

## Novozymes delivers solid Q1 results with 3% organic sales growth and strong earnings

**Novozymes delivered 3% organic sales growth in the first quarter of the 2021 financial year and an EBIT margin of 29.6%. The company maintains its full-year financial guidance.**

**COPENHAGEN, Denmark – April 27, 2021.** With 3% organic sales growth in Q1, Novozymes is off to a good start to the year. Despite currency headwinds and negative M&A-related effects, Novozymes delivers an EBIT-margin of 29.6%. ROIC including goodwill was 23.4%.

"I am very pleased with our first quarter results, and I am sincerely impressed by the organization's ability to rapidly adapt to changing conditions and be there to service our customers. Our sales ended well above our initial expectations and this was mainly due to favorable timing. But we also see some indications of better momentum in the underlying performance, especially in the emerging markets. While we are off to a good start, we maintain our full-year financial guidance due to timing factors, supply-chain volatility, and continued COVID-19 uncertainty," says Ester Baiget, President & CEO and continues:

"Our growth is supported by innovation, a stronger commercial presence, and a more streamlined organization. Earlier this month, we completed our Executive Leadership Team with Amy Byrick as new EVP of Strategy & Business Transformation and Morten Enggaard Rasmussen as new EVP of People, Sustainability & Brand. Together with our employees, we continue to execute on our strategic priorities and shape the future of Novozymes."

### Regional and business area results

For Q1, organic growth rates by business area were 2% in Household Care, 11% in Food, Beverages & Human Health, -9% in Bioenergy, 16% in Grain & Tech Processing, 0% in Agriculture, Animal Health & Nutrition.

Organic sales in Household Care were driven by continued market penetration in emerging markets and rollout of the Freshness technology in Europe. Household Care also benefitted from customers building stock, especially in emerging markets, and faster market recovery in China. In Food, Beverages & Human Health, organic sales were led by high growth in dairy and protein ingredients and sales was positively affected by customers building stock and a faster recovery, particularly in emerging markets.

Organic sales in Bioenergy remain negatively affected by weak ethanol demand in the US due to COVID-19 restrictions. In Grain & Tech Processing, growth was driven by good performance across subsegments as well as a better momentum in underlying performance. Tech processing grew from favorable timing in the sales of diagnostic enzymes for COVID-19 test kits and from growth in textile, which benefitted from the continued recovery of the global textile industry following pandemic induced disruption in 2020.

Agriculture, Animal Health & Nutrition ended flat as growth in Agriculture was offset by a decline in Animal Health & Nutrition, as expected. Performance was stronger than expected due to timing of orders, stock building in the supply chain, and growth in agriculture was led by higher demand for both corn and soy solutions.

For Q1, organic growth rates by geography were 0% in Europe, Middle East & Africa, -4% in North America, 16% in Asia Pacific, and 21% in Latin America.

Sales in emerging markets grew 17% organically while developed markets declined 3%. All five business areas contributed to the strong growth in emerging markets, and performance exceeded expectations mainly due to customer stock building, a faster recovery, and a better underlying momentum in some business areas. Sales in developed markets declined mainly due to Bioenergy and Animal Nutrition.

### Financial guidance for 2021

The improved underlying momentum seen for some businesses in the first quarter does not change the full-year sales outlook due to timing factors, supply-chain volatility and continued COVID-19-related uncertainty.

# Press Release



Novozymes is guiding for 2-6% organic sales growth for 2021, with sales in reported DKK ~1 pp lower. One-offs, net, benefit the EBIT margin outlook slightly, supporting the maintained 25-26% range. The margin outlook also includes negative y/y impacts from currency, as well as M&A-related effects of around 1 pp each. ROIC incl. goodwill at ~19%.

## 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](http://www.novozymes.com)

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