



## US ethanol and agriculture-exposed businesses worsen the 2019 outlook

Novozymes' organic sales increased by 1% in Q3 and declined by 2% in the first nine months of the year. Volatile markets in US ethanol, global agriculture and the starch processing business in Food & Beverages continue to impact sales negatively. Consequently, Novozymes no longer expects to achieve the full-year guidance of 1-3% organic sales growth and the company revises its guidance to -2-0%. Because of the reduced sales outlook, the EBIT margin is now expected at 27-28% and the development in net profit is expected at -5-0%.

**October 9, 2019**

Company announcement  
no. 40

**Novozymes A/S**  
Krogshøjvej 36  
2880 Bagsvaerd  
Denmark

Phone: +45 4446 0000

<i>Organic sales growth y/y 2019</i>	<b>Q3</b>	<b>9M</b>
<b>Total</b>	<b>+1%</b>	<b>-2%</b>
Household Care	+5%	0%
Food & Beverages	+1%	-1%
Bioenergy	-5%	-4%
Ag & Feed	+3%	-3%
Technical & Pharma	-14%	-3%

**Peder Holk Nielsen, President & CEO:** *"Our sales performance for the first nine months of 2019 is weaker than expected as we see worsening, negative developments in US ethanol and agriculture-related parts of our business. Despite a careful approach to the underlying market developments, conditions are more severe than previously assumed. At the same time, however, recent innovations such as the freshness technology in Household Care, Balancius for animal health and the BioRise inoculant for corn, are all performing well and as expected".*

	<b>2019 Outlook August 8</b>	<b>2019 Outlook* October 9</b>
Sales growth, organic	1-3%	-2-0%
EBIT margin	28-29%	27-28%
Net profit growth	3-8%	-5-0%
Net investments excl. acquisitions (DKKbn)	1.0-1.2	0.8-1.0
Free cash flow before acquisitions (DKKbn)	1.9-2.3	1.9-2.3
ROIC (including goodwill)	~23%**	~21%**

\*Assumes that the exchange rates for the company's key currencies remain at the rates on October 9 for the rest of 2019.

\*\*The implementation of IFRS 16 Leases has a negative impact on ROIC of approximately 1 percentage point.

### 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)

### Novozymes A/S

Krogshøjvej 36  
2880 Bagsvaerd  
Denmark

Phone: +45 4446 0000

## 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 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.

## Contact information

---

### Investor Relations:

Tobias Bjorklund	+45 3077 8682	tobb@novozymes.com
Carl Ahlgren	+45 3077 2783	cxal@novozymes.com

### Media Relations:

Rene Tronborg (DK)	+45 3077 2274	retr@novozymes.com
Frederik Bjoerndal (US)	+1 646 671 3897	tfbh@novozymes.com

## Statement of the Board of Directors and the Executive Leadership Team

The Board of Directors and the Executive Leadership Team have considered and approved the updated full year outlook for Novozymes A/S.

Bagsværd, October 9, 2019

### **EXECUTIVE MANAGEMENT**

---

Peder Holk Nielsen  
President & CEO

Thomas Videbæk  
COO

Lars Green  
CFO

### **BOARD OF DIRECTORS**

---

Jørgen Buhl Rasmussen  
Chairman

Agnete Raaschou-Nielsen  
Vice Chairman

Lena Bech Holskov

Anders Hentze Knudsen

Kasim Kutay

Lars Bo Køppler

Kim Stratton

Mathias Uhlén