

INTERIM REPORT SEPTEMBER 1, 2018 - NOVEMBER 30, 2018

YTD 2018/19 IN BRIEF

JANUARY 17, 2019



SOLID START TO THE YEAR AND OUTLOOK MAINTAINED

Organic revenue growth of 10% in the first three months of 2018/19, corresponding to 6% reported growth due to adverse currency impacts: Food Cultures & Enzymes 10%, Health & Nutrition 17% and Natural Colors 6%. EBIT before special items increased by 9% to EUR 71 million, corresponding to an EBIT margin before special items of 26.3% which was up 0.9%-point compared to last year. The overall outlook for 2018/19 remains unchanged.

EUR million	Q1 2018/19	Q1 2017/18	Growth
Revenue	269.4	254.5	6%
EBIT before special items	70.8	64.7	9%
Profit for the period	51.1	46.5	10%
Free cash flow before acquisitions and special items	(32.5)	(18.9)	(72)%
Organic growth, %	10%	10%	
Gross margin, %	54.9%	52.5%	
EBIT margin before special items, %	26.3%	25.4%	
ROIC excl. goodwill, %	31.4%	30.9%	

CEO Mauricio Graber says: *"We have had a solid start to the year, with Food Cultures & Enzymes delivering strong organic growth with contributions from volume and EUR pricing, in line with our expectations. Organic growth in Health and Nutrition was also strong, driven by global demand for probiotics for infant formula in Human Health. Animal Health was impacted by timing of orders, but the underlying interest in microbial solutions for animal farming remains strong, and we continue to improve our route-to-market. Plant Health had another excellent quarter in Latin America, although absolute numbers are still modest. We were also pleased to see the momentum in Natural Colors continue in Q1, driven by demand for coloring foodstuff, where we also launched new products for the FRUITMAX® range during Q1.*

"Our EBIT margin before special items in Q1 increased by 0.9%-point and was driven by improved margins in Health & Nutrition and Natural Colors. The EBIT margin in Food Cultures & Enzymes was positively impacted by a strong development in gross margin, and ended on par with last year, as we continued to invest in our growth and innovation priorities. We continue to expect a positive contribution from further scalability benefits, as we ramp up utilization of the new capacity in our facility in Copenhagen.

"We are encouraged by the solid start to the year, and we maintain our overall guidance for the full year. Our pipeline of products to be launched this year, from all three business areas, looks very promising and will support the growth potential of Chr. Hansen."

OUTLOOK FOR 2018/19

The overall outlook for 2018/19 is unchanged compared to the announcement of October 15, 2018.

	January 17, 2019	October 15, 2018
Organic revenue growth	9-11%	9-11%
EBIT margin before special items	around 29.5%	around 29.5%
Free cash flow before acquisitions, divestments and special items	around last year	around last year

The guidance for EBIT margin before special items and for free cash flow before acquisitions, divestments and special items assumes constant currencies from the time of this announcement and for the remainder of the financial year.

FINANCIAL HIGHLIGHTS AND KEY FIGURES

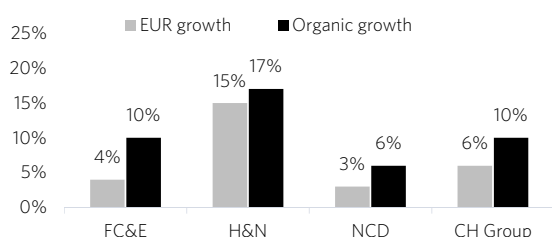
	Q1 2018/19	Q1 2017/18	Growth
Income statement, EUR million			
Revenue	269.4	254.5	6%
Gross profit	147.9	133.7	11%
EBITDA before special items	86.4	80.0	8%
EBIT before special items	70.8	64.7	9%
Special items	(0.5)	-	0%
EBIT	70.3	64.7	9%
Profit for the period	51.1	46.5	10%
Financial position, EUR million			
Total assets	1,877.7	1,796.7	
Invested capital	1,706.3	1,623.9	
Net working capital	231.1	211.6	
Equity	713.1	702.9	
Net interest-bearing debt	714.1	646.5	
Cash flow and investments, EUR million			
Cash flow from operating activities	(3.1)	4.2	n.a.
Cash flow used for investing activities	(39.2)	(23.2)	(69)%
Free cash flow	(42.3)	(19.0)	(123)%
Free cash flow before acquisitions and special items	(32.5)	(18.9)	(72)%
Earnings per share, EUR			
EPS, diluted	0.39	0.35	11%
Key ratios			
Organic growth, % *	10	10	
Gross margin, %	54.9	52.5	
Operating expenses, %	28.6	27.1	
EBITDA margin before special items, %	32.1	31.4	
EBIT margin before special items, %	26.3	25.4	
EBIT margin, %	26.1	25.4	
ROIC excl. goodwill, %	31.4	30.9	
ROIC, %	17.0	16.1	
NWC, %	20.8	19.7	
R&D, %	7.8	7.8	
Capital expenditures, %	11.1	9.1	
Net debt to EBITDA before special items	1.8x	1.8x	

*Organic growth: Increase in revenue adjusted for sales reduction, acquisitions and divestments, and measured in local currency.

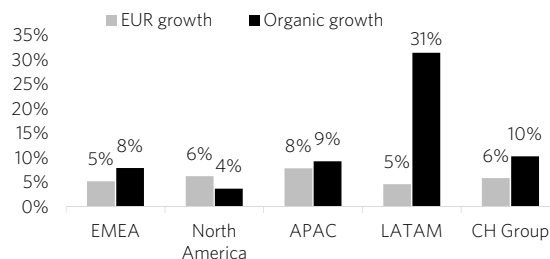
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YTD 2018/19 RESULTS

REVENUE GROWTH BY BUSINESS - YTD



REVENUE GROWTH BY REGION - YTD



MARKET DEVELOPMENT

During the first three months of 2018/19, the end markets for fermented milk grew by 2-3%, driven by Asia-Pacific, the Middle East and Africa, while the EU was flat, and the US declined slightly.

The global production of cheese grew by around 2%, primarily driven by North America. Globally, pricing structures still favor cheese production over available alternatives.

The market for probiotics for human health continues to grow, especially within infant formula applications, driven by increased consumer awareness leading to higher penetration in all regions, with Asia-Pacific seeing the highest growth.

The market for microbial-based solutions for animal health developed favorably, supported by an increased focus on reducing the use of antibiotics in livestock production. The dairy cattle market in North America continues to be under some pressure but is expected to improve in 2019.

Conversion to natural colors continued across most segments, particularly driven by coloring foodstuffs. Raw material prices for key pigments declined in Q1.

REVENUE

Organic growth was 10% and adjusted for a negative currency impact of 4% corresponded to a revenue increase of 6% to EUR 269 million. The organic growth was primarily driven by volume/mix effects, with around 3% coming from price increases in local currencies. The impact from acquisitions was immaterial.

The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

REVENUE

Organic growth (vol/mix)
Organic growth (price)
Acquisition

Organic growth

Currencies

EUR growth

Q1
2018/19

7%

3%

0%

10%

-4%

6%

REVENUE BY REGION

EMEA (Europe, Middle East and Africa)

Organic growth was 8% and adjusted for a negative currency impact of 3% corresponded to a revenue increase of 5%.

Organic growth was driven by strong growth in Human Health and Animal Health, and solid growth in Food Cultures & Enzymes and Natural Colors.

North America

Organic growth was 4% and adjusted for a positive currency impact of 2% corresponded to a revenue increase of 6%.

Organic growth was driven by strong growth in Food Cultures & Enzymes and Natural Colors, while Human Health was flat, and Animal Health declined. Animal Health declined, primarily due to timing of orders in silage, and secondarily due to poor dairy farmer economics.

APAC (Asia-Pacific)

Organic growth was 9% and adjusted for a negative currency impact of 1% corresponded to a revenue increase of 8%.

Organic growth was driven by strong growth in Human Health, solid growth in Natural Colors, while Food Cultures & Enzymes grew slightly, impacted by timing of orders and a lower market growth rate compared to last year.

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YTD 2018/19 RESULTS

LATAM (Latin America)

Organic growth was 31% and adjusted for a negative currency impact of 26% corresponded to a revenue increase of 5%. The EUR-based pricing model contributed almost half of the organic growth. Organic growth was driven by strong growth in Food Cultures & Enzymes and Health & Nutrition, while Natural Colors declined due to declining raw material prices and a challenging economic climate impacting demand for natural colors.

GROSS PROFIT

Gross profit was EUR 148 million and increased 11% compared to EUR 134 million in the first three months of 2017/18. The gross margin increased by 2.4%-points to 54.9%, driven by all business areas. Acquisitions had no material impact on the gross margin.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 77 million (28.6% of revenue), compared to EUR 69 million (27.1%) in the first three months of 2017/18.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 19 million (7.2%), compared to EUR 19 million (7.5%) in the first three months of 2017/18.

Total R&D expenditures incurred amounted to EUR 21 million (7.8%), compared to EUR 20 million (7.8%) in the first three months of 2017/18. The increase of EUR 1 million was driven by strategic initiatives related to Nature's no. 1.

EUR million	Q1 2018/19	Q1 2017/18
R&D expenses (P&L)	19.3	19.0
- Amortization	1.8	1.8
+ Capitalization	3.4	2.5
R&D expenditures incurred	20.9	19.7

Sales & marketing expenses amounted to EUR 39 million (14.4%), compared to EUR 32 million (12.7%) in the first three months of 2017/18. The increase was driven by initiatives to support the Nature's no. 1 strategy, and an increase in sales and application support resources in Food Cultures & Enzymes.

Administrative expenses amounted to EUR 19 million (7.2%), compared to EUR 18 million (7.1%) in the first three months of 2017/18.

Net other operating income was EUR 1 million, compared to nil in the first three months of 2017/18.

OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 71 million, compared to EUR 65 million in the first three months of 2017/18, an increase of 9%. All business areas contributed to the increasing EBIT. Acquisitions had no material impact on EBIT.

The EBIT margin before special items was 26.3%, up 0.9%-point from 25.4% in the first three months of 2017/18. EBIT margins in Health & Nutrition and Natural Colors increased, and the margin in Food Cultures & Enzymes was on par with last year. Currencies had a negligible impact.

SPECIAL ITEMS

Special items were EUR 1 million, compared to nil in the first three months of 2017/18, which concerned costs related to the acquisition and integration of Hundsbichler GmbH.

OPERATING PROFIT (EBIT)

EBIT amounted to EUR 70 million, compared to EUR 65 million, and the EBIT margin was 26.1%, compared to 25.4% in the first three months of 2017/18.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 4 million, unchanged from the first three months of 2017/18. The net interest expenses were EUR 3 million, unchanged from last year.

The net impact from exchange rate adjustments was a negative EUR 1 million, mainly caused by unrealized losses from the DKK depreciating against the EUR.

Income taxes were EUR 15 million, equivalent to an effective tax rate of 23%, unchanged compared to the first three months of 2017/18.

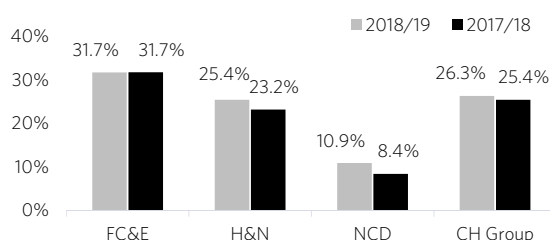
PROFIT FOR THE PERIOD

Profit for the period was EUR 51 million, compared to EUR 47 million in the first three months of 2017/18.

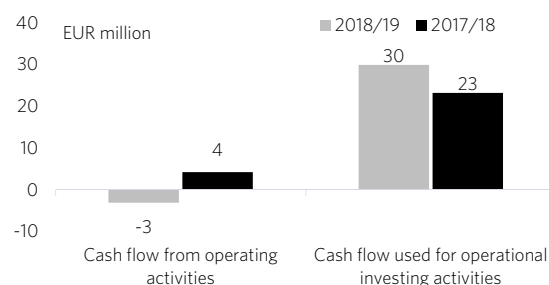
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YTD 2018/19 RESULTS

EBIT MARGIN B.S.I. - YTD



CASH FLOW - YTD



ASSETS

At November 30, 2018, total assets amounted to EUR 1,878 million, compared to EUR 1,797 million the year before. The increase was mainly due to investments in the microbial production platform.

Total non-current assets amounted to EUR 1,482 million, compared to EUR 1,420 million at November 30, 2017. Intangible assets increased by EUR 6 million, while property, plant and equipment increased by EUR 57 million.

Total current assets amounted to EUR 395 million, compared to EUR 376 million at November 30, 2017. Inventories increased by EUR 12 million, or 8%, and receivables were up by EUR 11 million, or 6%. Cash decreased by EUR 4 million to EUR 49 million.

NET WORKING CAPITAL

Net working capital was EUR 231 million, or 20.8% of revenue, compared to EUR 212 million, or 19.7%, in the first three months of 2017/18. The increase in percentage of revenue was due to higher inventories and stable trade payables.

EQUITY

Total equity amounted to EUR 713 million at November 30, 2018, compared to EUR 703 million a year earlier.

An ordinary dividend for the financial year 2017/18 totaling EUR 114 million was paid out on December 4, 2018.

NET DEBT

Net interest-bearing debt amounted to EUR 714 million, or 1.8x EBITDA, compared to EUR 647 million, or 1.8x EBITDA, at November 30, 2017.

RETURN ON INVESTED CAPITAL (ROIC) EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 31.4%, compared to 30.9% in the first three months of 2017/18. Invested capital excluding goodwill increased to EUR 936 million, compared to EUR 858 million at November 30, 2017, mainly due to investments in the microbial production platform.

CASH FLOW

Cash flow from operating activities was an outflow of EUR 3 million, compared to an inflow of EUR 4 million in the first three months of 2017/18. The decrease was driven by higher taxes paid, partly offset by the increase in operating profit. The increase in taxes paid was due to the absence of acquisition related tax benefits that were realized in 2017/18.

Cash flow used for operational investing activities was EUR 30 million, or 11.1% of revenue, compared to EUR 23 million, or 9.1% of revenue, in the first three months of 2017/18.

Development expenditures of EUR 3 million, or 1% of revenue, were capitalized, compared to EUR 3 million, or 1%, in the first three months of 2017/18.

Free cash flow before acquisitions and special items was an outflow of EUR 33 million, compared to an outflow of EUR 19 million from the first three months of 2017/18. The decrease was driven by the negative cash flow from operating activities, and the increase in investing activities.

Cash flow used for acquisitions was EUR 9 million and related to the acquisition of Hundsbichler GmbH in October 2018.

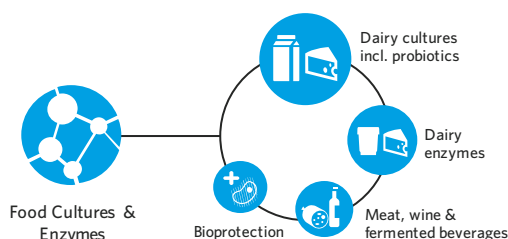
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SEGMENT INFORMATION

FOOD CULTURES & ENZYMES

60% OF REVENUE

EUR million	Q1 2018/19	Q1 2017/18
Revenue	161.0	155.1
Organic growth	10%	12%
EBITDA	60.3	58.4
EBITDA margin	37.5%	37.7%
EBIT	50.9	49.2
EBIT margin	31.7%	31.7%
ROIC excluding goodwill	39.0%	40.8%



REVENUE

Organic growth for the first three months of 2018/19 was 10% and adjusted for a negative currency impact of 6% corresponded to a revenue increase of 4%. The impact from acquisitions was immaterial. Organic growth comprised 5% from volume/mix and 5% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

The organic growth was primarily driven by strong growth in cheese and meat cultures. Enzymes and fermented milk delivered solid growth, while probiotics were flat. North America and LATAM grew strongly, while EMEA showed solid growth, and APAC grew slightly, impacted by timing of orders and a lower market growth rate compared to last year.

Bioprotective cultures delivered organic growth of approximately 15%, on a very demanding comparable. Growth was driven by the existing segments within fermented milk, cheese and meat, with EMEA being the strongest growing region. There was also strong growth in LATAM and APAC, albeit from a low base. The penetration of the recently launched second generation bioprotective cultures continued to increase and was the most important contributor to growth.

EBIT

EBIT amounted to EUR 51 million, compared to EUR 49 million in the first three months of 2017/18. The EBIT margin was unchanged at 31.7% compared to last year. The realized scalability benefits (in excess of 1%-point) most notably from increased capacity at Avedøre in Q1 were offset by initiatives in strategic priorities supporting the long-term growth, such as digitalization, bioprotection, and an increase in sales and application support resources.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 39.0%, compared to 40.8% in 2017/18. Invested capital excluding goodwill increased by EUR 49 million, or 10%, to EUR 542 million. The increase was mainly due to investments in production capacity.

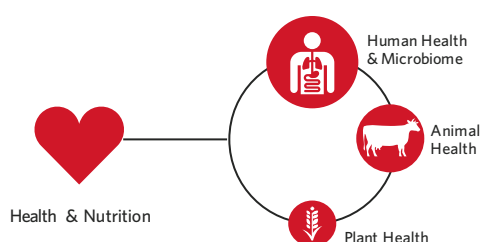
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SEGMENT INFORMATION

HEALTH & NUTRITION

21% OF REVENUE

EUR million	Q1 2018/19	Q1 2017/18
Revenue	55.6	48.3
Organic growth	17%	10%
EBITDA	18.7	15.6
EBITDA margin	33.6%	32.3%
EBIT	14.2	11.2
EBIT margin	25.4%	23.2%
ROIC excluding goodwill	21.7%	18.7%



REVENUE

Organic growth for the first three months of 2018/19 was 17% and adjusted for a negative currency impact of 2% corresponded to a revenue increase of 15%, almost all from volume/mix. Human Health delivered strong growth, while Animal Health declined slightly. Plant Health delivered very strong growth, albeit from a low base.

Organic growth in Human Health was driven by strong growth in infant formula in all regions, and strong growth in dietary supplements in APAC. In the remaining regions, revenue from dietary supplements were on par with last year.

Animal Health was positively impacted by strong growth in swine, while beef, dairy cattle and silage declined. Dairy farmer economics, particularly in North America, negatively impacted the demand for probiotics. The negative developments in silage was driven by timing of orders. Organic growth in Animal Health is expected to improve during the year.

Plant Health continued to benefit from the launch in 2018 of Quartzo™ and Presence™, in Brazil. Growth was very strong, albeit from a modest base.

EBIT

EBIT amounted to EUR 14 million, compared to EUR 11 million in Q1 2017/18. The EBIT margin was 25.4%, up 2.2%-points compared to last year. The increase was driven by the high volume growth and timing of production costs, partly offset by initiatives in strategic priorities, e.g. strengthening the route-to-market in Animal Health outside of North America, and increased resources for Plant Health.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 21.7%, compared to 18.7% in 2017/18. Invested capital excluding goodwill increased by EUR 25 million, or 10%, to EUR 265 million. The increase was due to investments in production capacity for Human Health and a higher net working capital.

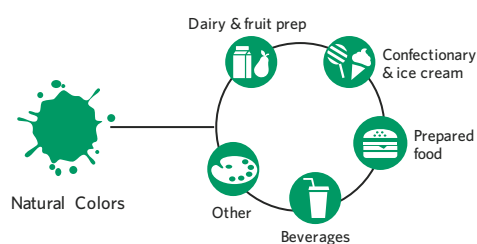
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SEGMENT INFORMATION

NATURAL COLORS

19% OF REVENUE

EUR million	Q1 2018/19	Q1 2017/18
Revenue	52.8	51.1
Organic growth	6%	4%
EBITDA	7.4	6.0
EBITDA margin	14.0%	11.8%
EBIT	5.7	4.3
EBIT margin	10.9%	8.4%
ROIC excluding goodwill	19.2%	15.0%



REVENUE

Organic growth for the first three months of 2018/19 was 6% and adjusted for a negative currency impact of 3% corresponded to a revenue increase of 3%. Organic growth comprised approximately 5% from volume/mix effects and 1% from price increases in local currencies.

The organic volume growth was primarily driven by strong growth in coloring foodstuffs, and new launches in the FRUITMAX® range during the past 12 months have supported this trend. Raw material prices for carmine and annatto declined in Q1, impacting pricing of natural colors negatively.

Organic growth was strong in North America, EMEA and APAC delivered solid growth, while LATAM declined mainly driven by lower raw material prices and a challenging economic climate impacting demand for natural colors.

EBIT

EBIT amounted to EUR 6 million, compared to EUR 4 million in Q1 2017/18. The EBIT margin was 10.9%, up 2.5%-points compared to last year. The increase was mainly caused by operating efficiencies and a modest comparable last year.

ROIC

The return on invested capital was 19.2%, compared to 15.0% in 2017/18. Invested capital increased by EUR 4 million, or 3%, to EUR 129 million.

OUTLOOK FOR 2018/19

ORGANIC REVENUE GROWTH

For 2018/19, organic revenue growth is still expected to be 9-11%, positively impacted by a high EUR price effect.

Food Cultures & Enzymes is expected to grow above the long-term ambition of 7-8% organic growth, with the additional growth driven by a high EUR price impact. Health & Nutrition is expected to grow organically at 10% or above, while Natural Colors is now expected to grow organically between 6-9% (previously 6-10%), due to the lower raw material prices.

EBIT MARGIN BEFORE SPECIAL ITEMS (B.S.I.)

The EBIT margin b.s.i. is expected to be around 29.5%. Increased utilization of production capacity in Food Cultures & Enzymes will have a positive impact on the margin. The positive margin development is expected to be partly offset by increased investments into the lighthouse projects and other strategic priorities.

FREE CASH FLOW

Free cash flow before acquisitions, divestments and special items is expected to be around the EUR 196 million realized in 2017/18. This expectation assumes lower growth in cash flow from operating activities than growth of EBIT before special items, due to a higher level of taxes to be paid in 2018/19, mainly related to the absence of acquisition-driven tax benefits realized in 2017/18. Cash flow used for operational investment activities will be at a relatively high level and is expected to be between EUR 110-130 million. This includes multiple investments across the group, and also assumes a successful sale-and-lease-back of the company's main site in Hørsholm in Q4 2018/19.

ASSUMPTIONS

The outlook is based on constant currencies and stable raw material prices and assumes no acquisitions. The outlook is also based on the current political and economic environment, although there is a risk of increased political and economic uncertainty - e.g. the economic climate in the Middle East and Latin America, the risk of a 'hard' Brexit, and trade tensions between large economies. Any deterioration in these situations might impact the outlook.

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 25-30% of revenue, while exposure to other currencies is more modest. A 5% decrease in the USD exchange rate impacts revenue measured in EUR negatively by around 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, and to changes in raw material prices for Natural Colors as some contracts are adjusted for movements in raw material prices.

The EBIT margin is also sensitive to exchange rate fluctuations and to changes in raw material prices for Natural Colors. Production in the US and sourcing in USD only partly offset the impact on revenue from changes in the USD exchange rate. Therefore, the relative EBIT exposure is higher than the 25-30% revenue exposure. A 5% decrease in the USD exchange rate would impact EBIT negatively by roughly half of the revenue impact.

The currency sensitivity for EBIT also applies to 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 2017/18.

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, 2018 to November 30, 2018. 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, 2018, and of the results of the Group's operations and cash flow for the period September 1, 2018 to November 30, 2018.

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 2017/18.

Hørsholm, January 17, 2019

Executive Board

Mauricio Graber
President and CEO

Søren Westh Lonning
CFO

Christoffer Lorenzen
EVP

Thomas Schäfer
CSO

Board of Directors

Dominique Reiniche
Chairman

Jesper Brandgaard
Vice Chairman

Luis Cantarell

Lisbeth Grubov

Charlotte Hemmingsen

Heidi Kleinbach-Sauter

Niels Peder Nielsen

Per Poulsen

Kim Ib Sørensen

Kristian Villumsen

Mark Wilson

ADDITIONAL INFORMATION

CONFERENCE CALL

Chr. Hansen will host a conference call on January 17, 2019 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:

Martin Riise, Head of IR

+45 53 39 22 50

Annika Stern, IR Officer

+45 23 99 23 82

FINANCIAL CALENDAR

April 3, 2019	Interim Report Q2 2018/19
July 3, 2019	Interim Report Q3 2018/19
October 10, 2019	Annual Report 2018/19
November 27, 2019	Annual General Meeting 2019

Company information

Chr. Hansen Holding A/S

Bøge Allé 10-12

2970 Hørsholm

Denmark

Tel. +45 45 74 74 74

www.chr-hansen.com

Company reg. no.: 28318677

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of Chr. Hansen Holding A/S, may cause actual developments and results to differ materially from the expectations expressed in this report.

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 more than 30,000 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 makes our products highly relevant in today’s world. We have been delivering value to our partners – and, ultimately, end consumers worldwide – for more than 140 years. We are proud that more than 1 billion people consume products containing our natural ingredients every day.

INCOME STATEMENT

EUR million	Q1 2018/19	Q1 2017/18
REVENUE	269.4	254.5
Cost of sales	(121.5)	(120.8)
Gross profit	147.9	133.7
Research and development expenses	(19.3)	(19.0)
Sales and marketing expenses	(38.9)	(32.4)
Administrative expenses	(19.4)	(18.0)
Other operating income	0.6	0.5
Other operating expenses	(0.1)	(0.1)
Operating profit before special items	70.8	64.7
Special items	(0.5)	-
Operating profit (EBIT)	70.3	64.7
Net financial expenses	(3.9)	(4.3)
Profit before tax	66.4	60.4
Income taxes	(15.3)	(13.9)
Profit for the period	51.1	46.5
Attributable to:		
Shareholders of Chr. Hansen Holding A/S	51.1	46.5
Earnings per share (EUR)	0.39	0.35
Earnings per share, diluted (EUR)	0.39	0.35

STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1 2018/19	Q1 2017/18
Profit for the period	51.1	46.5
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	(1.8)
Cash flow hedge	(0.5)	0.5
Tax related to cash flow hedge	0.1	0.1
Other comprehensive income for the period	5.6	(1.2)
Total comprehensive income for the period	56.7	45.3
Attributable to:		
Shareholders of Chr. Hansen Holding A/S	56.7	45.3

BALANCE SHEET

EUR million	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	770.6	765.8	761.7
Other intangible assets	182.1	187.2	173.8
Intangible assets in progress	43.3	37.1	45.4
Total intangible assets	996.0	990.1	980.9
Property, plant and equipment			
Land and buildings	145.7	140.5	145.3
Plant and machinery	188.0	149.1	188.1
Other fixtures and equipment	24.8	24.1	25.0
Property, plant and equipment in progress	120.7	108.5	103.1
Total property, plant and equipment	479.2	422.2	461.5
Other non-current assets			
Deferred tax	7.2	8.0	7.4
Total other non-current assets	7.2	8.0	7.4
Total non-current assets	1,482.4	1,420.3	1,449.8
Current assets			
Inventories			
Raw materials and consumables	33.7	25.8	25.9
Work in progress	56.0	49.6	53.4
Finished goods and goods for resale	69.8	72.3	67.6
Total inventories	159.5	147.7	146.9
Receivables			
Trade receivables	152.2	143.4	160.8
Tax receivables	3.1	5.0	3.0
Other receivables	20.3	17.6	21.4
Prepayments	11.3	9.9	10.1
Total receivables	186.9	175.9	195.3
Cash and cash equivalents	48.9	52.8	69.1
Total current assets	395.3	376.4	411.3
Total assets	1,877.7	1,796.7	1,861.1

BALANCE SHEET

EUR million	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
EQUITY AND LIABILITIES			
Equity			
Share capital	176.4	177.2	176.8
Reserves	536.7	525.7	594.8
Total equity	713.1	702.9	771.6
Liabilities			
Non-current liabilities			
Employee benefit obligations	7.2	6.8	7.1
Deferred tax	82.8	72.6	81.6
Provisions	3.5	3.1	3.6
Borrowings	639.2	650.2	632.4
Tax payables	15.6	15.6	21.3
Total non-current liabilities	748.3	748.3	746.0
Current liabilities			
Provisions	-	0.1	0.1
Borrowings	123.8	49.1	95.4
Prepayments from customers	0.4	0.4	0.2
Trade payables	80.6	79.5	118.6
Tax payables	16.5	20.7	44.4
Declared dividend	114.2	112.0	-
Other payables	80.8	83.7	84.8
Total current liabilities	416.3	345.5	343.5
Total liabilities	1,164.6	1,093.8	1,089.5
Total equity and liabilities	1,877.7	1,796.7	1,861.1

STATEMENT OF CHANGES IN EQUITY

EUR million	2018/19				
	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
Equity at September 1, 2018	176.8	(51.0)	(0.7)	646.5	771.6
Total comprehensive income for the year, cf. statement of comprehensive income	(0.4)	6.4	(0.4)	51.1	56.7
Transactions with owners:					
Purchase of treasury shares	-	-	-	(2.2)	(2.2)
Share-based payment	-	-	-	1.2	1.2
Dividend	-	-	-	(114.2)	(114.2)
Equity at November 30, 2018	176.4	(44.6)	(1.1)	582.4	713.1

EUR million	2017/18				
	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
Equity at September 1, 2017	177.3	(38.2)	(1.9)	631.3	768.5
Total comprehensive income for the year, cf. statement of comprehensive income	(0.1)	(1.7)	0.6	46.5	45.3
Transactions with owners:					
Exercised share options	-	-	-	0.5	0.5
Share-based payment	-	-	-	0.6	0.6
Dividend	-	-	-	(112.0)	(112.0)
Equity at November 30, 2017	177.2	(39.9)	(1.3)	566.9	702.9

CASH FLOW STATEMENT

EUR million	Q1 2018/19	Q1 2017/18
Operating profit	70.3	64.7
Non-cash adjustments	15.8	16.1
Change in working capital	(39.7)	(41.7)
Interest payments made	(2.2)	(2.2)
Taxes paid	(47.3)	(32.7)
Cash flow from operating activities	(3.1)	4.2
Investments in intangible assets	(4.4)	(3.3)
Investments in property, plant and equipment	(25.5)	(19.9)
Sale of property, plant and equipment	-	-
Cash flow used for operational investing activities	(29.9)	(23.2)
Free operating cash flow	(33.0)	(19.0)
Acquisition of entities, net of cash acquired	(9.3)	-
Cash flow used for investing activities	(39.2)	(23.2)
Free cash flow	(42.3)	(19.0)
Borrowings	28.8	13.8
Repayment of long-term loans	(6.7)	(15.0)
Exercise of options	-	0.5
Purchase of treasury shares, net	(2.1)	-
Dividends paid	-	-
Cash flow used in financing activities	20.0	(0.7)
Net cash flow for the period	(22.3)	(19.7)
Cash and cash equivalents, beginning of period	69.1	73.0
Unrealized exchange gains/(losses) included in cash and cash equivalents	2.1	(0.5)
Net cash flow for the year	(22.3)	(19.7)
Cash and cash equivalents, end of period	48.9	52.8

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 2017/18, 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, 2018.

Most relevant to the Group are: IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers.

Impact of IFRS 9 Financial instruments

IFRS 9 changes the classification and measurement of financial assets and liabilities, impairment methodology and general hedge accounting. The standard was implemented effective from September 1, 2018.

The implementation of IFRS 9 has neither changed the existing policies nor had an impact on the Consolidated Financial Statement. However, the basis for calculating the allowance for bad debt has changed from being based on incurred losses to being based on expected losses. This change has not had a significant impact on the allowances for bad debt and consequently no significant impact on the Consolidated Financial Statement.

Impact of IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a single comprehensive framework for revenue recognition from contracts with customers to reflect the transfer of control of goods to customers at a value that the entity expects to be entitled to. The standard has been implemented as at September 1, 2018 by using the modified retrospective approach.

The changes to the applied accounting policy are not significant. The accounting policies applied by the Group prior to IFRS 15 for revenue recognition have essentially been in accordance with the principles of IFRS 15. The principal change to the Group's accounting policies comprise:

- Sales are recognized when control of the products has transferred.

The implementation of IFRS 15 has had no impact on the income statement and no significant impact on the Statement of Financial Position.

IASB has issued IFRS 16 Leases which will be effective for financial years beginning on or after January 1, 2019. The initial assessment is that there will be an increase in total assets of approximately 1-2% which would consequently impact the related key ratios in the Consolidated Financial Statement such as EBITDA and ROIC.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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 2017/18 and relate to, e.g., income taxes, goodwill, other intangible assets, inventories as well as acquisition of entities.

SEGMENT INFORMATION

EUR million	Q1 2018/19			
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
INCOME STATEMENT				
Revenue	161.0	55.6	52.8	269.4
EUR growth	4%	15%	3%	6%
Organic growth	10%	17%	6%	10%
EBITDA before special items	60.3	18.7	7.4	86.4
EBITDA margin before special items	37.5%	33.6%	14.0%	32.1%
Depreciation, amortization and impairment losses	(9.4)	(4.5)	(1.7)	(15.6)
EBIT before special items	50.9	14.2	5.7	70.8
EBIT margin before special items	31.7%	25.4%	10.9%	26.3%
Special items and net financial expenses				(4.4)
Profit before tax				66.4

EUR million	Q1 2017/18			
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
INCOME STATEMENT				
Revenue	155.1	48.3	51.1	254.5
EUR growth	7%	5%	(1)%	5%
Organic growth	12%	10%	4%	10%
EBITDA before special items	58.4	15.6	6.0	80.0
EBITDA margin before special items	37.7%	32.3%	11.8%	31.4%
Depreciation, amortization and impairment losses	(9.2)	(4.4)	(1.7)	(15.3)
EBIT before special items	49.2	11.2	4.3	64.7
EBIT margin before special items	31.7%	23.2%	8.4%	25.4%
Special items and net financial expenses				(4.3)
Profit before tax				60.4

SEGMENT INFORMATION

(CONTINUED)

EUR million				Nov 30, 2018
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
ASSETS				
Goodwill	533.5	237.1	-	770.6
Other intangible assets	104.0	103.9	17.5	225.4
Intangible assets	637.5	341.0	17.5	996.0
Property, plant and equipment	314.9	117.4	46.9	479.2
Total non-current assets excluding deferred tax	952.4	458.4	64.4	1,475.2
Inventories	76.0	29.2	54.3	159.5
Trade receivables	87.0	29.2	36.0	152.2
Trade payables	(39.6)	(15.1)	(25.9)	(80.6)
Net working capital	123.4	43.3	64.4	231.1
Assets not allocated				90.8
Group assets				1,877.7
Invested capital excluding goodwill	542.3	264.6	128.8	935.7
ROIC excluding goodwill	39.0%	21.7%	19.2%	31.4%
Investment in non-current assets excluding deferred tax	19.0	7.4	3.5	29.9
				Nov 30, 2017
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
ASSETS				
Goodwill	533.4	232.4	-	765.8
Other intangible assets	101.5	106.6	16.2	224.3
Intangible assets	634.9	339.0	16.2	990.1
Property, plant and equipment	280.2	95.3	46.7	422.2
Total non-current assets excluding deferred tax	915.1	434.3	62.9	1,412.3
Inventories	68.8	25.3	53.6	147.7
Trade receivables	82.1	27.2	34.1	143.4
Trade payables	(39.1)	(14.9)	(25.5)	(79.5)
Net working capital	111.8	37.6	62.2	211.6
Assets not allocated				93.3
Group assets				1,796.7
Invested capital excluding goodwill	493.5	239.5	125.1	858.1
ROIC excluding goodwill	40.8%	18.7%	15.0%	30.9%
Investment in non-current assets excluding deferred tax	17.2	4.0	2.0	23.2

SEGMENT INFORMATION

(CONTINUED)

EUR million					Q1 2018/19
	EMEA	North America	APAC	LATAM	Group
GEOGRAPHIC ALLOCATION					
Revenue	116.7	69.1	47.7	35.9	269.4
EUR growth	5%	6%	8%	5%	6%
Organic growth	8%	4%	9%	31%	10%
Non-current assets excluding deferred tax	1,260.3	170.8	13.3	30.8	1,475.2

EUR million					Q1 2017/18
	EMEA	North America	APAC	LATAM	Group
Revenue	110.9	65.1	44.2	34.3	254.5
EUR growth	5%	(1)%	15%	7%	5%
Organic growth	6%	7%	20%	15%	10%
Non-current assets excluding deferred tax	1,209.2	157.4	13.6	32.1	1,412.3

ACQUISITIONS

On October 4, 2018, Chr. Hansen acquired full ownership of the assets of Österreichische Laberzeugung Hundsbichler GmbH. Hundsbichler's products are widely recognized for their high quality.

Details of the purchase consideration, net assets acquired, and goodwill are as follows:

EUR million

2018/19

PURCHASE CONSIDERATION:

Cash paid	9.3
Cash consideration	5.2
Adjustment for fair value of cash	(1.2)
Fair value of total consideration	13.3

Goodwill represents synergies within innovation, sales and supply chain.

According to IFRS 3, the acquired assets are recognized at fair value in the opening balance based on market participants' use of assets, even if the acquirer does not intend to use them or does not intend to use them in a way that is similar to what would be expected.

The finalization of the purchase price allocation based on the fair value of identified assets, liabilities and contingent liabilities is still ongoing.

EUR million

2018/19

FAIR VALUE OF NET ASSETS ACQUIRED:

Trademarks	1.0
Technology (patents and other rights)	6.3
Customer relationships	0.9
Inventories	0.2
Net identifiable assets acquired	8.4
Fair value of total consideration	13.3
Goodwill from acquisition	4.9