

Novozymes delivers strong 2022 Q1 results and raises full-year financial guidance

Novozymes delivered solid earnings and double-digit organic sales growth in the first quarter of 2022. Despite negative effects of the tragic war in Ukraine the company increases its full-year organic sales growth from 3-7% to now 4-8%.

COPENHAGEN, Denmark – April 26, 2022. With 10% organic sales growth (16% sales growth in DKK) and an EBIT-margin of 26.1% in Q1, Novozymes is off to a solid start to the year. Good momentum and strong Q1 results have led to an increased organic sales growth outlook to 4-8%. Uncertainties associated with volatile market conditions, the COVID-19 pandemic, the war in Ukraine, and global supply chain constraints are the main reasons the company maintains a relatively broad sales growth range.

“We deliver very satisfactory results for this first quarter of 2022, and I am proud that we continue to deliver double-digit growth in three of our five business areas. We see strong momentum across markets and our solutions are in demand across segments despite very volatile markets conditions. Our strategy ‘Unlocking growth – powered by Biotech’ is materializing and our well-diversified portfolio is showing its strength,” says Ester Baiget, President & CEO and continues:

“We raise our full-year guidance to 4-8% organic sales growth, and we maintain expectations for the other three financial outlook metrics. We are able to raise our outlook despite the negative effects of the tragic war in Ukraine, continued pandemic uncertainties, and global supply chain constraints. This is a clear testament that our positioning and product portfolio is strong, and that we are able to drive our strategy forward balancing short-term execution with a clear long-term focus.”

During the first quarter, Novozymes has launched two new products including HiPhorius™, a phytase solution for improved phosphate uptake in animal nutrition. HiPhorius™ is a fourth generation phytase and a result of the DSM Feed Alliance.

Business area results

For the first quarter, organic performance by business area were -4% in Household Care, 18% in Food, Beverages & Human Health, 27% in Bioenergy, 8% in Grain & Tech Processing, 12% in Agriculture, Animal Health & Nutrition.

Household Care was impacted by the expected reduction in European detergent volumes as well as the war in Ukraine having a negative impact on the sales towards the end of the quarter. Overall, the performance was line with expectations, coming on top of a high two-year stack comparison

Growth in Food, Beverages & Human Health was broad-based across sub-areas such as baking, dairy and plant protein, the low-calorie brewing segment, and raw material optimization.

The strong growth in U.S. ethanol production was part of the reason for the strong start to the year in Bioenergy. In Grain & Tech Processing growth was driven by market penetration in vegetable oil processing, innovation in starch, and a higher end-market demand.

The performance in Agriculture, Animal Health & Nutrition was led by innovation and end-market-driven volume growth resulting in growth across nutrition categories.

Regional results

For the first quarter, organic growth rates by geography were 11% in Europe, Middle East & Africa, 10% in North America, 5% in Asia Pacific, and 16% in Latin America.

Sales in emerging markets grew 8% organically and developed markets grew 10% organically.

Financial outlook for 2022

Novozymes has a well-diversified product portfolio and a broad industry exposure. Despite a negative impact from the war in Ukraine, the good momentum, and a strong start to the year, combined with supportive market

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conditions allow for a full-year organic sales increase. Novozymes now expect an organic sales growth of 4-8% from previously 3-7%. Sales in DKK is expected to be around 6% higher than the organic sales growth outlook.

Novozymes expects a solid EBIT-margin of 25-26%. ROIC including goodwill is expected 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

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