

Novozymes delivers strong 2021 full-year results and expects continued, solid progress in 2022

Novozymes is executing on its strategic framework by delivering 6% organic sales growth for 2021 and presenting a solid organic growth outlook of 3-7% for 2022. The company is also on track to meet its ambitious non-financial targets and deliver on its plan to enable a healthier planet.

COPENHAGEN, Denmark – February 1, 2022. In the 2021 financial year, Novozymes delivers 6% organic sales growth – 7% organic sales growth in the fourth quarter alone – an EBIT-margin of 26.8%, and ROIC including goodwill of 19.3%. This marks an important step in fulfilling Novozymes' long-term growth strategy 'Unlocking Growth – Powered by Biotech'.

"We deliver highly satisfactory results for 2021, and I am proud to say that we expect continued, solid performance in 2022. Novozymes is built for growth and we have a strong foundation to accelerate our future performance. This is enabled by our Zymers, the strength of our innovation muscle, and strong production capabilities. We focus on driving our strategy 'Unlocking Growth – Powered by Biotech' forward while executing and delivering on our short-term targets. Summing up, we see a growing demand for our sustainable biological solutions, and we are ready to deliver," says Ester Baiget, President & CEO.

Novozymes has launched 14 products in 2021, six of which were launched in the fourth quarter alone. Adding to its portfolio in BioHealth Novozymes acquired Synergia in December 2021, which is the third acquisition made over the last 18 months within this space. The company also entered several important strategic partnerships during 2021 including partnering with an anchor customer on plant-based products, partnering with Saipem to help enable cleaner and smarter carbon capture, and partnering with FMC for sustainable agriculture.

Sustainability

In 2019 Novozymes defined its non-financial targets for the period 2019-2022. Despite continued challenges brought on by the Covid-19 pandemic, Novozymes made solid progress in 2021 and stayed the course to meet all except one of its 2022 targets and long-term commitments.

"We invest and position ourselves to unlock the true sustainable, long-term growth potential. We have a new set of long-term commitments towards a healthy planet, and they include clear efforts to help accelerate towards a climate-neutral society, transform food systems, and enable healthier lives. Our results so far clearly show that we are headed in the right direction and I'm very satisfied that we are on track with our ambitious non-financial targets for 2022," says Ester Baiget, President & CEO.

In 2022, Novozymes will continue to work towards its long-term commitments by investing in the development of solutions that contribute to a healthy planet, that improves our climate, water and waste footprint as well as promoting an inclusive and diverse workplace where employees stay safe, thrive, and grow.

Business area results

For the full year, organic performance by business area were -1% in Household Care, 14% in Food, Beverages & Human Health, 11% in Bioenergy, 13% in Grain & Tech Processing, 0% in Agriculture, Animal Health & Nutrition.

Household Care was impacted by European trading conditions in the second half and a tough 2020 comparator. The Freshness platform and emerging markets contributed positively and according to expectations.

The strong performance in Food, Beverages & Human Health was supported by market conditions and the two Human Health-related acquisitions, PrecisionBiotics Group and Microbiome Labs.

Double-digit growth in Bioenergy was mainly due to the recovering US ethanol production and the expansion of starch-based ethanol production in Latin America. The strong performance in Grain & Tech Processing was led by recovery in textile and a strong demand for ag-processing solutions.

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The performance in Agriculture, Animal Health & Nutrition was in line with the company's expectations.

Regional results

For 2021, organic growth rates by geography were 2% in Europe, Middle East & Africa, 3% in North America, 10% in Asia Pacific, and 31% in Latin America.

Sales in emerging markets grew 18% organically and developed markets grew 1% organically. The strong performance in emerging markets was broad based with all business areas growing by, or close to, double digits growth rates.

Financial guidance for 2022

Novozymes expects an organic sales growth of 3-7% reflecting uncertainty related to the pandemic situation and volatile market conditions. Sales growth in Danish kroner is expected to be around 3 percentage point higher than the organic sales growth outlook of 3-7%. The year is expected to be off to a good start.

EBIT-margin is expected at 25%-26% including re-investments in the business and despite an impact from significantly higher input costs. ROIC incl. goodwill at 16%-17%. FCF bef. acq. at DKK 1.7-2.1bn including DKK 2.5-2.8bn in CAPEX supporting long-term growth, especially in advanced protein solutions.

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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