

Chr. Hansen completes UAS Labs acquisition

Chr. Hansen Holding A/S (“Chr. Hansen”) today announced that it has successfully completed the acquisition of UAS Laboratories LLC (“UAS Labs”) following the satisfaction of all closing conditions.

With UAS Labs, Chr. Hansen further strengthens its microbial platform and Human Health business by moving into the highly attractive space of multi-species, high-potency blends and broadening its product offering and customer base. Furthermore, Chr. Hansen is expanding its manufacturing footprint with two GMP facilities in the United States which will allow phasing of capex projects over the coming years and reduce enterprise risk.

Mauricio Graber, Chief Executive Officer of Chr. Hansen, said: *“With closing of the UAS Labs acquisition, we look forward to building upon the strengths of both companies. We will expand our probiotic offerings from strain to solution, gain access to new customer groups and move into new indication areas whilst staying true to our commitment to science and R&D. We are really excited to welcome the team from UAS Labs to the Chr. Hansen organization and will pursue a ‘best of both’ approach for the integration to create value for customers and shareholders. I am convinced that together we can truly shape the global probiotics market for the future.”*

Chr. Hansen will now begin the process of integrating UAS Labs. UAS Labs has 230 employees and is expected to generate revenues of around USD 85 million and EBITDA above USD 30 million before synergies in 2020. Guidance for the full year 2019/20 is maintained, though the acquisition will have a minor negative impact on Group EBIT margin before special items. In 2020/21, there will be a negative impact on Group EBIT margin before special items of around 1%-point (preliminary estimate) due to depreciations of the acquired tangible and intangible assets. By 2024/25, the acquisition is expected to be EBIT margin neutral to slightly accretive.

Acquiring UAS Labs is fully in line with Chr. Hansen’s strategy and capital allocation framework of pursuing bolt-on acquisitions to strengthen its microbial platform. UAS Labs has been acquired from the private equity fund Lakeview Equity Partners, management team and other shareholders at a transaction value, net of tax assets, of USD 530 million. Leverage will increase short-term to around 3x net debt/EBITDA by the end of financial year 2019/20, but Chr. Hansen is aiming to bring down net debt to a level consistent with a solid investment grade rating.

The acquisition was announced on June 9, 2020.

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About Chr. Hansen

Chr. Hansen is a leading, global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. We develop and produce cultures, enzymes, probiotics and natural colors for a rich variety of foods, confectionery, beverages, dietary supplements and even animal feed and plant protection. Our product innovation is based on around 40,000 microbial strains – we like to refer to them as ‘good bacteria’. Our solutions enable food manufacturers to produce more with less – while also reducing the use of chemicals and other synthetic additives – which make our products highly relevant in today’s world. Sustainability is an integral part of Chr. Hansen’s vision to improve food and health. In 2019 Chr. Hansen was ranked as the world’s most sustainable company by Corporate Knights thanks to our strong sustainability efforts and our many collaborative partnerships with our customers. We have been delivering value to our partners – and, ultimately, end consumers worldwide – for over 140 years. We are proud that more than one billion people consume products containing our natural ingredients every day.