate of 23.0%, compared to EUR 48 million and 22.6%, respectively, in the first nine months of 2019/20.

Profit for the period from continuing operations

Profit from continuing operations for the year decreased to EUR 132 million from EUR 164 million in the first nine months of 2019/20. The Q3 profit from continuing operations was EUR 50 million, compared to EUR 64 million last year.

Profit from discontinued operations

Profit from the divested business of Natural Colors amounted to EUR 644 million, compared to EUR 15 million in the first nine months of 2019/20. The increase was due to the gain on the the divestment of Natural Colors of EUR 636 million recognized in Q3.

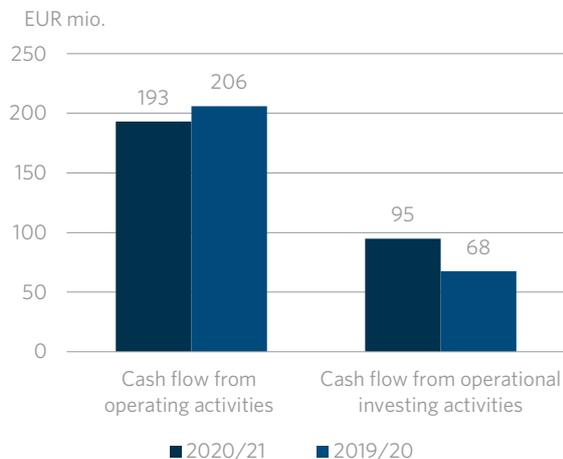
Profit for the period

Profit for the period increased to EUR 776 million from EUR 179 million in the first nine months of 2019/20. The increase was due to the gain on the divestment of Natural Colors.

The Q3 profit was EUR 682 million compared to EUR 70 million last year.

YTD 2020/21 results

Cash flow (cont. operations) – YTD



Cash flow (Group)

Cash flow from operating activities was EUR 176 million (of which an EUR 193 million was from continuing operations, while discontinued operations resulted in an outflow of EUR 17 million), compared to EUR 223 million in the first nine months of 2019/20 (of which EUR 206 million was from continuing operations). The decrease was driven by higher working capital, partly offset by acquisition-related tax benefits resulting in lower taxes paid and higher non-cash adjustments due to depreciation and amortization charges.

Cash flow used for operational investing activities was EUR 100 million (of which EUR 95 million, or 12% of revenue, was from continuing operations), compared to EUR 80 million in the first nine months of 2019/20 (of which EUR 68 million or 9% of revenue, was from continuing operations). The increase in spending was driven by the acquisition of the Kalundborg site for HMO production.

Free cash flow before special items, acquisitions and divestments was EUR 107 million (of which EUR 120 million was from continuing operations, while discontinued operations resulted in an outflow of EUR 13 million), compared to EUR 147 million in the first nine months of 2019/20 (of which EUR 144 million was from continuing operations).

Investments and loans to associates was EUR 15 million compared to EUR 11 million in the first nine months of 2019/20, and represented investments in the Bacthera JV.

Assets (Group)

On May 31, 2021, total assets amounted to EUR 3,067 million, compared to EUR 2,267 million a year earlier. The increase was mainly due to the acquisitions of UAS Laboratories and Jennewein, and investments in the

microbial production platform, partly offset by divestment of the Natural Colors business.

Total non-current assets amounted to EUR 2,645 million, compared to EUR 1,792 million a year earlier. Goodwill and intangible assets increased by EUR 756 million, while property, plant and equipment increased by EUR 91 million.

Total current assets amounted to EUR 422 million, compared to EUR 476 million on May 31, 2020.

Net working capital (Group)

Net working capital was EUR 227 million, compared to EUR 253 million in the first nine months of 2019/20 (of which EUR 190 million was from continuing operations). The change in net working capital was mainly driven by acquisitions of UAS Laboratories and Jennewein and divestment of the Natural Colors business. Inventories from continuing operations increased by EUR 18 million, or 15%, trade receivables increased by EUR 24 million, or 17%, and trade payables increased by EUR 5 million, or 10%.

Equity (Group)

Total equity amounted to EUR 1,548 million on May 31, 2021, compared to EUR 841 million a year earlier. Following the divestment of Natural Colors, Chr. Hansen paid out an extraordinary dividend of EUR 116 million, equal to a normalized ordinary dividend for 2019/20.

Net debt (Group)

Net interest-bearing debt amounted to EUR 951 million, or 2.3x EBITDA, compared to EUR 902 million, or 2.1x EBITDA, on May 31, 2020.

Return on invested capital (ROIC, Cont. operations)

The return on invested capital excluding goodwill was 23.7%, compared to 34.0% in the first nine months of 2019/20. The decrease was driven by the acquisitions of UAS Laboratories and Jennewein. Invested capital excluding goodwill from continuing operations increased to EUR 1,310 million, compared to EUR 951 million on May 31, 2020.

The return on invested capital including goodwill was 11.1%, compared to 17.8% in the first nine months of 2019/20. Invested capital including goodwill from continuing operations increased to EUR 2,794 million, compared to EUR 1,812 million on May 31, 2020.

Segment information

Food Cultures & Enzymes

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Revenue	180.6	181.2	514.6	519.8
Organic growth	5%	8%	7%	5%
EBITDA	71.6	74.5	201.4	206.1
EBITDA margin	39.7%	41.1%	39.1%	39.7%
EBIT	59.6	62.3	162.6	171.1
EBIT margin	33.0%	34.4%	31.6%	32.9%
ROIC excluding goodwill			34.6%	38.9%

Revenue

Organic growth in the first nine months of 2020/21 was 7% and adjusted for a negative currency impact of 8% corresponded to a reported revenue decrease of 1%. Organic growth comprised 2% from volume/mix and 5% from price increases in local currencies. The price increases were primarily achieved by using EUR-based pricing in most emerging market countries.

Organic growth was primarily driven by strong growth in cheese and enzymes as well as very strong growth in meat, while fermented milk delivered good growth and probiotics declined. In cheese and enzymes, growth was driven by continued good momentum in CHY-MAX[®] Supreme and NOLA[®] Fit as well as positive market developments in North America.

The output of fermented milk (both chilled and ambient temperature) in China remained lower compared to the same period last year. Fermented milk output in Latin America was also down.

Bioprotective cultures delivered solid organic growth driven by meat, while fermented plant bases delivered strong growth, albeit from a low base. Customer interest in both bioprotection and fermented plant bases remains very strong.

Q3 organic growth was 5% and adjusted for a negative currency impact of 5% corresponded to a reported revenue decrease of 0%. Organic growth comprised 2% from volume/mix in line with Q2 while 3% came from price increases. The impact from EUR-based pricing was significantly below that of first half of the year.

Organic growth was primarily driven by very strong growth in meat cultures and solid growth in cheese. Fermented milk delivered good growth and at a higher level than in the first half of the year partly due to a reduced negative impact from China. Enzymes delivered good growth, but at a lower level than in the first half, while Probiotics declined.

Bioprotection delivered strong organic growth, Fermented plant bases produced very strong organic growth.

EBITDA

EBITDA amounted to EUR 201 million, compared to EUR 206 million in the first nine months of 2019/20. The EBITDA margin was 39.1%, down from 39.7% in 2019/20. Scalability and reduced travel activity were more than offset by increased freight costs in production and an unfavorable product mix.

The Q3 EBITDA margin was 39.7%, down from 41.1% last year primarily due to ramp-up of activities as the world re-opens and a negative currency impact.

EBIT

EBIT amounted to EUR 163 million, compared to EUR 171 million in the first nine months of 2019/20. The EBIT margin was 31.6%, down from 32.9% last year. The decrease was primarily due to a negative currency impact.

The Q3 EBIT margin was 33.0%, down from 34.4% last year, primarily due to ramp-up of activities as the world re-opens and a negative currency impact.

ROIC excluding goodwill

Return on invested capital excluding goodwill was 34.6%, compared to 38.9% in the first nine months of 2019/20. The decrease was primarily due to the increase in invested capital and the increase in depreciation charges. Invested capital excluding goodwill increased by EUR 45 million, or 7%, to EUR 655 million. The increase was mainly due to investments in production capacity.

Segment information

Health & Nutrition

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Revenue	100.0	74.9	269.5	195.9
Organic growth	0%	12%	9%	6%
EBITDA	35.0	31.2	86.1	73.5
EBITDA margin	35.0%	41.7%	32.0%	37.5%
EBIT	22.8	26.0	51.3	58.1
EBIT margin	22.7%	34.7%	19.0%	29.7%
ROIC excluding goodwill			12.0%	24.3%

Revenue

Organic growth in the first nine months of 2020/21 was 9%, and adjusted for an acquisition impact of 36% and a negative currency impact of 7% corresponded to a revenue increase of 38%. Organic growth was driven by volume/mix. Human Health delivered good organic growth, while Animal Health and Plant Health delivered very strong growth.

Organic growth in Human Health was heavily impacted by developments in Q3, which was up against a very demanding comparable from last year due to COVID-19 and inventory adjustments in North America and other regions. The modest organic growth in Human Health was in part offset by good performance in the acquired probiotics business.

Animal Health delivered very strong growth in Cattle and very strong growth in Poultry & Swine. Dairy farmer economics and beef prices in North America were relatively stable during the first nine months of 2020/21 and supported the continued uptake of Bovamine®. Growth in Poultry & Swine was driven by a good uptake of GalliPro® FIT in several markets and increased demand for probiotics for swine in China.

Plant Health delivered very strong growth and was primarily driven by sales of Quartzo® and Presence® in Latin America.

Q3 organic growth was 0%, and adjusted for an acquisition impact of 38% and a negative currency impact of 4% corresponded to a revenue increase of 34%. Organic growth was driven by volume/mix. HSO was included in organic growth from Q3. Human Health showed negative organic growth due to the impact of COVID-19 lock-downs last year and, mainly in North America, from inventory adjustments, which was partly offset in absolute growth due to a strong performance by the acquired probiotics business. Animal Health delivered solid growth, supported by strong momentum in Cattle and good growth in Poultry & Swine. Plant Health delivered very strong growth.

EBITDA

EBITDA amounted to EUR 86 million, up from EUR 74 million in the first nine months of 2019/20, including a positive contribution from acquisitions of EUR 12 million (driven by UAS Labs). Excluding acquisitions, the EBITDA margin would have been 37.7% compared to 37.5% in the first nine months of 2019/20. The increase (excl. acquisitions) was driven by lower activity levels incl. reduced travel activities, partly offset by increased freight costs and currency. The reported EBITDA margin (incl. acquisitions) was 32.0%.

The reported Q3 EBITDA margin was 35.0% and excluding acquisitions the EBITDA margin would have been 41.1% compared to 41.7% last year.

EBIT

EBIT amounted to EUR 51 million, down from EUR 58 million in the first nine months of 2019/20, including a negative impact from acquisitions of EUR 6 million (driven by HMO). Excluding acquisitions, the EBIT margin would have been 29.2% including a negative currency impact of approximately 2%-points, compared to 29.7% in the first nine months of 2019/20. The positive development net of currency was driven by the same drivers as for EBITDA. The reported EBIT margin (incl. acquisitions) was 19.0%.

The reported Q3 EBIT margin was 22.7% and excluding the acquisitions the EBIT margin would have been 33.2% compared to 34.7% last year. The decrease was mainly driven by ramp-up of activities as the world re-opens and a negative currency impact.

ROIC excluding goodwill

The return on invested capital excluding goodwill was 12.0%, compared to 24.3% in the first nine months of 2019/20, and the decline was driven by the impact acquisitions had on invested capital. Invested capital excluding goodwill increased by EUR 301 million, from EUR 341 million to EUR 642 million.

Outlook for 2020/21

Assumptions

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 potential 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 quarantine measures and travel restrictions during the pandemic have made it more difficult to visit customers to advance projects with new innovative solutions, a very important growth driver for Chr. Hansen, and this could 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 negative consequences of Brexit.

Organic revenue growth

For 2020/21, organic revenue growth is expected to be 6-8% driven by Food Cultures & Enzymes which is expected to significantly outgrow the end-market, supported by a positive impact from EUR pricing. Organic growth in Health & Nutrition will be driven by Animal Health & Plant Health. Organic growth in Human Health is expected to be negatively impacted by elevated inventory positions in the traditional sales channels for the probiotics market and limited access to certain raw materials.

EBIT margin before special items (b.s.i.)

EBIT margin b.s.i. is expected to be 27-28%. Relative to the EBIT margin b.s.i. for continuing operations of 33.7% delivered in 2019/20, the margin is expected to be impacted negatively by acquisitions, driven by Jennewein/HMO, (but the net portfolio changes remain accretive to the EBITDA margin) and currencies, primarily the USD. Additionally, the Company expects to return to more normalized travel activity, prioritizing important customer interactions, towards the end of 2020/21, and to continue investing for growth and innovation opportunities.

Free cash flow

Free cash flow before special items, acquisitions and divestments is expected to be EUR 140-160 million. Cash flows used for operational investing activities are expected to amount to EUR 150-160 million.

Financial implications of portfolio changes

In addition to the guidance parameters outlined above, the acquired businesses (which will have no material impact on organic growth), are still expected to contribute around EUR 100 million in revenue while the EBITDA contribution is now expected to be around EUR 15 million (previously around EUR 10 million).

Chr. Hansen still expects around EUR 20 million in special items on continuing operations related to the Natural Colors divestment.

Dividend

Following the divestment of Natural Colors, Chr. Hansen paid out an extraordinary dividend of EUR 116 million in the third quarter equal to a normalized ordinary dividend for 2019/20.

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 30-35% 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 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.

The EBIT margin is also sensitive to exchange rate fluctuations. Production in the US only partly offsets 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 two thirds of the revenue impact.

The sensitivity to currency developments also applies to the 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 2019/20.

Additional information

Conference call

Chr. Hansen will host a conference call on July 8, 2021 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com.

For further information, please contact:

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Annika Stern, Senior IR Officer
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Financial calendar 2020/21

October 14, 2021 Annual Report 2020/21
November 24, 2021 Annual General Meeting 2021

Company information

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Denmark
Tel. +45 45 74 74 74
www.chr-hansen.com
Company reg. no.: 28318677

Additional information

Forward-looking statements

This report 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 report 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 report by such forward-looking statements.

The information, opinions and forward-looking statements contained in this report speak only as at the date of this report, 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 report to reflect any change in events, conditions or circumstances beyond what is required by applicable law or applicable stock exchange rules and regulations.

About Chr. Hansen

Chr. Hansen is a global, differentiated bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. At Chr. Hansen we are uniquely positioned to drive positive change through microbial solutions. We have worked for over 145 years to enable sustainable agriculture, cleaner labels and healthier living for more people around the world. Our microbial and fermentation technology platforms, including our broad and relevant collection of around 40,000 microbial strains, have game-changing potential. Matching customer needs and global trends we continue to unlock the power of good bacteria to respond to global challenges such as food waste, global health and the overuse of antibiotics and pesticides. As the world's most sustainable food ingredients company, we touch the lives of more than 1 billion people every day. Driven by our legacy of innovation and curiosity to pioneer science, our purpose – To grow a better world. Naturally. – is at the heart of everything we do.

Statement of the Board of Directors and Executive Board

Today, the Board of Directors and Executive Board have considered and approved the interim report for Chr. Hansen Holding A/S for the period September 1, 2020 to May 31, 2021. The interim report has not been audited or reviewed by the Company's independent auditors.

The unaudited interim report has been prepared in accordance with International Financial Reporting Standards and IAS 34 as adopted by the EU, and additional Danish regulations.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim report is adequate. Furthermore, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at May 31, 2021, and of the results of the Group's operations and cash flow for the period September 1, 2020 to May 31, 2021.

We further consider that the 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 period and the financial position, together with a description of the principal risks and uncertainties that the Group faces, in accordance with Danish disclosure requirements for listed companies. Besides what has been disclosed in this report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report of Chr. Hansen Holding A/S for 2019/20.

Hørsholm, July 8, 2021

Executive Board

Mauricio Graber
President and CEO

Lise Mortensen
CFO

Thomas Schäfer
CSO

Board of Directors

Dominique Reiniche
Chair

Jesper Brandgaard
Vice Chair

Luis Cantarell

Lisbeth Grubov

Charlotte Hemmingsen

Lise Kaae

Heidi Kleinbach-Sauter

Kevin Lane

Per Poulsen

Kim Ib Sørensen

Lillie Li Valeur

Mark Wilson

Income statement

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Revenue	280.6	256.1	784.1	715.7
Cost of sales	(119.9)	(102.9)	(340.1)	(288.4)
Gross profit	160.7	153.2	444.0	427.3
Research and development expenses	(22.7)	(19.6)	(64.9)	(57.8)
Sales and marketing expenses	(38.3)	(31.8)	(112.2)	(100.6)
Administrative expenses	(18.5)	(13.8)	(54.7)	(41.3)
Other operating income	2.6	0.2	3.7	1.8
Other operating expenses	(1.4)	0.1	(2.0)	(0.2)
Operating profit before special items	82.4	88.3	213.9	229.2
Special items	(11.2)	(2.9)	(21.8)	(5.1)
Operating profit (EBIT)	71.2	85.4	192.1	224.1
Net financial expenses	(5.1)	(1.3)	(16.1)	(9.1)
Share of loss of joint ventures	(1.8)	(1.4)	(4.9)	(3.2)
Profit before tax	64.3	82.7	171.1	211.8
Income taxes	(14.8)	(19.1)	(39.4)	(47.8)
Profit from continuing operations	49.5	63.6	131.7	164.0
Profit from discontinued operations	632.1	6.4	644.3	14.8
Profit for the period	681.6	70.0	776.0	178.8
Earnings per share, EUR				
Earnings per share	5.17	0.52	5.89	1.35
Earnings per share, diluted	5.16	0.53	5.88	1.35
Earnings per share from continuing operations	0.38	0.48	1.00	1.24
Earnings per share from continuing operations, diluted	0.38	0.48	1.00	1.24

Statement of comprehensive income

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Profit for the period	681.6	70.0	776.0	178.8
Items that will not be reclassified subsequently to the income statement				
Remeasurements of defined benefits plans	0.6	-	0.6	-
Items that will be reclassified subsequently to the income statement when specific conditions are met				
Currency translation of foreign Group companies	(1.7)	(11.9)	(6.5)	(14.5)
Reclassification of foreign currency translation reserve from sale of discontinued operations	1.0	-	1.0	-
Fair value adjustments on cash flow hedges	1.1	(1.0)	3.6	(0.5)
Tax related to cash flow hedges	(0.2)	0.3	(0.8)	0.3
Other comprehensive income for the period	0.8	(12.6)	(2.1)	(14.7)
Total comprehensive income for the period	682.4	57.4	773.9	164.1
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	682.4	57.4	773.9	164.1

Cash flow statement

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Operating profit from continuing operations	71.2	85.4	192.1	224.1
Non-cash adjustments	25.6	18.1	76.4	52.9
Change in working capital	4.2	26.5	(46.2)	(1.3)
Interest paid	(3.9)	(3.1)	(15.6)	(9.2)
Taxes paid	(1.1)	(12.3)	(13.7)	(60.6)
Cash flow from operating activities - continuing operations	96.0	114.6	193.0	205.9
Cash flow from operating activities - discontinued operations	(7.4)	13.9	(17.2)	16.6
Cash flow from operating activities	88.6	128.5	175.8	222.5
Investments in intangible assets	(4.2)	(4.7)	(13.0)	(13.5)
Investments in property, plant and equipment	(18.0)	(18.4)	(84.3)	(54.0)
Sale and lease back proceeds	-	-	2.4	-
Cash flow from operational investing activities - continuing operations	(22.2)	(23.1)	(94.9)	(67.5)
Cash flow from operational investing activities - discontinued operations	(0.6)	(2.0)	(5.1)	(12.7)
Cash flow from operational investing activities	(22.8)	(25.1)	(100.0)	(80.2)
Acquisition of entities, net of cash acquired	0.8	(119.4)	(318.2)	(119.4)
Investments in joint ventures	(2.3)	-	(7.4)	(5.5)
Loan to joint ventures	(2.4)	-	(7.5)	(5.1)
Cash flow from investing activities - continuing operations	(26.1)	(142.5)	(428.0)	(197.5)
Cash flow from investing activities - discontinued operations	775.6	(2.0)	771.1	(12.7)
Cash flow from investing activities	749.5	(144.5)	343.1	(210.2)
Free cash flow	838.1	(16.0)	518.9	12.3
Borrowings	83.9	100.8	644.2	326.6
Repayment of borrowings	(32.9)	(57.6)	(302.1)	(213.2)
Purchase of treasury shares, net	-	-	(6.5)	-
Dividends paid	(115.8)	-	(115.8)	(124.7)
Cash flow from financing activities - continuing operations	(64.8)	43.2	219.8	(11.3)
Cash flow from financing activities - discontinued operations	(768.2)	(11.9)	(753.9)	(3.9)
Cash flow from financing activities	(833.0)	31.3	(534.1)	(15.2)
Net cash flow for the period	5.1	15.3	(15.2)	(2.9)
Cash and cash equivalents, beginning of period	75.8	69.0	96.2	87.4
Unrealized exchange gains/(losses) included in cash and cash equivalents	(0.9)	(2.4)	(1.0)	(2.6)
Net cash flow for the period	5.1	15.3	(15.2)	(2.9)
Cash and cash equivalents, end of period	80.0	81.9	80.0	81.9

Balance sheet

EUR million	May 31, 2021	May 31, 2020	Aug 31, 2020
ASSETS			
Non-current assets			
Goodwill	1,484.0	861.0	1,249.1
Other intangible assets	390.5	257.8	321.7
Property, plant and equipment	740.8	650.0	654.8
Investments in joint ventures	11.3	9.6	8.8
Receivables from joint ventures	12.6	5.1	5.1
Deferred tax	5.3	8.0	7.0
Total non-current assets	2,644.5	1,791.5	2,246.5
Current assets			
Inventories	139.0	178.8	122.3
Trade receivables	162.2	176.0	145.1
Tax receivables	7.3	1.7	4.1
Other receivables	20.7	25.2	24.6
Prepayments	12.8	12.1	12.4
Cash and cash equivalents	80.0	81.9	96.2
Total current assets	422.0	475.7	404.7
Assets classified as held for sale	-	-	202.4
Total assets	3,066.5	2,267.2	2,853.6

Balance sheet

EUR million	May 31, 2021	May 31, 2020	Aug 31, 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	177.1	176.8	177.1
Reserves	1,371.0	663.9	715.9
Total equity	1,548.1	840.7	893.0
Non-current liabilities			
Employee benefit obligations	7.1	8.0	6.6
Deferred tax	159.8	104.3	133.3
Provisions	3.7	3.8	3.5
Borrowings	823.4	768.1	736.7
Tax payables	12.0	15.6	12.0
Deferred gain sale and lease back	47.0	48.3	43.4
Other payables	5.1	-	7.8
Total non-current liabilities	1,058.1	948.1	943.3
Current liabilities			
Borrowings	207.2	216.0	685.2
Trade payables	73.6	101.9	101.2
Tax payables	58.8	29.8	29.0
Deferred gain sale and lease back	1.8	1.8	1.8
Other payables	118.9	128.9	99.7
Total current liabilities	460.3	478.4	916.9
Total liabilities	1,518.4	1,426.5	1,860.2
Liabilities relating to assets classified as held for sale	-	-	100.4
Total equity and liabilities	3,066.5	2,267.2	2,853.6

Statement of changes in equity

EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
2020/21					
Equity at September 1	177.1	(76.6)	(7.4)	799.9	893.0
Total comprehensive income for the year, see statement of comprehensive income	-	(5.5)	2.8	776.6	773.9
Transactions with owners					
Purchase of treasury shares	-	-	-	(6.5)	(6.5)
Share-based payment	-	-	-	3.5	3.5
Dividend	-	-	-	(115.8)	(115.8)
Equity at May 31	177.1	(82.1)	(4.6)	1,457.7	1,548.1

EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
2019/20					
Equity at September 1	176.8	(45.3)	(6.2)	671.9	797.2
Total comprehensive income for the year, see statement of comprehensive income	-	(14.5)	(0.2)	178.8	164.1
Transactions with owners					
Share-based payment	-	-	-	4.1	4.1
Dividend	-	-	-	(124.7)	(124.7)
Equity at May 31	176.8	(59.8)	(6.4)	730.1	840.7

Accounting policies

Accounting policies

This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2019/20, except for all new, amended or revised accounting standards and interpretations (IFRSs) adopted by the European Union effective for financial years beginning on or after January 1, 2020. These have not had material impact on the consolidated interim report.

Significant accounting estimates and judgements

In preparing this interim report Management has made various accounting estimates and assumptions that may significantly influence the amounts recognized in the consolidated financial statement and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report are stated in Note 1.2 in the Annual Report 2019/20 and relate to, e.g. income taxes and deferred tax, goodwill, other intangible assets, leases, inventories, acquisition of entities as well as discontinued operations.

Reconciliation of underlying margins

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Revenue				
Group	302.9	313.8	914.6	880.9
Discontinued operations	(22.3)	(57.7)	(130.5)	(165.2)
Acquisitions	(29.9)	-	(72.6)	-
Adjusted revenue, continuing operations ¹⁾	250.7	256.1	711.5	715.7
EBITDA before special items				
Group	110.1	116.5	308.8	307.7
Discontinued operations	(3.5)	(10.8)	(21.3)	(28.1)
Acquisitions	(6.2)	-	(11.9)	-
Adjusted EBITDA before special items, continuing operations ¹⁾	100.4	105.7	275.6	279.6
Amortization, depreciation and impairment losses				
Group	(24.2)	(20.0)	(73.6)	(57.9)
Discontinued operations	-	2.6	-	7.5
Acquisitions, amortization	4.8	-	13.9	-
Acquisitions, depreciation	1.9	-	4.1	-
Adjusted amortization, depreciation and impairment losses, continuing operations ¹⁾	(17.5)	(17.4)	(55.6)	(50.4)
Operating profit before special items (EBIT before special items)				
Group	85.9	96.5	235.2	249.8
Discontinued operations	(3.5)	(8.2)	(21.3)	(20.6)
Acquisitions	0.5	-	6.1	-
Adjusted EBIT before special items, continuing operations ¹⁾	82.9	88.3	220.0	229.2
Continuing operations				
Underlying EBITDA margin before special items ¹⁾	40.0%	41.3%	38.7%	39.1%
Underlying EBIT margin before special items ¹⁾	33.1%	34.5%	30.9%	32.0%
Reported EBITDA margin before special items	38.0%	41.3%	36.7%	39.1%
Reported EBIT margin before special items	29.3%	34.5%	27.3%	32.0%

1) Excluding impact from acquisitions; HSO Health Care GmbH, UAS Laboratories LL and Jennewein Biotechnologie GmbH.

Segment information

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations
Q3 2020/21				
Income statement				
Revenue	180.6	100.0	-	280.6
EUR growth	0%	34%	-	10%
Organic growth	5%	0%	-	4%
EBITDA before special items	71.6	35.0	-	106.6
EBITDA margin before special items	39.7%	35.0%	-	38.0%
Amortization, depreciation and impairment losses	(12.0)	(12.2)	-	(24.2)
EBIT before special items	59.6	22.8	-	82.4
EBIT margin before special items	33.0%	22.7%	-	29.3%
Share of loss of joint ventures	-	(1.8)	-	(1.8)
Special items and net financial expenses	-	-	(16.3)	(16.3)
Profit before tax	59.6	21.0	(16.3)	64.3

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations
YTD 2020/21				
Income statement				
Revenue	514.6	269.5	-	784.1
EUR growth	(1%)	38%	-	10%
Organic growth	7%	9%	-	8%
EBITDA before special items	201.4	86.1	-	287.5
EBITDA margin before special items	39.1%	32.0%	-	36.7%
Amortization, depreciation and impairment losses	(38.8)	(34.8)	-	(73.6)
EBIT before special items	162.6	51.3	-	213.9
EBIT margin before special items	31.6%	19.0%	-	27.3%
Share of loss of joint ventures	-	(4.9)	-	(4.9)
Special items and net financial expenses	-	-	(37.9)	(37.9)
Profit before tax	162.6	46.4	(37.9)	171.1

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations
Q3 2019/20				
Income statement				
Revenue	181.2	74.9	-	256.1
EUR growth	3%	12%	-	5%
Organic growth	8%	12%	-	9%
EBITDA before special items	74.5	31.2	-	105.7
EBITDA margin before special items	41.1%	41.7%	-	41.3%
Amortization, depreciation and impairment losses	(12.2)	(5.2)	-	(17.4)
EBIT before special items	62.3	26.0	-	88.3
EBIT margin before special items	34.4%	34.7%	-	34.5%
Share of loss of joint ventures	-	(1.4)	-	(1.4)
Special items and net financial expenses	-	-	(4.2)	(4.2)
Profit before tax	62.3	24.6	(4.2)	82.7

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations
YTD 2019/20				
Income statement				
Revenue	519.8	195.9	-	715.7
EUR growth	3%	7%	-	4%
Organic growth	5%	6%	-	6%
EBITDA before special items	206.1	73.5	-	279.6
EBITDA margin before special items	39.7%	37.5%	-	39.1%
Amortization, depreciation and impairment losses	(35.0)	(15.4)	-	(50.4)
EBIT before special items	171.1	58.1	-	229.2
EBIT margin before special items	32.9%	29.7%	-	32.0%
Share of loss of joint ventures	-	(3.2)	-	(3.2)
Special items and net financial expenses	-	-	(14.2)	(14.2)
Profit before tax	171.1	54.9	(14.2)	211.8

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis- continued operations	Group
May 31, 2021						
Assets						
Goodwill	520.3	963.7	-	1,484.0	-	1,484.0
Other intangible assets	94.8	295.7	-	390.5	-	390.5
Property, plant and equipment	449.8	291.0	-	740.8	-	740.8
Other non-current assets	-	-	29.2	29.2	-	29.2
Total non-current assets	1,064.9	1,550.4	29.2	2,644.5	-	2,644.5
Inventories	83.6	55.4	-	139.0	-	139.0
Trade receivables ¹⁾	97.0	52.9	12.3	162.2	-	162.2
Other assets	-	-	120.8	120.8	-	120.8
Total current assets	180.6	108.3	133.1	422.0	-	422.0
Total assets	1,245.5	1,658.7	162.3	3,066.5	-	3,066.5
Liabilities						
Trade payables	42.0	31.6	-	73.6	-	73.6
Deferred gain sale and lease back	27.8	21.0	-	48.8	-	48.8
Other liabilities	-	-	1,396.0	1,396.0	-	1,396.0
Total liabilities	69.8	52.6	1,396.0	1,518.4	-	1,518.4
Net working capital	138.6	76.7	12.3	227.6	-	227.6
Invested capital excluding goodwill	655.4	642.4	12.3	1,310.1	-	1,310.1
ROIC excluding goodwill	34.6%	12.0%	-	23.7%	-	23.7%
Investments in intangible assets and property, plant and equipment	42.0	55.3	-	97.3	5.1	102.4

1) Trade receivables disclosed as not allocated are related to the divested Natural Colors business but were not transferred in the divestment.

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis- continued operations	Group
May 31, 2020						
Assets						
Goodwill	530.8	330.2	-	861.0	-	861.0
Other intangible assets	100.6	139.5	-	240.1	17.7	257.8
Property, plant and equipment	412.6	154.1	-	566.7	83.3	650.0
Other non-current assets	-	-	22.7	22.7	-	22.7
Total non-current assets	1,044.0	623.8	22.7	1,690.5	101.0	1,791.5
Inventories	85.5	35.1	-	120.6	58.2	178.8
Trade receivables	96.2	42.0	-	138.2	37.8	176.0
Other assets	-	-	112.2	112.2	8.7	120.9
Total current assets	181.7	77.1	112.2	371.0	104.7	475.7
Total assets	1,225.7	700.9	134.9	2,061.5	205.7	2,267.2
Liabilities						
Trade payables	50.0	19.2	-	69.2	32.7	101.9
Deferred gain sale and lease back	34.3	10.8	-	45.1	5.0	50.1
Other liabilities	-	-	1,220.1	1,220.1	54.4	1,274.5
Total liabilities	84.3	30.0	1,220.1	1,334.4	92.1	1,426.5
Net working capital	131.7	57.9	-	189.6	63.3	252.9
Invested capital excluding goodwill	610.6	340.7	-	951.3	159.3	1,110.6
ROIC excluding goodwill	38.9%	24.3%	-	34.0%	19.2%	31.8%
Investments in intangible assets and property, plant and equipment	44.4	23.1	-	67.5	12.7	80.2

Segment information

(continued)

Geographic allocation

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
Q3 2020/21					
Revenue	113.6	81.9	31.2	53.9	280.6
EUR growth	2%	14%	6%	24%	10%
Organic growth	3%	5%	19%	(6%)	4%

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
YTD 2020/21					
Revenue	303.5	239.9	94.9	145.8	784.1
EUR growth	2%	14%	7%	21%	10%
Organic growth	5%	7%	30%	0%	8%
Non-current assets excluding joint ventures and deferred tax	2,312.2	265.5	19.9	17.7	2,615.3

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
Q3 2019/20					
Revenue	111.4	71.9	29.5	43.3	256.1
EUR growth	6%	5%	(2%)	9%	5%
Organic growth	9%	2%	21%	12%	9%

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
YTD 2019/20					
Revenue	296.3	210.4	88.8	120.2	715.7
EUR growth	2%	9%	0%	3%	4%
Organic growth	3%	6%	16%	5%	6%
Non-current assets excluding joint ventures and deferred tax	1,450.7	180.0	21.0	16.1	1,667.8

Acquisitions

EUR million	2020/21
Purchase consideration	
Cash paid	320.0
Fair value of total consideration	320.0
Fair value of net assets acquired	
Intangible assets	81.5
Property, plant and equipment	11.3
Working capital	7.3
Cash and cash equivalents	2.5
Deferred tax	(14.8)
Lease liabilities	(3.4)
Net identifiable assets acquired	84.4
Goodwill from acquisition	235.6
Fair value of total consideration	320.0
Of which cash and cash equivalents	2.5
Paid acquisition cost, net	317.5

Jennewein Biotechnologie GmbH

On October 9, 2020, Chr. Hansen completed the acquisition of full ownership of the Jennewein Biotechnologie GmbH. The acquisition of the German-based B2B company expands Chr. Hansen's microbial and fermentation technology platforms by adding the emerging and exciting, high-growth business area of human milk oligosaccharides. Jennewein is recognized as a global leader in the HMO market with six commercialized HMOs, a strong product pipeline, a global customer base and a strong IP portfolio of more than 200 patents granted in key markets.

Chr. Hansen obtains access to intangible assets comprising customer relations, patents and technology. The acquisition was conducted as a share deal. Goodwill relates to expected commercial and operational synergies from significant potentials and know-how with respect to production, innovation and commercialization accumulated by the workforce in Jennewein.

Jennewein Biotechnologie GmbH has been recognized in the consolidated financial statements from the time of the acquisition. A preliminary purchase price allocation has been conducted in accordance with IFRS by fair value assessment of identifiable assets and liabilities at the acquisition date in the opening balance sheet.

Transaction costs related to the acquisition of Jennewein amount to EUR 4.8 million, and were recognized in the income statement as special items.

Earnings impact

Revenue and EBIT comprise EUR 12 million and negative EUR 14 million, respectively, reported by Jennewein since the date of acquisition. On a pro forma basis, if the acquisition had been effective from September 1, 2020, Jennewein would have contributed an estimated EUR 14 million to revenue and negative EUR 14 million to EBIT.

Discontinued operations

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Revenue	22.3	57.7	130.5	165.2
Operating profit before special items	3.5	8.2	21.3	20.6
Special items	(7.9)	-	(9.8)	-
Operating profit (EBIT)	(4.4)	8.2	11.5	20.6
Financial items, net	-	-	(0.1)	(0.2)
Profit before tax	(4.4)	8.2	11.4	20.4
Income taxes	1.0	(1.8)	(2.6)	(5.6)
Profit after income tax from discontinued operations	(3.4)	6.4	8.8	14.8
Gain on sale of discontinued operations after tax	635.5	-	635.5	-
Profit from discontinued operations	632.1	6.4	644.3	14.8
Earnings per share, EUR				
Earnings per share from discontinued operations	4.79	0.04	4.89	0.11
Earnings per share from discontinued operations, diluted	4.78	0.05	4.88	0.11

Discontinued operations

A strategic review exploring strategic options for the future of the Natural Colors business was initiated in July 2019/20. By the end of the year 2019/20, the requirements for the business to be presented as discontinued operations were met.

On September 26, Chr. Hansen signed an agreement to sell the Natural Colors business to the Private Equity Fund EQT, and on March 31, 2021, the divestment was completed – see company announcement no. 5 for details.

In the interim report, the result of the Natural Colors business is classified within discontinued operations with a profit of EUR 644.3 million (2019/20 EUR 14.8 million). Profit from discontinued operations include gain on sale of discontinued operations after tax of EUR 635.5 million recognized in Q3 (please see details in the table below). Transaction costs related to the divestment of EUR 9.8 million are recognized in special items.

Cash flow from investing activities from discontinued operations include cash consideration from divestment of the Natural Colors business of EUR 776 million. The cash consideration is excluding deferred sales price payment and cash and cash equivalents divested.

Details on the sale of discontinued operations

EUR million	Q3 2020/21	Q3 2019/20	YTD 2020/21	YTD 2019/20
Consideration received	800.1	-	800.1	-
Deferred payment	0.5	-	0.5	-
Sales price for discontinued operations	800.6	-	800.6	-
Carrying amount of net assets sold	(154.1)	-	(154.1)	-
Reclassification of foreign currency translation reserve	(1.0)	-	(1.0)	-
Income taxes on gain	(10.0)	-	(10.0)	-
Gain on sale of discontinued operations after tax	635.5	-	635.5	-

Carrying amount of net assets sold

EUR million	Mar 31, 2021
Assets	
Other intangible assets	15.8
Property, plant and equipment	69.8
Deferred tax and tax receivables	0.5
Inventories	53.0
Trade receivables	52.7
Other receivables and prepayments	7.0
Cash and cash equivalents	23.9
Total	222.7
Liabilities	
Provisions	0.6
Deferred tax and tax payables	7.8
Borrowings	23.9
Trade payables	23.2
Other payables	13.1
Total	68.6
Carrying amount of net assets sold	154.1

Net assets classified as held for sale

EUR million	May 31, 2021	May 31, 2020	Aug 31, 2020
Assets classified as held for sale			
Other intangible assets	-	-	17.8
Property, plant and equipment	-	-	86.2
Deferred tax and tax receivables	-	-	2.4
Inventories	-	-	58.3
Trade receivables	-	-	31.4
Other receivables and prepayments	-	-	6.3
Total	-	-	202.4
Liabilities relating to assets classified as held for sale			
Provisions	-	-	2.2
Deferred tax	-	-	6.2
Borrowings	-	-	19.3
Trade payables	-	-	47.8
Tax payables	-	-	4.5
Other payables	-	-	20.4
Total	-	-	100.4
Net assets classified as held for sale¹⁾	-	-	102.0

1) Net assets classified as held for sale where related to the Natural Colors business divested on March 31, 2021.