

## Novozymes delivers strong half year results and narrows full-year outlook upwards

**Novozymes delivered solid earnings and double-digit organic sales growth in both the first half and in the second quarter. Despite the volatile market environment, the company narrows its full-year organic sales outlook upwards from 4-8% to now 6-8% and raises EBIT-margin expectations from 25-26% to now 26-27%.**

**COPENHAGEN, Denmark – August 11, 2022.** Novozymes delivers 10% organic sales growth and an EBIT-margin of 26% in the first half of the year, with 18% organic sales growth in DKK. Good momentum and strong half year and Q2 results have led to a narrowed full-year organic sales growth outlook to 6-8%.

“We deliver strong results for the first half of 2022 and growth is broad-based across the business. In fact, we deliver double-digit organic sales growth in four out of five business areas and in both developing and emerging markets. Our well-diversified portfolio and operational excellence prove the value our solutions generate to our customers. We are executing very well across our portfolio and markets, and in line with our strategic direction,” says Ester Baiget, President & CEO, and continues:

“Following a strong first half of the year we narrow our full-year outlook upwards to 6-8% organic sales growth, and we continue to expect solid margins and returns despite the significant pressure from input and logistic costs. 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. We are ready to show the world the power of biotech.”

During the first half of the 2022 financial year, Novozymes has launched six new products. Four are launched in the second quarter covering efficient yeast solutions in Bioenergy, growth stimulators for broad acre crops in agriculture, and a solution for soap bars in Household Care for the emerging markets, allowing for longer storage times without losing efficacy.

### Business area results

For the first half of the 2022 financial year, organic performance by business area were 0% (4% in Q2) in Household Care, 10% (3% in Q2) in Food, Beverages & Human Health, 23% (19% in Q2) in Bioenergy, 13% (17% in Q2) in Grain & Tech Processing, and 14% (17% in Q2) in Agriculture, Animal Health & Nutrition.

Sales in Household Care in both the first half of the year and in Q2 was driven by solid performance in Emerging Markets. Sales in Q2 was negatively impacted by the war in Ukraine. Overall, the performance was in line with expectations.

### Regional results

For the first half of the 2022 financial year, organic growth rates by geography were 7% (3% in Q2) in Europe, Middle East & Africa, 12% (14% in Q2) in North America, 9% (13% in Q2) in Asia Pacific, and 19% (23% in Q2) in Latin America.

Sales in emerging markets grew 10% (12% in Q2) organically and developed markets grew 10% (9% in Q2) organically.

### Financial outlook for 2022

Novozymes has delivered solid first-half performance of 10% organic sales growth and narrows its full-year outlook range from 4-8% to now 6-8%. This includes the previously mentioned negative full-year impact of around 1% from the Ukraine war, mainly impacting Household Care.

Novozymes is experiencing good momentum across a large part of its portfolio with the focus on innovations and market penetration combined with supportive market conditions. Sales in DKK are expected to be around 8% higher than the organic sales growth outlook.

# Press Release



As events after the interim period - Novozymes signed an agreement to invest intellectual property in 21st.BIO, expected to be completed in the third quarter of 2022. As an effect of the accounting gain the company now expects a solid EBIT-margin of 26-27%, raised from 25-26%. ROIC including goodwill is now expected at 17-18% instead of 16%-17%. The accounting gain is of a non-cash character. Additionally, following the announced sale of Albugenix, Novozymes will as part of the agreement divest its 8% ownership in Albugenix, a company built with Novozymes' technology platform. The acquisition is subject to customary closing conditions and is expected to close during the second half of the year. Upon closing, the sale will lead to a tax-exempt financial gain and cash flow of around DKK 250 million.

## 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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