

Chr. Hansen Holding A/S enters into a definitive agreement to divest its Natural Colors business to EQT

Chr. Hansen Holding A/S has today entered into an agreement to divest its Natural Colors business to the EQT IX Fund for a cash consideration of 800 EUR million on cash and debt free basis. The transaction is expected to close during the spring of 2021, subject to regulatory approvals.

This agreement concludes the strategic review of the Company's portfolio announced in July 2020, where Chr. Hansen's Board of Directors and the Executive Board decided to explore strategic options for the Natural Colors business as it does not share the microbial and fermentation technology platforms.

Mauricio Graber, CEO of Chr. Hansen, said: *"The divestment of Natural Colors completes the Review part of our recently launched 2025 Strategy. Chr. Hansen can now focus on fulfilling the ambition of becoming a pure-play, microbial and fermentation company with industry leading, profitable growth. I am convinced EQT will be a great owner of the Natural Colors business which has a leading global position in the industry. During the process it has become clear that EQT showed the strongest conviction in the potential of the business, and the highest dedication to the future development of it. I want to thank all the employees of the Natural Colors business for their contribution to Chr. Hansen over many years, and wish them all the best in the future journey as an independent company."*

Mads Ditlevsen, Partner at EQT Partners, and Investment Advisor to EQT IX, commented: *"We are immensely proud and humble of having been chosen as the future owner of Natural Colors. It is a high-quality and truly global business with a proud legacy of servicing customers all over the world for more than 100 years. We are highly impressed by the strong ESG profile, the high-quality organization and talented people we have met during this process, as well as the dedicated focus on food safety. Natural Colors fits very well with EQT's thematic investment criteria and is operating in two of EQT IX's five prioritized sub-sectors within Industrial Technology. EQT's ambition is to help the business achieve further growth both organically and through acquisitions."*

Klaus Bjerrum, Executive Vice President of Natural Colors, said: *"I am very pleased to announce EQT as the new owner of Chr. Hansen's Natural Colors business. EQT has acquired our great business (pending closing) to grow it organically and inorganically based on our capabilities and organization, and not least our leading market position. It is my conviction that this marks a new and exciting chapter for us, and I am excited to embark on this journey with EQT and all our talented employees around the world."*

Financial implications and outlook

Chr. Hansen's long-term financial ambition is unaffected by the divestment. The proceeds from the divestment will reduce the leverage of Chr. Hansen, and will otherwise be utilized according to the capital allocation principles.

COMPANY ANNOUNCEMENT
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In the Chr. Hansen Annual Report, which will be released on October 8, the divested business will be presented as discontinued operations. The outlook for organic growth, EBIT before special items and free cash flow before acquisitions and special items for 2020/21, that will also be presented in the annual report, will not include the discontinued operations. Furthermore, the preliminary estimates of impacts of the transaction in 2020/21 will be part of the outlook.

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About EQT

EQT is a differentiated global investment organization with more than EUR 62 billion in raised capital and around EUR 40 billion in assets under management across 19 active funds. EQT funds have portfolio companies in Europe, Asia-Pacific and North America with total sales of more than EUR 27 billion and approximately 159,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

About Chr. Hansen

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