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# Very satisfactory annual result: 12% growth

**Chr. Hansen realizes strong organic growth of 12% in the financial year 2015/16, delivering at the upper end of our Nature's no. 1 growth ambitions.**

“2015/16 was overall a good year for Chr. Hansen. We reaffirmed the short- and long-term growth opportunities through our strategic review, and our financial performance was strong. Organic growth reached 12% and the EBIT margin before special items ended at 28.2%, up from 27.1% the year before. Finally, free cash flow before special items and acquisitions was EUR

175 million, an improvement of 16% despite our continued investments in future growth. So I can only be pleased with how we performed in 2015/16” says CEO Cees de Jong.

“Food Cultures & Enzymes and Natural Colors both delivered strong growth and significant improvements in profitability, which show the attractiveness of both businesses. In Health & Nutrition, organic growth and profitability were below our expectations, but only due to challenging market conditions in the agricultural sector. The long-term growth outlook for all market segments in Health & Nutrition remains very positive and we continue to build on our technology platform to capture these opportunities.

“Over the last 12 months, we have acquired two highly attractive assets that complement our existing business. However, our key focus is still securing organic growth and cash generation, and we have made good progress in our strategic projects across all businesses. We expect 2016/17 to be another good year for Chr. Hansen. Organic revenue growth is expected to be 8-10% and the EBIT margin before special items is expected to be slightly above the 28.2% achieved in 2015/16.”

## **2015/16 RESULTS**

- Revenue of EUR 949 million, compared to EUR 859 million in 2014/15, corresponding to organic growth of 12%.

Food Cultures & Enzymes 12% organic growth

Health & Nutrition 2% organic growth

Natural Colors 19% organic growth

- EBIT before special items of EUR 268 million, compared to EUR 233 million in 2014/15. The EBIT margin before special items was 28.2%, compared to 27.1% in 2014/15.
- Profit for the year of EUR 184 million, compared to EUR 163 million in 2014/15.
- Free cash flow before special items and acquisitions of EUR 175 million, compared to EUR 151 million in 2014/15.

## **Q4 2015/16 RESULTS**

- Revenue of EUR 256 million, compared to EUR 234 million in Q4 2014/15, corresponding to organic growth of 9%.
- EBIT before special items of EUR 79 million, compared to EUR 73 million in Q4 2014/15. The EBIT margin before special items was 30.9%, compared to 31.1% in Q4 2014/15.

- Profit for the period of EUR 56 million, compared to EUR 52 million in Q4 2014/15.
- Free cash flow before special items and acquisitions of EUR 118 million compared to EUR 86 million in Q4 2014/15.

## **DIVIDEND**

An ordinary dividend for 2015/16 of EUR 0.70 (DKK 5.23) per share, or a total of EUR 92 million, is proposed. The proposed ordinary dividend is equivalent to 50% of the profit for the year. Despite the announced acquisition of LGG<sup>®</sup> and related business, the Board of Directors will consider the option of distributing excess cash during 2016/17, while maintaining financial leverage consistent with a solid investment-grade credit profile.

## **OUTLOOK FOR 2016/17**

Organic revenue growth: 8-10%

EBIT margin before special items: slightly above the 28.2% achieved in 2015/16

Free cash flow before special items, acquisitions and divestments: around the EUR 175 million achieved in 2015/16

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

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*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. It has more than 2,800 dedicated employees in over 30 countries and main production facilities in Denmark, France, USA and Germany. Chr. Hansen was founded in 1874 and is listed on NASDAQ OMX Copenhagen.*

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