

Novozymes is unlocking growth by delivering strong Q3 results and increasing full-year guidance

Novozymes delivered 7% organic sales growth in the third quarter and 6% organic sales growth in the first nine months of 2021. Due to stronger performance the company has upgraded its full-year financial guidance from previously 4-6% organic sales growth to 5-6% and an EBIT margin of around 27%, from previously around 26%.

COPENHAGEN, Denmark – October 27, 2021. In the first nine months of the 2021 financial year, Novozymes delivers 6% organic sales growth, an EBIT-margin of 28.8%, and ROIC including goodwill of 22.1%. This marks an important step in fulfilling Novozymes' long-term growth strategy 'Unlocking Growth – Powered by Biotech'.

"Our results for the first nine months are strong, and I am proud to say that we deliver double-digit organic sales growth in three of our five business areas. Novozymes is built for growth and we are very pleased to upgrade our full-year outlook to 5-6% organic sales growth. We focus on driving our strategy 'Unlocking Growth – Powered by Biotech' forward while executing and delivering on our short-term targets. We continue to deliver good performance, especially in the emerging markets, and I also want to highlight our strong performance in Food & Beverages and Human Health," says Ester Baiget, President & CEO and continues:

"There is a growing demand for our biological solutions and the investments we're making now will allow for strong long-term growth and enhanced sustainability impact worldwide. We define our priorities among the available opportunities to maximize the return on investments, while always having a clear sustainability mindset in everything we do. Our results so far clearly show that we are headed in the right direction."

Novozymes has launched eight products within the first nine months of the year, four of which were launched in the third quarter. The third quarter launches included the game-changing detergent Pristine® for Freshness to the broad markets.

Business area results

For the first nine months of the year, organic performance by business area were 0% in Household Care, 15% in Food, Beverages & Human Health, 12% in Bioenergy, 12% in Grain & Tech Processing, -3% in Agriculture, Animal Health & Nutrition.

While Household Care experienced soft performance in Europe, the business area did see recovery in the third quarter with 3% organic sales growth. The Freshness platform and emerging markets contributed positively and according to expectations.

The decline in Agriculture, Animal Health & Nutrition had been expected and was mainly due to a negative base effect from last year's DKK ~60 million one-off related to the former BioAg setup. Third-quarter sales grew 16% organically.

Regional results

For the first half of the year, organic growth rates by geography were 2% in Europe, Middle East & Africa, 2% in North America, 12% in Asia Pacific, and 31% in Latin America.

Sales in emerging markets grew 20% organically and developed markets were flat. The strong performance in emerging markets was broad-based with all five business areas growing organically on top of a low-single-digit growth comparator from last year.

Upgraded financial guidance for 2021

Novozymes is now guiding for 5-6% organic sales growth for 2021, with sales in reported DKK roughly on par with the organic sales growth, and an increased EBIT margin from previously ~26% to around 27%. ROIC incl. goodwill is upped and now expected at 20-21% and FCF before acquisitions is upped to DKK 2.8-3.2 billion.

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Press Release



About Novozymes

Novozymes is the world leader in biological solutions. Together with customers, partners, and the global community, we improve industrial performance while preserving the planet's resources and helping build better lives. As the world's largest provider of enzyme and microbial technologies, our bioinnovation enables higher agricultural yields, low-temperature washing, energy-efficient production, renewable fuel, and many other benefits that we rely on today and in the future. We call it Rethink Tomorrow. www.novozymes.com

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