Chr. Hansen Holding A/S 1st half 20/21 interim report

Q2 2020/21 in brief

April 15, 2021 – announcement no. 6

Continued strong organic growth momentum leads to upwards narrowing of full-year organic growth guidance

- Q2 2020/21 organic sales growth was 10%, equally split between volume/mix and price, and driven by Health & Nutrition which delivered 14% growth while Food Cultures & Enzymes delivered 8% growth
- Underlying EBIT margin b.s.i.[1)] of 30.9%, incl. >1%-point negative currency impact, compared to 32.2% in Q2 2019/20. Reported EBIT margin b.s.i. (incl. all acquisition impacts) was 27.0%
- Integration of commercial activities in UAS/HSO is completed and integration of manufacturing is progressing
- HMO capacity expansion in Germany on track, while delays in product registrations and regulatory approvals remain a constraint on market development; the market opportunity long-term is unchanged
- Full-year outlook for organic growth adjusted to 6-8% (previously 5-8%), free cash flow narrowed upwards to EUR 140-160 mio, EBIT margin guidance unchanged, and impacts from acquisitions also unchanged from Q1

EUR million	Q2 2020/21	Q2 2019/20	Growth	YTD 2020/21	YTD 2019/20	Growth
Revenue	260.0	239.6	8.5%	503.5	459.6	9.6%
EBITDA before special items	93.1	93.8	(0.7%)	180.9	173.9	4.0%
EBIT before special items	70.1	77.1	(9.1%)	131.5	140.9	(6.7%)
Profit from continuing operations	46.1	54.8	(15.9%)	82.2	100.4	(18.1%)
Free cash flow before acquisitions and special items	41.8	41.6	0.5%	34.9	49.1	(28.9%)
Organic growth	10%	6%		10%	4%	
Gross margin	56.7%	59.1%		56.3%	59.6%	
EBITDA margin before special items	35.8%	39.1%		35.9%	37.8%	
EBIT margin before special items	27.0%	32.2%		26.1%	30.7%	
ROIC excl. goodwill	23.1%	34.4%		22.1%	32.1%	

CEO Mauricio Graber says: *"In our second quarter we delivered strong organic growth on a more demanding comparable from last year, with continued good momentum in both business areas. Our business in Asia-Pacific delivered 10% organic growth fueled by Health & Nutrition, providing reassurance that we can grow the region strongly even as the Chinese yogurt market is still in decline. Customer engagement, both in China and globally, remains high despite the current difficulties of in person interactions.*

Through the acquisitions we have done, we are building a more balanced business globally between Food Cultures & Enzymes and Health & Nutrition. We've continued the integration of the acquired businesses and have recently completed a major milestone in the divestment of Natural Colors, and we are executing our strategy of becoming a focused bioscience company based on a unique microbial and fermentation technology platform.

Following the divestment of Natural Colors, we have initiated the process for paying out an extraordinary dividend of around EUR 116 million, and payment of the dividend is expected to be effected during the month of May.

In Q2 we progressed on our innovation agenda with many new patents, trademarks and registrations, and in Q3 we will be launching the next generation of bioprotection for fermented milks and certain cheeses.

As a result of the strong organic growth in the first half of 2020/21, and despite the uncertainties lingering from COVID-19, we have narrowed upwards our full-year outlook for organic growth, and we expect that Q4 to be the stronger of the two remaining quarters, primarily as Q3 of last year had a tailwind effect from customers building COVID-19 related safety inventories."

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.

[1)] *See reconciliation on page 20.*

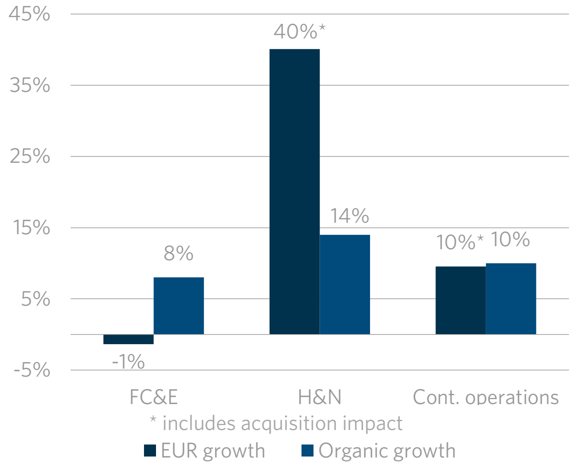
Financial highlights and key figures

	Q2 2020/21	Q2 2019/20	Growth	YTD 2020/21	YTD 2019/20	Growth
Income statement, EUR million, cont. operations						
Revenue	260.0	239.6	8.5%	503.5	459.6	9.6%
Gross profit	147.3	141.6	4.0%	283.3	274.1	3.4%
EBITDA before special items	93.1	93.8	(0.7%)	180.9	173.9	4.0%
EBIT before special items	70.1	77.1	(9.1%)	131.5	140.9	(6.7%)
Special items	(4.2)	(1.4)	200.0%	(10.6)	(2.2)	381.8%
EBIT	65.9	75.7	(12.9%)	120.9	138.7	(12.8%)
Net financial expenses	(4.4)	(5.2)	(15.4%)	(11.0)	(7.8)	41.0%
Profit from continuing operations	46.1	54.8	(15.9%)	82.2	100.4	(18.1%)
Profit from discontinued operations	6.9	4.1	68.3%	12.2	8.4	45.2%
Profit for the period, Group	53.0	58.9	(10.0%)	94.4	108.8	(13.2%)
Cash flow, EUR million, Group						
Cash flow from operating activities	56.1	72.1	(22.2%)	87.2	94.0	(7.2%)
Cash flow from investing activities	(28.2)	(31.2)	(9.6%)	(406.4)	(65.7)	518.6%
Free cash flow	27.9	40.9	(31.8%)	(319.2)	28.3	(1227.9%)
Free cash flow before acquisitions and special items	37.2	47.4	(21.5%)	22.5	41.1	(45.3%)
Free cash flow before acquisitions and special items, cont. operations	41.8	41.6	0.5%	34.9	49.1	(28.9%)
Balance sheet, EUR million, Group						
Total assets [1]				3,236.0	2,109.8	
Invested capital				2,933.4	1,844.2	
Net working capital				282.1	265.0	
Equity				980.0	782.2	
Net interest-bearing debt				1,680.8	879.2	
Key ratios						
Continuing operations						
Organic growth [2]	10%	6%		10%	4%	
Gross margin	56.7%	59.1%		56.3%	59.6%	
EBITDA margin before special items	35.8%	39.1%		35.9%	37.8%	
EBIT margin before special items	27.0%	32.2%		26.1%	30.7%	
EBIT margin	25.3%	31.6%		24.0%	30.2%	
ROIC excl. goodwill	23.1%	34.4%		22.1%	32.1%	
R&D	8.5%	8.4%		8.6%	8.8%	
Capital expenditures	7.9%	8.8%		14.9%	9.7%	
Group						
ROIC excl. goodwill	21.9%	31.8%		22.3%	30.2%	
ROIC	10.8%	18.4%		11.0%	17.3%	
Earnings per share diluted, EUR	0.41	0.44	(6.8%)	0.72	0.82	(12.2%)
Net debt to EBITDA before special items	3.7x	1.9x		3.7x	1.9x	

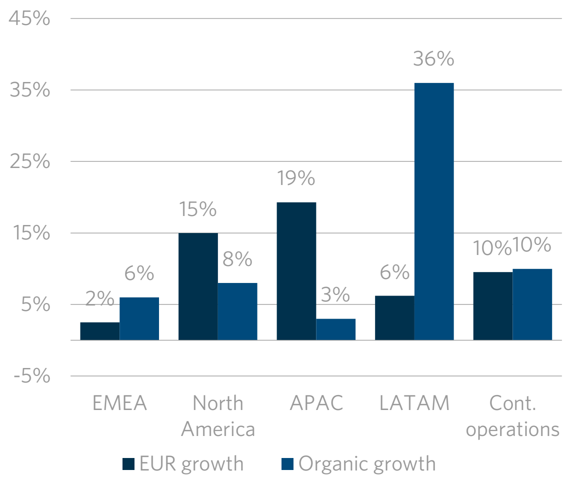
1) Includes assets classified as held for sale in 2020/21 of EUR 204.4 million (EUR 0 million in Q1 2019/20).
2) Organic growth: Revenue measured in local currencies and adjusted for sales reductions, acquisitions and divestments.

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 half of 2020/21, due to reduced production and lower demand in China, the largest yogurt market in the world, and in Latin America, compared to the same period last year. An increase in demand for fermented milk in EMEA and North America partially offset the declines.

The global production of cheese is estimated to have grown by 0-1% in the first half of 2020/21, driven primarily by Europe and Asia-Pacific. On the demand side, COVID-19 has had negative consequences for out-of-home consumption, but the effect was more than offset by an increase in in-home consumption.

The overall market for human probiotics is estimated to have grown by app. 3-5% with some extraordinary demand for dietary supplements during the first half of 2020/21 due to COVID-19. Market growth was driven by North America and Asian markets with strong e-commerce platforms, whereas the European market is estimated to be in decline due to COVID-19 lockdowns, especially in key markets in southern Europe. Inventory levels in the dietary supplements market could impact market growth in the remainder of 2020/21. Over the long term, the global market for probiotics for infants and young children is expected to grow at a higher pace than dietary supplements, driven by a continued premiumization of the infant formula category and new product formats. However, growth in this market segment is estimated to have been relatively lower in the first six months of 2020/21 as demand from physical stores in China was lower in much of 2019/20 due to COVID-19, leading to elevated inventory positions.

The market for microbial-based solutions for animals developed favorably during the first six 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 10% and adjusted for a negative currency impact of 9% and a positive impact from acquisitions of 9% corresponded to a revenue increase of 10% to EUR 503 million. Revenues from acquired businesses amounted to EUR 43 million.

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

Q2 organic growth was 10% and adjusted for a negative currency impact of 10% and a positive impact from acquisitions of 9% corresponded to a revenue increase of 9% to EUR 260 million. Revenues from acquired businesses amounted to EUR 22 million.

Revenue (cont. operations)	**2020/21**
Organic growth (vol/mix)	5%
Organic growth (price)	5%
Organic growth	**10%**
Currencies	(9)%
Acquisitions	9%
EUR growth	**10%**

Revenue by region (cont. operations)
EMEA (Europe, the Middle East and Africa)
Organic growth was 6% and adjusted for a negative currency impact of 6% and an acquisition impact of 2% corresponded to a revenue increase of 2%. Organic growth was driven by solid growth in Food Cultures &

YTD 2020/21 results

Enzymes and partly offset by a decline in Health & Nutrition.

Q2 organic growth was 4% and adjusted for a negative currency impact of 6% and an acquisition impact of 2% corresponded to a revenue increase of 0%. Organic growth was driven by solid growth in Food Cultures & Enzymes, while Health & Nutrition declined.

North America
Organic growth was 8% and adjusted for a negative currency impact of 9% and an acquisition impact of 16% corresponded to a revenue increase of 15%. Organic growth was driven by solid growth in both Food Cultures & Enzymes and across categories in Health & Nutrition.

Q2 organic growth was 7% and adjusted for a negative currency impact of 10% and an acquisition impact of 17% corresponded to a revenue increase of 14%. Organic growth was driven by solid growth in both Food Cultures & Enzymes and Health & Nutrition.

APAC (Asia-Pacific)
Organic growth was 3% and adjusted for a negative currency impact of 3% and an acquisition impact of 19% corresponded to a revenue increase of 19%. Organic growth was driven by very strong growth in Health & Nutrition, while Food Cultures & Enzymes declined as the production and demand of yogurt in China is still in decline.

Q2 organic growth was 10% and adjusted for a negative currency impact of 3% and an acquisition impact of 18% corresponded to a revenue increase of 25%. Organic growth was driven by very strong growth in Health & Nutrition, while Food Cultures & Enzymes declined.

LATAM (Latin America)
Organic growth was 36% and adjusted for a negative currency impact of 31% and a minor acquisition impact corresponded to a revenue increase of 6%. Organic growth was driven by very strong growth in Food Cultures & Enzymes resulting from customer wins and strongly supported by EUR pricing, and very strong growth in Health & Nutrition.

Q2 organic growth was 32% and adjusted for a negative currency impact of 32% and a minor acquisition impact corresponded to a revenue increase of 0%. Organic growth was driven by very strong growth in both Food Cultures & Enzymes and Health & Nutrition.

Gross profit (cont. operations)
Gross profit was EUR 283 million, up 3% on the first half of 2019/20. The gross margin decreased by 3.6%-points to 56.3%, due to a more than 2%-point negative impact from acquisitions and about 1%-point negative currency impact. Scalability and production efficiencies were offset by a negative product mix and higher freight costs.

Q2 gross profit was EUR 147 million, up 4% on 2019/20. The gross margin declined by 2.4%-points to 56.7%, driven by the acquisitions and a negative currency impact.

Operating expenses (% of revenue, cont. operations)
Operating expenses totaled EUR 152 million (30.1%), compared to EUR 133 million (29.0%) in the first half of 2019/20.

Total R&D expenditures amounted to EUR 42 million (8.5%), compared to EUR 38 million (8.4%) in the first half of 2019/20.

EUR million	YTD 2020/21	YTD 2019/20
R&D expenses (P&L)	42.2	38.2
- Amortization	3.8	3.4
- Impairment	-	-
+ Capitalization	4.7	5.8
R&D expenditures incurred	**43.1**	**40.6**

Sales & marketing expenses amounted to EUR 74 million (14.7%), compared to EUR 69 million (15.0%) in the first half 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 36 million (7.2%), compared to EUR 28 million (6.0%) in the first half of 2019/20, and the increase in cost level was primarily driven by acquisitions.

Other operating income/expenses were a net income of less than EUR 1 million, slightly lower than for the first half of 2019/20.

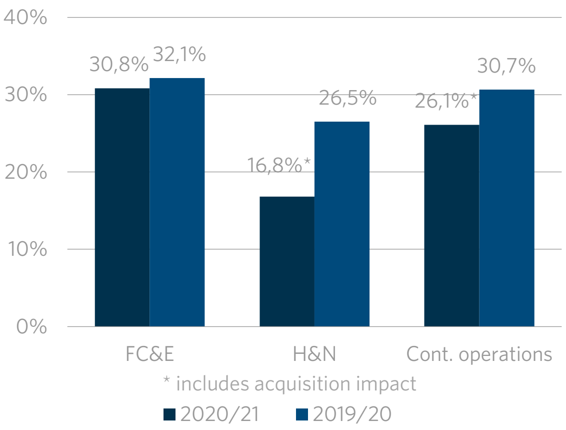
The Q2 the total operating expenses were EUR 77 million (29.7%) compared to EUR 65 million in 2019/20.

EBITDA before special items (cont. operations)
EBITDA amounted to EUR 181 million, including a positive contribution from acquisitions of EUR 6 million, compared to EUR 174 million in the first half of 2019/20. The underlying EBITDA margin before special items, excluding the acquisitions, would have been 38.0%, compared to 37.8% in the first half of 2019/20. The increase (excl. acquisitions) was driven by Health & Nutrition while Food Cultures & Enzymes delivered an EBITDA margin equal to last year. Reduced travel activity and cost management was a material driver behind the positive developments. The reported EBITDA margin before special items (incl. acquisitions) was 35.9%, down 1.9%-points from the first half of 2019/20.

The Q2 underlying EBITDA margin before special items, excluding the acquisitions, would have been 38.4%

YTD 2020/21 results

EBIT margin b.s.i - YTD



compared to 39.1% last year, primarily due to a negative currency impact.

Operating profit (EBIT) before special items (cont. operations)
EBIT before special items amounted to EUR 149 million, including a negative impact from acquisitions of EUR 6 million, compared to EUR 153 million in the first half of 2019/20. The underlying EBIT margin before special items, excluding acquisitions, and including a negative currency impact of 1%-point, would have been 29.8%, down from 30.7% in the first half of 2019/20. The reported EBIT margin before special items (incl. acquisitions) was 26.1%.

The Q2 underlying EBIT margin before special items, excluding the acquisitions, and including a negative currency impact of more than 1%-point, would have been 30.9% compared to 32.2% last year. The reported EBIT margin before special items (incl. acquisitions) was 27.0%.

Special items (cont. operations)
Special items were an expense of EUR 11 million compared to an expense of EUR 2 million in the first half of 2019/20, and the increase in expenses was primarily driven by costs in relation to the ongoing divestment of Natural Colors and the acquisition of Jennewein.

Operating profit (EBIT, cont. operations)
EBIT amounted to EUR 121 million, compared to EUR 139 million in the first half of 2019/20. The EBIT margin was 24.0%, compared to 30.2% in 2019/20. Adjusted for acquisitions, the EBIT margin would have been 27.5%.

Net financials, share of JV and tax (cont. operations)
Net financial expenses amounted to EUR 11 million, compared to EUR 8 million in the first half of 2019/20. Net interest expenses were EUR 12 million, up from EUR 7 million in the first half 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, compared to a negative impact of EUR 1 million in the first half of 2019/20.

The Bacthera JV produced a EUR 3 million loss to Chr. Hansen, compared to a loss of EUR 2 million in the first half of 2019/20.

Income taxes amounted to EUR 25 million, equivalent to an effective tax rate of 23.0%, compared to EUR 29 million and 22.2%, respectively, in the first half of 2019/20.

Profit for the period from continuing operations
Profit from continuing operations for the year decreased to EUR 82 million from EUR 100 million in the first half of 2019/20. The Q2 profit from continuing operations was EUR 46 million, compared to EUR 55 million last year.

Profit from discontinued operations
Profit from the divested business of Natural Colors amounted to EUR 12 million, compared to EUR 8 million in the first half of 2019/20. The increase was due to the fact that, according to IFRS, assets held for sale cannot be depreciated.

Profit for the period
Profit for the period decreased to EUR 94 million compared to EUR 109 million in the first half of 2019/20. The Q2 profit was EUR 53 million compared to EUR 59 million last year.

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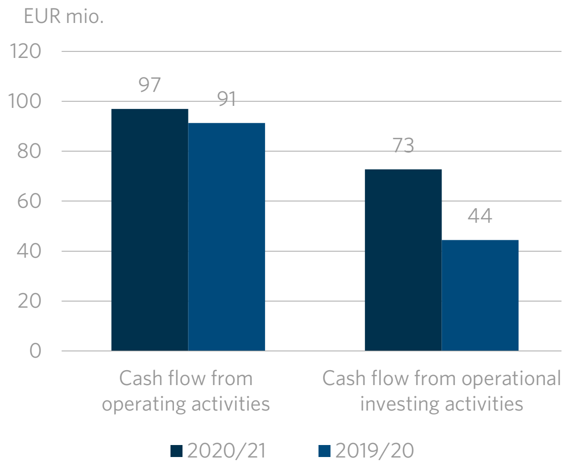
Cash flow (cont. operations) – YTD



Cash flow (Group)
Cash flow from operating activities was EUR 87 million (of which an EUR 97 million was from continuing operations and discontinued operations resulted in an outflow of EUR 10 million), compared to EUR 94 million in the first half of 2019/20 (of which EUR 91 million was from continuing operations). The increase was driven by acquisition-related tax benefits resulting in lower taxes paid, higher non-cash adjustments due to depreciations and amortization charges, partly offset by a higher working capital.

Cash flow used for operational investing activities was EUR 77 million (of which EUR 73 million, or 14% of revenue, was from continuing operations), compared to EUR 55 million in the first half of 2019/20 (of which EUR 44 million or 10% 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 23 million (of which EUR 35 million was from continuing operations and discontinued operations resulted in an outflow of EUR 12 million), compared to EUR 41 million in the first half of 2019/20 (of which EUR 49 million was from continuing operations).

Investments and loans to associates was EUR 10 million compared to EUR 11 million in the first half of 2019/20, and represented investments in the Bacthera JV.

Assets (Group)
On February 28, 2021, total assets amounted to EUR 3,236 million (of which EUR 204 million was classified as held for sale), compared to EUR 2,110 million a year earlier. The increase was mainly due to the acquisitions of HSO Health Care, UAS Laboratories and Jennewein, and investments in the microbial production platform.

Total non-current assets amounted to EUR 2,735 million (of which continuing operations accounted for EUR 2,633 million), compared to EUR 1,653 million a year earlier. Goodwill and intangible assets increased by EUR 909 million, while property, plant and equipment increased by EUR 162 million.

Total current assets amounted to EUR 501 million (of which continuing operations accounted for EUR 399 million), compared to EUR 457 million (of which continuing operations accounted for EUR 355 million) on February 29, 2020.

Net working capital (Group)
Net working capital was EUR 282 million (of which EUR 220 million, or 21.7% of the latest four quarters of revenue was related to continuing operations), compared to EUR 265 million in the first half of 2019/20 (of which EUR 199 million, or 20.9% of latest four quarters of revenue was related to continuing operations). Inventories increased by EUR 25 million, or 15%, while trade receivables increased by EUR 5 million. Trade payables increased by EUR 13 million, or 14%.

Equity (Group)
Total equity amounted to EUR 980 million on February 28, 2021, compared to EUR 783 million a year earlier. No ordinary dividend was paid out in December 2020. Following the divestment of Natural Colors, Chr. Hansen has initiated the process for paying out an extraordinary dividend at least equal to a normalized ordinary dividend for 2019/20. The dividend amount is expected to be around EUR 116 million. Declaration and payment of the dividend is expected to be effected during the month of May, subject to Board approval.

Net debt (Group)
Net interest-bearing debt amounted to EUR 1,681 million, or 3.7x EBITDA, compared to EUR 879 million, or 1.9x EBITDA, on February 29, 2020. The increase was driven by the acquisitions of HSO Health Care, UAS Laboratories and Jennewein.

Return on invested capital (ROIC, Group)
The return on invested capital excluding goodwill was 22.3%, compared to 30.2% in the first half of 2019/20. The decrease was driven by the acquisitions of HSO Health Care, UAS Laboratories and Jennewein. Invested capital excluding goodwill increased to EUR 1,446 million, compared to EUR 1,073 million on February 29, 2020.
The return on invested capital including goodwill was 11.0%, compared to 17.3% in the first half of 2019/20. Invested capital including goodwill increased to EUR 2,933 million, compared to EUR 1,844 million on February 29, 2020.

Segment information

Food Cultures & Enzymes

EUR million	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Revenue	168.7	172.5	334.0	338.6
Organic growth	8%	5%	8%	4%
EBITDA	64.6	67.1	129.8	131.6
EBITDA margin	38.3%	38.9%	38.9%	38.9%
EBIT	52.2	55.6	103.0	108.8
EBIT margin	31.0%	32.2%	30.8%	32.1%
ROIC excluding goodwill	32.9%	37.1%	32.9%	37.1%

Revenue
Organic growth in the first half of 2020/21 was 8% and adjusted for a negative currency impact of 9% corresponded to a reported revenue decrease of 1%. Organic growth comprised 2% from volume/mix and 6% 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 very strong growth in enzymes and meat, strong growth in cheese while fermented milk was flat and probiotics declined. In cheese and enzymes, growth was driven by continued good momentum in CHY-MAX® Supreme, and by continued growth of the NOLA® Fit lactase enzyme.

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, but the decline was more than offset by customer wins. The commercial pipeline has proven to be robust, and although COVID-19 is an impediment to faster progress in the pipeline, mitigating actions have supported the business.

Bioprotective cultures delivered solid organic growth, driven by the existing segments within fermented milk and meat, and was primarily driven by 2nd generation products. Fermented plant bases delivered strong growth, albeit from a low base. Customer interest in both bioprotection and fermented plant bases remains very strong.

Q2 organic growth was 8% and adjusted for a negative currency impact of 10% corresponded to a reported revenue decrease of 2%. Organic growth comprised 2% from volume/mix and 6% from price increases. Organic growth was primarily driven by very strong growth in enzymes and meat cultures, strong growth in cheese and slight growth in fermented milk, while probiotics declined. Bioprotection delivered strong organic growth driven primarily by food safety applications in meat.

Innovation
More than ten new patents were granted and three new product trademarks were registered in Q2 2020/21.

EBITDA
EBITDA amounted to EUR 130 million, compared to EUR 132 million in the first half of 2019/20. The EBITDA margin was 38.9%, unchanged from 2019/20. Scalability and production increases in production and reduced travel activity was offset by increased freight costs in production and an unfavorable product mix. The Q2 EBITDA margin was 38.3%, down from 38.9% last year.

EBIT
EBIT amounted to EUR 103 million, compared to EUR 109 million in the first half of 2019/20. The EBIT margin was 30.8%, down from 32.1% last year. The decrease was primarily due to a negative currency impact and a one-off increase in depreciations in Q1. The Q2 EBIT margin was 31.0%, down from 32.2% last year, primarily due to a negative currency impact.

ROIC excluding goodwill
Return on invested capital excluding goodwill was 32.9%, compared to 37.1% in the first half of 2019/20. The decrease was primarily due to the increase in invested capital and the increase in depreciations. Invested capital excluding goodwill increased by EUR 46 million, or 8%, to EUR 654 million. The increase was mainly due to investments in production capacity.

Segment information

Health & Nutrition

EUR million	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Revenue	91.3	67.1	169.5	121.0
Organic growth	14%	8%	14%	2%
EBITDA	28.5	26.7	51.1	42.3
EBITDA margin	31.2%	39.8%	30.1%	35.0%
EBIT	17.9	21.5	28.5	32.1
EBIT margin	19.6%	32.1%	16.8%	26.5%
ROIC excluding goodwill	10.1%	21.5%	10.1%	21.5%

Revenue
Organic growth in the first half of 2020/21 was 14%, and adjusted for an acquisition impact of 35% and a negative currency impact of 9% corresponded to a revenue increase of 40%. Organic growth was primarily driven by volume/mix, with a minor positive impact from pricing. Human Health delivered solid growth, while Animal Health and Plant Health delivered very strong growth.

The solid growth in Human Health was driven by strong growth in dietary supplements, especially driven by North America and Asia, while key markets in EMEA declined. Probiotics for infants and young children grew slightly, as strong growth in APAC supported by a new distributor was offset by a decline in EMEA.

Animal Health delivered very strong growth in Cattle and Poultry & Swine. Dairy farmer economics and beef prices in North America were relatively stable during the first half 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, albeit from a low base last year, and was primarily driven by sales of Quartzo® and Presence® in Latin America.

Q2 organic growth was 14%, and adjusted for an acquisition impact of 31% and a negative currency impact of 9% corresponded to a revenue increase of 36%. Organic growth was primarily driven by volume/mix, with a minor positive impact from pricing. Human Health delivered solid growth driven by both dietary supplements, positively impacted by timing of orders, and infant formula in APAC, and probiotics for infants and young children in North America. Demand for dietary supplements in North America slowed as inventories appear elevated. Animal Health delivered very strong growth, supported by strong seasonal demand for cattle probiotics. Plant Health delivered very strong growth, albeit from a low base last year.

Innovation
Two new patents were granted, one new trademark was registered, and 32 new Animal Health product registrations were obtained in Q2 2020/21.

EBITDA
EBITDA amounted to EUR 51 million, up from EUR 42 million in the first half of 2019/20, including a positive contribution from acquisitions of EUR 6 million (driven by UAS Labs). Excluding acquisitions, the EBITDA margin would have been 35.8% compared to 35.0% in the first half of 2019/20. The increase (excl. acquisitions) was driven by the strong sales growth and reduced travel activities, partly offset by increased freight costs. The reported EBITDA margin (incl. acquisitions) was 30.1%.

The reported Q2 EBITDA margin was 31.2% and excluding the acquisitions the EBITDA margin would have been 38.8% compared to 39.8% last year.

EBIT
EBIT amounted to EUR 29 million, down from EUR 32 million in the first half of 2019/20, including a negative impact from acquisitions of EUR 6 million (driven by Jennewein/HMO). Excluding acquisitions, the EBIT margin would have been 26.9% including a negative currency impact of approximately 2%-points, compared to 26.5% in the first half of 2019/20, and the positive development was driven by the same drivers as for EBITDA. The reported EBIT margin (incl. acquisitions) was 16.8%.

The reported Q2 EBIT margin was 19.6% and excluding the acquisitions the EBIT margin would have been 30.9% compared to 32.1% last year.

ROIC excluding goodwill
The return on invested capital excluding goodwill was 16.8%, compared to 26.5% in the first half of 2019/20, and the decline was driven by the impact acquisitions had on invested capital. Invested capital excluding goodwill increased by EUR 329 million, from EUR 302 million to EUR 631 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 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 continued quarantine measures and travel restrictions make 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 now expected to be 6-8% (previously 5-8%), with the highest contribution from Health & Nutrition. Food Cultures & Enzymes is expected to significantly outgrow the end-market growth, supported by a positive impact from EUR pricing similar to the effect reported in 2019/20. Growth will be driven by continued momentum in bioprotection and dairy enzymes, as well as fermented plant bases, albeit from a relatively low base. Health & Nutrition is expected to grow faster than the respective underlying markets of probiotics for humans, animals and plants, and will generally be driven by increased demand and increased market penetration of new and recently launched products. Q4 is expected to be the stronger of the two remaining quarters, as Q3 2019/20 was positively impacted by customers building inventories.

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 20/2021, and to continue investments in growth and innovation opportunities.

Free cash flow
Free cash flow before special items, acquisitions and divestments is now expected to be EUR 140-160 million (previously EUR 120-160 million), as expectations for cash flow used for operational investing activities are lower, and now expected to be EUR 150-160 million (previously EUR 150-175 million) as the construction of the HMO factory in Kalundborg will be phased into the next fiscal years.

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 unchanged and estimated to contribute around EUR 100 million in revenues. The EBITDA contribution from acquisitions is unchanged and estimated to be around EUR 10 million.

Due to the complexity of the Natural Colors divestment, Chr. Hansen now expects around EUR 20 mio (previously EUR 15-20 mio) in special items on continuing operations. In addition, the divestment of Natural Colors is expected to contribute a gain on profit in Q3 from discontinued operations of around EUR 650 million in 2020/21.

Dividend
Following the divestment of Natural Colors, Chr. Hansen has initiated the process for paying out an extraordinary dividend at least equal to a normalized ordinary dividend for 2019/20. The dividend amount is expected to be around EUR 116 million. Declaration and payment of the dividend is expected to be effected during the month of May, subject to Board approval.

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 April 15, 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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Financial calendar 2020/21

July 8, 2021	Interim Report Q3 2020/21
October 14, 2021	Annual Report 2020/21
November 24, 2021	Annual General Meeting 2021

Company information
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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 February 28, 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 February 28, 2021, and of the results of the Group's operations and cash flow for the period September 1, 2020 to February 28, 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, April 15, 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	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Revenue	260.0	239.6	503.5	459.6
Cost of sales	(112.7)	(98.0)	(220.2)	(185.5)
Gross profit	**147.3**	**141.6**	**283.3**	**274.1**
Research and development expenses	(21.4)	(18.6)	(42.2)	(38.2)
Sales and marketing expenses	(37.8)	(34.5)	(73.9)	(68.8)
Administrative expenses	(18.1)	(12.6)	(36.2)	(27.5)
Other operating income	0.5	1.3	1.1	1.6
Other operating expenses	(0.4)	(0.1)	(0.6)	(0.3)
Operating profit before special items	**70.1**	**77.1**	**131.5**	**140.9**
Special items	(4.2)	(1.4)	(10.6)	(2.2)
Operating profit (EBIT)	**65.9**	**75.7**	**120.9**	**138.7**
Net financial expenses	(4.4)	(5.2)	(11.0)	(7.8)
Share of loss of joint ventures	(1.6)	(0.1)	(3.1)	(1.8)
Profit before tax	**59.9**	**70.4**	**106.8**	**129.1**
Income taxes	(13.8)	(15.6)	(24.6)	(28.7)
Profit from continuing operations	**46.1**	**54.8**	**82.2**	**100.4**
Profit from discontinued operations	6.9	4.1	12.2	8.4
Profit for the period	**53.0**	**58.9**	**94.4**	**108.8**
Earnings per share, EUR				
Earnings per share	0.41	0.45	0.72	0.83
Earnings per share, diluted	0.41	0.44	0.72	0.82
Earnings per share from continuing operations	0.35	0.41	0.62	0.76
Earnings per share from continuing operations, diluted	0.35	0.41	0.62	0.76

Statement of comprehensive income

EUR million	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Profit for the period	53.0	58.9	94.4	108.8
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				
Currency translation of foreign Group companies	(6.0)	(3.9)	(4.8)	(2.6)
Fair value adjustments on cash flow hedges	1.8	(0.9)	2.5	0.5
Tax related to cash flow hedges	(0.5)	0.1	(0.6)	-
Other comprehensive income for the period	**(4.7)**	**(4.7)**	**(2.9)**	**(2.1)**
Total comprehensive income for the period	**48.3**	**54.2**	**91.5**	**106.7**
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	48.3	54.2	91.5	106.7

Cash flow statement

EUR million	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Operating profit from continuing operations	65.9	75.7	120.9	138.7
Non-cash adjustments	23.3	18.0	50.8	34.8
Change in working capital	(19.1)	(19.6)	(50.4)	(27.8)
Interest paid	(6.7)	(4.0)	(11.7)	(6.1)
Taxes paid	(5.2)	(8.7)	(12.6)	(48.3)
Cash flow from operating activities - continuing operations	58.2	61.4	97.0	91.3
Cash flow from operating activities - discontinued operations	(2.1)	10.7	(9.8)	2.7
Cash flow from operating activities	**56.1**	**72.1**	**87.2**	**94.0**
Investments in intangible assets	(4.4)	(4.6)	(8.8)	(8.8)
Investments in property, plant and equipment	(16.2)	(16.6)	(66.3)	(35.6)
Sale and lease back proceeds	-	-	2.4	-
Cash flow from operational investing activities - continuing operations	(20.6)	(21.2)	(72.7)	(44.4)
Cash flow from operational investing activities - discontinued operations	(2.5)	(4.9)	(4.5)	(10.7)
Cash flow from operational investing activities	(23.1)	(26.1)	(77.2)	(55.1)
Acquisition of entities, net of cash acquired	-	-	(319.0)	-
Investments in joint ventures	-	-	(5.1)	(5.5)
Loan to joint ventures	(5.1)	(5.1)	(5.1)	(5.1)
Cash flow from investing activities - continuing operations	(25.7)	(26.3)	(401.9)	(55.0)
Cash flow from investing activities - discontinued operations	(2.5)	(4.9)	(4.5)	(10.7)
Cash flow from investing activities	**(28.2)**	**(31.2)**	**(406.4)**	**(65.7)**
Free cash flow	**27.9**	**40.9**	**(319.2)**	**28.3**
Borrowings	177.3	215.6	560.3	225.8
Repayment of borrowings	(208.4)	(139.1)	(269.2)	(155.6)
Purchase of treasury shares, net	-	-	(6.5)	-
Cash flow from financing activities - continuing operations	(31.1)	(48.2)	284.6	(54.5)
Cash flow from financing activities - discontinued operations	4.5	(5.8)	14.3	8.0
Cash flow from financing activities	**(26.6)**	**(54.0)**	**298.9**	**(46.5)**
Net cash flow for the period	**1.3**	**(13.1)**	**(20.3)**	**(18.2)**
Cash and cash equivalents, beginning of period	74.5	83.2	96.2	87.4
Unrealized exchange gains/(losses) included in cash and cash equivalents	-	(1.1)	(0.1)	(0.2)
Net cash flow for the period	1.3	(13.1)	(20.3)	(18.2)
Cash and cash equivalents, end of period	**75.8**	**69.0**	**75.8**	**69.0**

CHR HANSEN
Improving food & health

Balance sheet

EUR million	Feb 28, 2021	Feb 29, 2020	Aug 31, 2020
ASSETS			
Non-current assets			
Goodwill	1,487.8	771.5	1,249.1
Other intangible assets	395.1	221.0	321.7
Property, plant and equipment	715.2	637.1	654.8
Investments in joint ventures	10.8	10.2	8.8
Receivables from joint ventures	10.1	5.1	5.1
Deferred tax	13.9	8.0	7.0
Total non-current assets	**2,632.9**	**1,652.9**	**2,246.5**
Current assets			
Inventories	136.5	170.2	122.3
Trade receivables	151.2	182.5	145.1
Tax receivables	3.9	3.4	4.1
Other receivables	19.7	19.4	24.6
Prepayments	11.6	12.4	12.4
Cash and cash equivalents	75.8	69.0	96.2
Total current assets	**398.7**	**456.9**	**404.7**
Assets classified as held for sale	204.4	-	202.4
Total assets	**3,236.0**	**2,109.8**	**2,853.6**

Balance sheet

EUR million	Feb 28, 2021	Feb 29, 2020	Aug 31, 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	177.1	176.8	177.1
Reserves	802.9	605.4	715.9
Total equity	**980.0**	**782.2**	**893.0**
Non-current liabilities			
Employee benefit obligations	6.8	7.8	6.6
Deferred tax	161.1	93.8	133.3
Provisions	3.2	3.9	3.5
Borrowings	984.6	795.4	736.7
Tax payables	12.0	15.6	12.0
Deferred gain sale and lease back	42.6	48.6	43.4
Other payables	5.9	-	7.8
Total non-current liabilities	**1,216.2**	**965.1**	**943.3**
Current liabilities			
Borrowings	755.8	152.8	685.2
Trade payables	68.0	87.7	101.2
Tax payables	37.0	25.5	29.0
Deferred gain sale and lease back	1.8	1.8	1.8
Other payables	98.5	94.7	99.7
Total current liabilities	**961.1**	**362.5**	**916.9**
Total liabilities	**2,177.3**	**1,327.6**	**1,860.2**
Liabilities relating to assets classified as held for sale	78.7	-	100.4
Total equity and liabilities	**3,236.0**	**2,109.8**	**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		(4.8)	1.9	94.4	91.5
Transactions with owners					
Purchase of treasury shares	-	-	-	(6.5)	(6.5)
Share-based payment	-	-	-	2.0	2.0
Equity at February 28	**177.1**	**(81.4)**	**(5.5)**	**889.8**	**980.0**

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	-	(2.6)	0.5	108.8	106.7
Transactions with owners					
Share-based payment	-	-	-	3.0	3.0
Dividend	-	-	-	(124.7)	(124.7)
Equity at February 29	**176.8**	**(47.9)**	**(5.7)**	**659.0**	**782.2**

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 consolidatated 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	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Revenue				
Group	315.3	294.7	611.7	567.1
Discontinued operations	(55.3)	(55.1)	(108.2)	(107.5)
Acquisitions	(21.7)	-	(42.7)	-
Adjusted revenue, continuing operations [1]	**238.3**	**239.6**	**460.8**	**459.6**
EBITDA before special items				
Group	102.1	102.4	198.7	191.2
Discontinued operations	(9.0)	(8.6)	(17.8)	(17.3)
Acquisitions	(1.5)	-	(5.7)	-
Adjusted EBITDA before special items, continuing operations [1]	**91.6**	**93.8**	**175.2**	**173.9**
Amortization, depreciation and impairment losses				
Group	(23.0)	(19.2)	(49.4)	(37.9)
Discontinued operations	-	2.5	-	4.9
Acquisitions, amortization	5.0	-	9.1	-
Acquisitions, depreciation	0.1	-	2.2	-
Adjusted amortization, depreciation and impairment losses, continuing operations [1]	**(17.9)**	**(16.7)**	**(38.1)**	**(33.0)**
Operating profit before special items (EBIT before special items)				
Group	79.1	83.2	149.3	153.3
Discontinued operations	(9.0)	(6.1)	(17.8)	(12.4)
Acquisitions	3.6	-	5.6	-
Adjusted EBIT before special items, continuing operations [1]	**73.7**	**77.1**	**137.1**	**140.9**
Continuing operations				
Underlying EBITDA margin before special items [1]	38.4%	39.1%	38.0%	37.8%
Underlying EBIT margin before special items [1]	30.9%	32.2%	29.8%	30.7%
Reported EBITDA margin before special items	35.8%	39.1%	35.9%	37.8%
Reported EBIT margin before special items	27.0%	32.2%	26.1%	30.7%

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	Dis-continued operations	Group
Q2 2020/21						
Income statement						
Revenue	168.7	91.3	-	260.0	55.3	315.3
EUR growth	(2%)	36%	-	9%	0%	7%
Organic growth	8%	14%	-	10%	8%	9%
EBITDA before special items	64.6	28.5	-	93.1	9.0	102.1
EBITDA margin before special items	38.3%	31.2%	-	35.8%	16.2%	32.4%
Amortization, depreciation and impairment losses	(12.4)	(10.6)	-	(23.0)	-	(23.0)
EBIT before special items	52.2	17.9	-	70.1	9.0	79.1
EBIT margin before special items	31.0%	19.6%	-	27.0%	16.2%	25.1%
Share of loss of joint ventures	-	(1.6)	-	(1.6)	-	(1.6)
Special items and net financial expenses	-	-	(8.6)	(8.6)	(0.1)	(8.7)
Profit before tax	**52.2**	**16.3**	**(8.6)**	**59.9**	**8.9**	**68.8**

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis-continued operations	Group
YTD 2020/21						
Income statement						
Revenue	334.0	169.5	-	503.5	108.2	611.7
EUR growth	(1%)	40%	-	10%	1%	8%
Organic growth	8%	14%	-	10%	8%	9%
EBITDA before special items	129.8	51.1	-	180.9	17.8	198.7
EBITDA margin before special items	38.9%	30.1%	-	35.9%	16.4%	32.5%
Amortization, depreciation and impairment losses	(26.8)	(22.6)	-	(49.4)	-	(49.4)
EBIT before special items	103.0	28.5	-	131.5	17.8	149.3
EBIT margin before special items	30.8%	16.8%	-	26.1%	16.4%	24.4%
Share of loss of joint ventures	-	(3.1)	-	(3.1)	-	(3.1)
Special items and net financial expenses	-	-	(21.6)	(21.6)	(2.0)	(23.6)
Profit before tax	**103.0**	**25.4**	**(21.6)**	**106.8**	**15.8**	**122.6**

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis-continued operations	Group
Q2 2019/20						
Income statement						
Revenue	172.5	67.1	-	239.6	55.1	294.7
EUR growth	4%	7%	-	5%	0%	4%
Organic growth	5%	8%	-	6%	1%	5%
EBITDA before special items	67.1	26.7	-	93.8	8.6	102.4
EBITDA margin before special items	38.9%	39.8%	-	39.1%	15.6%	34.7%
Amortization, depreciation and impairment losses	(11.5)	(5.2)	-	(16.7)	(2.5)	(19.2)
EBIT before special items	55.6	21.5	-	77.1	6.1	83.2
EBIT margin before special items	32.2%	32.1%	-	32.2%	11.0%	28.2%
Share of loss of joint ventures	-	(0.1)	-	(0.1)	-	(0.1)
Special items and net financial expenses	-	-	(6.6)	(6.6)	-	(6.6)
Profit before tax	**55.6**	**21.4**	**(6.6)**	**70.4**	**6.1**	**76.5**

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis-continued operations	Group
YTD 2019/20						
Income statement						
Revenue	338.6	121.0	-	459.6	107.5	567.1
EUR growth	4%	2%	-	3%	0%	3%
Organic growth	4%	2%	-	4%	0%	3%
-						
EBITDA before special items	131.6	42.3	-	173.9	17.3	191.2
EBITDA margin before special items	38.9%	35.0%	-	37.8%	16.1%	33.7%
Amortization, depreciation and impairment losses	(22.8)	(10.2)	-	(33.0)	(4.9)	(37.9)
EBIT before special items	108.8	32.1	-	140.9	12.4	153.3
EBIT margin before special items	32.1%	26.5%	-	30.7%	11.5%	27.0%
Share of loss of joint ventures	-	(1.8)	-	(1.8)	-	(1.8)
Special items and net financial expenses	-	-	(10.0)	(10.0)	(0.2)	(10.2)
Profit before tax	**108.8**	**30.3**	**(10.0)**	**129.1**	**12.2**	**141.3**

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis-continued operations	Group
Feb 28, 2021						
Assets						
Goodwill	520.4	967.4	-	1,487.8	-	1,487.8
Other intangible assets	117.2	277.9	-	395.1	18.7	413.8
Property, plant and equipment	441.2	274.0	-	715.2	83.8	799.0
Other non-current assets	-	-	34.8	34.8	-	34.8
Total non-current assets	**1,078.8**	**1,519.3**	**34.8**	**2,632.9**	**102.5**	**2,735.4**
Inventories	84.2	52.3	-	136.5	58.8	195.3
Trade receivables	94.7	56.5	-	151.2	35.8	187.0
Other assets	-	-	111.0	111.0	7.3	118.3
Total current assets	**178.9**	**108.8**	**111.0**	**398.7**	**101.9**	**500.6**
Total assets	**1,257.7**	**1,628.1**	**145.8**	**3,031.6**	**204.4**	**3,236.0**
Liabilities						
Trade payables	49.2	18.8	-	68.0	32.2	100.2
Deferred gain sale and lease back	33.8	10.6	-	44.4	4.9	49.3
Other liabilities	-	-	2,064.9	2,064.9	41.6	2,106.5
Total liabilities	**83.0**	**29.4**	**2,064.9**	**2,177.3**	**78.7**	**2,256.0**
Net working capital	**129.7**	**90.0**	**-**	**219.7**	**62.4**	**282.1**
Invested capital excluding goodwill	**654.3**	**631.3**	**-**	**1,285.6**	**160.0**	**1,445.6**
ROIC excluding goodwill	**32.9%**	**10.1%**	**-**	**22.1%**	**23.6%**	**22.3%**
Investments in intangible assets and property, plant and equipment	29.2	45.9	-	75.1	4.5	79.6

Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Continuing operations	Dis-continued operations	Group
Feb 29, 2020						
Assets						
Goodwill	534.4	237.1	-	771.5	-	771.5
Other intangible assets	101.1	102.2	-	203.3	17.7	221.0
Property, plant and equipment	404.4	149.1	-	553.5	83.6	637.1
Other non-current assets	-	-	23.3	23.3	-	23.3
Total non-current assets	**1,039.9**	**488.4**	**23.3**	**1,551.6**	**101.3**	**1,652.9**
Inventories	82.8	31.5	-	114.3	55.9	170.2
Trade receivables	97.9	46.5	-	144.4	38.1	182.5
Other assets	-	-	96.3	96.3	7.9	104.2
Total current assets	**180.7**	**78.0**	**96.3**	**355.0**	**101.9**	**456.9**
Total assets	**1,220.6**	**566.4**	**119.6**	**1,906.6**	**203.2**	**2,109.8**
Liabilities						
Trade payables	43.1	16.5	-	59.6	28.1	87.7
Deferred gain sale and lease back	34.5	10.8	-	45.3	5.1	50.4
Other liabilities	-	-	1,138.8	1,138.8	50.7	1,189.5
Total liabilities	**77.6**	**27.3**	**1,138.8**	**1,243.7**	**83.9**	**1,327.6**
Net working capital	**137.6**	**61.5**	**-**	**199.1**	**65.9**	**265.0**
Invested capital excluding goodwill	**608.6**	**302.0**	**-**	**910.6**	**162.1**	**1,072.7**
ROIC excluding goodwill	**37.1%**	**21.5%**	**-**	**32.1%**	**17.1%**	**30.2%**
Investments in intangible assets and property, plant and equipment	29.2	15.2	-	44.4	10.7	55.1

Segment information

(continued)

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
Q2 2020/21					
Revenue	97.2	82.2	31.2	49.4	260.0
EUR growth	0%	14%	0%	25%	9%
Organic growth	4%	7%	32%	10%	10%

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
YTD 2020/21					
Revenue	189.4	158.6	63.4	92.1	503.5
EUR growth	2%	15%	6%	19%	10%
Organic growth	6%	8%	36%	3%	10%
Non-current assets excluding joint ventures and deferred tax	2,296.7	264.0	20.3	17.1	2,598.1

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
Q2 2019/20					
Revenue	97.1	72.0	31.1	39.4	239.6
EUR growth	2%	10%	5%	3%	5%
Organic growth	2%	7%	18%	4%	6%

EUR million	EMEA	North America	LATAM	APAC	Continuing operations
YTD 2019/20					
Revenue	184.8	137.9	59.7	77.2	459.6
EUR growth	0%	10%	2%	1%	3%
Organic growth	(1%)	8%	14%	1%	4%
Non-current assets excluding joint ventures and deferred tax	1,303.8	181.9	25.7	16.9	1,528.3

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 and property, plant and equipment	97.0
Working capital	(2.0)
Deferred tax	(16.0)
Cash and cash equivalents	2.0
Net identifiable assets acquired	**81.0**
Goodwill from acquisition	239.0
Fair value of total consideration	**320.0**
Of which cash and cash equivalents	2.0
Paid acquisition cost, net	**318.0**

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 4.2 million, and were recognized in the income statement as special items.

Earnings impact
Revenue and EBIT comprise EUR 8 million and EUR (8) million, respectively, reported byJennewein 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 10 million to revenue and EUR (8) million to EBIT.

Discontinued operations

EUR million	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20
Revenue	55.3	55.1	108.2	107.5
Operating profit before special items	**9.0**	**6.1**	**17.8**	**12.4**
Special items	-	-	(1.9)	-
Operating profit (EBIT)	**9.0**	**6.1**	**15.9**	**12.4**
Financial items, net	(0.1)	-	(0.1)	(0.2)
Profit before tax	**8.9**	**6.1**	**15.8**	**12.2**
Income taxes	(2.0)	(2.0)	(3.6)	(3.8)
Profit from discontinued operations	**6.9**	**4.1**	**12.2**	**8.4**

EUR million	Feb 28, 2021	Feb 29, 2020	Aug 31, 2020
Assets classified as held for sale			
Other intangible assets	18.7	-	17.8
Property, plant and equipment	83.8	-	86.2
Deferred tax and tax receivables	2.3	-	2.4
Inventories	58.8	-	58.3
Trade receivables	35.8	-	31.4
Other receivables and prepayments	5.0	-	6.3
Total	**204.4**	**-**	**202.4**
Liabilities relating to assets classified as held for sale			
Provisions	1.4	-	2.2
Deferred tax	6.4	-	6.2
Borrowings	16.2	-	19.3
Trade payables	32.2	-	47.8
Tax payables	6.1	-	4.5
Other payables including deferred gain	16.4	-	20.4
Total	**78.7**	**-**	**100.4**
Net assets classified as held for sale	**125.7**	**-**	**102.0**

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.

The one-off profits from the transaction, which is the difference between the book value of the transferred assets and liabilities and the transaction value received, will be accounted for as part of the profits from discontinued operations in Q3. The impact is estimated to be around EUR 650 million after taxes and transaction costs associated with the divestment.

In the interim report, the result of the Natural Colors business is classified under discontinued operations with a net profit of EUR 12.2 million. Assets and liabilities attributable to Natural Colors amount to EUR 204.4 million and EUR 78.7 million, respectively.