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Q1 Results: A good start to the year

“The results in Q1 gave us a good start to the year, and we maintain our guidance for the full year. Both Food Cultures & Enzymes and Natural Colors delivered strong organic growth and improved profitability. The organic growth in Health & Nutrition was still below our long-term ambitions, however, better than expected for the quarter, mainly due to timing of orders. The EBIT margin for the business area was down, partly due to an unfavorable product mix,” says CEO Cees de Jong.

“We made good progress on our focus areas for 2016/17. Our bioprotective cultures continue to deliver strong growth. In Q1, growth was approximately 25%, and the segment now accounts for approximately 5% of the revenue in Food Cultures & Enzymes. In November, we concluded the acquisition of LGG®,

and we have initiated integrating the business into Chr. Hansen. The integration of NPC is being concluded and we are starting to reap the synergies from the acquisition. Plant health supported the growth in Health & Nutrition with sales of both Nemix[®] C and VGR[™], and we are making progress in our work to introduce new products in the coming years. Natural Colors showed good progress in Q1.”

Q1 2016/17 RESULTS

- Revenue of EUR 242 million, compared to EUR 214 million in Q1 2015/16, corresponding to organic growth of 11%.
- Food Cultures & Enzymes 10% organic growth
- Health & Nutrition 8% organic growth
- Natural Colors 13% organic growth
- EBIT before special items of EUR 66 million, compared to EUR 54 million in Q1 2015/16. The EBIT margin before special items was 27.1%, compared to 25.2% in Q1 2015/16.
- Profit for the period of EUR 47 million, compared to EUR 39 million in Q1 2015/16.
- Free cash flow before special items and acquisitions was a negative EUR 19 million compared to a negative EUR 17 million in Q1 2015/16.

OUTLOOK FOR 2016/17

The outlook for 2016/17 is unchanged compared to the announcement of 26 October 2016.

Organic revenue growth: 8-10%

EBIT margin before special items: slightly increasing

Free cash flow before special items, acquisitions and divestments: around EUR 175 million

Please see [the full report](#) for further details.

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About Chr. Hansen

Chr. Hansen is a global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. The products include cultures, enzymes, probiotics and natural colors, and all solutions are based on strong research and development competencies coupled with significant technology investments. Revenue in the 2015/16 financial year was EUR 949 million. The company has more than 2,800 dedicated employees in 30 countries and main production facilities in Denmark, France, USA and Germany. Chr. Hansen was founded in 1874 and is listed on Nasdaq Copenhagen. For further information, please visit www.chr-hansen.com

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