

## Novozymes delivers stronger than expected Q1 results

**After the first quarter of 2023, Novozymes delivers stronger results than expected with 5% organic sales growth. The company confirms the 2023 outlook of 4-7% which is expected to be driven by pricing and volume growth.**

**COPENHAGEN, Denmark – April 26, 2023.** In the first three months of the 2023 financial year, Novozymes delivers 5% organic sales growth, an EBIT-margin of 26.0% before special items, and ROIC including goodwill of 17.7% before special items. A solid start to the year and a strong end to the first quarter confirms the full year organic sales growth outlook of 4-7%.

“Novozymes is delivering stronger than expected results as we had a strong end to the first quarter including some impact from timing of orders. We are experiencing an increasingly positive impact from pricing, which will continue throughout 2023. The solid Q1 results confirms our confidence in the sales growth outlook of 4-7% for the year. We are delivering on our strategy by capitalizing on our broad portfolio of sustainable solutions and diverse end-market exposure in more than 30 different industries,” says Ester Baiget, President & CEO, and continues:

“Last month, we reached an important milestone when our shareholders approved the proposed combination with Chr. Hansen, bringing us one step closer to creating a leading global biosolutions partner. Now our focus is on obtaining the necessary regulatory approvals. I am confident that together, we will significantly strengthen our ability to unlock value for customers, shareholders, and our employees – all while enabling a healthier planet.”

The proposed combination of Novozymes and Chr. Hansen was approved at Extraordinary General Meetings on March 30 with strong support from the respective shareholders of each company. The closing of the combination is expected to be completed in the fourth quarter of 2023 or the first quarter of 2024.

### **Growth driven by Bioenergy and Agriculture, Animal Health & Nutrition**

For the first three months of the year, organic performance by business area were 2% in Household Care, -8% in Food, Beverages & Human Health, 28% in Bioenergy, -9% in Grain & Tech Processing and 19% in Agriculture, Animal Health & Nutrition.

Sales growth in the first quarter was supported by both underlying volume growth and strong pricing. Novozymes capitalizes on its broad portfolio of sustainable solutions and diverse end-market exposure, with an increasingly positive impact from pricing. Organic sales growth was strong in Bioenergy and Agriculture, Animal Health & Nutrition, both delivering double-digit growth. In Household Care, the sales growth was driven by developed markets from increased penetration and despite declining in-market detergent volumes. In Food, Beverage & Human Health, first quarter sales growth declined negatively impacted by challenging comparator as well as supply-chain constraints in Human Health and a soft North American probiotic market. Sales growth also declined in Grain & Tech Processing despite a solid grain performance and was due to expected softness in Tech Processing from lower sales of solutions for covid-19 test kits and lower sales of solutions for textile production.

### **Developed markets is the main driver of growth**

For the first quarter, organic growth rates by geography were 2% in Europe, Middle East & Africa, 7% in North America, -2% in Asia Pacific, and 21% in Latin America.

Sales in developed markets grew 7% organically and emerging markets grew 1% organically. Bioenergy was the main driver of growth in developed markets with Agriculture, Animal Health & Nutrition also delivering double-digit growth. Household Care produced solid growth despite declining industry volumes in developed markets, while Food, Beverages & Human Health as well as Grain & Tech Processing declined. In emerging markets, growth was driven by solid double-digit growth in Agriculture, Animal Health & Nutrition and Bioenergy, whereas Household Care was flat. Food, Beverages & Human Health as well as Grain & Tech Processing declined. Pricing was solid in both developed and emerging markets.

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# Press Release



## Financial outlook for 2023

The organic sales growth outlook is maintained in the range of 4-7%. Full-year growth is expected to be driven by a combination of stronger pricing relative to 2022 as well as volume growth. Positive pricing across all business areas is expected to contribute more than half of total organic sales growth, whereas innovation and increased market penetration will be the main components of volume growth. Despite the stronger than expected performance in the first quarter, partly benefitting from timing, we still expect more modest growth in the first half of the year. The outlook assumes no major changes to the current state of the global economic situation.

EBIT margin before special items is expected at 25-26%. ROIC incl. goodwill before special items at 16-17%.

## 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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