

Strong momentum in organic sales growth; full-year outlook lifted to 8-9%; continued full commitment to long-term financial targets

Novozymes' well-diversified business maintained its overall strong momentum as organic sales grew by 9% compared to the first nine months of 2021 and by 6% y/y in the third quarter. Sales growth in the third quarter was particularly strong in Bioenergy and Grain & Tech Processing, and efforts to secure higher prices across the business areas are showing good progress, also benefitting the third quarter.

- Sales growth in DKK for the 9M period at 17% (9% organic, 7% currency, 1% M&A). Q3 DKK sales growth stood at 16% (6% organic, 9% currency, 1% M&A):
- Organic sales growth by business area:
 - Bioenergy 26% (Q3: 32%)
 - Grain & Tech Processing 11% (Q3: 7%)
 - Food, Beverages & Human Health 8% (Q3: 2%)
 - Agriculture, Animal Health & Nutrition 7% (Q3: -7%)
 - Household Care 0% (Q3: -1%)
- A preliminary EBIT margin is estimated at around 27% for the first nine months of the year, and at around 30% for the third quarter, including the non-recurring accounting gain of DKK ~200 million related to 21st.BIO.

Following the strong performance in the first nine months and continued good momentum expected for the remainder of the year, Novozymes increases its full-year organic sales growth outlook from previously 6-8% to now 8-9%. Third-quarter sales was impacted by timing-related effects in both Food, Beverages & Human Health as well as in Agriculture, Animal Health & Nutrition. The full year organic sales growth indication for each of the five business areas are maintained, except for Bioenergy and Grain & Tech Processing which are both increased. All other key full-year financial outlook parameters are maintained.

Additionally, seen in the light of the current, unprecedented pressure from higher input costs, including energy, Novozymes is highlighting its continued full commitment to previously announced long-term financial targets by 2025, which were set under macro-economic conditions and based on assumptions that were significantly different than the ones applying today. The targets include delivering an EBIT margin of 26% or higher at the end of the strategy period as well as 25% in any given year during the period. Novozymes' focus on securing higher prices and improving the sales mix, its continued efforts to optimize its scalable global production footprint, as well as the prioritization of resources, are all factors expected to contribute to mitigate the impact of higher input costs next year.

		9M 2022	9M 2021	Q3 2022	Q3 2021	2022 outlook October 7	2022 outlook August 11
Sales performance, organic	%	9	6	6	7	8-9	6-8
Household Care	%	0	0	-1	3		
Food, Beverages & Human Health	%	8	15	2	16		
Bioenergy	%	26	12	32	5		
Grain & Tech Processing	%	11	12	7	4		
Agriculture, Animal Health & Nutrition	%	7	-3	-7	16		
Sales	DKKm	13,024	11,117	4,367	3,761		
Sales performance, DKK	%	17	5	16	10		
Household Care	DKKm	3,758	3,613	1,300	1,247		
Food, Beverages & Human Health	DKKm	3,083	2,613	980	870		
Bioenergy	DKKm	2,688	1,914	1,017	675		
Grain & Tech Processing	DKKm	1,973	1,657	626	539		
Agriculture, Animal Health & Nutrition	DKKm	1,522	1,320	444	430		
EBIT margin	%	~27	28.8	~30	29.1	26-27	26-27

Novozymes will release its full 9M results on November 3, 2022. In connection to this, a conference call will be hosted on November 3, 2022, at 09.00 CET. The invitation with details to the event will be sent out well ahead of time.

Forward-looking statements

This company announcement and its related comments contain forward-looking statements, including statements about future events, future financial performance, plans, strategies and expectations. Forward-looking statements are associated with words such as, but not limited to, "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "could," "may," "might" and other words of similar meaning. Forward-looking statements are by their very nature associated with risks and uncertainties that may cause actual results to differ materially from expectations, both positively and negatively. The risks and uncertainties may, among other things, include unexpected developments in i) the ability to develop and market new products; ii) the demand for Novozymes' products, market-driven price decreases, industry consolidation, and launches of competing products or disruptive technologies in Novozymes' core business areas; iii) the ability to protect and enforce the company's intellectual property rights; iv) significant litigation or breaches of contract; v) the materialization of the company's market-expanding growth platforms, notably the development of microbial solutions for broad-acre crops; vi) political conditions, such as acceptance of enzymes produced by genetically modified organisms; vii) global economic and capital market conditions, including, but not limited to, currency exchange rates (USD/DKK and EUR/DKK in particular, but not exclusively), interest rates and inflation; viii) significant price decreases for inputs and materials that compete with Novozymes' biological solutions. The company undertakes no obligation to update any forward-looking statements as a result of future developments or new information.

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