

Nature's

**Unique microbial
solutions platform
supports high
organic growth**

no

SUSTAINABLY

CHR HANSEN

Improving food & health

Safe harbor statement

This presentation 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.

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Cees de Jong

President & CEO
Executive Board member

Cees de Jong joined Chr. Hansen in April 2013 as CEO. Prior to this Cees de Jong held various managerial and board positions within the biopharmaceutical and food industry. His professional career started in 1989 with Gist-Brocades (NL) where he held different positions including Managing Director for the Industrial Pharmaceutical division. Following Gist-Brocades' acquisition by DSM in 1998, Mr. de Jong was appointed President of the Anti-Infectives division of DSM.

In 2000 he joined Campina as President for the Industrial Products Division, and from 2003 to 2007 he worked for Quest International and ICI as Group Vice President and member of the Board, heading up the Flavour Division. In 2007 Mr. de Jong joined Crucell as Chief Operating Officer and member of the Board, until 2011 when the company was acquired by Johnson & Johnson.

Cees de Jong will step down as President & CEO for Chr. Hansen on 1 June 2018.



Mauricio Graber

President & CEO
Executive Board member
As of 1 June 2018

Mauricio Graber was until 1 April 2018 President of the Flavours Division of Givaudan S.A. and a member of Givaudan's Executive Committee. His professional career started in 1989 with The Nutrasweet Company in the USA as Business Development Manager. After two years in the role, he returned to Mexico in 1991 to become Regional Head of North Latin America.

In 1995, he joined the US-based flavour company Tastemaker as Regional President of Latin America. In 1997, Tastemaker was acquired by the industry leader Givaudan, and subsequently Mr. Graber was appointed Regional President of Latin America of the combined regional business. From his new base in Brazil, he continued in that role until 2006 when he was appointed President of the Flavours division based in Switzerland.

Mauricio Graber will take over as President & CEO for Chr. Hansen on 1 June 2018.



Thomas Schäfer

Executive Vice President & CSO
Executive Board member

Thomas Schäfer joined Chr. Hansen in November 2017 as Executive Vice President & Chief Scientific Officer bringing with him 23 years of experience from Novozymes. As a German national, Thomas Schäfer's professional career started in 1994 where he joined the enzyme division of Novo Nordisk (in 2000 split into Novozymes) in Microbial Screening as a PostDoc. Throughout his years in Novozymes, he has held various senior positions primarily within R&D and Business Development. In 2013 Thomas Schäfer played a key role in making the BioAg Alliance with Monsanto a reality. This led to three years of expatriation in North Carolina, US, where he established Novozymes' BioAg Application Research unit in RTP.

Thomas Schäfer's experience spans across both bacteria and enzymes under the umbrella of which he is further the co-inventor on a number of patents as well as publisher of several scientific papers and publications with WWF, WEF and the German Bioeconomy council.



Soeren Westh Lonning

Executive Vice President & CFO
Executive Board member

Soeren Westh Lonning joined Chr. Hansen in October 2007 as Director of Corporate Development. In the period 2008-2013 he held various positions within Chr. Hansen's finance organization incl. Vice President of Business Finance & Sourcing and Finance Director Cultures & Enzymes Division and Health & Nutrition Division. In 2013 Mr. Lonning was appointed Country Manager for South West Europe as well as Finance Responsible for the Europe, Middle East & African region working out of Paris, France. In August 2015 Mr. Lonning returned to Denmark and was appointed Executive Vice President and CFO of Chr. Hansen.

Prior to joining Chr. Hansen, Mr. Lonning was Investment Manager at Axcel Private Equity (2005-07) and Associate with McKinsey & Co. (2002-2004).



Christoffer Lorenzen

Executive Vice President, Food
Cultures & Enzymes
Executive Board member

Christoffer Lorenzen joined Chr. Hansen as Director, Sales Development, Global Sales in 2008. In 2011, he was appointed Vice President, Area Country Manager, responsible for Central & Eastern Europe and in 2013 he assumed the position as Senior Vice President for Commercial Development (Marketing/Product Development/Product management) in the Cultures & Enzymes Division. As of 2016, Christoffer Lorenzen has headed up the largest business area at Chr. Hansen, Food Cultures & Enzymes, as Executive Vice President and since 2018 member of the Executive Board.

Besides his role in Chr. Hansen, he is the Vice Chairman of The Board in EFFCA (European Food and Feed Cultures Association) and he is a member of the board of directors in Hamlet Protein and Schultz.

Prior to joining Chr. Hansen, he held various positions in Lundbeck.



Christian Barker

Executive Vice President, Health &
Nutrition

Christian Barker joined Chr. Hansen in May 2012, as head of a Corporate Strategic Development function reporting to the CEO. In August 2013 Mr. Barker was appointed EVP and Head of the Health & Nutrition Division.

Prior to joining Chr. Hansen, Mr. Barker was a partner at McKinsey & Company, where he spent 15 years serving global clients on a range of topics including growth strategy, M&A, business building, and restructuring. Mr. Barker joined McKinsey in Copenhagen in 1996, worked for McKinsey in London and Buenos Aires, and was based in New York/New Jersey from 1999 to 2010 before returning to Copenhagen.



Jacob Vishof Paulsen

Executive Vice President,
EMEA & North American regions

Jacob Vishof Paulsen joined Chr. Hansen in October 2006 as Sales & Business Development Director in Global Sales. He was later appointed Area Country Manager for Central East Europe and spent one year at the Chr. Hansen office in Parma, Italy. In April 2011 Mr. Vishof took up the position as Regional Vice President for Europe. In 2013 he was appointed Group VP and Head of the European, Middle Eastern and African regions with report to the CEO.

In 2016 Mr. Vishof was appointed EVP of the European, Middle Eastern, African & North American regions.

Agenda

Time	Presenter	Main topics
12:30 – 12:50	Cees de Jong , CEO	Nature's No. 1 – Sustainably
12:50 – 13:25	Christoffer Lorenzen , EVP	Leverage the full potential of Food Cultures & Enzymes
13:25 – 14:00	Christian Barker , EVP	Develop the microbial platform in Health & Nutrition
14:00 – 14:20	Break	
14:20 – 14:40	Thomas Schäfer , CSO	R&D as a competitive advantage
14:40 – 15:00	Jacob Vishof Paulsen , EVP	Commercial excellence and market mapping
15:00 – 15:20	Søren Westh Lonning , CFO	Financial targets
15:20 – 15:25	Cees de Jong , CEO	Closing remarks
15:25 – 15:35	Break	
15:35 – 17:00 3 x 25 mins	Q&A break-out sessions Whole team participates in 3 groups	Team 1: Cees de Jong, Christoffer Lorenzen and IR Team 2: Thomas Schäfer, Christian Barker and IR Team 3: Jacob Vishof Paulsen and Søren Westh Lonning

NN1 STRATEGY

Nature's No. 1 – Sustainably

Cees de Jong



Nature's

no

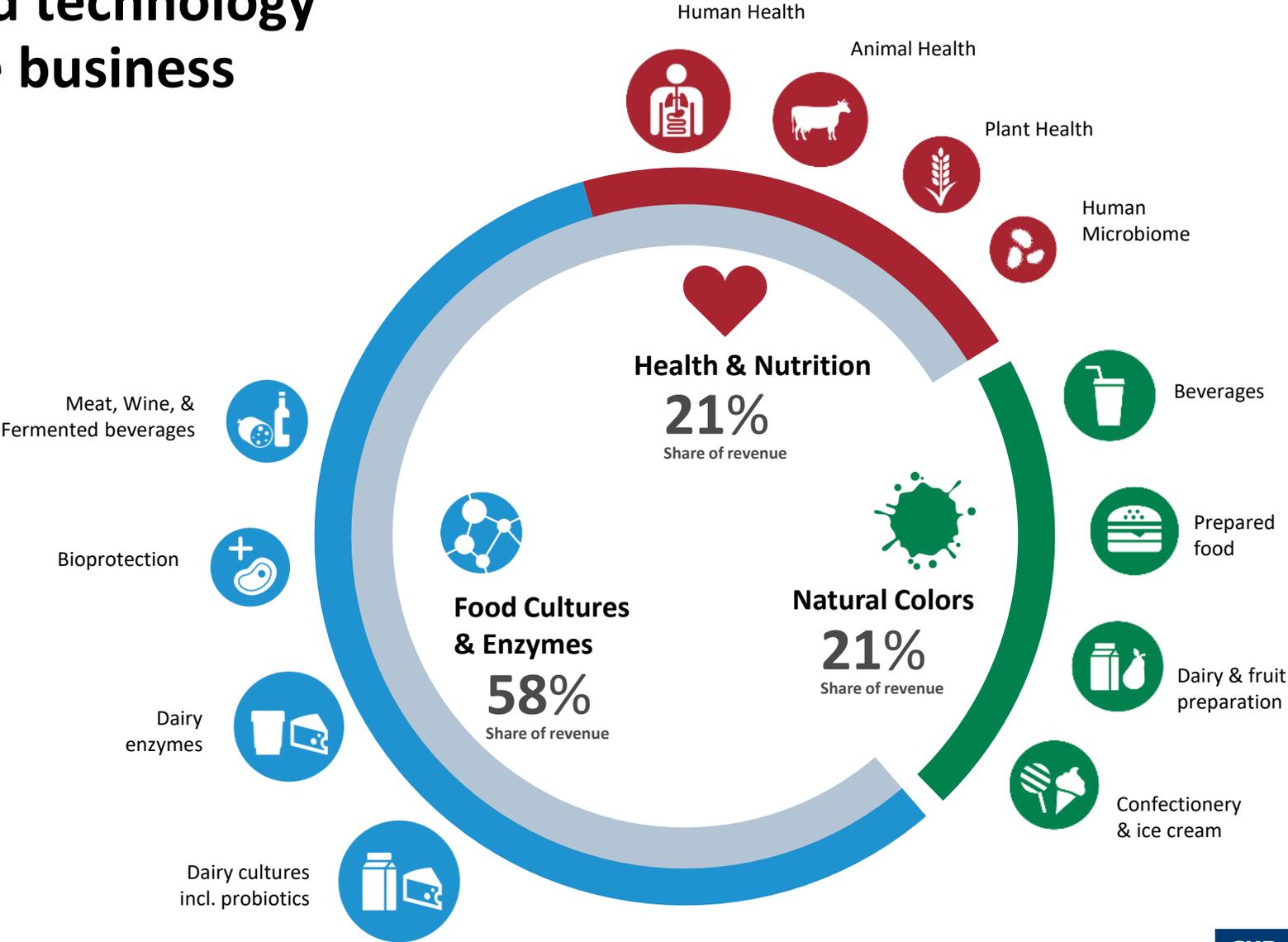
SUSTAINABLY

Together, we deliver natural innovative solutions that address global challenges by advancing food, health, and productivity.

We are market and technology leaders in our core business

Shared R&D platform – the Microbial Platform

Food Cultures & Enzymes and Health & Nutrition share a common research platform, and production method. The R&D platform is a process of screening, developing and upscaling of microbes. Production is the optimization of recipes, flows and infrastructure for the fermentation of microbes. Together: **The Microbial Platform.**



Strong mega trends continue to support our business

The trend



Growing world population and resource scarcity



“Real foods” and consumerism



Aging population and increasing health care costs



Urbanization and industrialization



Technology breakthroughs

Our opportunity

Need for innovation to improve productivity and reduce food waste

Optimization of recipes to meet clean label demands

Need for cheaper and preventive solutions

Enhanced value of potential markets

Scientific evidence of benefits from good bacteria



How did we do since 2016?



FOOD CULTURES & ENZYMES

Leverage the full potential of Food Cultures & Enzymes



HEALTH & NUTRITION

Develop the microbial platform in Health & Nutrition



NATURAL COLORS

Create further value in Natural Colors

Drive penetration of new innovation

- ✓ Bioprotection as a new lighthouse
- ✓ New platforms for dairy

- ✓ Expand existing business
- ✓ Develop plant protection
- ✓ Explore and develop Human Microbiome

- ✓ Expand FruitMax® range of coloring foodstuff

Reinforce position in growth markets

- ✓ Establish direct market presence in key emerging markets

- ✓ Increase penetration of Human and Animal Health products

- ✓ Drive US conversion and secure APAC growth

Generate fuel for growth

- ✓ Drive scalability through new capacity in Copenhagen

- ✓ Reinvest in future growth

- ✓ Restore profitability

- ✓ Continued conversion
- ✓ Commercial excellence

- ✓ Commercial excellence

- ✓ Continued conversion
- ✓ Commercial excellence

We have achieved our financial targets, except for organic growth in Health & Nutrition

	Old long-term financial ambitions	Progress 2014/15 – 2016/17
Organic revenue growth	8-10%	11% CAGR ✓
 <i>Food Cultures & Enzymes</i>	<i>7-8%</i>	<i>10% CAGR</i> ✓
 <i>Health & Nutrition</i>	<i>+10%</i>	<i>8% CAGR</i> ÷
 <i>Natural Colors</i>	<i>Around 10%</i>	<i>14% CAGR</i> ✓
EBIT margin b.s.i.	Increasing	27.1% to 28.9% ✓
 <i>Food Cultures & Enzymes</i>	<i>Increasing</i>	<i>31.5% to 34.5%</i> ✓
 <i>Health & Nutrition</i>	<i>Around 30%</i>	<i>Avg. of ~29%</i> ✓
 <i>Natural Colors</i>	<i>Increasing</i>	<i>8.3% to 12.9%</i> ✓
Free cash flow before acquisition, divestments and special items	Increasing	24% increase ✓

Our Natural Colors business presents an attractive growth opportunity

Key messages

Attractive growth potential from conversion and coloring foodstuff

Transformation project completed

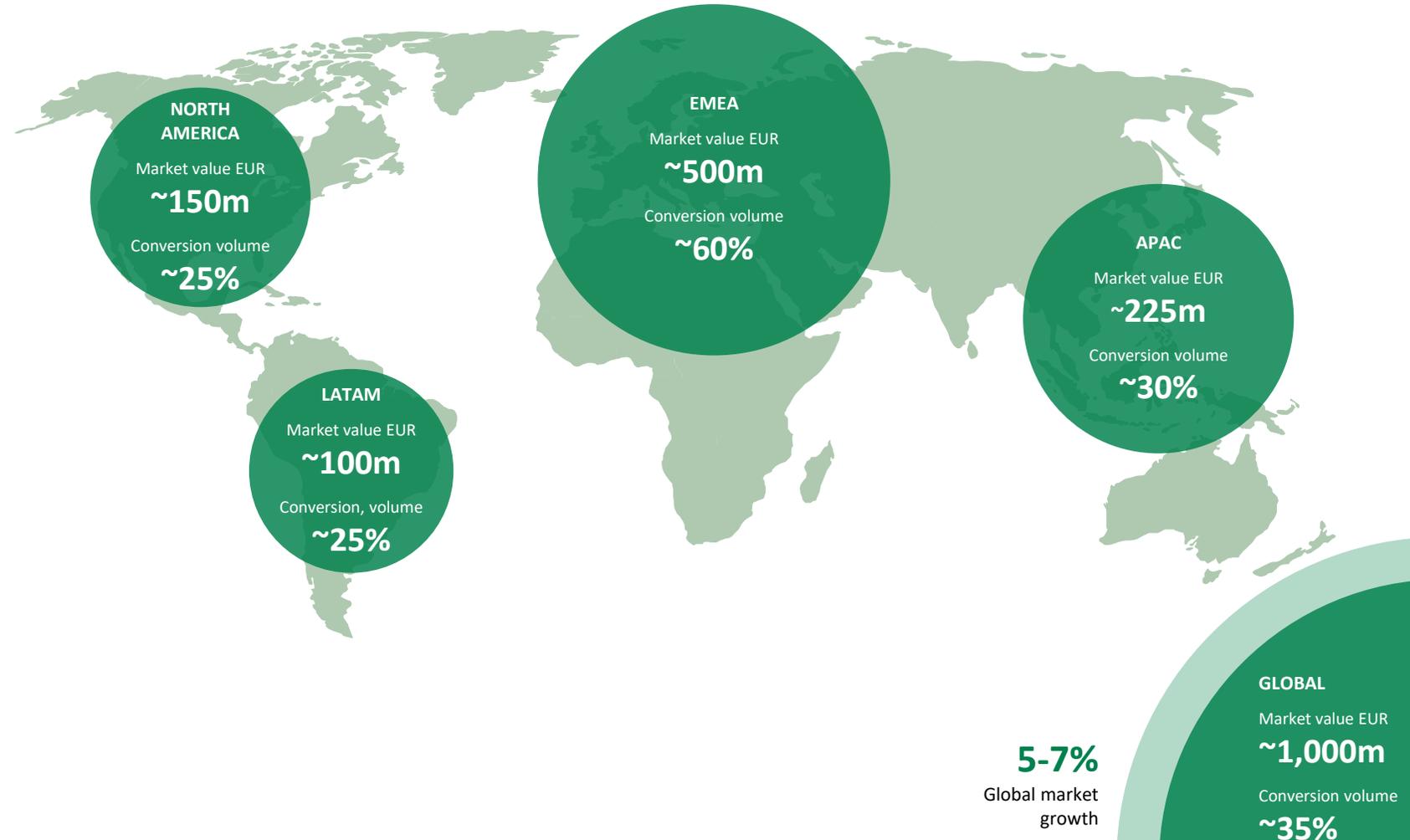
Limited synergies between Natural Colors and our microbial platform

Main trend and projected value

 Demand for cleaner, healthier and more natural products

Projected 2030 market value of EUR 2.0 - 2.5bn

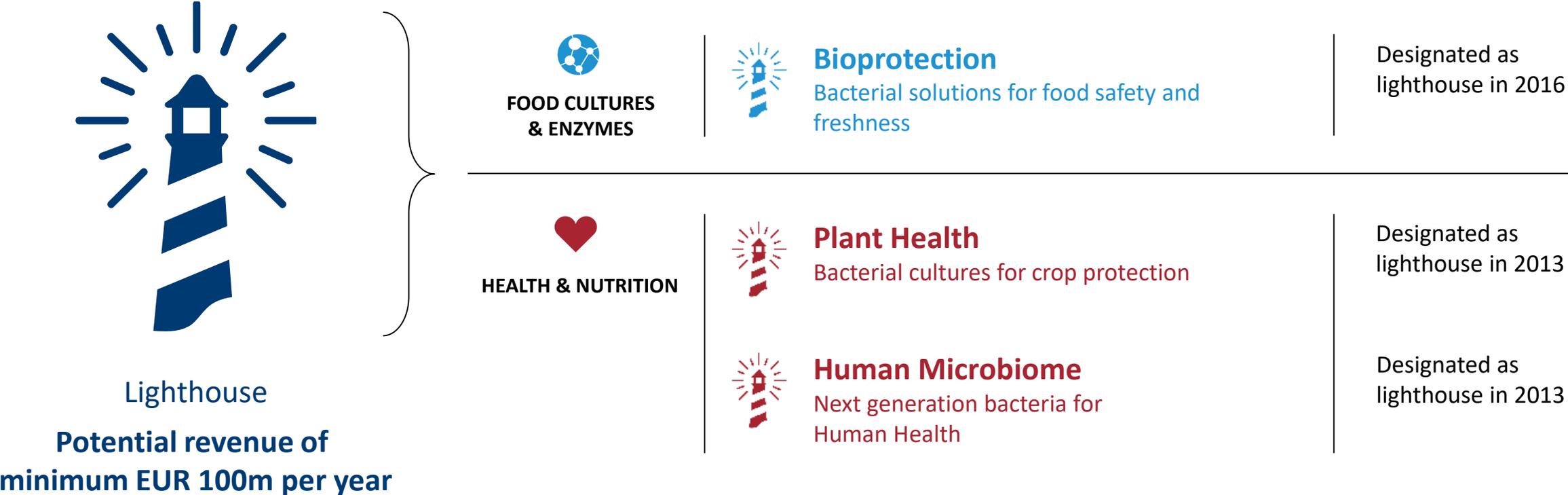
Current market overview



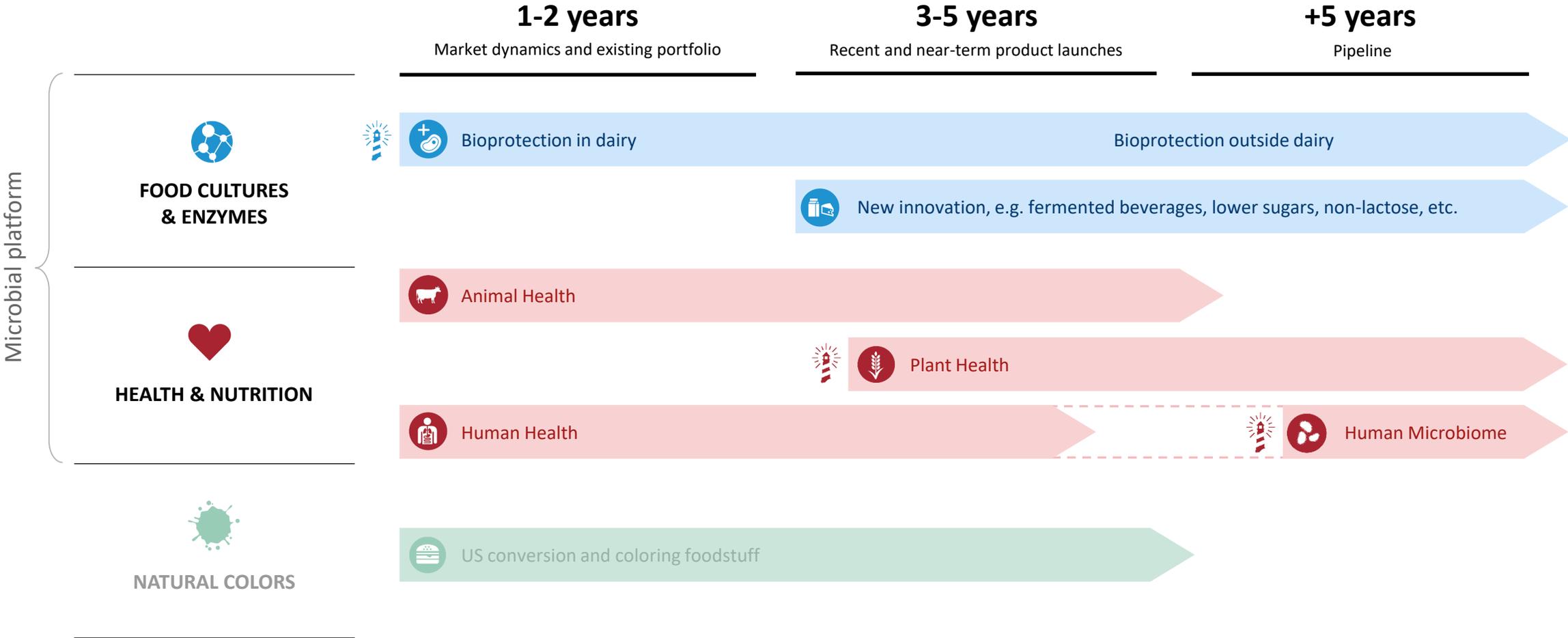
Source: Euromonitor and management estimates.

Note: Market value measured as Food & Beverages Natural Colors including Coloring Foods, and excluding Caramel colors (approximately EUR 200m)

Our three lighthouses address challenges within food safety, agriculture and public health



In addition to the core dairy business, the microbial solutions platform is a key driver for strong growth





Evolution, not revolution



FOOD CULTURES & ENZYMES



HEALTH & NUTRITION



NATURAL COLORS

Leverage the full potential of Food Cultures & Enzymes

Develop the microbial platform in Health & Nutrition

Create further value in Natural Colors

Drive penetration of new innovation

- ▶ Continue to prioritize core dairy business
- ▶ Develop adjuncts and adjacencies
- ▶ Drive Bioprotection lighthouse to EUR 200m by 2025

- ▶ Drive new products for Human Health (incl. Microbiome) and Animal Health
- ▶ Invest in Plant Health platform to unlock potential of EUR 100m by 2025

- ▶ Expand FruitMax® range of coloring foodstuff

Reinforce position in growth markets

- ▶ Further strengthen global market presence
- ▶ Application support in core adjacencies

- ▶ Human Health: Expansion into emerging markets and growth segments
- ▶ Strengthen route-to-market in Ag businesses

- ▶ Drive US conversion and secure APAC growth

Generate fuel for growth

- ▶ Drive scalability in supply chain
- ▶ Digitalize core processes

- ▶ Reinvest in future growth

- ▶ Continue drive to restore profitability

We are a front-runner on sustainability



Better farming

We help feed the growing population by promoting sustainable agriculture

Expand reach of natural plant protection by 25m hectares (2025)



Good health

We improve global health through healthier, safer and more products

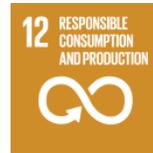
Launch 6 new products with a documented health effect (2022)



Less waste

We help customers reduce food waste and improve yield and productivity

Reduce global yogurt waste by 1.2m ton (2022)



81%

81% of Chr. Hansen's revenue contributes to the UN Global Goals

- validated by PWC

NN1 STRATEGY

Key Messages

**Nature's No.1
Sustainably –
evolution, not
revolution**

**Macro trends,
including global focus
on sustainability, will
support Chr. Hansen**

**Unique microbial
solutions platform
supports high organic
growth**



FC&E strategy

**Leverage the full potential of
Food Cultures & Enzymes**

Christoffer Lorenzen



Key Messages

Strong competitive position in the Dairy market

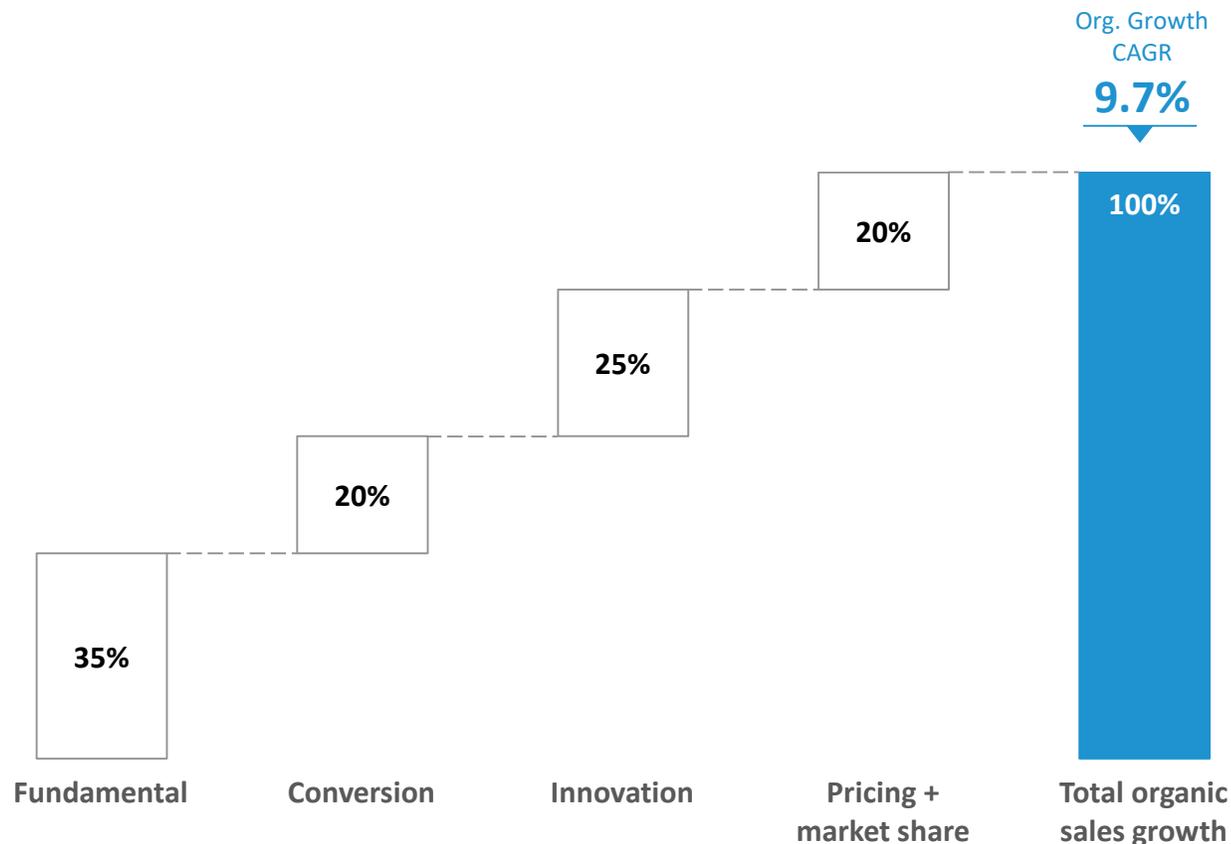
Technology base relevant and 'on trend'

Growth opportunities in core and near adjacencies



Our business has seen robust growth performance ahead of guidance, supported by all growth drivers

Contribution of total organic sales growth (2012/13 – 2016/17)



Growth drivers

- ▶ Fundamental (market) growth accounted for roughly 1/3 of total growth
- ▶ Innovation driven by:
 - ▶ Up-selling to new concept generations (superior functionality and performance)
 - ▶ New and more uses of cultures and enzymes (e.g. Bioprotection)
- ▶ Market share gains are not a primary target
- ▶ Pricing performance is heavily impacted by currencies with an adjusted EUR growth CAGR of 8.2% for the 2012/13 – 2016/17



Evolution, not revolution

	 FOOD CULTURES & ENZYMES <hr/> Leverage the full potential of Food Cultures & Enzymes	 HEALTH & NUTRITION <hr/> Develop the microbial platform in Health & Nutrition	 NATURAL COLORS <hr/> Create further value in Natural Colors
Drive penetration of new innovation	<ul style="list-style-type: none"> ▶ Continue to prioritize core dairy business ▶ Develop adjuncts and adjacencies ▶ Drive Bioprotection lighthouse to EUR 200m by 2025 	<ul style="list-style-type: none"> ▶ Drive new products for Human Health (incl. Microbiome) and Animal Health ▶ Invest in Plant Health platform to unlock potential of EUR 100m by 2025 	<ul style="list-style-type: none"> ▶ Expand FruitMax® range of coloring foodstuff
Reinforce position in growth markets	<ul style="list-style-type: none"> ▶ Further strengthen global market presence ▶ Application support in core adjacencies 	<ul style="list-style-type: none"> ▶ Human Health: Expansion into emerging markets and growth segments ▶ Strengthen route-to-market in Ag businesses 	<ul style="list-style-type: none"> ▶ Drive US conversion and secure APAC growth
Generate fuel for growth	<ul style="list-style-type: none"> ▶ Drive scalability in supply chain ▶ Digitalize core processes 	<ul style="list-style-type: none"> ▶ Reinvest in future growth 	<ul style="list-style-type: none"> ▶ Continue drive to restore profitability

We have a focused commercial agenda and a technology that is highly relevant for customers in order to address market needs

FC&E focuses on three market agendas...

... and help our customers solve important consumer dilemmas

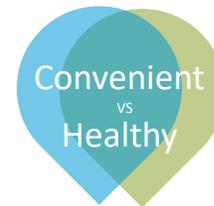
1 Drive improved **freshness and safety of food products** and counter food waste

2 Help food industry players meet **consumer demand for tasty, healthy, nutritious, and affordable food** with clean labels

3 **Enable continued DVS penetration** (bulk conversion) by delivering convenience, yield benefits, consistency, and value added services



How can we **make healthy products with rich flavors?**



How can we **bridge the gap between convenient and 'good for me'?**



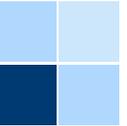
How can we **make fresh foods and 'ready-to' meal solutions safer and help consumers trust them?**



How can we **bring more umami to foods in a safe way?**

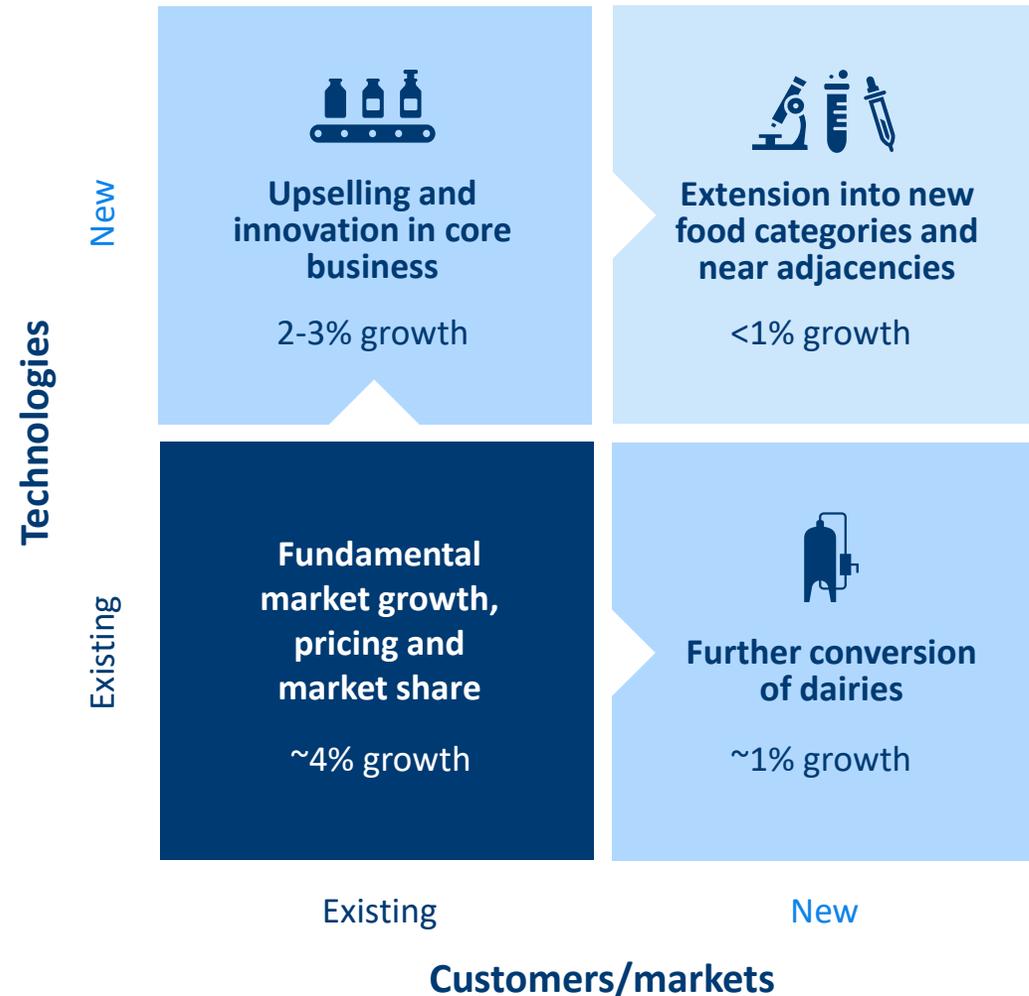


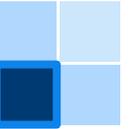
How can we **help make authentic foods safe, and standardized food more relatable?**



We retain our long term growth guidance with majority of growth coming from core customers and markets

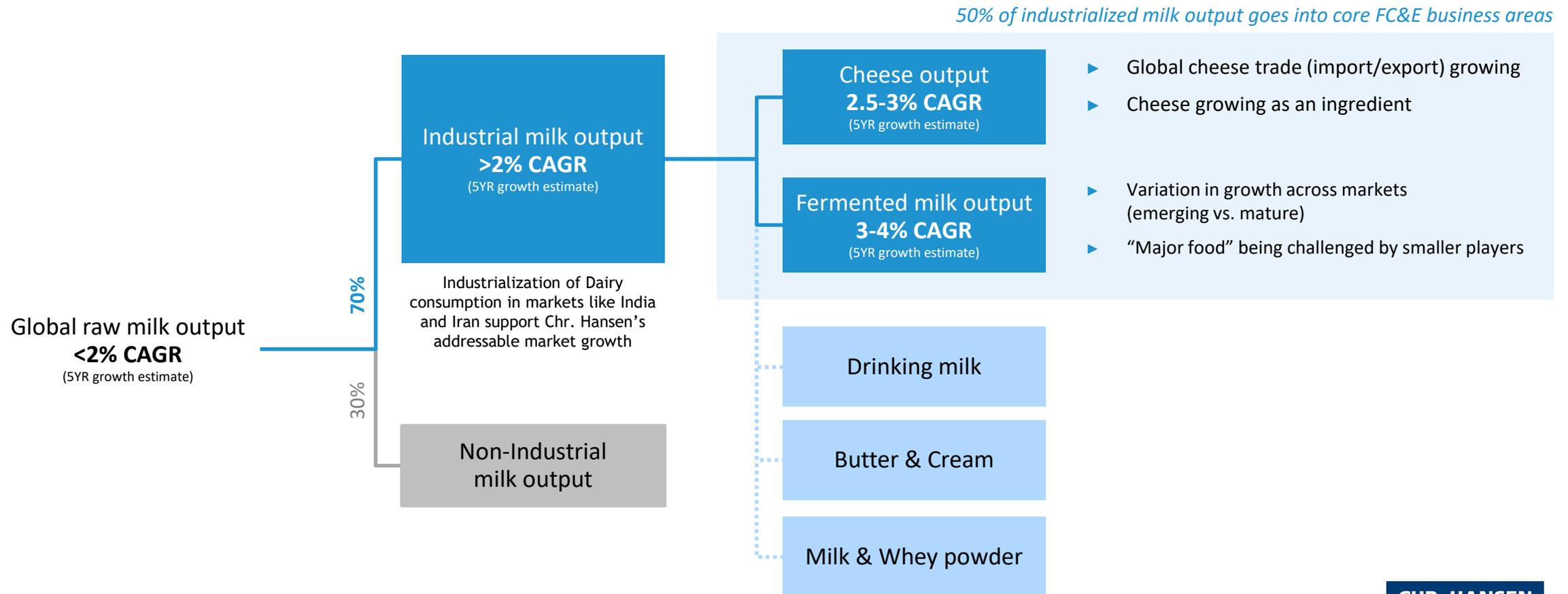

Organic growth
divisional target
7-8 %





The fundamental market growth outlook is robust

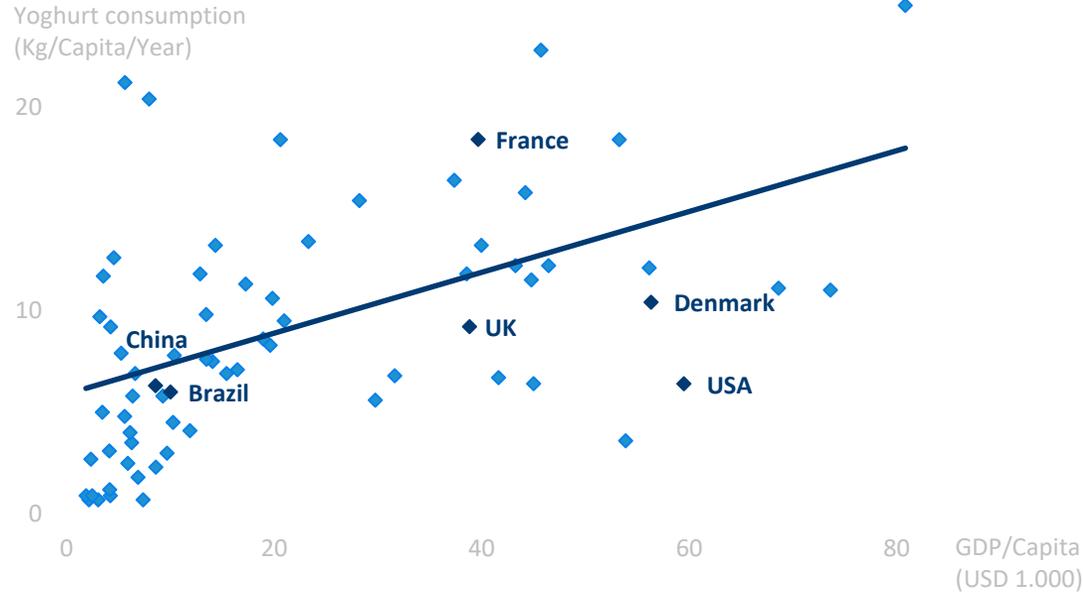
Market growth in the segments served by Chr. Hansen will outgrow the global raw milk output





Growing middle class drives higher consumption of dairy products

Yoghurt consumption vs. GDP/Capita
2017



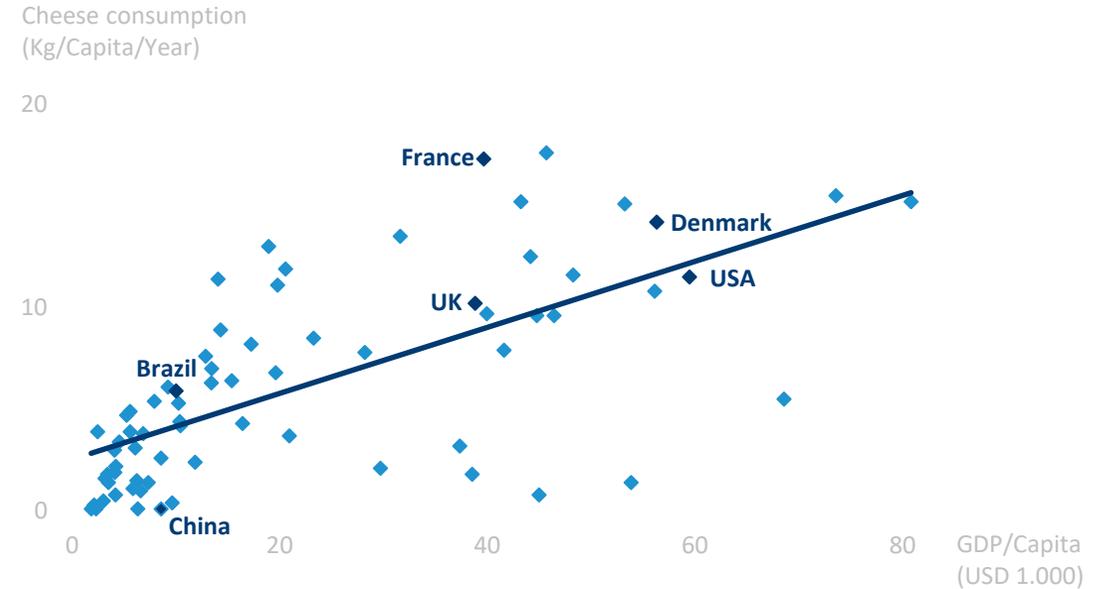
Drivers of growth

Low consumption per capita

High consumption per capita

<p>Affordability and availability enablers (e.g. ambient); nutritional potential of milk</p>	<p>Convenience, differentiated concepts and new occasions (building on 'real foods')</p>
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Cheese consumption vs. GDP/Capita
2017



Drivers of growth

Low consumption per capita

High consumption per capita

<p>Affordability, infrastructure and cheese functionality & taste</p>	<p>Category reinvention and differentiation (building on 'real foods'); cheese functionality</p>
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Maintaining and growing our core business will require focus on core disciplines and continued conversion

Stay sharp on **core disciplines and core offerings** related to acidification and coagulation

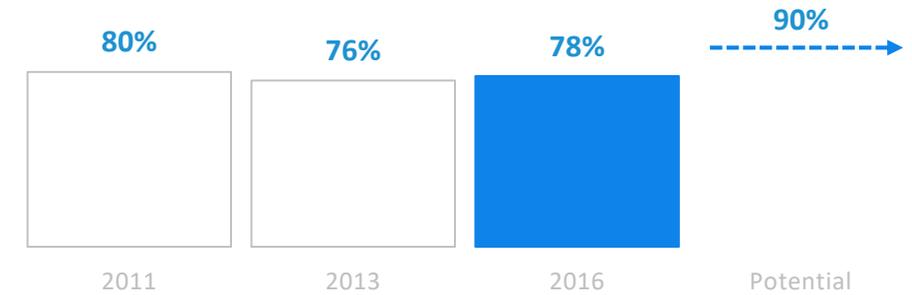
Deliver productivity and consistency

Improve customer perception of **value for money by adding new services** and making it easier to do business with Chr. Hansen

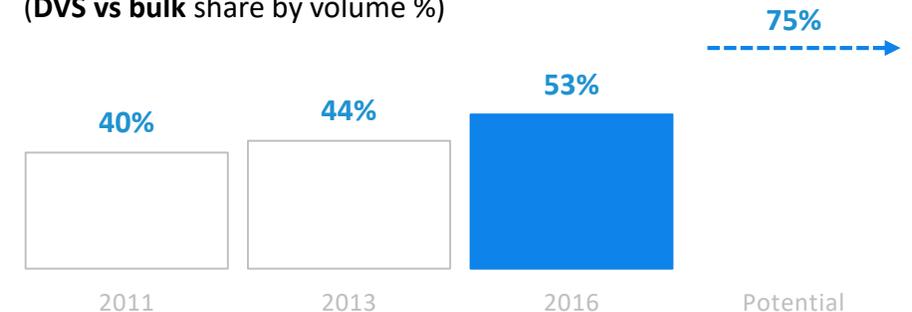
Drive the DVS conversion and harvest value

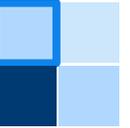
Continue to serve customers broadly with strong local presence and regional/global support base

Fermented milk DVS® penetration
(DVS and bulk starter market volume %)



Cheese DVS® penetration
(DVS vs bulk share by volume %)





Upselling novel solutions and increasing wallet size with existing customers

Rejuvenate **product offerings** and up-sell customers to newer, higher priced solutions

Develop **new adjunct uses** of cultures and enzymes

Selling **more solutions to each existing customer** on average

Identify paths to outpace volume growth in mature fermented milk markets (France, Russia and US)

 <p>Health by Probiotics</p>	 <p>Bio-Protection by BioSafe[®] and FreshQ[®]</p>	 <p>Sugar reduction by NOLA[®] Fit</p>	 <p>Ripening aids by DVS[®]</p>
 <p>Improved functionality and differentiation by DVS[®] Cultures</p>		 <p>Cost efficiency by innovative DVS[®] Cultures</p>	



Leveraging core technology to address major consumer trends and build adjacent business opportunities

Adjacent market segments to be built with existing technologies



Fermented Beverages

Non-alcoholic beer

- ▶ Demand for low/no alcohol (occasions and geographies)
- ▶ DVS®-type technology for breweries with strong IP
- ▶ Building on competencies, processes, and people that already serve the Wine segment



Dairy alternatives

Plant-based dairy alternatives

- ▶ Small but growing niche in the yoghurts space
- ▶ Address texture and flavour profiles through core fermentation solutions
- ▶ Support incumbents and new entrants



Meat adjacencies

Cooked Sausages, bacon, and Salmon

- ▶ Demand for fresh, clean and safe meat products
- ▶ Fermentation solutions (acidification and Bioprotection)
- ▶ Expanding the remit of the existing Meat team



Processed food

Ready to eat salads

- ▶ Demand for fresh, clean and safe ready-to-eat formats
- ▶ Surface fermentation (Bioprotection)
- ▶ Supported by technologists and value chain that also support Meat adjacencies



Bioprotection today and tomorrow – a EUR 200m business by 2025

Bioprotection has made strong progression since 2013, and will continue to create long-term revenue optionality

6%

of Food Cultures & Enzymes revenue in 2016/17



Fresh Dairy



Cheese



Fermented Meat



Animal products
(meat adjacencies/fish)



Vegetable products

Traditionally Fermented Food Products

Non Traditionally Fermented Food Products

Food waste

Shelf Life Extension targeting yeasts/mould/LAB



Food Safety

Additional protection against gram-positive food pathogens (Listeria, Clostridium)



Key Messages

Strong competitive position in the Dairy market

Technology base relevant and 'on trend'

Growth opportunities in core and near adjacencies



♥ HEALTH & NUTRITION

H&N strategy

**Develop the microbial platform
in Health & Nutrition**

Christian Barker



♥ HEALTH & NUTRITION

Key Messages

Microbial solutions have extraordinary potential to improve health and productivity for humans and agriculture

Chr. Hansen is exceptionally positioned to capture this potential

Health & Nutrition pursues three different strategies across three different areas with attractive growth fundamentals



H&N has a diverse portfolio with strong growth prospects

Three diverse business areas leveraging the same microbial and R&D platform



Human Health (including Microbiome)

- ▶ Dietary supplements
- ▶ Infant formula
- ▶ New microbiome products



Animal Health

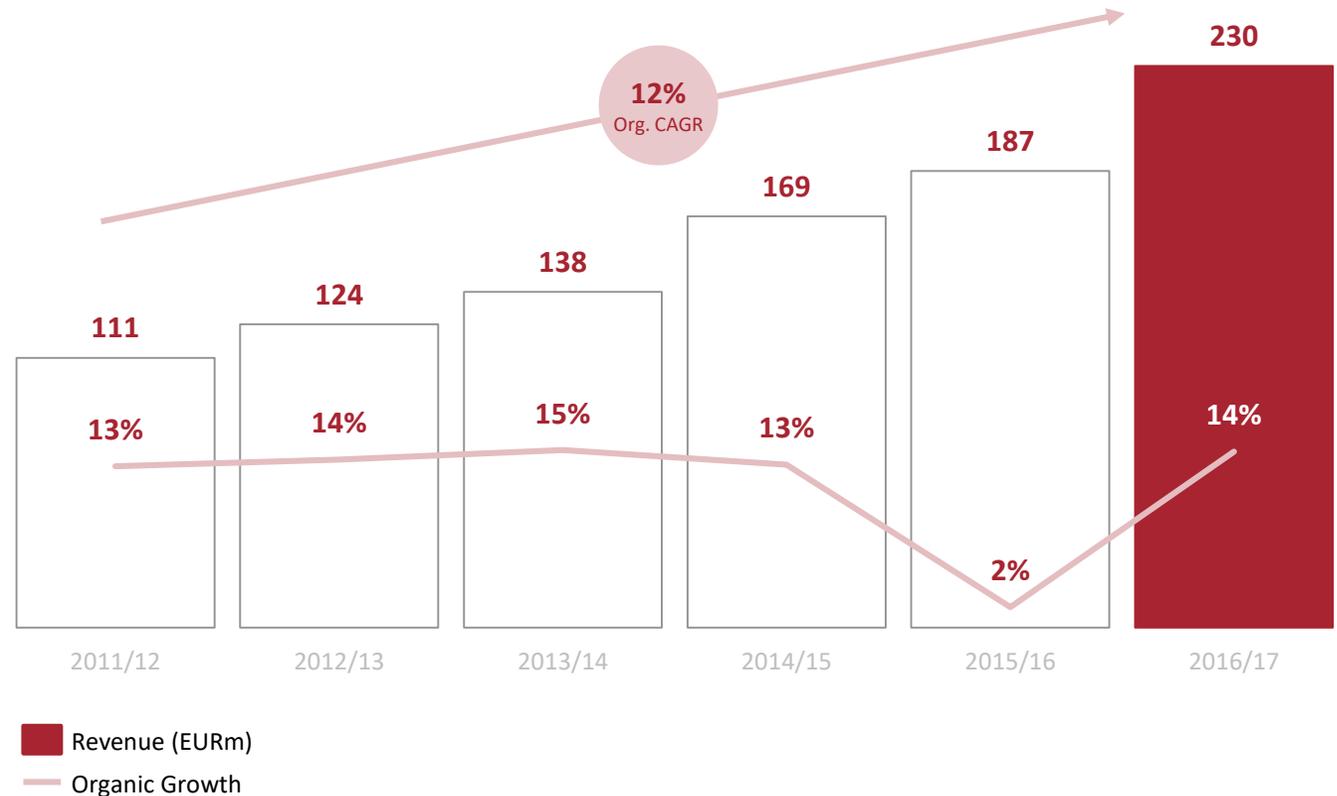
- ▶ Cattle
- ▶ Swine
- ▶ Poultry
- ▶ Silage



Plant Health

- ▶ Sugar cane
- ▶ Soy bean
- ▶ Corn

Strong historical growth, with some volatility in annual growth rates





Evolution, not revolution



FOOD CULTURES & ENZYMES

Leverage the full potential of Food Cultures & Enzymes



HEALTH & NUTRITION

Develop the microbial platform in Health & Nutrition



NATURAL COLORS

Create further value in Natural Colors

Drive penetration of new innovation

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Reinforce position in growth markets

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- ▶ Drive US conversion and secure APAC growth

Generate fuel for growth

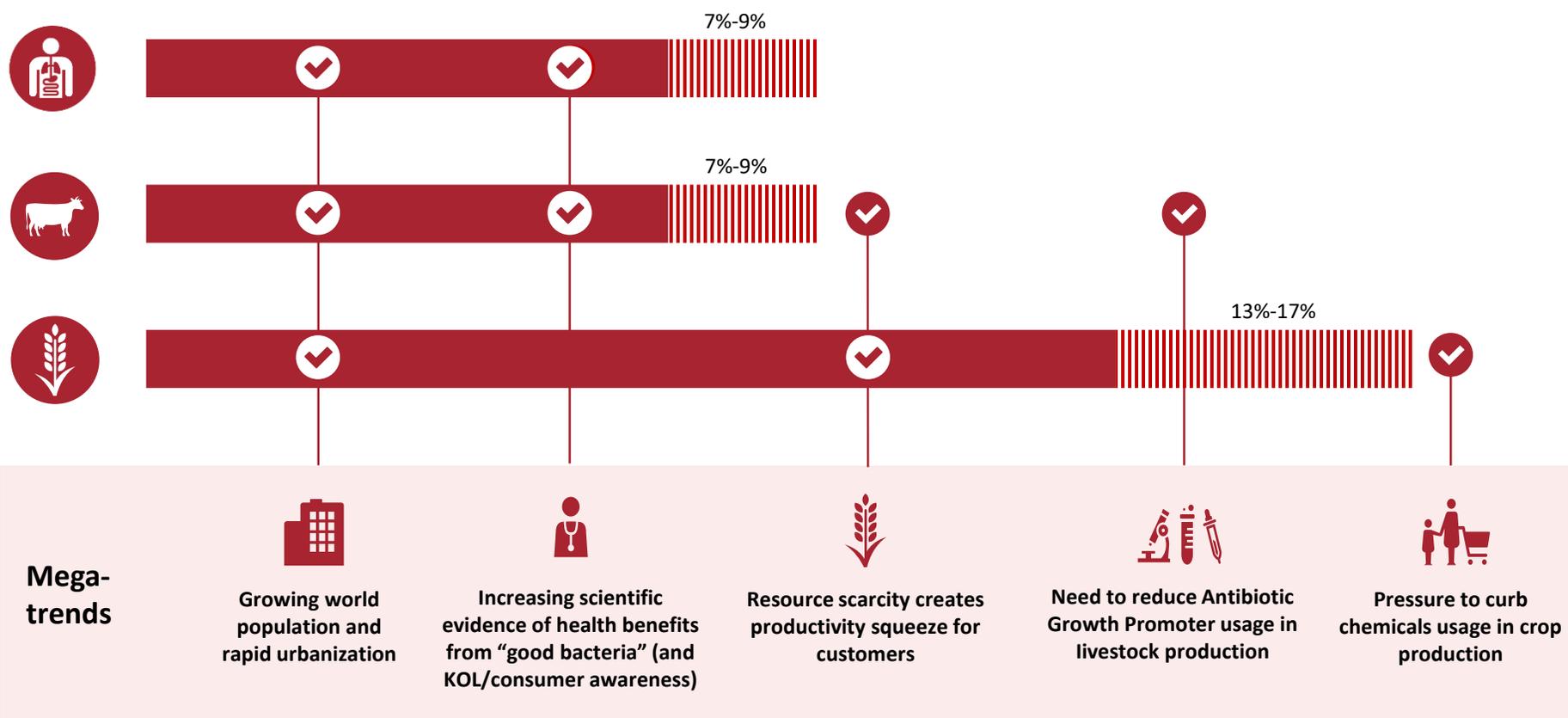
- ▶ Drive scalability in supply chain
- ▶ Digitalize core processes

- ▶ Reinvest in future growth

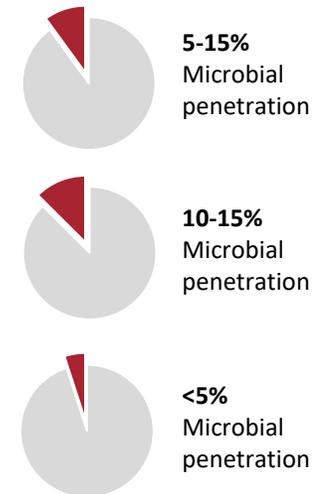
- ▶ Continue drive to restore profitability

We participate in high growth markets with headroom to increase penetration

Attractive market growth driven by megatrends



Opportunities to increase penetration

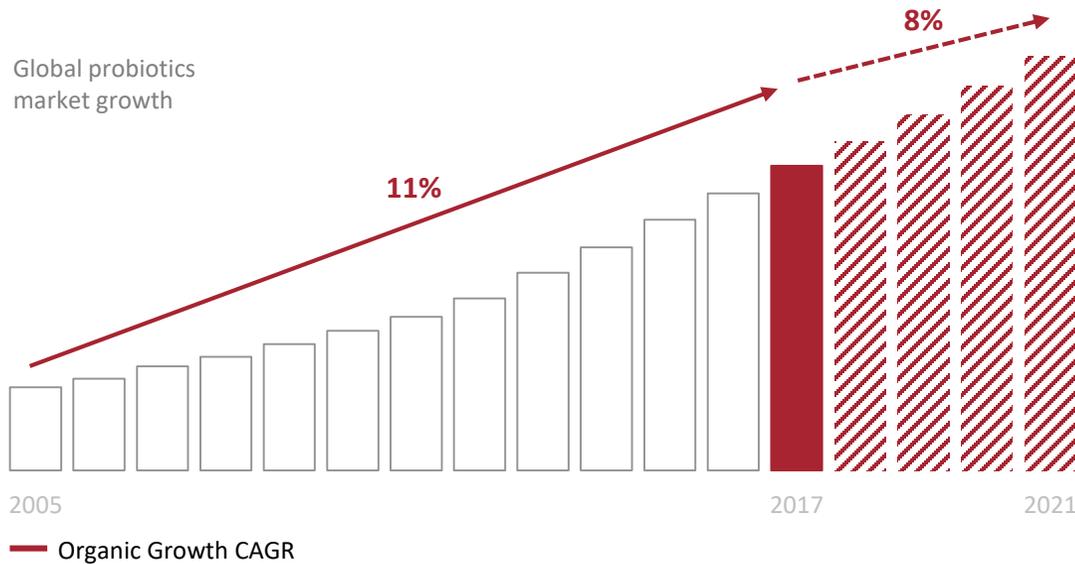




Probiotics remains an attractive market with strong fundamentals

Positive fundamentals in probiotic dietary supplements

- ▶ The **market for probiotics** keeps outgrowing adjacent categories
- ▶ CAGR expectations 2002-2021
 - ▶ OTC: 4,4%
 - ▶ Vitamins: 4,9%
 - ▶ Dietary Supplements: 6,5%



Changing market dynamics

Key market dynamics

Growth increasingly driven by emerging markets

KOLs¹, medical professionals consumers increasingly aware of microbiome and probiotics

Rapid online channel migration

Proliferation of undocumented products confusing consumers in some markets

Our position

▶ Strong presence and growth in emerging countries

▶ Chr. Hansen offers the best documented strains in the highest quality

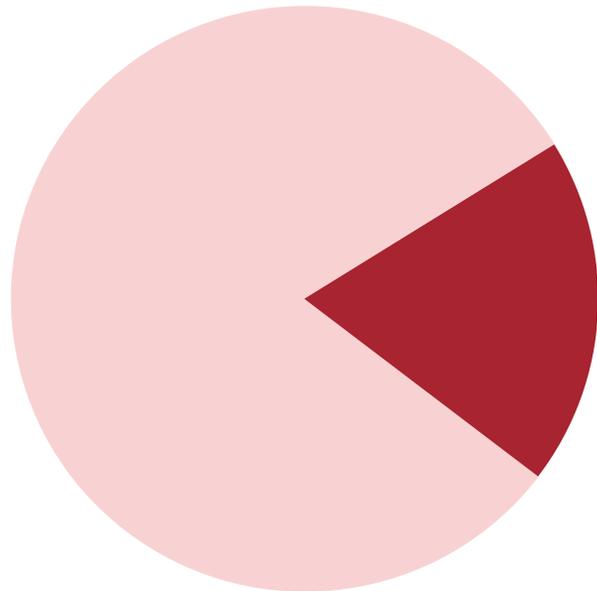
▶ Current customers adapting to new channels at varying speed and success

▶ Helping our customers differentiate and educate KOLs¹



We are addressing current challenges in the U.S.

Challenge in North America for our Human Health business...



H&N Revenue
 North American Dietary Revenue

... is primarily driven by excess inventory

Excess inventory in 2018 at key NA accounts

Category slowdown from double digit to high single digit

Many new low end non-documented products being launched online

Current brand winners in a transition phase to online channels

Our actions

Expected to be back on track in the coming year as customers adapt to new market dynamics

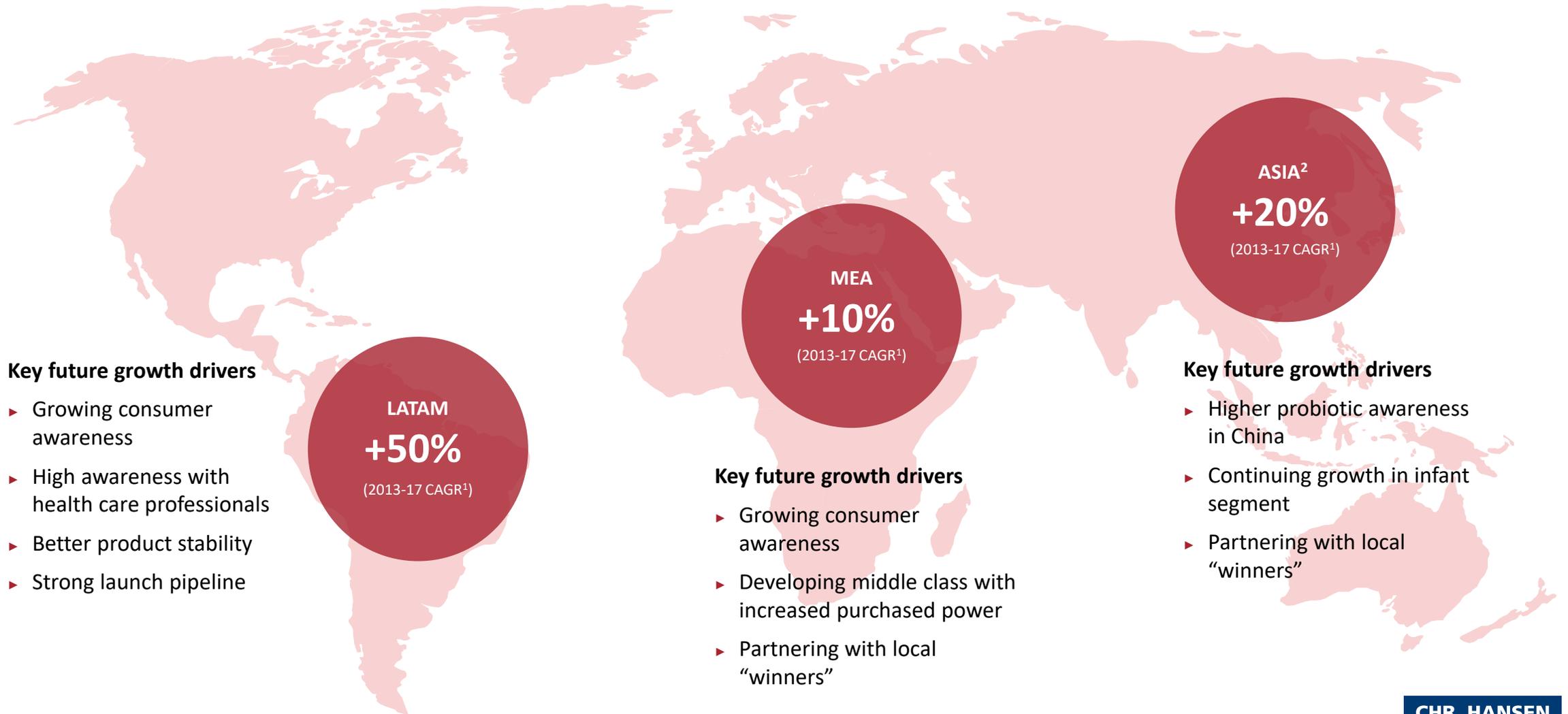
Launching with 3 new brands/players in 2018

Helping our customers to better educate KOL¹ and HCP², while evaluating if we need new offerings in our portfolio

Current partners have strengthened their presence in online channels becoming top selling products



We will continue to deliver high growth in emerging markets

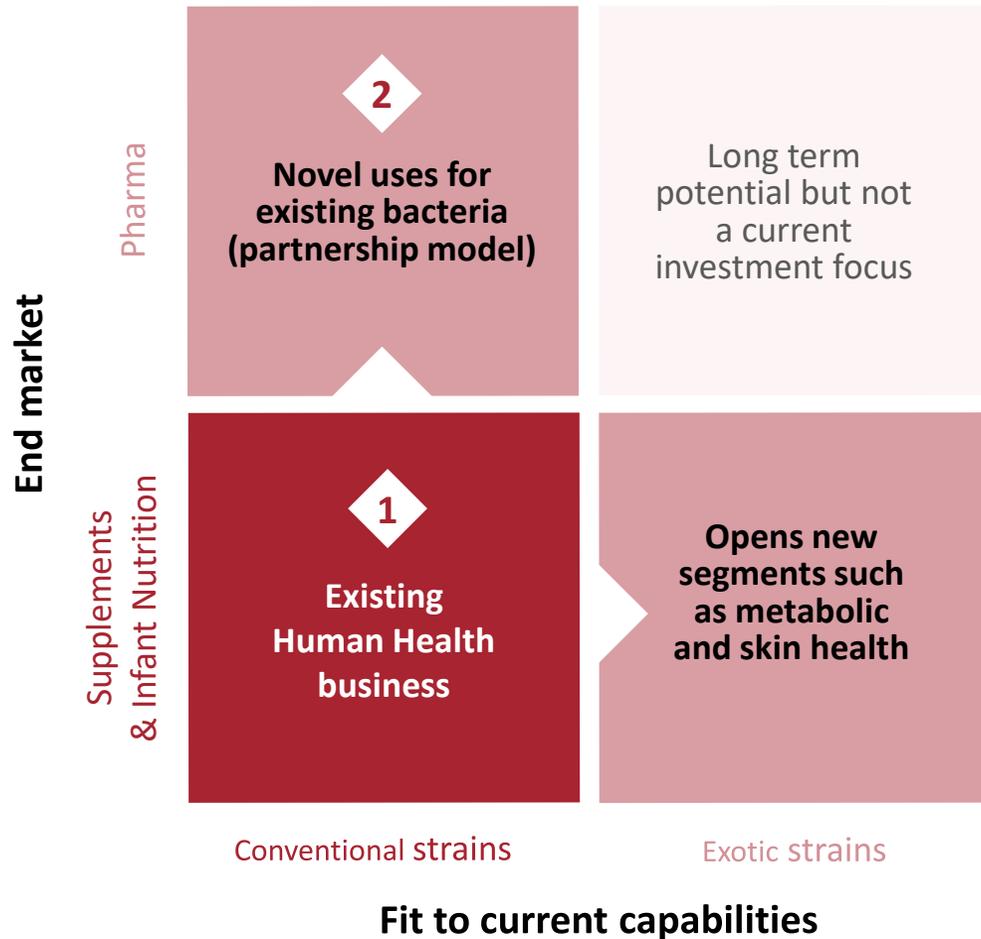


¹ Chr. Hansen growth compounded on organic growth basis

² Excluding Japan, Korea, Australia, and New Zealand



New innovation, fueled by Microbiome concepts, will drive medium and long-term growth



1 Microbiome is creating new opportunities within conventional strains and existing end markets

Infants in hospitals Reduce risk of gastrointestinal complications

Infant: Support infant gut microbiome for healthy development

Adult: Promote intestinal integrity

Women: Rebalance a healthy vaginal microbiome

2 Recent partnership with Prota Therapeutics to treat peanut allergy with LGG®





Consumers and regulators are demanding natural alternatives to antibiotics in livestock production

Antibiotic resistance is one of main threats defined by the WHO



High levels of antibiotic resistance found worldwide, new data shows

News release

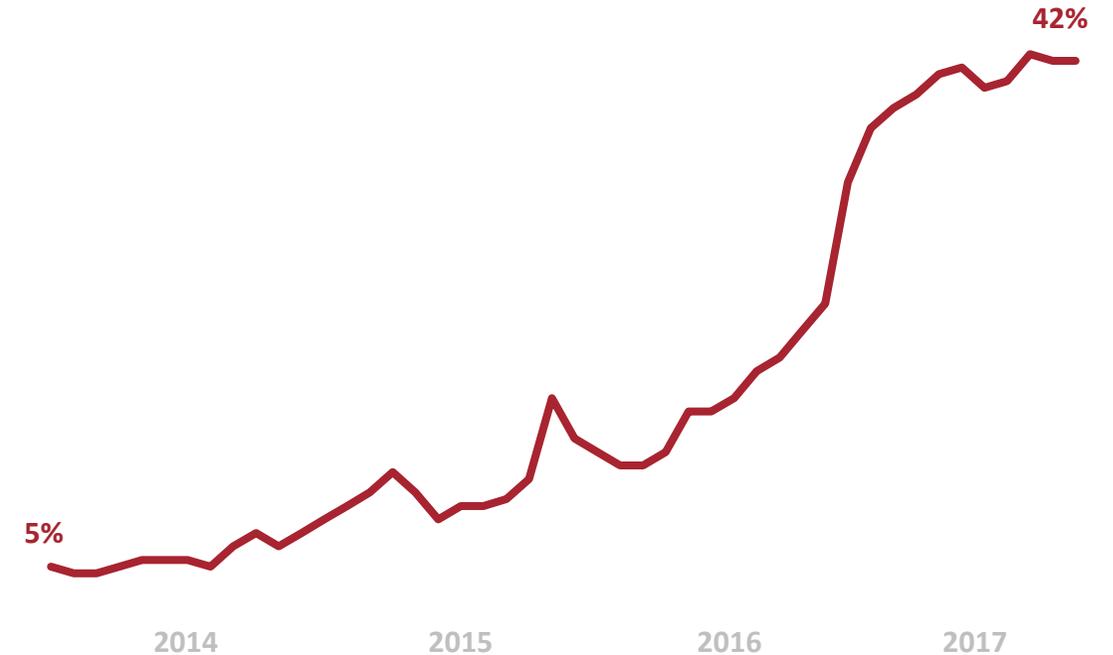
29 JANUARY 2018 | BANGKOK - WHO's first release of surveillance data on antibiotic resistance reveals high levels of resistance to a number of serious bacterial infections in both high- and low-income countries.

WHO continues to highlight the role of antibiotics in livestock in the rise of antibiotic resistance



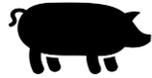
Consumers started to demand Non-Antibiotic-Ever meat

Seasonal % of Birds fed Non-Antibiotic-Ever in the US





Our Animal Health products are differentiated and well positioned to address changing market conditions



BioPlus[®] YC

The reference swine probiotic on the market for 30 years



SiloSolve[®] FC

Patented Silage inoculant providing unique flexibility and usability for farmers



GalliPro[®] Fit

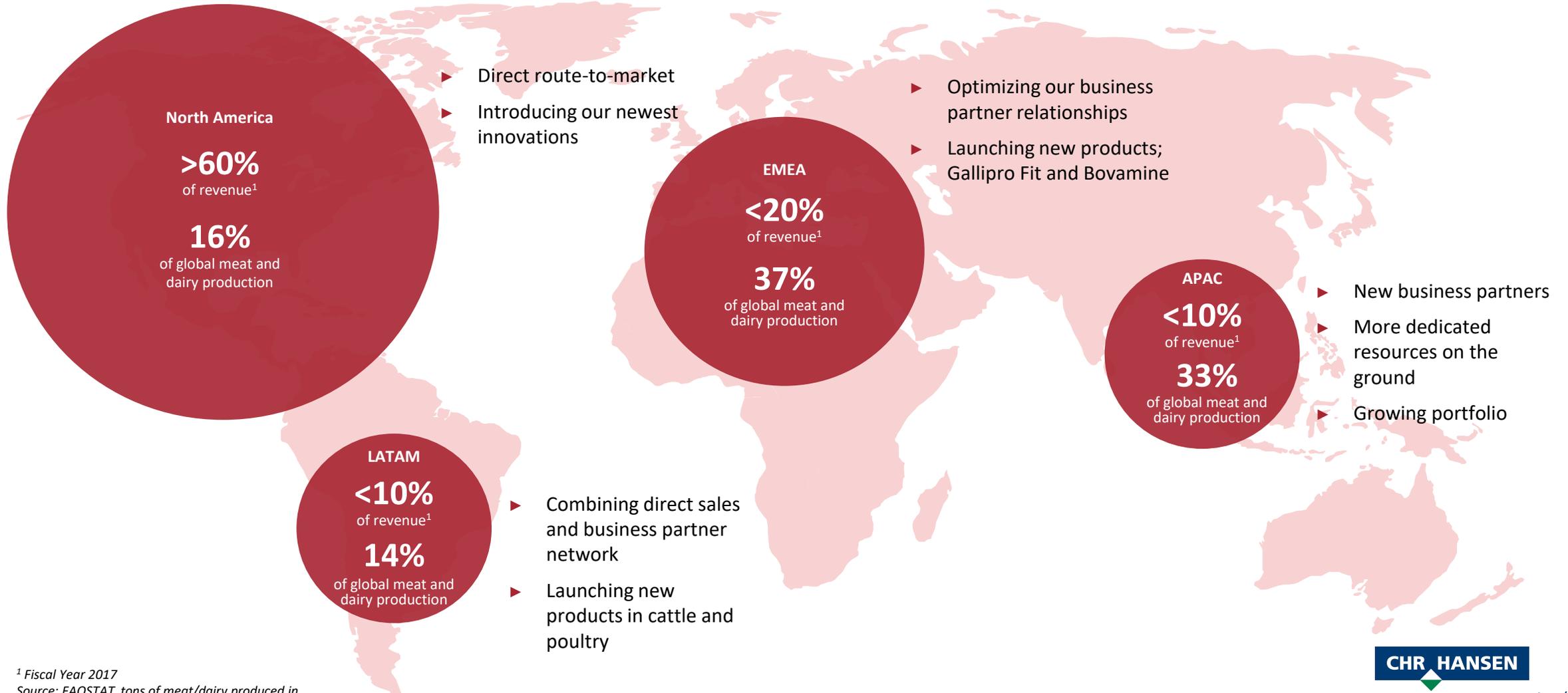
Next generation poultry probiotic with best in class pathogen inhibition

Differentiators

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ▶ Product for all Swine subsegments (from piglet to growth/finisher) ▶ Most documented dual strain product on the market ▶ 20% reduction in pre-wean mortality ▶ Flexible Feed Formulation concept | <ul style="list-style-type: none"> ▶ Offers best aerobic stability in the market ▶ Allows farmers to feed out early from bunker ▶ Broadest range applicability across crops and humidity levels | <ul style="list-style-type: none"> ▶ Blend of 3 unique new strains ▶ Best in class in inhibition of pathogens to support the health of poultry and securing food safety for consumer ▶ Superior digestibility of protein, carbs and non-starch poly-saccharides |
| <ul style="list-style-type: none"> ▶ Launched in all major geographies ▶ Continued opportunities to deepen market penetration | <ul style="list-style-type: none"> ▶ Global roll-out in progress | <ul style="list-style-type: none"> ▶ Recently launched in US and Australia ▶ Global roll-out in the next 2 years |



We are strengthening our route-to-market globally to bring our solutions to new customers



¹ Fiscal Year 2017
Source: FAOSTAT, tons of meat/dairy produced in 2016 (cattle, poultry, swine)



Established 5 years ago, Plant Health is now a promising business with focus on expanding geography and crop targets

2013

ENTERS Plant Health

- ▶ First product (Nemix C[®]) registered in Brazil as an inoculant for sugarcane
- ▶ Chr. Hansen and FMC enters into global development and commercialization alliance

2016

ALLIANCE PROGRESSION

- ▶ Nemix C[®] shows strong performance in field trials
- ▶ The alliance launches Capture[™] VGR[®] for corn in US
- ▶ The alliance develops a promising pipeline aimed at new markets and crops

2018

NEW MARKET DEVELOPMENTS IN BRAZIL

- ▶ Commercial launch of two bionematicide products that protects crops from nematodes
- ▶ Furadan, the leading chemical nematicide in sugarcane in Brazil, is taken off the market
- ▶ Trials initiated in new crop types to broaden reach of products and pipeline

2025

PRESENCE IN MAJOR GEOGRAPHIES

- ▶ Unlock annual revenue of €100m by 2025



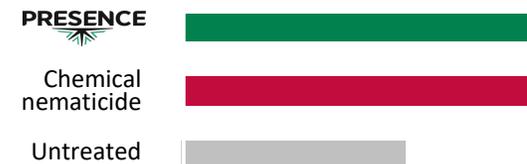
EUR 100m
by 2025



Our recent alliance launches Quartzo and Presence have a nematocidal claim and effect



Description	Bacillus based product Applied in-furrow or through drip irrigation	Bacillus based product Applied as seed treatment before planting
Applicable crops	Sugarcane, F&V, other	Soybean, Corn, Cotton, beans, wheat
Registration	Bionematicide	Bionematicide
Benefits and yields	Root colonization Protection against nematodes and soil diseases Increase of plant robustness and yield	Root colonization Protection against nematodes and soil diseases Increase of plant robustness and yield



Competing technologies

- Chemicals
- GMO
- Biological

- Chemicals
- GMO
- Biological

Our products have shown very good results and we are working to add more crops

"It is incredible to see the effect. It's normal to see treatments differentiation during the first month, but here we have the visual differentiation for the entire cycle."

Brazilian soybean farmer



PRESENCE

Untreated



"Very consistent and positive yield effect"

Large Brazilian sugarcane farmer

NEMIXE

Untreated

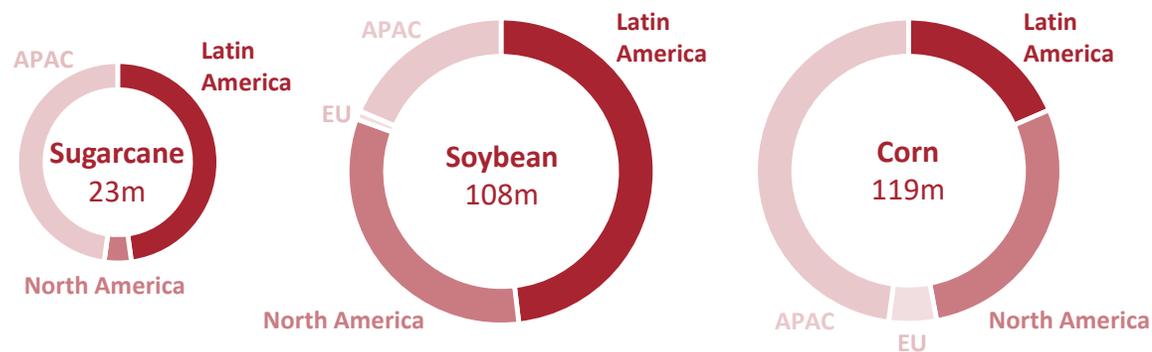


With this pipeline our business aims to unlock a potential of EUR 100m revenue by 2025

Big and growing market

-  5% penetration of microbial products in the industry
-  >10 % expected growth of the bio-pesticide industry towards 2021
-  2.5 % expected growth of the Crop protection industry towards 2021

Hectares harvested in existing vs. potential markets, 2015



Ambitions of Plant Health

- ▶ Today: On market primarily in South America (Brazil)
- ▶ 2019/20: Expansion in North America
- ▶ 2024/25: Presence in all major geographies
- ▶ *Ramping up investments in capacity, discovery, and tech support*



EUR 100m

Unlocked potential by 2025

♥ HEALTH & NUTRITION

Key Messages

Microbial solutions have extraordinary potential to improve health and productivity for humans and agriculture

Chr. Hansen is exceptionally positioned to capture this potential

Health & Nutrition pursues three different strategies across three different areas with attractive growth fundamentals



RESEARCH & DEVELOPMENT

The microbial platform

R&D as a competitive advantage

Thomas Schäfer



RESEARCH & DEVELOPMENT

Key Messages

Our microbial solutions platform is unique

Product launches over the next 5 years will support growth

We will invest to continue to stay ahead in key competence areas



R&D supports 80% of our current business

We leverage our unique technology platform across all applications in Food Cultures & Enzymes and Health & Nutrition



What is the difference between microbes and enzymes?

Our success is built on world-class expertise in microbes

Microbes

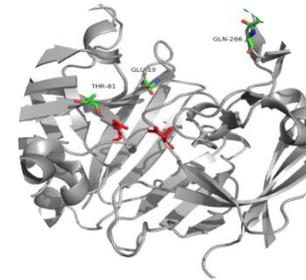


Microbes are living organisms

for example bacteria and fungi.
Industrially produced via fermentation

At Chr. Hansen we focus on bacteria.
Living bacteria are the building blocks of our cultures which are used in almost all our businesses. They create many different benefits for dairies, humans, animals and plants

Enzymes



Enzymes are proteins

often industrially produced from microbes.
Enzymes catalyze specific biochemical reactions

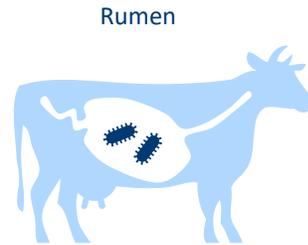
At Chr. Hansen we use enzymes to optimize cheese coagulation and ripening, so it helps cheese manufacturers to get right texture and flavor of the cheese

Beneficial co-existence with microbes form the basis of our business

Microbes are essential for all higher life on earth



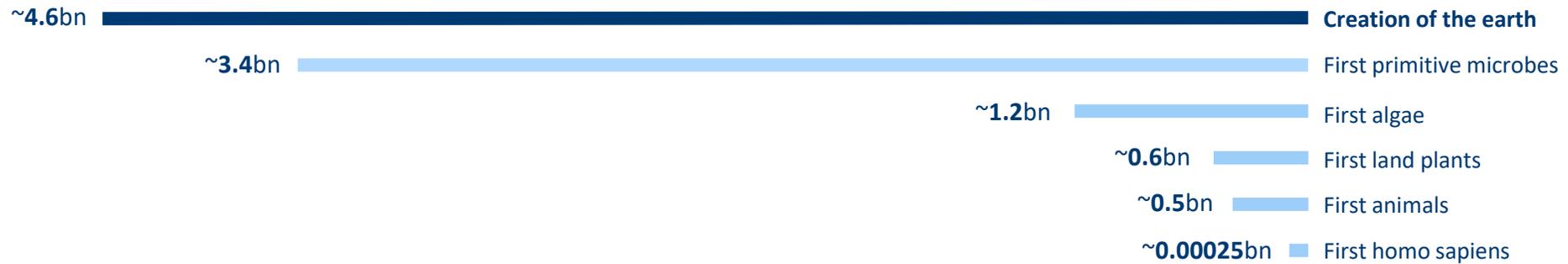
Legumes house Rhizobia to fix N₂, microbes help with P-uptake



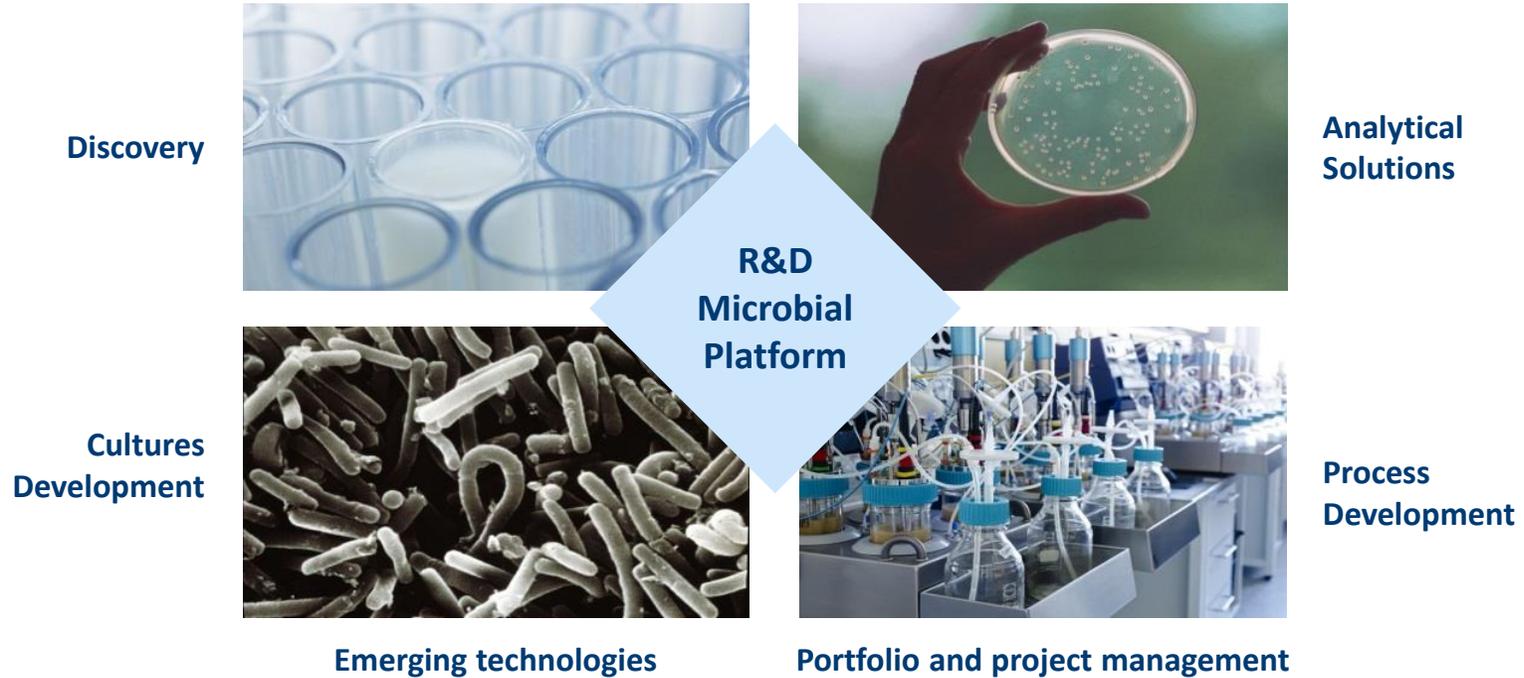
Termites, ruminants digest cellulose with help of microbes



Human microbiomes protect the skin, assist digestion, and ensures well-being



R&D is a microbial powerhouse ...



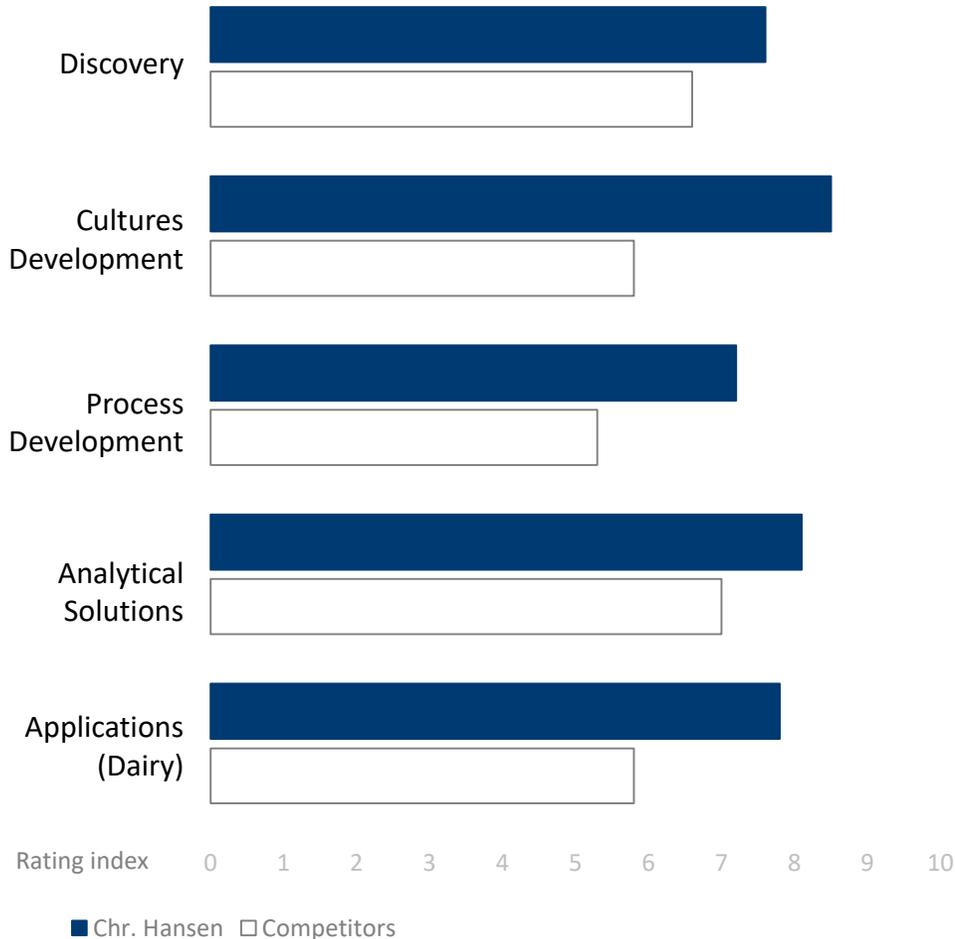
Production



Application Development

... with a world leading technology base that we continuously improve ...

We are ahead of competition ...



... and we are committed to invest to keep our leading position

+ Further boost from digitalization

<ul style="list-style-type: none"> ✓ Bioinformatics ✓ Mode-of-action 	<ul style="list-style-type: none"> ▶ Builds solid understanding to develop better products
<ul style="list-style-type: none"> ✓ Automated assays to advance compounding across all applications 	<ul style="list-style-type: none"> ▶ Delivers unique products
<ul style="list-style-type: none"> ✓ Downscaled, predictive processes 	<ul style="list-style-type: none"> ▶ Improves efficiency, drives scalability and cost ▶ Improves scale-up from ml to m3
<ul style="list-style-type: none"> ✓ Advanced assays and technologies 	<ul style="list-style-type: none"> ▶ Scalable, high quality QC ▶ Efficient performance selection for product development
<ul style="list-style-type: none"> ✓ Downscaled, predictive application trials 	<ul style="list-style-type: none"> ▶ Customer proximity and fast turnaround of ideas to solutions

... via strong partnerships to accelerate our advancements



Dairy

- University of Wisconsin, Madison
- Cornell University
- Wageningen University & Research Center
- University of Copenhagen



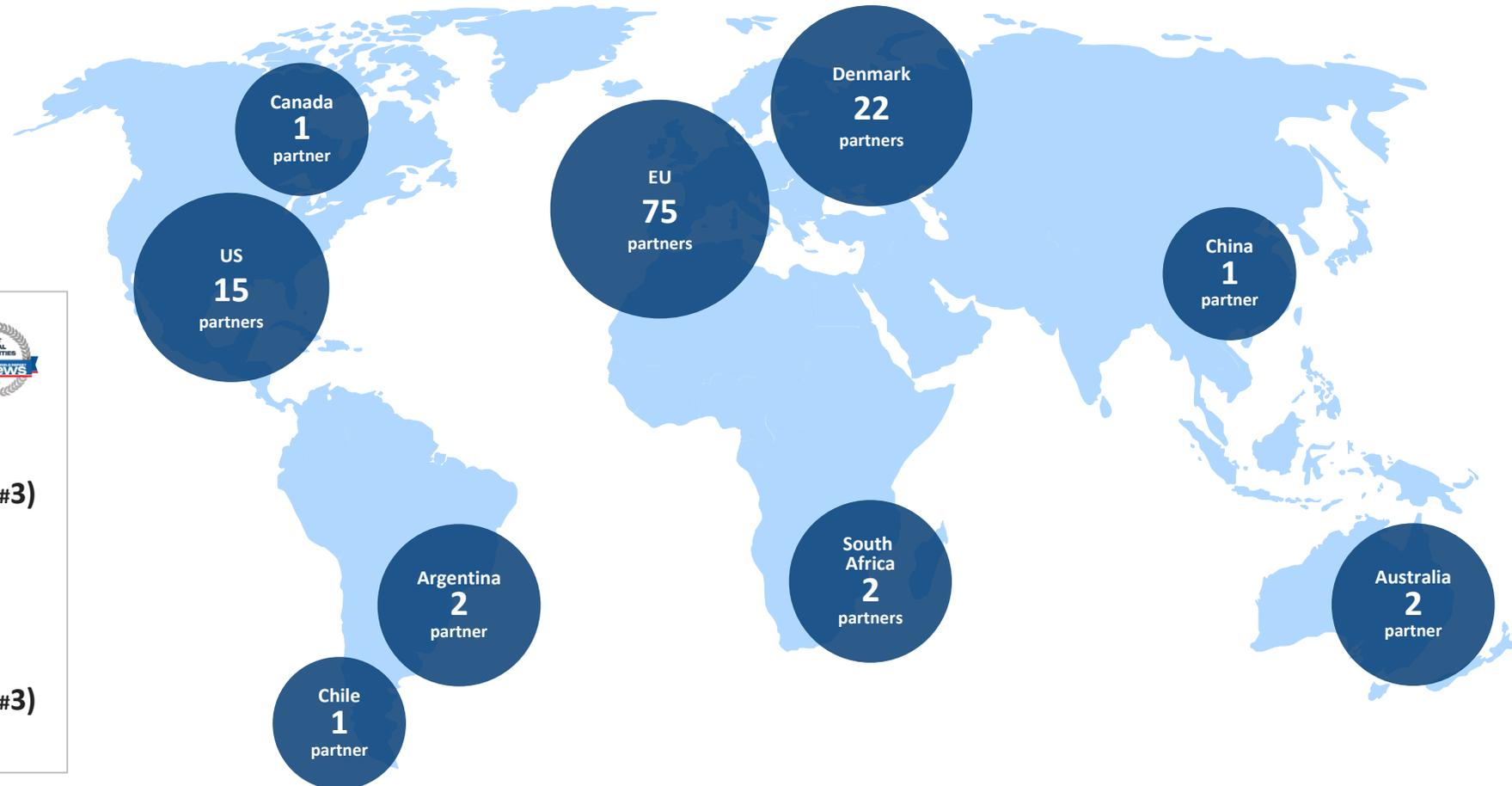
Plant

- University of California, Davis (#1)
- Cornell University (#2)
- Wageningen University & Research Center (#3)



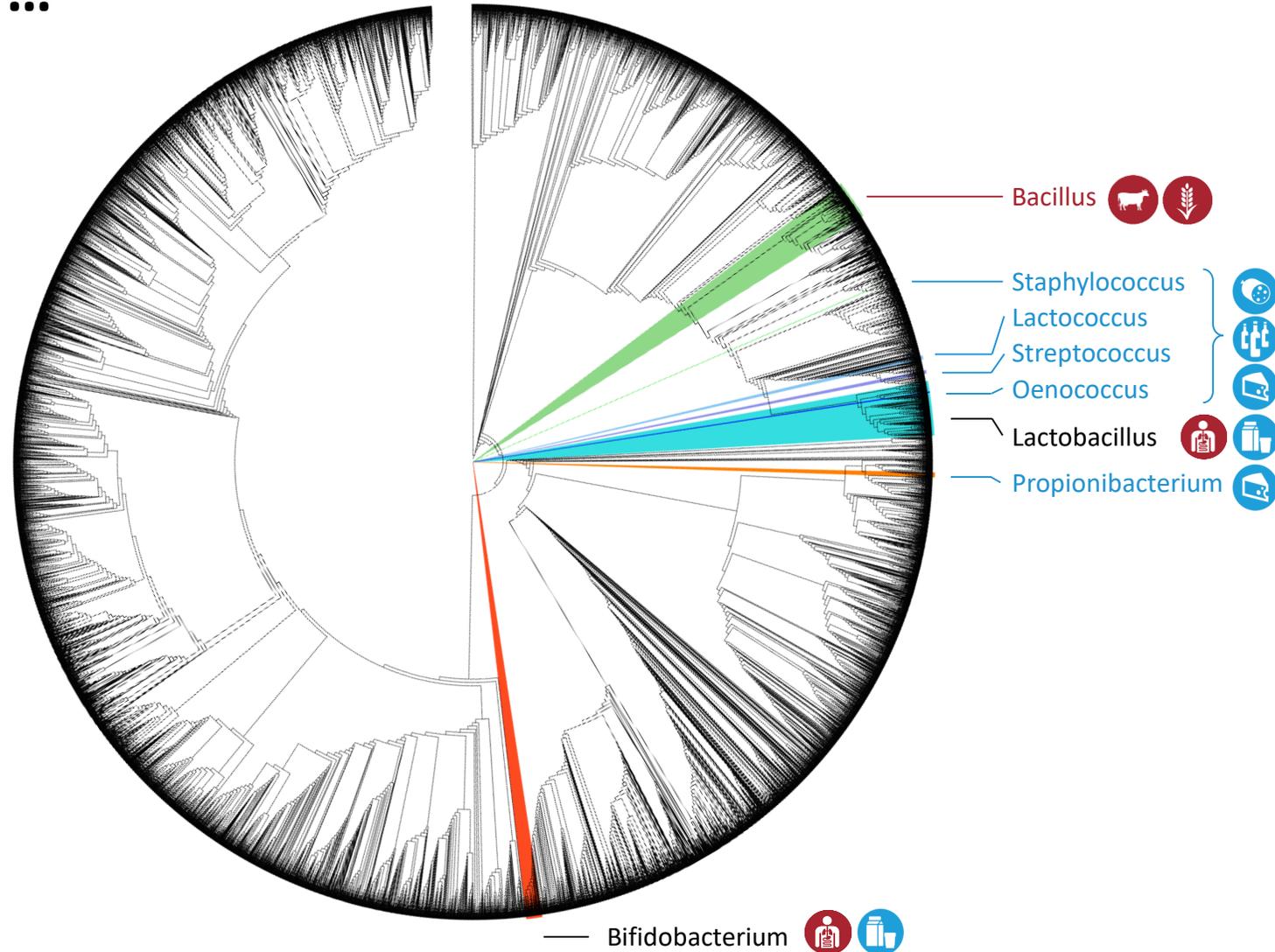
Animal Health

- University of California, Davis (#1)
- Wageningen University & Research Center (#3)
- Ghent University (#5)



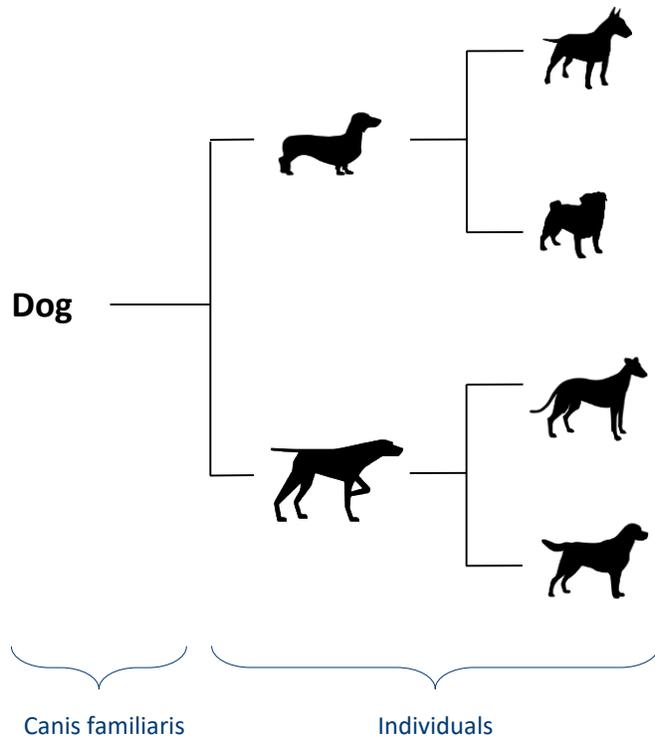
We see an unlimited potential of microbial diversity across all our businesses ...

Approximately ~13.000 bacterial species are described today

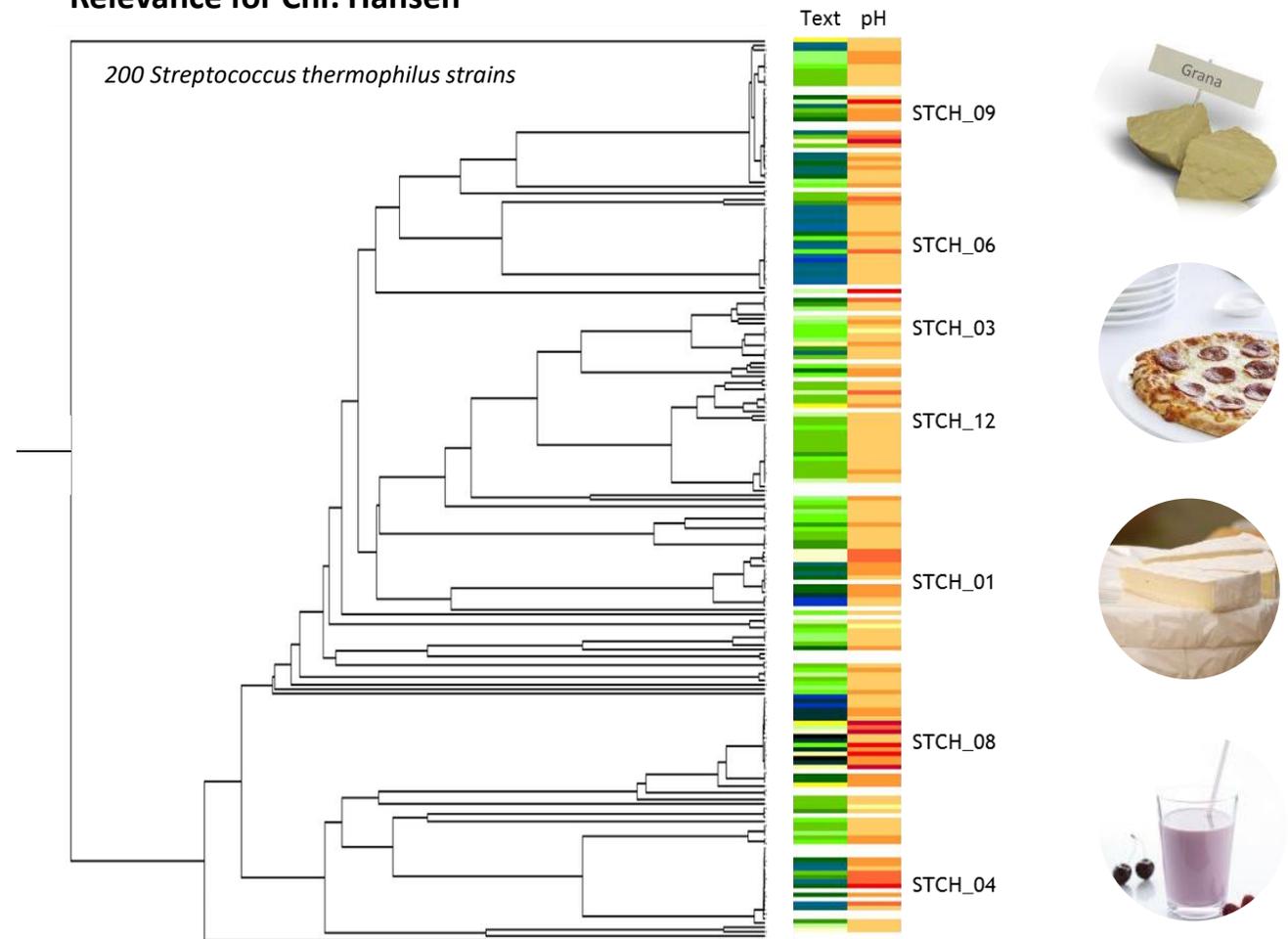


... especially, when we dig into “specific strains” rather than species

- ▶ Different individuals/strains have different properties, but belong to the same family/species
- ▶ Some individuals/strains are better suited to specific jobs than others



Relevance for Chr. Hansen



Chr. Hansen owns a unique Culture Collection of approximately 30.000 isolates

Product launches over the next 5 years will support growth

Business unit

R&D driving step changes in innovation



FOOD CULTURES &
ENZYMES



New platforms for dairy

Grow the Bioprotection lighthouse: EUR 200m in 2025

Build basis for future growth by investments in adjacencies



HEALTH &
NUTRITION



Grow and strengthen the foundation for Animal & Human Health

Grow the Plant Health lighthouse

Succeed with the Human Microbiome lighthouse



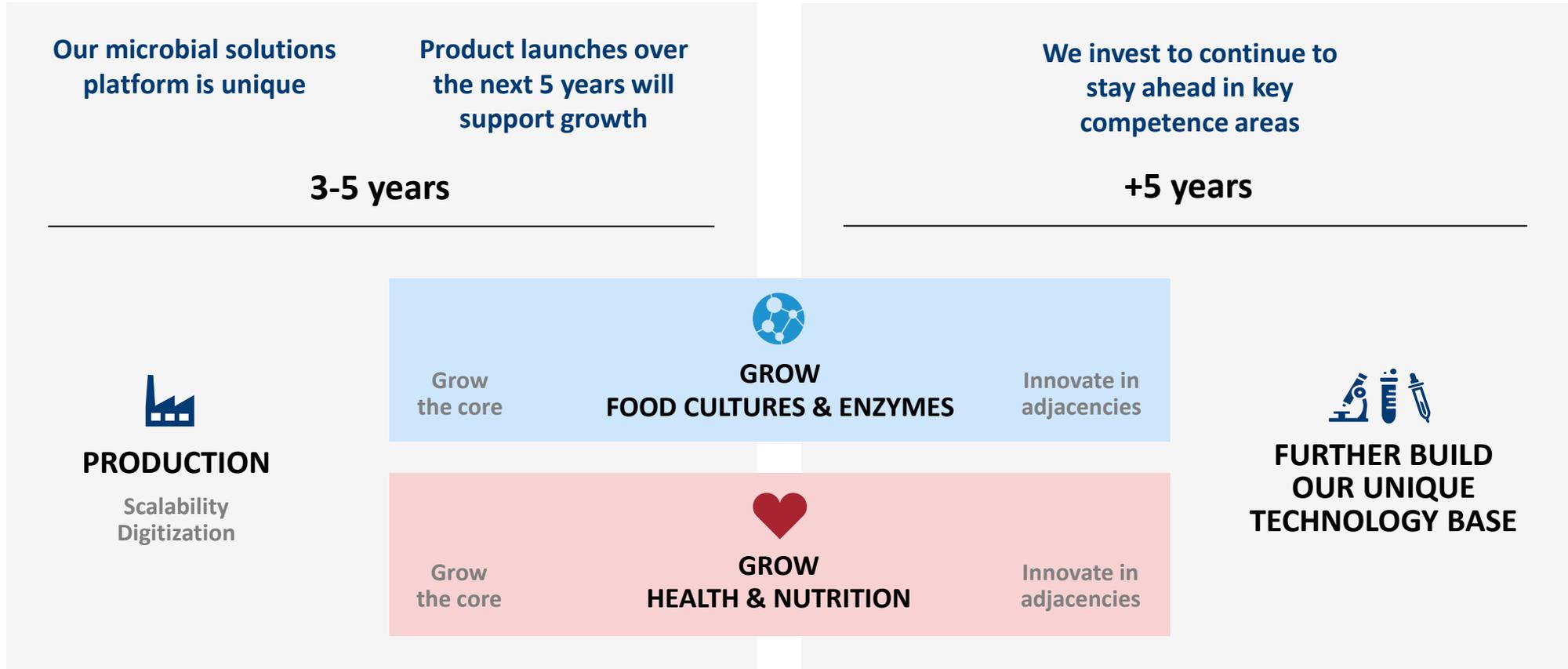
PRODUCTION



Deliver productivity improvements

Enable first-time-right scale up of novel microbes

We are uniquely positioned for continued high growth, powered by the microbial platform



RESEARCH & DEVELOPMENT

Key Messages

Our microbial solutions platform is unique

Product launches over the next 5 years will support growth

We will invest to continue to stay ahead in key competence areas



CUSTOMER AND SALES EXCELLENCE

Sales excellence

**Mapping opportunities and winning customer loyalty –
a significant barrier to entry and a sustainable
competitive advantage**

Jacob Vishof Paulsen



CUSTOMER AND SALES EXCELLENCE

Key Messages

Our highly specialized, local and technical frontline provides unique customer value

Our harmonized and structured commercial model manage complexity and turn opportunities into profitable and sustainable growth (mass-customization)

Our customer and market mapping is industry leading and enables both strategic decisions and project execution on same platform



Local understanding, expert competencies and mass-customization are key to meet customer needs - and drive profitable growth

Highly fragmented and diverse customer base ...

>25,000

global dairy producers
(~3,000 served directly by Chr.
Hansen)

>90%

of customers are
only in one country

- ▶ High fragmentation and degree of local customer base
- ▶ Largest global accounts have +100 factories
- ▶ Variation from high scale plants to specialty cheese producer
- ▶ Decision makers varies from owner-operator, to complex procedures with +50 involved stakeholders
- ▶ Local language and physical closeness are key

Local customer understanding is key

... with customers demanding specialized products

>3,000

types of cheese

>1,000

dairy product launches in
Germany alone in 2017

- ▶ Local preferences on taste and texture varies
- ▶ Differences in production methods across geographies
- ▶ Variations in milk base (e.g. protein level)
- ▶ Implementation of microbial solutions for dairy production is complicated and require expert attention

Expert competencies and customization are key

Our frontline and commercial model form a competitive advantage

More local, specialized and direct sales force vs. competition

Deep and longstanding customer relations

- ▶ **Direct and focused** sales force calling on largest customers
- ▶ Experienced salesforce with **~8 years of average tenure**
- ▶ **95% of sales force holding master degrees** and 86 commercial employees are green belt six sigma certified

Technical expertise and laboratories located close to customers

World class technical support available globally

- ▶ State of the art **laboratories strategically located** around the world manned by experts
- ▶ Fast **mobilization of technical expertise and testing** close to customer sites

Global logistics capabilities services the entire world

Strengthening sensitive customer supply chains

- ▶ **Global coverage of logistics network** enabling servicing of any customer site despite location
- ▶ Local **warehouse centers securing reliable servicing** of sensitive customer supply chains

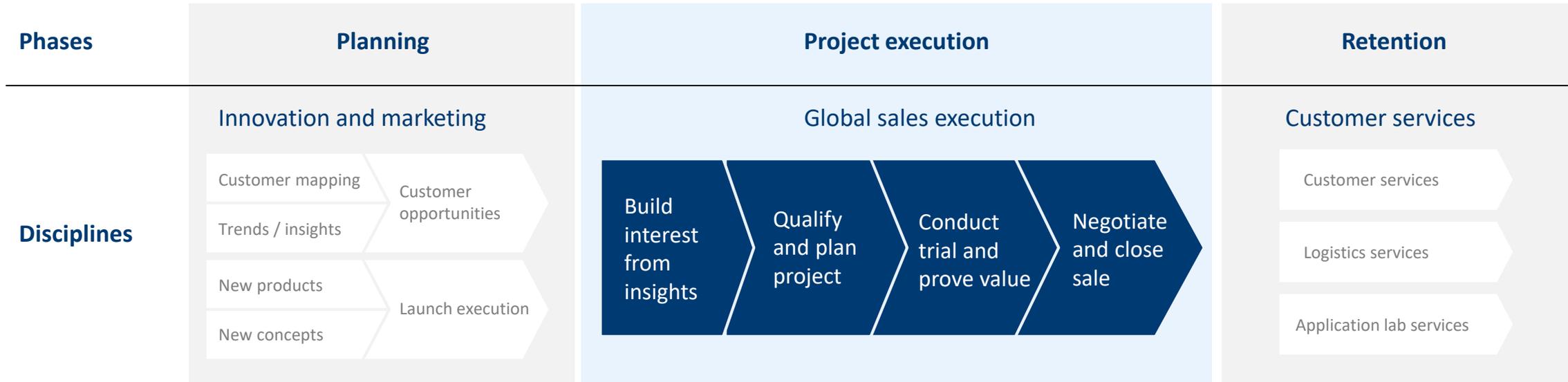
One global commercial model = One commercial language

Seamless connection between global and local

- ▶ Same roles, concepts, tools and training across the world resulting in **one joint vocabulary**
- ▶ Strong informal networks providing **easy sharing of knowledge** and replication of successes (local <=> local)
- ▶ Efficient **activation of global experts** around the world
- ▶ Optimal **utilization of resources** at customer and Chr. Hansen

FOCUS FOR THE FOLLOWING PRESENTATION

One commercial model in place globally ...

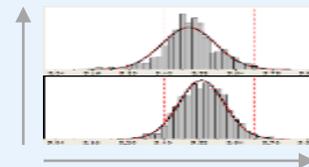


Sales project examples



New product development

New product taste with clean base using Acidifix



Cost improvement

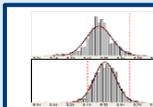
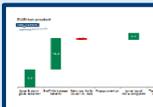
Yield improvement of cheddar production using CHY-MAX® M



Quality improvement

Extension of shelf-life using Bioprotection

... with one CRM system and harmonized training curriculum and tools

Phases	Planning		Project execution		Retention	
One CRM system	 Salesforce.com					
Harmonized training curriculum	 Sales Excellence Manual and sales training curriculum					
One harmonized set of tools	<p>MARKET / CUST. MAPPING</p>  <ul style="list-style-type: none"> • Mapping of focus customers • Market Mapping at country level 	<p>PLANNING COMPLEX PROJECTS</p>  <ul style="list-style-type: none"> • Identify buying influences and red flags <p>MILLER HEILMAN</p>	<p>TRIAL EXCELLENCE</p>  <ul style="list-style-type: none"> • Trial charter • Involvement of application teams • Use of G6 	<p>VALUE-BASED SELLING</p>  <ul style="list-style-type: none"> • Value-based sales approach • Value drivers and calculators 	<p>CUSTOMER SATISFACTION</p> 	

95% of relevant dairy market mapped at product and country level - and 75% can even be 'drilled down' to specific factory level

Market and customer mapping is done to a detailed level providing key information to business planning



~95% of world volume mapped at product segment (e.g. cheddar, sour cream) and country level

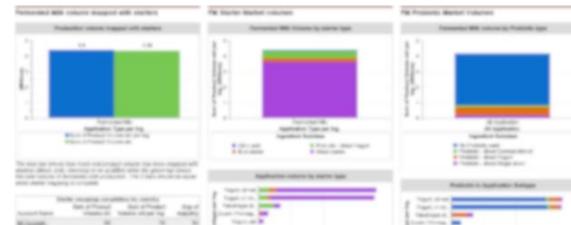
~75% of world volume mapped at factory level



Market mapping

- ▶ Mapping of dairies providing overview of opportunity landscape
- ▶ Key input for strategy and innovation target areas (e.g. global consolidation of local business cases)
- ▶ Enables informed prioritization and planning of budgets, resources and competencies

Market mapping



FOR ILLUSTRATIVE PURPOSES



Customer and factory mapping

- ▶ Mapping of factories incl. product lines, production quantities and cost-in-use data
- ▶ Mapping of key stakeholders and decision-making process
- ▶ Enables informed mobilization of resources to fit customer situation and specific customer activity planning

Customer mapping



FOR ILLUSTRATIVE PURPOSES

Customer satisfaction and project wins reflect the success of our model

Customer Satisfaction dashboard



FOR ILLUSTRATIVE PURPOSES

Customer satisfaction higher than peers

Net promoter score – Chr. Hansen vs. peers



Business Manager dashboard



FOR ILLUSTRATIVE PURPOSES

Strong uptake in projects won

Number of projects won – example from FC&E EMEA



Live dashboards in salesforce with 'drill-down' opportunity to any organization unit, country, customer and product segment.

CUSTOMER AND SALES EXCELLENCE

Key Messages

Our highly specialized, local and technical frontline provides unique customer value

Our harmonized and structured commercial model manage complexity and turn opportunities into profitable and sustainable growth (mass-customization)

Our customer and market mapping is industry leading and enables both strategic decisions and project execution on same platform



FINANCIAL TARGETS

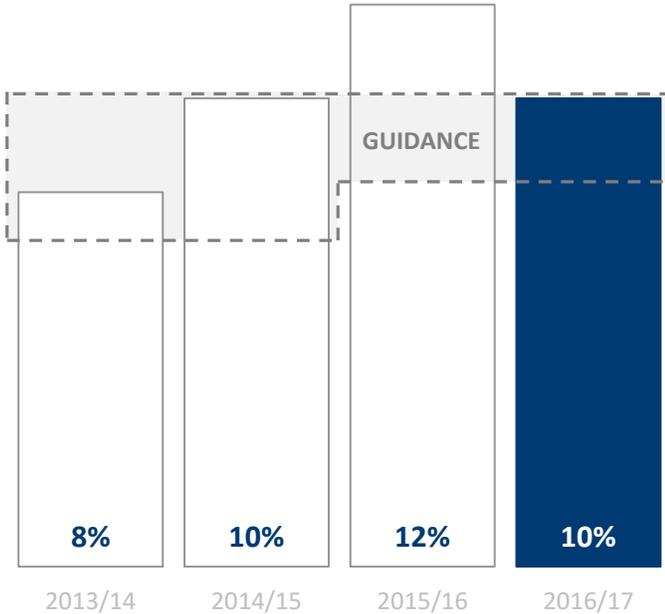
Financial targets

Søren Westh Lonning



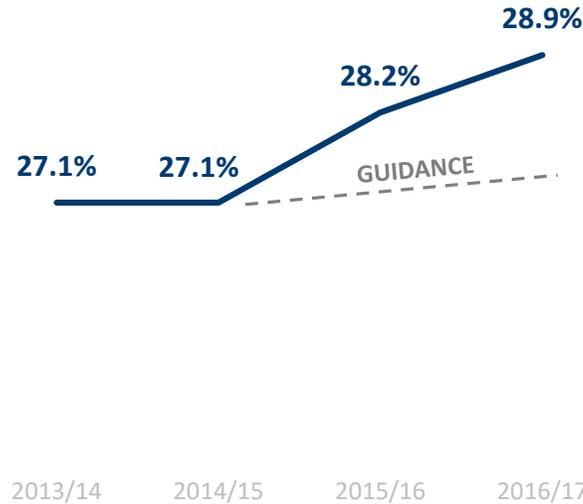
We have reached or exceeded our Group guidance for growth, EBIT and Free cash flow

Organic growth target exceeded with annual rates of 10-12%



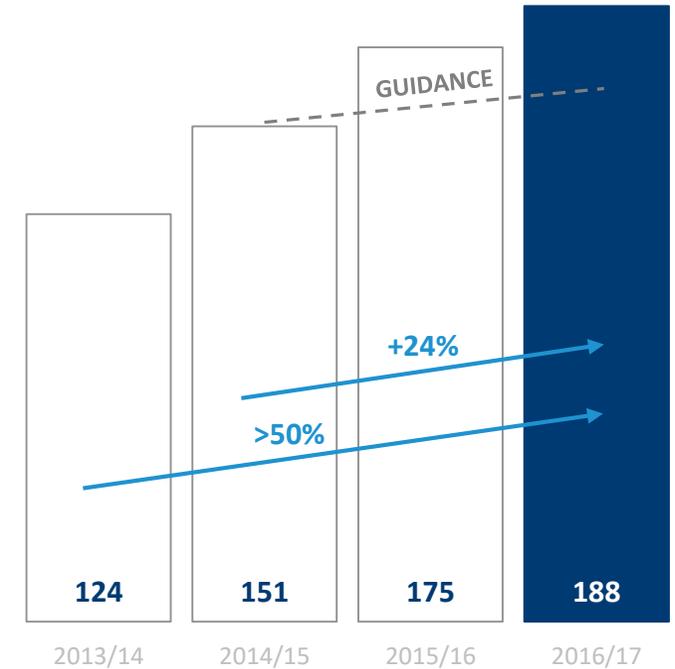
Guidance: 8-10% from 2015/16

EBIT margin b.s.i. has increased with 1.8%-point to 28.9% in 2016/17



Guidance: Increase from 2014/15 level

Free cash flow has increased by 24% and >50% since 2013/14



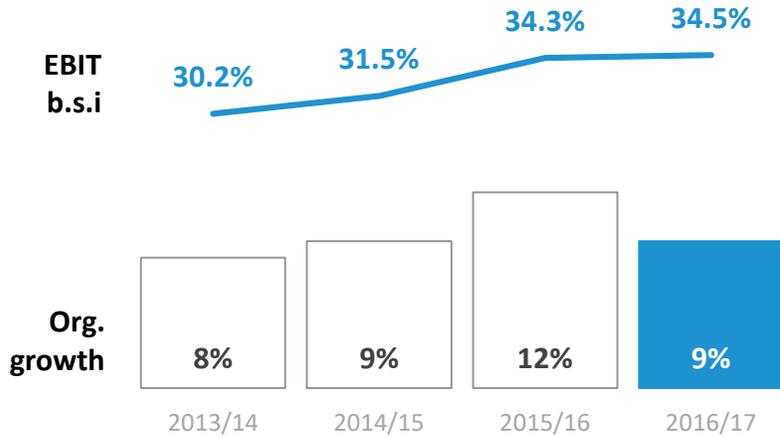
Guidance: Increase from 2014/15 level

Within the three business areas our guidance has been met or exceeded, except for growth in Health & Nutrition



FOOD CULTURES & ENZYMES

Annual growth between 9-12%, and a consistently increasing EBIT margin

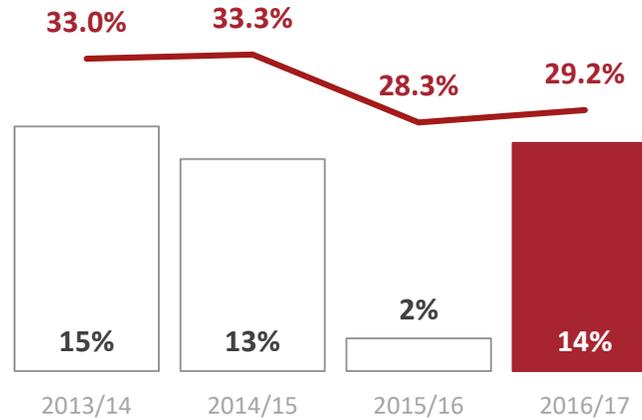


Guidance: 7-8% average organic growth, and an increasing EBIT margin



HEALTH & NUTRITION

Average organic growth of 8%, and average EBIT margin of ~29%

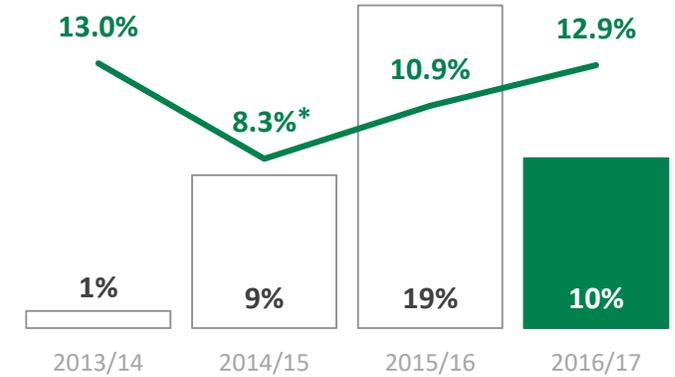


Guidance: +10% average organic growth, and an EBIT margin of around 30%



NATURAL COLORS

Average organic growth of ~14%, and a margin increase of 4.6 %-points (doubling of absolute EBIT)



Guidance: ~10% average organic growth, and an increasing EBIT margin

* Natural Colors was made a fully independent division, which increased cost base in 2014/15

We will continue to pursue profitable growth through 2021/22

8-10% Organic growth

Pro anno from
2017/18 to 2021/22

Supported by all business areas and with an
average organic growth of **7-8%**
in **Food Cultures & Enzymes**

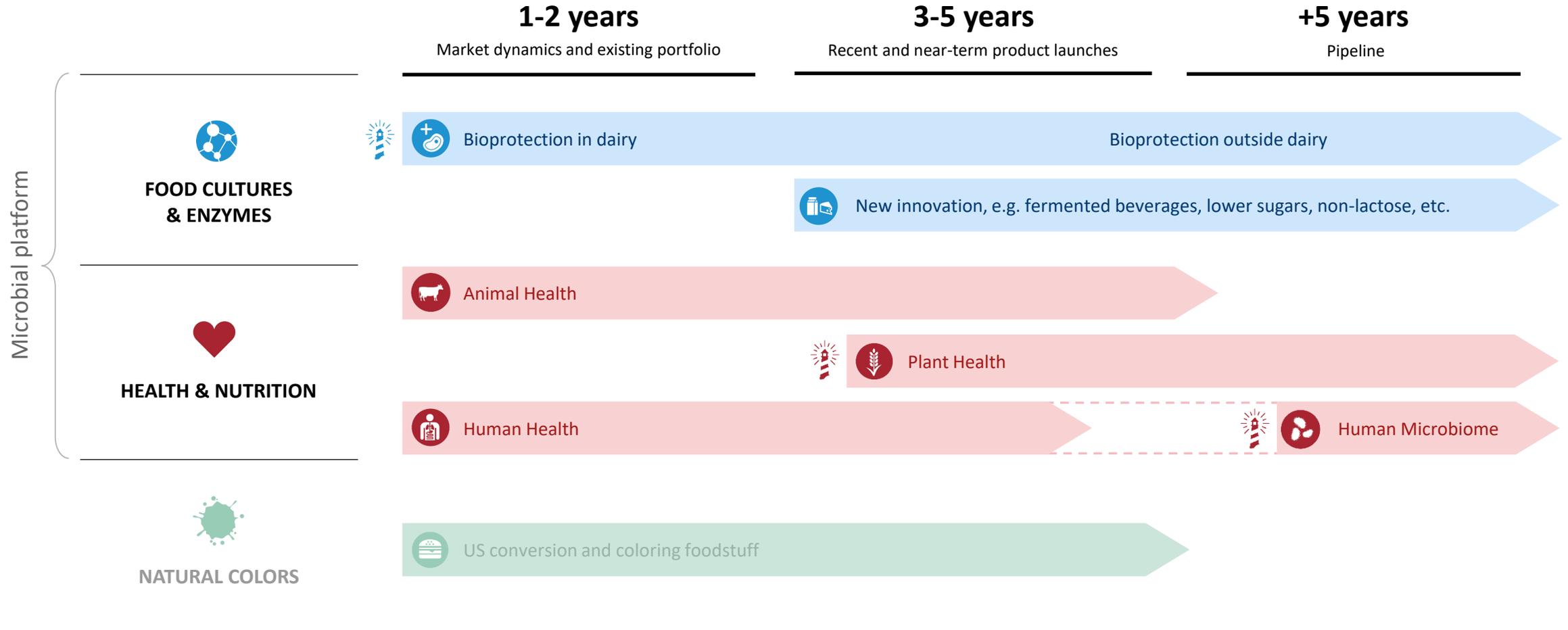
+30% EBIT margin

Increasing to
above 30%

~10% Growth in free cash flow

CAGR growth from 2017/18 to 2021/22

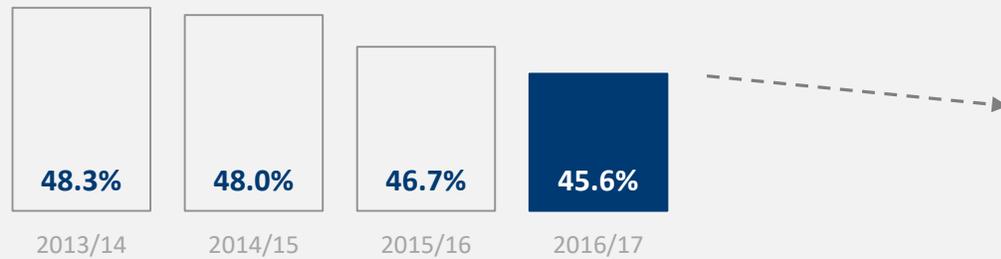
In addition to the core dairy business, the microbial solutions platform is a key driver for strong growth



We will drive scalability in production and Administration, and invest for growth in Sales & marketing and R&D

Improved efficiency will drive scalability ...

Cost of sales (% of sales)

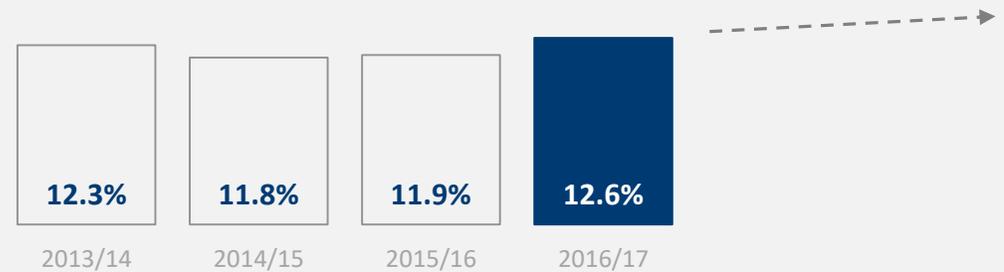


Administrative expenses (% of sales)



... While we invest for future growth

Sales & marketing expenses (% of sales)

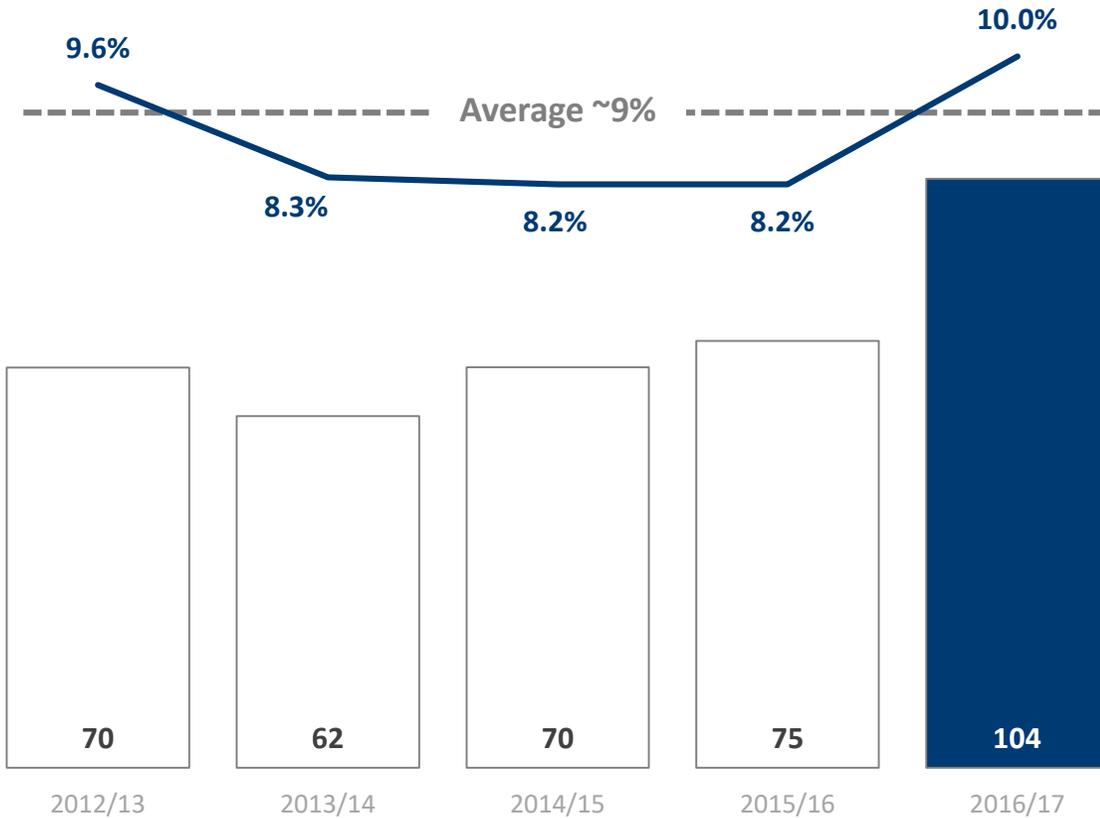


R&D expenditure incl. capitalizations (% of sales)



We will increase investment level to enable ambitious growth targets ...

CAPEX (EURm and as % of sales)



Around 10% of sales will be directed to investments, including: →



Dairy fermentation
Freeze drying value chain (also H&N)



Capacity expansions



Natural Colors US footprint

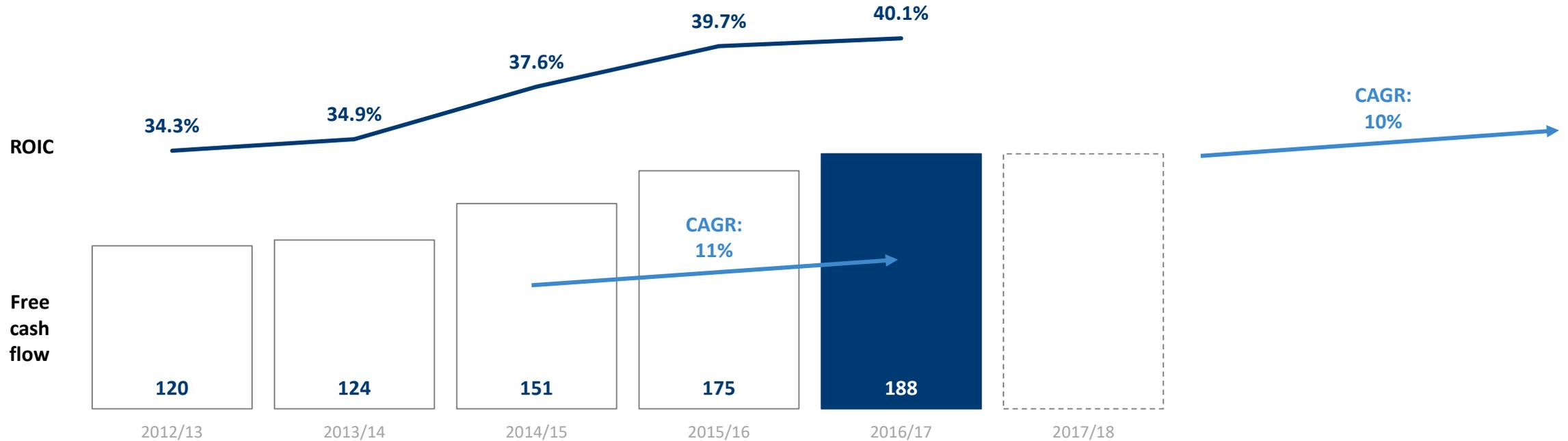


R&D facility

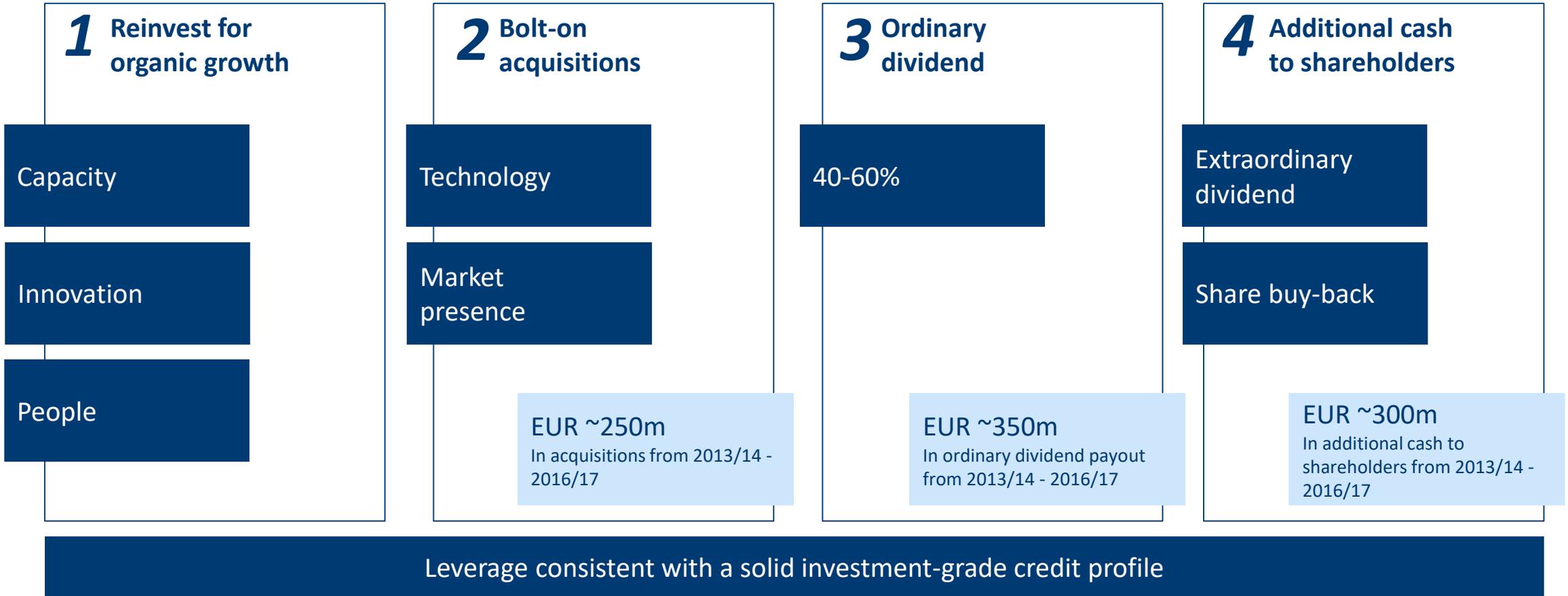
Partly offset by sale and lease back of existing HQ facilities in Hørsholm

... while maintaining high ROIC and a 10% CAGR in free cash flow for the period

Group returns have increased to historic high, led by Food Cultures & Enzymes, and capital deployment will continue to ensure strong returns



Our capital priorities are unchanged with organic growth still being the top priority

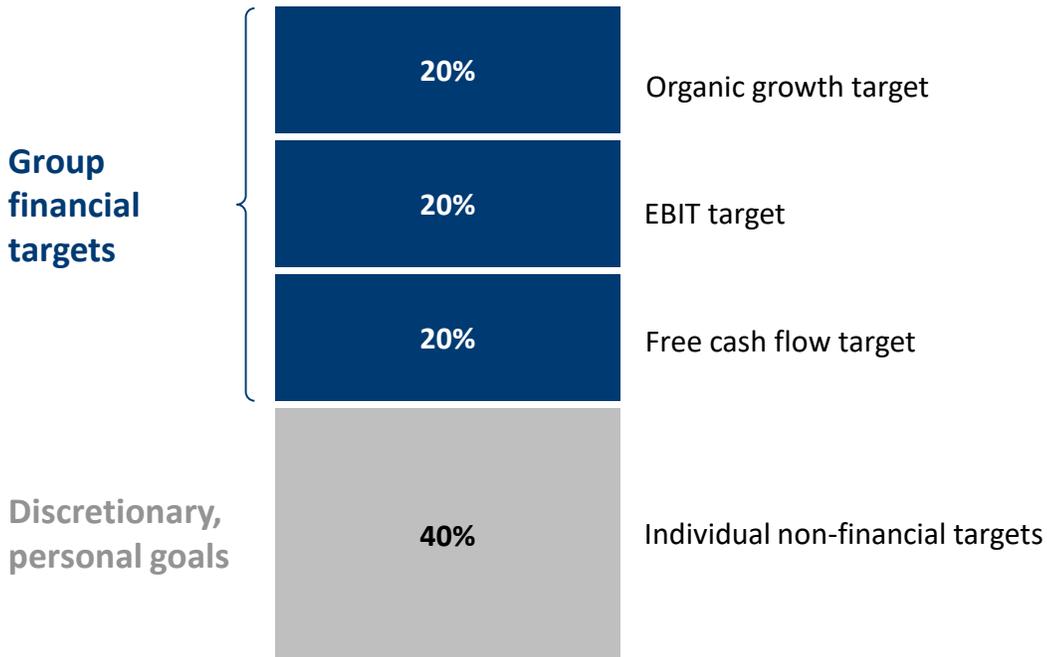


Executive compensation – closely aligned to key metrics and with strong incentive component

SHORT TERM

Annual incentive program for CEO and CFO

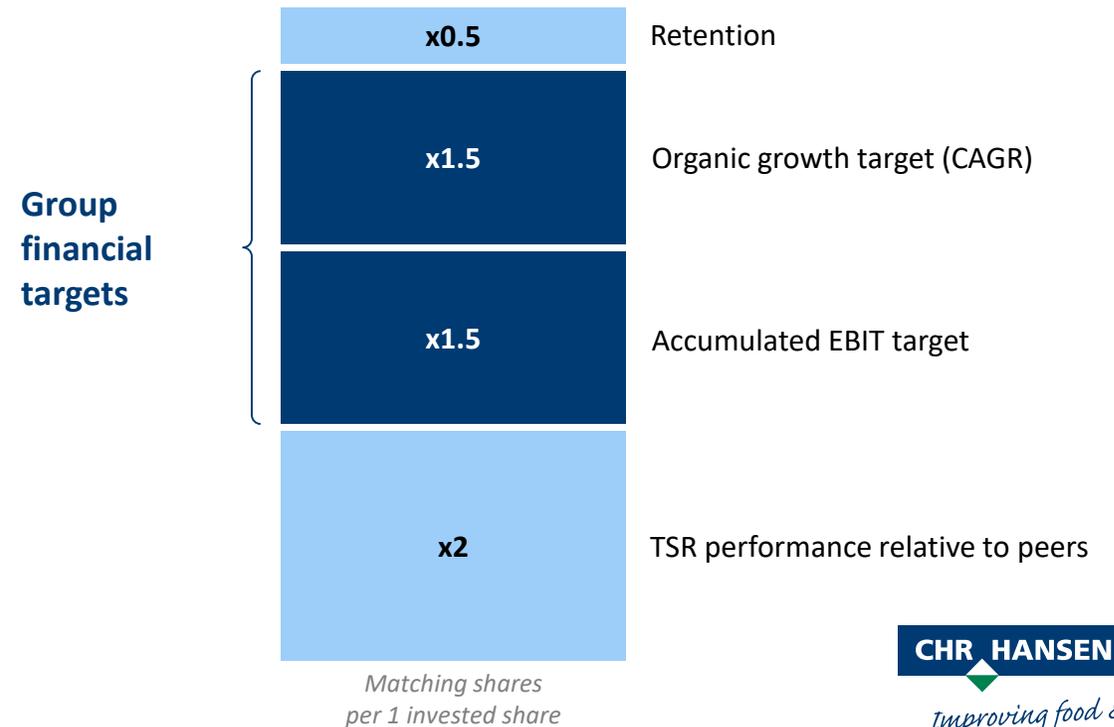
- ▶ Based on group financial targets and discretionary, personal goals
- ▶ Bonus is paid as 1/3 of the payout in Restricted Stock Units, and 2/3 in cash. Normally accounts for 25-30% of total remuneration package



LONG TERM

Progressive three-year incentive program

- ▶ Requires personal investment in Chr. Hansen shares to participate
- ▶ Grant value estimated (*based on Black-Scholes*) at 20-25% of the remuneration package



What will we *still* not do?

- ✗ Pursue acquisitions in unrelated areas
- ✗ Attempt to become a full fledged pharma player
- ✗ Expand into products outside microbials/natural colors
- ✗ Lose focus on cost control and operational efficiency
- ✗ Expand enzyme business outside dairy



FINANCIAL TARGETS

Key Messages

Our financial targets are ambitious and supported by our track record

We invest for growth and drive scalability through efficiency

Executive compensation is closely aligned to key metrics and shareholder interests



Closing remarks

Cees de Jong



NN1 STRATEGY

Key Messages

**Nature's No.1
Sustainably –
evolution, not
revolution**

**Macro trends,
including global focus
on sustainability, will
support Chr. Hansen**

**Unique microbial
solutions platform
supports high organic
growth**



We are a front-runner on sustainability



Better farming

We help feed the growing population by promoting sustainable agriculture

Expand reach of natural plant protection by 25m hectares (2025)



Good health

We improve global health through healthier, safer and more products

Launch 6 new products with a documented health effect (2022)



Less waste

We help customers reduce food waste and improve yield and productivity

Reduce global yogurt waste by 1.2m ton (2022)



81%

81% of Chr. Hansen's revenue contributes to the UN Global Goals

- validated by PWC

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