



Strong Q1 with organic sales growth of 10% and preliminary EBIT margin of ~29%. Suspension of 2020 outlook following COVID-19 outbreak; social distancing negative for bioenergy as demand for gasoline and ethanol drops in the US; other main business areas likely to remain largely intact but with higher volatility

Novozymes closely monitors the impact of the COVID-19 outbreak and we are taking all necessary, precautionary measures to protect our business, keep employees safe and ensure supply, while also complying with or exceeding guidelines from local, national and global healthcare authorities. Our largest manufacturing sites across the world are operating as normal and, in terms of production and supply chain, we are able to meet demand.

Sales in the first quarter grew organically by 10% (9% in DKK). Household Care grew organically by 11%, Food & Beverages by 11%, Bioenergy by 11% and Agriculture & Feed by 8%, whereas Technical & Pharma declined by 10%. At this stage, it is not clear to what extent the demand increase is due to a combination of additional end-user consumption and/or short-term customer/consumer stockpiling.

Since Novozymes' most recent full-year outlook, issued on January 23, uncertainty about global economic developments following the COVID-19 outbreak has increased significantly. Consequently, Novozymes has decided to suspend its 2020 outlook.

Based on current insight and the assumption that Novozymes' and its customers' logistics will continue to function relatively normally, full-year sales growth indications for Household Care and Food & Beverages remain largely intact, but with higher volatility. Social distancing caused by COVID-19 has raised a lot of uncertainty, particularly about US gasoline demand and, consequently, about US ethanol production in 2020. Novozymes' Bioenergy business (18% of 2019 revenue) is dependent on the performance of the US ethanol industry, including ethanol volumes produced. The 2020 organic sales growth outlook from January 23 assumed flat year-on-year US ethanol production as a baseline for the Bioenergy business. Now, with the plunge in miles driven, this assumption is likely no longer valid.

Considering COVID-19 and its impact on the global economy, Novozymes is actively managing its costs, including the headcount investments that were part of the January 23 outlook and have now been delayed. With a strong balance sheet, the share buyback program totaling up to DKK 1.5 billion will continue as planned and the company's dividend policy and its capital structure policy are unchanged.

	2020 Outlook April 7	2020 Outlook January 23
Sales growth, organic	suspended	1-5%
EBIT margin	suspended	~27%
ROIC, incl. goodwill	suspended	20-21%
Free cash flow before acquisitions, DKKbn	suspended	2.5-2.9

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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As the situation is developing rapidly and remains uncertain, Novozymes will continue to monitor and assess the impact on the business and provide updates as the situation evolves. Our first quarter interim report is scheduled for release on April 29, 2020.

Conference call

Novozymes will host a conference call today at 12:00 pm CEST. The call is expected to last 30 minutes. You can access the webcast here; investors.novozymes.com. Please only dial-in by phone in case you want to ask questions: +45 3544 5577, +44 333 300 0804 or +1 631 913 1422 and use pin code 27864791#. The webcast will be posted on investors.novozymes.com shortly after the conclusion of the conference call.

	Q1 2020	Q1 2019
Sales performance, organic	+10%	-4%
Household Care	+11%	-3%
Food & Beverages	+11%	-2%
Bioenergy	+11%	-8%
Agriculture & Feed	+8%	-6%
Technical & Pharma	-10%	5%
Sales, DKKm	3,786	3,481
Household Care	1,271	1,145
Food & Beverages	1,113	995
Bioenergy	697	623
Agriculture & Feed	521	498
Technical & Pharma	184	220