

## Chr. Hansen to acquire Nutrition Physiology Company and expand its business in microbial solutions to the livestock industry

The Chr. Hansen Group has today signed an agreement with NPC Guardian Holding LLC (a portfolio company of The Halifax Group) to acquire the full ownership interest in Nutrition Physiology Holdings LLC and Guardian Food Tech. LLC (collectively "NPC") for cash consideration reflecting an enterprise value of USD 185 million. The EV/EBITDA multiple is 15.9x based on full-year 2016 estimates before synergies.

NPC is a US-based provider of microbial solutions to the US livestock industry with revenue of USD 41 million and EBITDA of around USD 10 million in 2015.

### CEO of Chr. Hansen Holding A/S, Cees de Jong

"One of the ambitions in our Nature's No. 1 strategy is to expand our current business within microbial solutions for animal health. Through this acquisition we create a broader platform in probiotics that help farmers improve productivity and health through natural means. I'm therefore very pleased to announce the acquisition of NPC and I look forward to welcoming its 52 employees to Chr. Hansen. Together we will pursue future growth within microbial solutions to the livestock industry".

### Chairman and CEO of NPC, Tony Arnold

"We have accomplished numerous goals over the last five years including delivering excellent value to existing customers, expanding to serve new types of livestock customers and introducing new product formulations. Our employees have been critical to our success and effectively servicing our customers. The sale of NPC to Chr. Hansen will provide access to a broader array of resources and a global footprint which will enable further expansion and customer service".

### Managing Director of The Halifax Group, Brent Williams

"Through a combination of Tony's superb leadership, a tremendous employee team and a dedicated board of directors, we aggressively invested to expand NPC from its entrepreneurial, predominantly feedlot core to a multi-species, multi-product, robust technology platform. NPC has been an exceptional investment for Halifax as I'm sure it will be for Chr. Hansen".

## **Strategic rationale**

With the acquisition, Chr. Hansen expands its business in microbial solutions to the US livestock industry by entering the beef cattle segment, which strongly complements Chr. Hansen's existing capabilities within animal health. The strong strategic fit between Chr. Hansen's animal health business and NPC provides attractive opportunities for synergies within sales, including cross-selling, supply chain improvements and innovation. These synergies are expected to be achieved in the coming two years.

## **Outlook for 2015/16 not impacted by the transaction**

The outlook for the year, as stated in the announcement of 21 October 2015, is not impacted by the transaction.

Approximately EUR 6 million in non-recurring costs related to the transaction will be recognized as special items in 2015/16; however, the acquisition is expected to be EPS-accretive by 2016/17.

## **Financing and capital structure**

The acquisition will be funded through Chr. Hansen's own cash holding and current credit facilities, and is supportive of Chr. Hansen's capital allocation priorities according to which investments in organic growth and bolt-on acquisitions are prioritized.

As a consequence of the acquisition the Board of Directors does not expect to execute share buy-back programs or pay out interim dividends during 2015/16.

Net interest-bearing debt is expected to be around 1.8x EBITDA by the end of the financial year 2015/16 when including the impact from the acquisition.

## **Completion of the transaction**

The acquisition of NPC is subject to customary closing conditions, including applicable regulatory approvals. Closing is expected during the first quarter of 2016.

## **About Chr. Hansen's animal health business**

Demand for natural solutions that advance health and productivity in the livestock industry is on the rise and the expected growth for microbial solutions in this industry is 7-9%. The animal health business with revenue of approximately EUR 60 million in 2014/15 is part of the Health & Nutrition Division. The animal health business supplies probiotic solutions to various customers in the global livestock industry as well as microbial inoculants for silage.

## About Nutrition Physiology Company

NPC is a provider of microbial solutions to the US livestock industry, especially within the beef cattle segment. The company was founded in 1993 and is headquartered in Overland Park, Kansas, USA. It has 52 employees mainly within sales & technical service. Key products are Bovamine<sup>®</sup>, Bovamine Defend<sup>®</sup>, Bovamine<sup>®</sup> Dairy and PoultriMax<sup>®</sup>. For more information about NPC, please visit [www.bovamine.com](http://www.bovamine.com).

## About The Halifax Group

The Halifax Group is a leading private investment firm dedicated to partnering with owners and managers of industry-leading companies with revenues generally between USD 25 million and USD 300 million. Halifax invests principally in companies in North America in the business services, healthcare, wellness, animal health, franchising, and infrastructure services industries. Halifax has offices in Washington, DC, Dallas, TX and Raleigh, NC. For more information about Halifax, please visit [www.thehalifaxgroup.com](http://www.thehalifaxgroup.com).

### For further information, please contact:

Anders Mohr Christensen, Senior Director, Investor Relations

Tel: +45 4574 7618

Klara Halkjaer, Head of Media Relations

Tel: +45 5339 2362

The announcement has been prepared in Danish and in English. In the event of discrepancies, the Danish version prevails.

### Forward-looking statements

This announcement 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 announcement.

### 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 2014/15 financial year was EUR 859 million. It has more than 2,600 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](http://www.chr-hansen.com).

Chr. Hansen Holding A/S - Acquisition of Nutrition Physiology Company

Chr. Hansen Holding A/S  
Boege Allé 10-12  
DK-2970, Hoersholm  
Denmark

Tel. +45 45 74 74 74  
[www.chr-hansen.com](http://www.chr-hansen.com)  
CVR-no: 28318677