

Interim Report Q1 2021/22

September 1, 2021 - November 30, 2021

January 13, 2022 - Company announcement no. 1

Solid start to the year

Statement by CEO Mauricio Graber: *"The encouraging start to the year with organic growth of 9% and progress across all business areas and strategic initiatives underlines the strength of our 2025 strategy differentiating us as a bioscience company focused on microbial and fermentation technology platforms. Food Cultures & Enzymes continued its strong momentum in the first quarter, while Health & Nutrition delivered a strong rebound following a Q4 that fell short of expectations. EBIT b.s.i. developed favorably at 7% growth, despite the impact from inflation and a general increase in activities as we reconnected with customers. The EBIT margin b.s.i. was down compared to last year due to the full inclusion of the HMO activities. We maintain our outlook for the full year."*

Q1 2021/22 highlights

- Revenue amounted to EUR 268 million, up 10% from EUR 243 million in Q1 2020/21.
- Organic growth was 9% driven by volume growth. The Lighthouses (Bioprotection, Fermented Plant Bases, Plant Health and HMO) delivered 35% organic growth combined, while the remaining Core businesses delivered 7% organic growth.
 - Food Cultures & Enzymes organic growth was 7% driven by volume.
 - Health & Nutrition organic growth was 13% driven by volume.
- EBIT b.s.i. amounted to EUR 65 million, up 7% from EUR 61 million in Q1 2020/21. The increase was driven by Food Cultures & Enzymes, while EBIT b.s.i. in Health and Nutrition was at the Q1 2020/21 level due to a negative impact from Jennewein (HMO), which was only partly reflected in Q1 2020/21 (acquisition was closed on October 9, 2020).
- The EBIT margin b.s.i. was 24.4%, down from 25.2% in Q1 2020/21. Production efficiencies and scalability effects from the solid sales performance were offset by higher input costs not yet reflected in the sales prices, a general ramp-up of activities including travel, and the full inclusion of HMO.
- Implementation of price adjustments to reflect the current inflationary pressure is progressing as planned in close collaboration with our customers and is expected to have an effect from Q2 onwards.
- Free cash flow before acquisitions and special items (b.a.s.i.) amounted to EUR 55 million, up EUR 62 million from Q1 2020/21. The increase was due to both an improved cash flow from operating activities and lower operational investing activities.
- Bacthera entered into an agreement with Seres Therapeutics for the commercial manufacturing of SER-109, a potential treatment against recurrent *C. difficile* infection.
- Chr. Hansen launched its science-based climate targets to reduce its carbon footprint towards 2030.

Outlook

The outlook for 2021/22 remains unchanged from the original guidance provided on October 14, 2021.

- Organic growth is expected in the range of 5-8%.
- EBIT margin before special items is expected to be 27-28%.
- Free cash flow before special items is expected to be around EUR 140-170 million.

Key figures overview

	Q1 2021/22	Q1 2020/21		Q1 2021/22	Q1 2020/21
Income statement, EUR million, continuing operations			Group revenue growth drivers, %		
Revenue	268.2	243.5	Organic growth ²⁾	9%	10%
Gross profit	147.2	136.0	Volume/mix	9%	5%
EBITDA b.s.i.	90.0	87.8	Price	0%	5%
EBITA b.s.i.	76.6	72.1	Currencies	1%	(8%)
EBIT b.s.i.	65.5	61.4	M&A	0%	9%
Special items	0.3	(6.4)	EUR growth	10%	11%
EBIT	65.8	55.0	Organic growth by region, %		
Net financial expenses	(4.6)	(6.6)	EMEA	10%	7%
Profit for the period	46.2	36.1	NA	12%	9%
Cash flow and investments, EUR million, continuing operations			LATAM	8%	40%
Operating cash flow	72.5	38.8	APAC	4%	(4%)
Cash flow from investing activities	(19.8)	(376.2)	Food Cultures & Enzymes, EUR million / %		
Investments in PPE	(14.1)	(50.1)	Revenue	177.7	165.3
Free cash flow b.a.s.i.	54.7	(6.9)	Organic growth ²⁾	7%	8%
Balance sheet, EUR million, Group¹⁾			Volume/mix	7%	2%
Total assets	3,110.2	3,228.7	Currencies	1%	(8%)
Invested capital	2,815.2	2,910.2	EUR growth	8%	0%
Equity	1,569.2	930.7	EBITDA b.s.i.	67.1	65.2
Net interest-bearing debt	968.1	1,706.1	EBITDA margin b.s.i.	37.8%	39.4%
Key ratios, continuing operations			EBIT b.s.i.	54.7	50.8
Gross margin	54.9%	55.9%	EBIT margin b.s.i.	30.8%	30.7%
EBITDA margin b.s.i.	33.6%	36.1%	ROIC excl. goodwill	33.3%	33.4%
EBITA margin b.s.i.	28.6%	29.6%	Health & Nutrition, EUR million / %		
EBIT margin b.s.i.	24.4%	25.2%	Revenue	90.5	78.2
EBIT margin	24.5%	22.6%	Organic growth ²⁾	13%	15%
Operational expenses	30.5%	30.6%	Volume/mix	14%	13%
R&D expenses	8.5%	8.6%	Currencies	2%	(8%)
Capital expenditures	6.5%	22.4%	M&A	1%	38%
EPS diluted, EUR	0.35	0.27	EUR growth	16%	45%
Net working capital	205.5	194.7	EBITDA b.s.i.	22.9	22.6
Cash conversion	63.6%	53.2%	EBITDA margin b.s.i.	25.3%	28.9%
ROIC excl. goodwill	20.0%	20.6%	EBIT b.s.i.	10.8	10.6
ROIC	9.3%	9.6%	EBIT margin b.s.i.	11.9%	13.6%
Net debt to EBITDA b.s.i., Group	2.4x	3.8x	ROIC excl. goodwill	6.6%	7.2%

1) The Natural Colors business was sold March 31, 2021.

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

Strategic and operational highlights

2025 Strategy

Under its 2025 Strategy, Chr. Hansen will continue its journey as a differentiated bioscience company focused on microbial and fermentation technology platforms. The 2025 Strategy is based on three pillars:

REINVEST in the core platforms Food Cultures & Enzymes and Health & Nutrition.

- In Q1 2021/22, a number of new products were launched including the SWEETY® Y-3 culture which adds to Chr. Hansen's portfolio of products for sugar reduction.
- In Human Health a new study was published showing the favorable impact of Bifidobacterium BB-12® on infants with colic symptoms, while the roll-out of The Probiotics Institute continued.

LEVERAGE the technology platform to develop solutions for new applications and end markets.

- In November 2021, Bacthera entered into an agreement with Seres Therapeutics for a collaboration on the commercial manufacturing of SER-109, a potential treatment against recurrent C. difficile infection.
- In Plant Health, Chr. Hansen and UPL announced a long-term collaboration in October 2021 to develop and commercialize microbial solutions for sustainable agriculture.

EXTEND the technology platform through acquisitions and the expansion of the R&D partner network.

- During Q1 2021/22, Chr. Hansen continued to execute on the strain to solution strategy for Human Health reaping the benefits from the acquired probiotics businesses by expanding the customer base in different segments and through different channels. HMO benefited from customer launches of the 5HMO mix in North America.

Science-based targets

In November 2021, Chr. Hansen launched its science-based climate targets to accelerate its decarbonization journey. The targets are (baseline 2019/20):

- 42% reduction of greenhouse gases across scopes 1 and 2 by 2030.
- 20% reduction of greenhouse gases from scope 3 by 2030.

Long-term financial ambitions (until 2024/25)

In October 2021, the long-term financial ambitions for the period to 2024/25 were updated to reflect the divestment of Natural Colors and the acquisition of Jennewein (HMO activities).

Chr. Hansen remains committed to delivering industry-leading profitable growth and strong cash flows with the focus on cost discipline and capital efficiency.

- Mid- to high-single-digit organic growth, averaged over the period.
- An increase of the EBIT margin before special items over the period to above 30% driven by efficiency gains, scalability benefits and acquisition synergies that will be partly reinvested in the business.
- Average growth in free cash flow before special items exceeding the average growth in EBIT before special items.

Business review

Market developments

Food Cultures & Enzymes

According to the Company's own estimates, the global production of cheese grew by around 2% in Q1 2021/22, driven by North America and Europe which benefited from the re-opening of the food service channel, while the end markets for fermented milk remained negatively impacted in Q1 2021/22 by weakened demand in China and Latin America compared to the same period last year.

Health & Nutrition

The global probiotic supplements market benefitted from a rebound in the traditional sales channels in North America and Europe, while growth in the online sales channels remained strong. Markets are expected to remain volatile, however.

The market for infant formula remained negatively impacted by reduced production volumes and lower birth rates, especially in China. The market for HMOs in infant formula developed favorably driven by launches in North America.

The market for microbial-based solutions for animal feed and plant protection developed favorably supported by strong commodity prices.

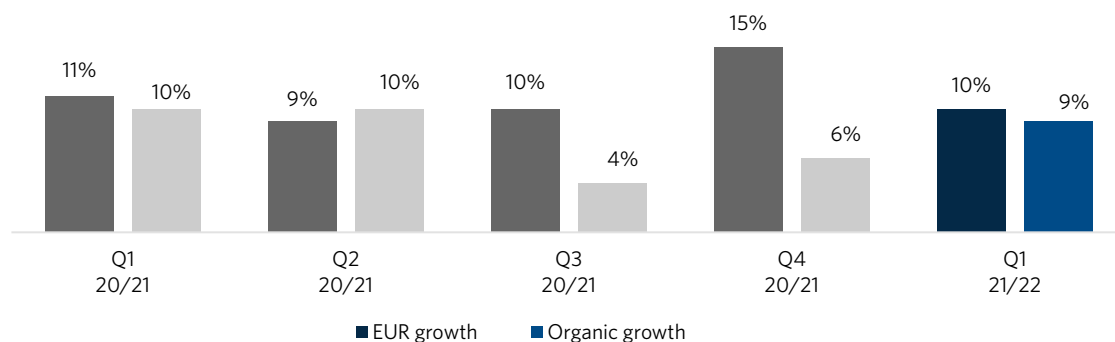
Sales performance

Q1 2021/22 revenue amounted to EUR 268 million, up 10% from EUR 243 million in Q1 2020/21. Revenue was positively impacted by 1% from currency effects and a small impact from acquisitions as the Jennewein acquisition was closed on October 9, 2020.

Organic growth was 9% supported by strong growth from Health & Nutrition and solid growth from Food Cultures & Enzymes. The improvement was driven by volume growth with no contribution from pricing. Implementation of price adjustments to reflect the current inflationary pressure is progressing as planned in close collaboration with our customers with an expected effect from Q2 onwards.

The Lighthouses (Bioprotection, Fermented Plant Bases, Plant Health and HMO) accounted for approx. 10% of revenue and delivered 35% organic growth combined, while the remaining Core business delivered 7% organic growth.

Revenue growth, Group



Sales performance by segment

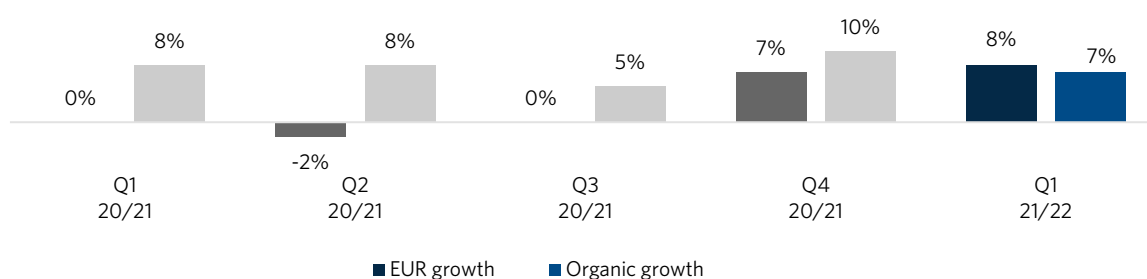
Food Cultures & Enzymes

Q1 2021/22 revenue amounted to EUR 178 million, up 8% from EUR 165 million in Q1 2020/21. Revenue was positively impacted by 1% from currency effects. Organic growth was 7% and largely driven by volume.

Dairy delivered solid growth supported by strong project execution, continued good momentum in cheese in North America, and growth in China on a relatively low comparable from Q1 2020/21.

Food & Beverages delivered very strong growth driven by meat applications.

Revenue growth, Food Cultures & Enzymes



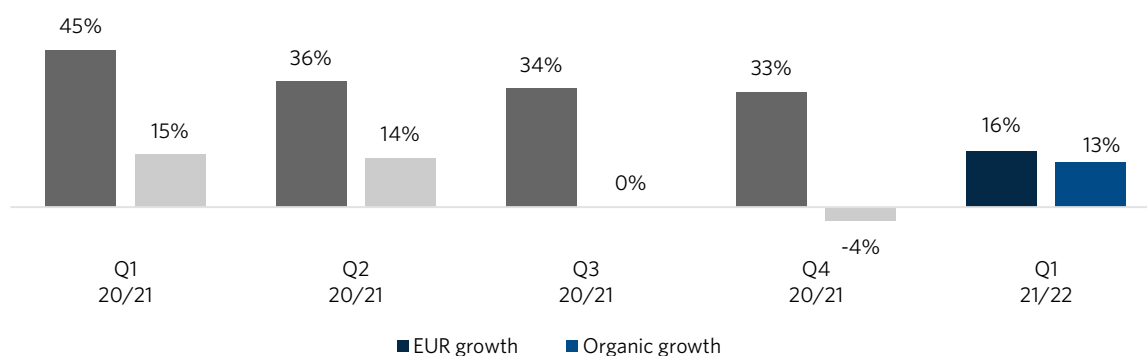
Health & Nutrition

Q1 2021/22 revenue amounted to EUR 90 million, up 16% from EUR 78 million in Q1 2020/21. Revenue was positively impacted by 3% from currency effects and acquisitions (Jennewein acquisition was closed on October 9, 2020). Q1 organic growth was 13% driven by volume.

Human Health and HMO delivered very strong growth. In Human Health, growth was supported by increased activity in the traditional sales channels in Europe, positive timing of orders delayed from Q4 2020/21, new customer wins and easing supply constraints. HMO was driven by customer launches in North America.

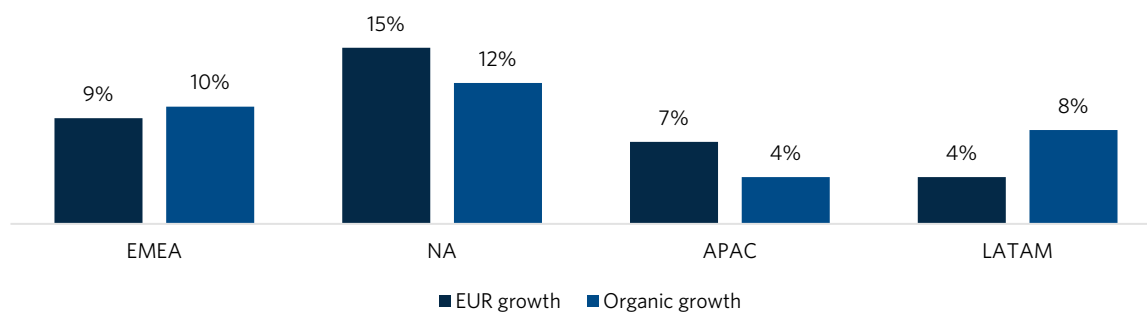
Animal Health and Plant Health delivered solid growth supported by very strong momentum in Plant Health, partly due to a positive impact from the timing of orders. Animal Health was impacted by a high comparable in APAC from Q1 2020/21 and delivered modest growth.

Revenue growth, Health & Nutrition



Sales performance by region

Revenue growth by region



Europe, Middle East and Africa (EMEA), 37% of revenue

Q1 2021/22 organic growth was 10%. The impact from currency effects was immaterial and revenue increased by 9%. Organic growth was driven by strong growth in Health & Nutrition, while Food Cultures & Enzymes delivered solid growth.

Growth in Health & Nutrition was supported by increased activity in the traditional sales channels, while growth in Food Cultures & Enzymes was driven by good progress in the sales project pipeline.

North America (NA), 34% of revenue

Q1 2021/22 organic growth was 12%, while revenue increased by 15%. Revenue was impacted positively by 3% from currency effects. Organic growth was driven by strong growth in Health & Nutrition, while Food Cultures & Enzymes delivered solid growth.

Growth in Health & Nutrition was supported by the regulatory approval of the 5HMO mix and related customer launches as well as positive order timing from Q4 2020/21 in dietary supplements, while growth in Food Cultures & Enzymes was driven by good momentum in the cheese segment.

Asia-Pacific (APAC), 17% of revenue

Q1 2021/22 organic growth was 4%, while revenue increased by 7%. Revenue was impacted positively by 3% from currency effects and 1% from acquisitions. Organic growth was driven by solid growth in Food Cultures & Enzymes, while Health & Nutrition was on par with last year.

Growth in China supported the growth in Food Cultures and Enzymes. In Health & Nutrition, solid growth in Human Health, partly driven by positive timing of orders delayed from Q4 2020/21, was offset by a decline in Animal Health which faced a relative high comparable from Q1 2020/21.

Latin America (LATAM), 12% of revenue

Q1 2021/22 organic growth was 8%, while revenue increased by 4%. Revenue was impacted negatively by 4% due to currency effects. Organic growth was driven by solid growth in both Food Cultures & Enzymes and Health & Nutrition.

The solid organic growth in Food Cultures & Enzymes was partly due to a positive impact from EUR-based pricing, which was, however, significantly lower than last year, while Health & Nutrition was supported by Plant Health.

Financial review

Gross margin

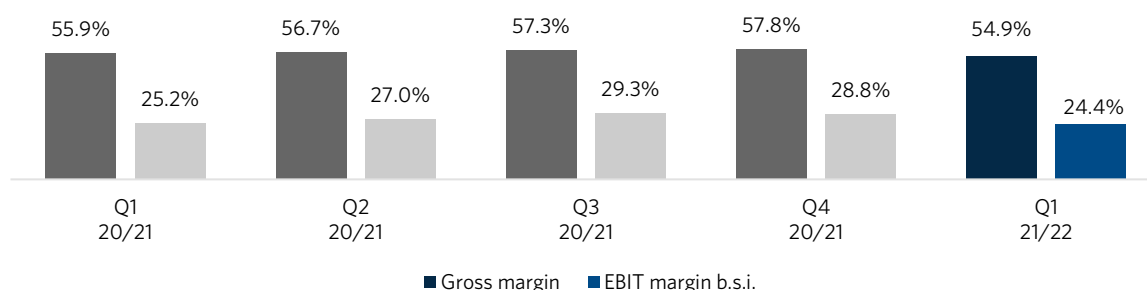
The Q1 2021/22 gross margin declined by 1 percentage point to 54.9%, as scalability effects and efficiency improvements were more than offset by the full inclusion of HMO (acquisition was closed on October 9, 2020), and inflationary pressure not yet reflected in the sales prices.

Operating expenses

Operating expenses totaled EUR 82 million, up 10% from EUR 75 million in Q1 2020/21. Expenses were impacted by a general ramp-up of activities, particularly related to travel, as in-person customer interactions increased during the quarter.

Total amortization amounted to EUR 11 million in Q1 2021/22, of which EUR 5 million related to the acquisitions of HSO, UAS & Jennewein.

Margins, Group



EBIT b.s.i. and EBIT margin before special items

EBIT b.s.i. amounted to EUR 65 million, up 7% from EUR 61 million in Q1 2020/21. The increase was driven by Food Cultures & Enzymes, while EBIT in Health and Nutrition was at the Q1 2020/21 level due to a negative impact from HMO.

The Q1 2021/22 EBIT margin b.s.i. was 24.4%, down from 25.2% in Q1 2020/21. Production efficiencies and scalability effects from the strong sales performance were offset by higher input costs not yet reflected in the sales prices, a general ramp-up of activities including travel, and the full inclusion of HMO.

Food Cultures & Enzymes's Q1 2021/22 EBIT b.s.i. amounted to EUR 55 million, up 8% from EUR 51 million in Q1 2020/21. The EBIT margin b.s.i. was 30.8%, compared to 30.7% last year as production efficiencies and scalability effects from the strong sales performance were offset by higher input costs not yet reflected in sales prices and a general ramp-up of activities including travel.

Health & Nutrition's Q1 2021/22 EBIT b.s.i. amounted to EUR 11 million, on par with Q1 2020/21. The EBIT margin b.s.i. was 11.9%, compared to 13.6% last year, as scalability effects from the solid sales performance and acquisition synergies were offset by the full inclusion of HMO, higher input costs not yet reflected in sales prices and a general ramp-up of activities including travel. The HMO acquisition was closed on October 9, 2020 and therefore only had a partial effect on the Q1 2020/21 EBIT margin.

Special items and EBIT

Special items amounted to EUR zero million in Q1 2021/22, compared to an expense of EUR 6 million last year. EBIT amounted to EUR 66 million, up 20% from EUR 55 million in Q1 2020/21. The EBIT margin ended at 24.5%, compared to 22.6% in Q1 2020/21.

Net financials, share of JV and tax

Net financial expenses amounted to EUR 5 million, down from EUR 7 million in Q1 2020/21, due to lower interest expenses.

The Bacthera JV produced a EUR 1 million loss to Chr. Hansen compared to a loss of EUR 2 million in Q1 2020/21.

Income taxes amounted to EUR 14 million, up from EUR 11 million in Q1 2020/21. The effective tax rate was 23.0%, which was unchanged from the Q1 2020/21 rate.

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Profit for the period

Profit for the period amounted to EUR 46 million, up 28% from EUR 36 million in Q1 2020/21 (EUR 41 million including profit from discontinued operations).

Earnings per share, diluted, amounted to EUR 0.35 compared to EUR 0.27 in Q1 2020/21 (EUR 0.31 including earnings from discontinued operations).

Cash flows

Free cash flow b.a.s.i was EUR 55 million, up EUR 62 million from a negative EUR 7 million in Q1 2020/21 (EUR 15 million including discontinued operations).

Cash flow from operating activities b.a.s.i. was EUR 73 million, up 60% from EUR 45 million in Q1 2020/21 (EUR 39 million including discontinued operations). The increase was driven by the improved operating profit and a positive impact from working capital compared to Q1 2020/21.

Cash flow used for operational investing activities was EUR 18 million, down 66% from EUR 52 million in Q1 2020/21 (EUR 54 million including discontinued operations). The decrease in spending was driven by the acquisition of the Kalundborg facility last year.

Equity, Group

Total equity amounted to EUR 1,569 million at November 30, 2021, compared to EUR 931 million a year earlier. The increase was mainly due to the gain from the divestment of Natural Colors recognized in Q3 2020/21. An ordinary dividend for the 2020/21 financial year totaling EUR 116 million was paid out on November 29, 2021.

Net debt, Group

Net interest-bearing debt amounted to EUR 968 million, or 2.4x EBITDA, compared to EUR 1,706 million, or 3.8x EBITDA, on November 30, 2020. The reduction was driven by the proceeds from the divestment of Natural Colors in Q3 2020/21. The 2.4x EBITDA on November 30, 2021 was impacted by tax payments in Q1 and the ordinary dividend pay-out.

Return on invested capital

Invested capital excluding goodwill amounted to EUR 1,322 million, up 2% from EUR 1,291 million on November 30, 2020 (EUR 1,444 million including discontinued operations). The increase was driven by investments in property, plant and equipment.

Goodwill amounted to EUR 1,493 million, up 2% from EUR 1,466 million on November 30, 2020. The increase was due to the finalized purchase price allocation for Jennewein and exchange rate adjustments.

Return on invested capital excluding goodwill was 20.0%, compared to 20.6% in Q1 2020/21. The decrease was driven by Health & Nutrition as a result of the inclusion of HMO (acquired in October 2020), while the return on invested capital in FC&E was unchanged from Q1 2020/21.

Return on invested capital including goodwill was 9.3%, compared to 9.6% in Q1 2020/21 (10.4% including discontinued operations).

Outlook for 2021/22

Assumptions

The outlook is based on the following assumptions:

- Constant currencies
- No acquisitions
- The current political and economic environment

Changes in the political and macroeconomic climate including continued COVID-19 related disruptions, developments in raw material and other input costs may impact the outlook.

Organic revenue growth

Considering the high level of macroeconomic uncertainty and continued COVID-19-related disruptions, we expect organic growth for 2021/22 in the range of 5-8%. Food Cultures & Enzymes is expected to deliver solid mid-single-digit organic growth throughout the year, despite an insignificant contribution from EUR-based pricing. Organic growth in Health & Nutrition is expected to be supported by the businesses acquired in 2020.

EBIT margin before special items

EBIT margin before special items is expected to be 27-28% as cost synergies from the probiotics acquisitions and production efficiencies will be offset by the continued ramp-up of activities post COVID-19, investments in the HMO business, and inflationary pressure on certain raw material and input costs.

Free cash flow before special items

Free cash flow before special items is expected to be around EUR 140-170 million as improved operating profit is expected to be more than offset by a significant increase in taxes paid as 2020/21 was impacted by acquisitions. The free cash flow outlook assumes a CAPEX level in line with 2020/21.

FX sensitivity

The most significant currency exposure relates to USD, which accounts for around 35% of revenue, while exposure to other currencies is more modest. A 5% decrease in the EUR/USD exchange rate would have a negative impact on revenue measured in EUR of around EUR 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. This level of sensitivity also applies to the free cash flow.

Additional information

Conference call

Chr. Hansen will host a conference call on January 13, 2022 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com

Contact details

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Financial calendar 2021/22

April 6, 2022	Interim Report Q2 2021/22
July 7, 2022	Interim Report Q3 2021/22
October 12, 2022	Annual Report 2021/22
November 23, 2022	Annual General Meeting 2022

Company information

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Company reg. no.: 28318677

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, better food 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, 2021 to November 30, 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 November 30, 2021, and of the results of the Group's operations and cash flow for the period September 1, 2021 to November 30, 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 2020/21.

Hørsholm, January 13, 2022

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

Casper Lynghøj Giedo

Charlotte Hemmingsen

Lise Kaae

Heidi Kleinbach-Sauter

Kevin Lane

Karen Lauesen

Kim Ib Sørensen

Lillie Li Valeur

Income statement

EUR million	Q1 2021/22	Q1 2020/21
Revenue	268.2	243.5
Cost of sales	(121.0)	(107.5)
Gross profit	147.2	136.0
Research and development expenses	(23.5)	(20.8)
Sales and marketing expenses	(39.2)	(36.1)
Administrative expenses	(19.0)	(18.1)
Other operating income	3.0	0.6
Other operating expenses	(3.0)	(0.2)
Operating profit before special items (EBIT b.s.i.)	65.5	61.4
Special items	0.3	(6.4)
Operating profit (EBIT)	65.8	55.0
Net financial expenses	(4.6)	(6.6)
Share of loss of joint ventures	(1.2)	(1.5)
Profit before tax	60.0	46.9
Income taxes	(13.8)	(10.8)
Profit from continuing operations	46.2	36.1
Profit from discontinued operations	-	5.3
Profit for the period	46.2	41.4
Earnings per share, EUR		
Earnings per share	0.35	0.31
Earnings per share, diluted	0.35	0.31
Earnings per share from continuing operations	0.35	0.27
Earnings per share from continuing operations, diluted	0.35	0.27

Statement of comprehensive income

EUR million	Q1 2021/22	Q1 2020/21
Profit for the period	46.2	41.4
Items that will not be reclassified subsequently to the income statement		
Remeasurements of defined benefits plans	-	-
Items that will be reclassified subsequently to the income statement when specific conditions are met		
Exchange rate adjustments of foreign Group companies	8.0	1.2
Fair value adjustments on interest rate hedges	3.1	0.7
Tax related to interest rate hedges	(0.7)	(0.1)
Other comprehensive income for the period	10.4	1.8
Total comprehensive income for the period	56.6	43.2
Attributable to:		
Shareholders of Chr. Hansen Holding A/S	56.6	43.2

Cash flow statement

EUR million	Q1 2021/22	Q1 2020/21
Operating profit from continuing operations	65.8	55.0
Non-cash adjustments	25.4	27.5
Change in working capital	(4.0)	(31.3)
Interest paid, net	(3.5)	(5.0)
Taxes paid	(11.2)	(7.4)
Cash flow from operating activities - continuing operations	72.5	38.8
Cash flow from operating activities - discontinued operations	-	(7.7)
Cash flow from operating activities	72.5	31.1
Investments in intangible assets	(3.4)	(4.4)
Investments in property, plant and equipment	(14.1)	(50.1)
Sale and lease back proceeds	-	2.4
Cash flow from operational investing activities - continuing operations	(17.5)	(52.1)
Cash flow from operational investing activities - discontinued operations	-	(2.0)
Cash flow from operational investing activities	(17.5)	(54.1)
Acquisition of entities, net of cash acquired	-	(319.0)
Investments in joint ventures	-	(5.1)
Loan to joint ventures	(2.3)	-
Cash flow from investing activities - continuing operations	(19.8)	(376.2)
Cash flow from investing activities - discontinued operations	-	(2.0)
Cash flow from investing activities	(19.8)	(378.2)
Free cash flow	52.7	(347.1)
Borrowings	85.0	383.0
Repayment of borrowings	(23.2)	(60.8)
Purchase of treasury shares	-	(6.5)
Dividends paid, net	(115.9)	-
Cash flow from financing activities - continuing operations	(54.1)	315.7
Cash flow from financing activities - discontinued operations	-	9.8
Cash flow from financing activities	(54.1)	325.5
Net cash flow for the period	(1.4)	(21.6)
Cash and cash equivalents, beginning of period	55.1	96.2
Unrealized exchange gains/(losses) included in cash and cash equivalents	2.1	(0.1)
Net cash flow for the period	(1.4)	(21.6)
Cash and cash equivalents, end of period	55.8	74.5

Balance sheet

EUR million	Nov 30, 2021	Nov 30, 2020	Aug 31, 2021
ASSETS			
Non-current assets			
Goodwill	1,493.2	1,466.2	1,489.8
Other intangible assets	373.8	436.6	379.5
Property, plant and equipment	790.6	704.9	782.1
Investments in joint ventures	8.5	12.4	9.7
Receivables from joint ventures	15.7	5.1	12.9
Deferred tax	11.3	13.8	10.9
Total non-current assets	2,693.1	2,639.0	2,684.9
Current assets			
Inventories	143.0	137.7	133.9
Trade receivables	158.0	136.0	188.3
Tax receivables	10.2	4.4	9.1
Other receivables	37.9	23.5	29.8
Prepayments	12.2	12.6	13.1
Cash and cash equivalents	55.8	74.5	55.1
Total current assets	417.1	388.7	429.3
Assets classified as held for sale	-	201.0	-
Total assets	3,110.2	3,228.7	3,114.2

Balance sheet

(continued)

EUR million	Nov 30, 2021	Nov 30, 2020	Aug 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	177.3	177.1	177.3
Reserves	1,391.9	753.6	1,448.8
Total equity	1,569.2	930.7	1,626.1
Non-current liabilities			
Employee benefit obligations	7.5	7.1	7.2
Deferred tax	170.7	169.8	169.6
Provisions	4.2	3.4	4.3
Borrowings	865.6	791.0	790.5
Tax payables	12.0	12.0	12.0
Deferred gain sale and lease back	46.1	43.0	46.6
Other payables	3.0	7.8	6.1
Total non-current liabilities	1,109.1	1,034.1	1,036.3
Current liabilities			
Borrowings	158.3	973.8	162.8
Trade payables	95.5	79.0	132.1
Tax payables	53.6	29.1	49.8
Deferred gain sale and lease back	1.8	1.8	1.8
Other payables	122.7	95.5	105.3
Total current liabilities	431.9	1,179.2	451.8
Total liabilities	1,541.0	2,213.3	1,488.1
Liabilities relating to assets classified as held for sale	-	84.7	-
Total equity and liabilities	3,110.2	3,228.7	3,114.2

Statement of changes in equity

EUR million	Share capital	Currency translation	Interest rate hedge	Retained earnings	Total
2021/22					
Equity at September 1	177.3	(73.7)	(4.9)	1,527.4	1,626.1
Total comprehensive income for the period, see statement of comprehensive income	-	8.0	2.4	46.2	56.6
Transactions with owners					
Share-based payment	-	-	-	2.4	2.4
Dividend, net	-	-	-	(115.9)	(115.9)
Equity at November 30	177.3	(65.7)	(2.5)	1,460.1	1,569.2

EUR million	Share capital	Currency translation	Interest rate hedge	Retained earnings	Total
2020/21					
Equity at September 1	177.1	(76.6)	(7.4)	799.9	893.0
Total comprehensive income for the period, see statement of comprehensive income	-	1.2	0.6	41.4	43.2
Transactions with owners					
Purchase of treasury shares	-	-	-	(6.5)	(6.5)
Share-based payment	-	-	-	1.0	1.0
Equity at November 30	177.1	(75.4)	(6.8)	835.8	930.7

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 2020/21, 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, 2021. 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 2020/21 and relate to, e.g. income taxes and deferred tax, goodwill, other intangible assets, leases, inventories, acquisition of entities as well as discontinued operations.

Segment information

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
Q1 2021/22				
Income statement				
Revenue	177.7	90.5	-	268.2
EUR growth	8%	16%	-	10%
Organic growth	7%	13%	-	9%
EBITDA before special items	67.1	22.9	-	90.0
EBITDA margin before special items	37.8%	25.3%	-	33.6%
Amortization, depreciation and impairment losses	(12.4)	(12.1)	-	(24.5)
EBIT before special items	54.7	10.8	-	65.5
EBIT margin before special items	30.8%	11.9%	-	24.4%
Share of loss of joint ventures	-	(1.2)	-	(1.2)
Special items and net financial expenses	-	-	(4.3)	(4.3)
Profit before tax	54.7	9.6	(4.3)	60.0

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis- continued operations	Group
Q1 2020/21						
Income statement						
Revenue	165.3	78.2	-	243.5	52.9	296.4
EUR growth	0%	45%	-	11%	1%	9%
Organic growth	8%	15%	-	10%	9%	10%
EBITDA before special items	65.2	22.6	-	87.8	8.8	96.6
EBITDA margin before special items	39.4%	28.9%	-	36.1%	16.7%	32.6%
Amortization, depreciation and impairment losses	(14.4)	(12.0)	-	(26.4)	-	(26.4)
EBIT before special items	50.8	10.6	-	61.4	8.8	70.2
EBIT margin before special items	30.7%	13.6%	-	25.2%	16.7%	23.7%
Share of loss of joint ventures	-	(1.5)	-	(1.5)	-	(1.5)
Special items and net financial expenses	-	-	(13.0)	(13.0)	(1.9)	(14.9)
Profit before tax	50.8	9.1	(13.0)	46.9	6.9	53.8

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
Nov 30, 2021				
Assets				
Goodwill	526.3	966.9	-	1,493.2
Other intangible assets	90.7	283.1	-	373.8
Property, plant and equipment	473.5	317.1	-	790.6
Other non-current assets	-	-	35.5	35.5
Total non-current assets	1,090.5	1,567.1	35.5	2,693.1
Inventories	88.5	54.5	-	143.0
Trade receivables	100.9	57.1	-	158.0
Other assets	-	-	116.1	116.1
Total current assets	189.4	111.6	116.1	417.1
Total assets	1,279.9	1,678.7	151.6	3,110.2
Liabilities				
Trade payables	59.2	36.3	-	95.5
Deferred gain sale and lease back	33.3	14.6	-	47.9
Other liabilities	-	-	1,397.6	1,397.6
Total liabilities	92.5	50.9	1,397.6	1,541.0
Net working capital	130.2	75.3	-	205.5
Invested capital excluding goodwill	661.1	660.9	-	1,322.0
ROIC excluding goodwill	33.3%	6.6%	-	20.0%
Additions to non-current assets excluding joint ventures and deferred tax	9.2	8.3	-	17.5

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis- continued operations	Group
Nov 30, 2020						
Assets						
Goodwill	523.6	942.6	-	1,466.2	-	1,466.2
Other intangible assets	100.6	336.0	-	436.6	17.7	454.3
Property, plant and equipment	432.2	272.7	-	704.9	84.2	789.1
Other non-current assets	-	-	31.3	31.3	-	31.3
Total non-current assets	1,056.4	1,551.3	31.3	2,639.0	101.9	2,740.9
Inventories	83.2	54.5	-	137.7	60.6	198.3
Trade receivables	91.8	44.2	-	136.0	32.5	168.5
Other assets	-	-	115.0	115.0	6.0	121.0
Total current assets	175.0	98.7	115.0	388.7	99.1	487.8
Total assets	1,231.4	1,650.0	146.3	3,027.7	201.0	3,228.7
Liabilities						
Trade payables	57.2	21.8	-	79.0	37.4	116.4
Deferred gain sale and lease back	34.1	10.7	-	44.8	5.0	49.8
Other liabilities	-	-	2,089.5	2,089.5	42.3	2,131.8
Total liabilities	91.3	32.5	2,089.5	2,213.3	84.7	2,298.0
Net working capital	117.8	76.9	-	194.7	55.7	250.4
Invested capital excluding goodwill	616.5	674.9	-	1,291.4	152.6	1,444.0
ROIC excluding goodwill	33.4%	7.2%	-	20.6%	24.1%	20.9%
Additions to non-current assets excluding joint ventures and deferred tax	15.0	39.5	-	54.5	2.0	56.5

Segment information

(continued)

EUR million	EMEA	North America	LATAM	APAC	Group
Q1 2021/22					
Revenue	99.1	90.1	32.7	46.3	268.2
EUR growth	9%	15%	4%	7%	10%
Organic growth	10%	12%	8%	4%	9%
Non-current assets excluding joint ventures and deferred tax	2,317.7	299.4	20.9	19.6	2,657.6

EUR million	EMEA	North America	LATAM	APAC	Group
Q1 2020/21					
Revenue	90.6	78.4	31.4	43.1	243.5
EUR growth	3%	18%	10%	14%	11%
Organic growth	7%	9%	40%	(4%)	10%
Non-current assets excluding joint ventures and deferred tax	2,302.2	267.8	21.3	16.4	2,607.7