



Selected markets are creating headwinds for 2019

Novozymes has experienced a decline of 2% in organic sales in the first five months of 2019. Although this is an improvement compared with the 4% decline reported for the first quarter, the softness in sales, particularly in May, reflects market headwinds. Severe weather in the US Midwest are impacting grain-processing volumes and challenging the planting season. The recovery of our US Bioenergy business has not progressed as expected, and demand in some emerging markets is soft. While these factors have reduced our growth expectations, we anticipate that good pickup in demand for new innovation will accelerate growth in the second half of the year. Our full-year organic sales growth outlook for 2019 is now 1-3%.

Peder Holk Nielsen, President & CEO: *“While we still expect a solid pickup in sales for the remainder of the year, driven by new innovation, this cannot overcome the weakness in some of our businesses, especially in agriculture- and energy-related activities. We’re focused on delivering to our full potential and will give an update on this at our upcoming Capital Market Day on June 17.”*

2019 outlook: Organic sales growth 1-3%; an expected 1 %-point added to growth in DKK. Stronger growth in 2H vs. 1H y/y still expected. EBIT margin at 28-29% supported by productivity gains, sale of pharma-related technology and release of full deferred income as communicated on April 4 following the new BioAg setup. Net profit growth of 3-8%. CAPEX at DKK 1.0-1.2 billion. FCF bef. acq. at DKK 1.9-2.3 billion. ROIC at ~23% (~24% excl. IFRS 16 Leases).

	Outlook April 24, 2019	Outlook* June 6, 2019
Sales growth, organic	3-5%	1-3%
EBIT margin	29-30%	28-29%
Net profit growth	5-10%	3-8%
Net investments excl. acquisitions (DKKbn)	1.0-1.3	1.0-1.2
Free cash flow before acquisitions (DKKbn)	2.0-2.4	1.9-2.3
ROIC (including goodwill)	~24%**	~23%**

*Assumes that the exchange rates for the company’s key currencies remain at the rates on June 6 for the rest of 2019.

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

June 6, 2019

Company announcement
no. 16

Novozymes A/S

Krogshoejvej 36
2880 Bagsvaerd
Denmark

Phone: +45 4446 0000

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

Novozymes A/S

Krogshoejvej 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.

Bagsvaerd, June 6, 2019

EXECUTIVE MANAGEMENT

Peder Holk Nielsen
President & CEO

Thomas Videbæk
COO

Prisca Havranek-Kosicek
CFO

BOARD OF DIRECTORS

Jørgen Buhl Rasmussen
Chairman

Agnete Raaschou-Nielsen
Vice Chairman

Lars Green

Lena Bech Holskov

Anders Hentze Knudsen

Kasim Kutay

Lars Bo Køppler

Kim Stratton

Mathias Uhlén