

## PRESS RELEASE

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### Chr. Hansen to sell its Natural Colors business to EQT

- Chr. Hansen to sell its Natural Colors business, the leading global developer and manufacturer of natural coloring ingredients for food and beverages, to EQT IX
- Natural Colors' underlying market is supported by favorable secular megatrends, such as increasing consumer awareness around health and the environment, the ongoing transition from synthetic coloring components to natural ingredients, and a growing demand for sustainable and plant-based food
- EQT plans to invest significantly in Natural Colors' organization and strengthen its digital infrastructure, sustainability capabilities and supply chain setup. EQT will support organic growth in Natural Colors' existing markets and acquisitive expansion in the highly fragmented food coloring market
- Natural Colors is expected to leverage on EQT's inhouse expertise within digitalization and sustainability, and EQT's global advisory network, which possesses significant experience from developing strong ingredient companies

Chr. Hansen Holding A/S ("Chr. Hansen") and the EQT IX fund today announced that EQT has agreed to acquire the Natural Colors Division ("Natural Colors" or "the Company"), a subsidiary of Chr. Hansen, the global bioscience leader and developer of natural solutions for the food, nutritional, pharmaceutical and agricultural industries. The purchase price amounts to EUR 800 million.

Headquartered in Hørsholm, Denmark, Natural Colors is the leading developer and manufacturer of natural coloring ingredients, serving over 1,600 customers in the food and beverages (F&B) industry. The Company is the global leader in the natural colorants industry in terms of innovation, application, formulation, product portfolio breadth and geographical reach. The Natural Colors Division employs approximately 650 people and has grown organically by around 9 percent per annum during the past five years up to 2018/19. The Company generated sales of EUR 224 million in 2018/19.

Natural Colors' products are made from all-natural fruit and vegetable concentrates from sweet potatoes, grape skin, spirulina, carrots and beetroots. The products are primarily used within F&B applications where the conversion from artificial to natural colorants is highest, such as dairy- and fruit preparations, confectionary, ice cream, prepared foods and beverages.

Natural Colors' underlying market is supported by favorable secular megatrends, such as increasing consumer awareness around health and the environment, the ongoing transition from synthetic components to natural ingredients, and a growing demand for sustainable and plant-based food. The Company's solutions contribute to society and support several of the United Nations Sustainable Development Goals, including SDG 12 (Responsible Consumption and Production): via R&D into higher crop yields, use of renewable resources such as grape skin. SDG 13 (Climate Action): via a 'Go Green' project to make energy and CO2 improvements, using science-based targets.

EQT intends to build on the existing strategy of continued organic growth in current markets with a focus on the US and Asia. EQT will also support acquisitive expansion within the highly fragmented foods coloring market by utilizing the Natural Colors platform for industry consolidation. Moreover, EQT plans to invest significantly in the Company's organization and strengthen its digital infrastructure, sustainability capabilities and supply chain setup. Natural Colors is expected to leverage on EQT's inhouse expertise within digitalization and sustainability, and EQT's global advisory

network, which possesses significant experience from developing strong ingredient companies.

Mauricio Graber, CEO of Chr. Hansen, commented: “The divestment of the Natural Colors Division 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 Division, said: “I am very pleased to announce EQT as the new owner of Chr. Hansen’s Natural Colors Division. 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.”

The transaction is subject to customary conditions and regulatory approvals. It is expected to close in H1 2021.

Goldman Sachs acted as exclusive financial advisor, Gorrissen Federspiel as legal advisor, Baker McKenzie as legal advisor and Deloitte as M&A transaction services, tax and carve-out advisor to Chr. Hansen. J.P. Morgan and Nordea acted as financial advisors, Accura as legal advisor, PWC as M&A transaction services, tax and carve-out advisor and Boston Consulting Group as commercial advisor to EQT.

With this transaction, EQT IX is expected to be 15-20 percent invested, based on its target fund size.

#### **Contact**

Camilla Lercke, Head of Media Relations, Chr. Hansen, +45 5339 2384  
EQT Press Office, [press@eqtpartners.com](mailto:press@eqtpartners.com)

#### **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.*

More info: [www.chr-hansen.com/en](http://www.chr-hansen.com/en)

**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.*

More info: [www.eqtgroup.com](http://www.eqtgroup.com)

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