

A group of people are seated at a round wooden table in a restaurant or cafe. They are eating and drinking. There are bowls of food, glasses of beer, and a coconut on the table. The background is slightly blurred, showing other people and the interior of the establishment. A semi-transparent white box is overlaid on the left side of the image, containing text.

Food & Beverages

Food for a growing world

Rasmus von Gottberg,
Vice President F&B Marketing,
Novozymes

Christel Thea Jørgensen,
Vice President R&D, Novozymes

Jeremy Bentham,
Go to Market Director,
Cargill Food Ingredients & Systems
Europe, Middle East, Africa

Forward-Looking Statements

This presentation 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 growth platforms, notably the opportunity for marketing biomass conversion technologies or the development of microbial solutions for broad-acre crops; vi) the political conditions, such as acceptance of enzymes produced by genetically modified organisms; vii) the 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 on input 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.

Session outline

- Novozymes' position and value proposition in Food & Beverages
- Views from Cargill: creating sustainable business
- Novozymes' innovation priorities

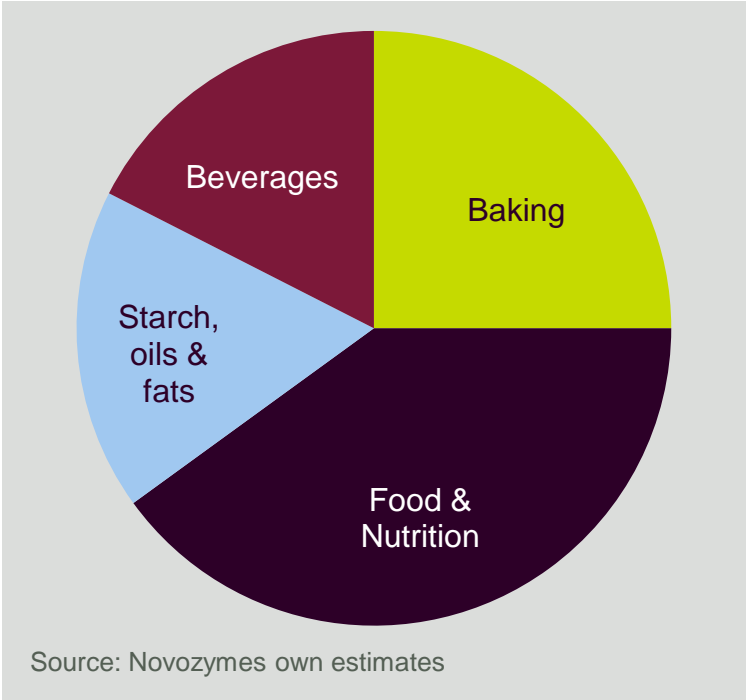
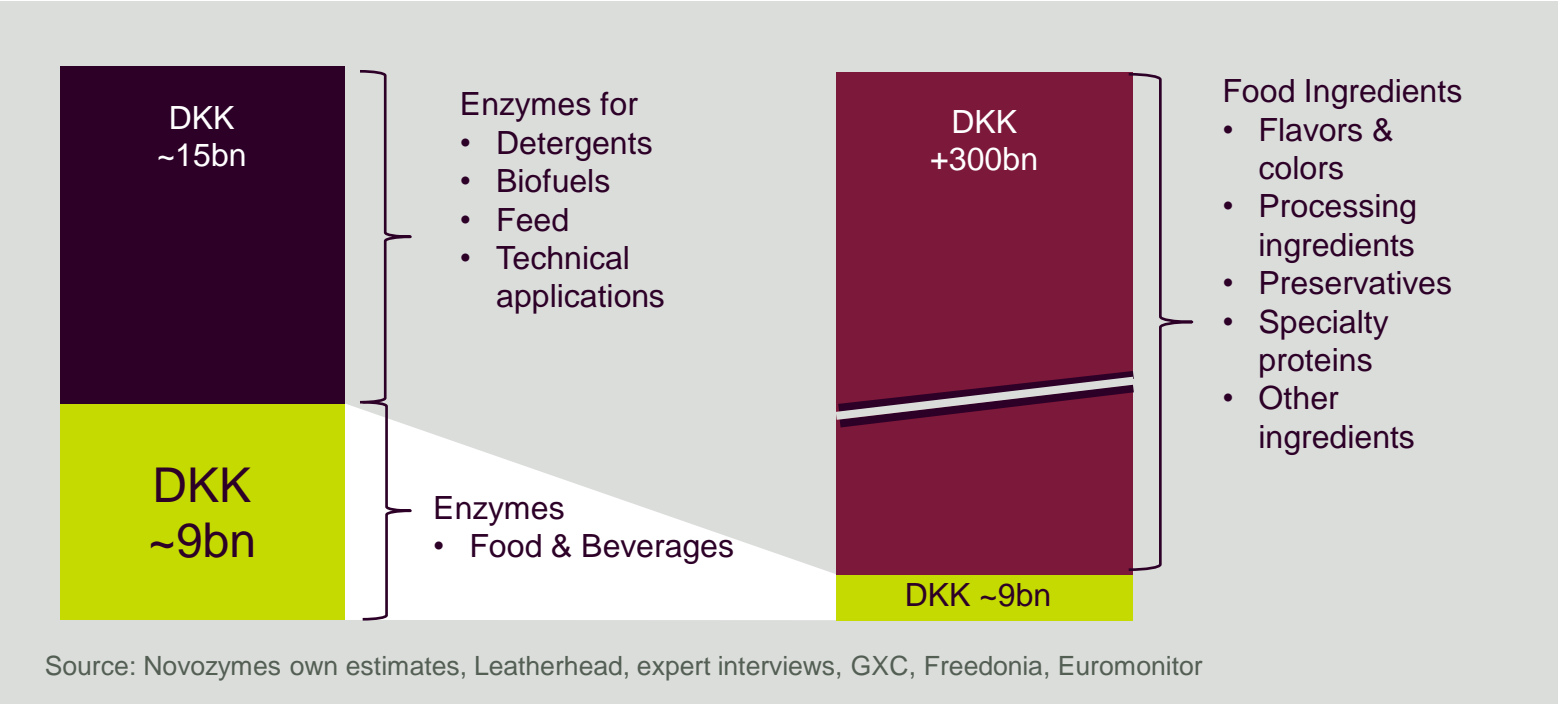


Food & Beverages enzymes summary

The largest category in the enzyme world

A small fraction of food ingredients and processing aids

A global industry with many applications



Novozymes is the global leader in the Food & Beverages enzyme market

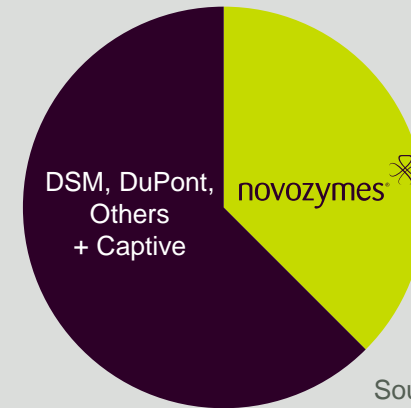
Most fragmented and diverse market for Novozymes

- Broad portfolio of 300+ products across applications
- Top 5 customers make up ~20% of sales vs. 31% for the Group
- Distributors important for global reach (~30% of sales)

Strong market position and robust growth driver

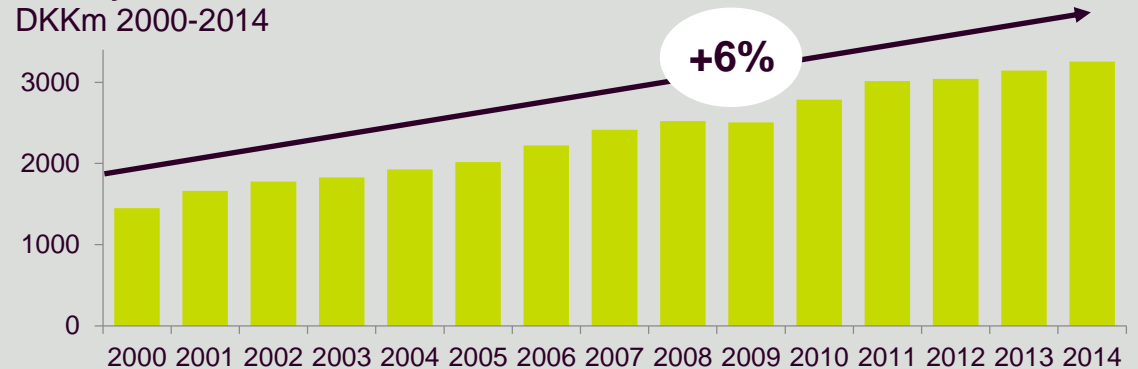
- Novozymes is #1 in all the main markets where it plays (all main markets except cheese coagulants)
- 6% sales CAGR since IPO – 26% of Group sales today
- Fragmented industry structure and industry profile make for slower ramp-up of new products, but long lifetime

F&B enzyme market



Source: Novozymes own estimates.

Novozymes sales, DKKm 2000-2014

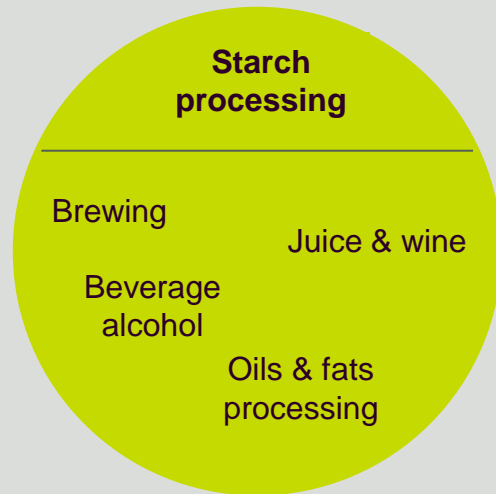


We cover a broad set of end markets and applications

– We operate in different parts of the value chain. Revenue-wise, the two parts are comparable

Processing of Ag inputs

A global business with global solutions

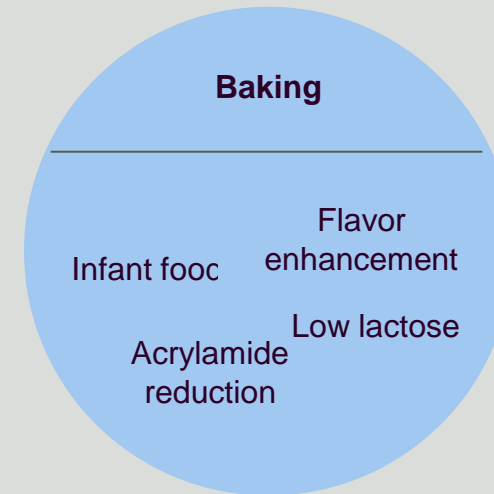


Characteristics:

- Starch processing main business
- Fewer product categories
- DuPont main competitor
- Fragmented global customer base
- ~60% direct sales
- ~60% emerging markets

Food products

Product-driven for developed markets



Characteristics:

- Baking main market
- Many products to many end customers
- Competition more dispersed and local
- ~80% direct sales
- ~30% emerging markets

Bioinnovation and Novozymes can have a greater impact on consumers and society

Four defining trends set the scope for future growth...

More with less



Health



**Emerging markets
industrialization**



**Consumers
wanting more
natural foods**



... and define innovation opportunities for the future

**Unlock new
substrate streams**

**Enhance
productivity offering
in existing markets**

Freshkeeping

**Remove unwanted
compounds**

Creating sustainable business

**Food, Agriculture,
Financial and
Industrial products &
services**



152,000
employees in
67 countries

**An unrivalled
portfolio for a wide
range of applications**

[illegible]

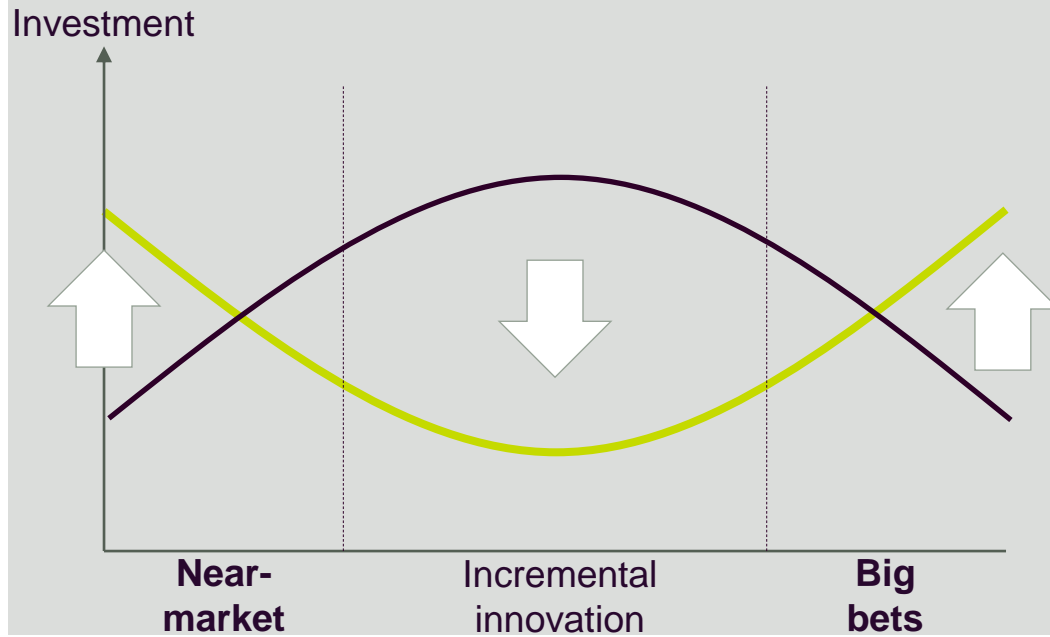
**Meeting ever-changing
consumer demands
through targeted
innovation**

Increasing speed to market, protecting brand & business, and enabling sustainable growth



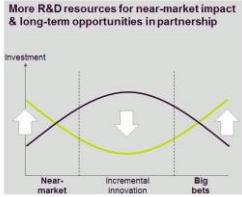
R&D investments to drive impact and increase partnering within updated focus areas

More R&D resources for near-market impact & long-term opportunities in partnership



Innovation focus

Baking	Food & Nutrition	Oils & Fats	Starch	Beverages
Raw material flexibility				
Fresh & tasty				
Healthy & safe				
Productivity & yield				
New business incubation				



Focusing on near-market opportunities and big bets requires strengthening of two different skillsets

Partnerships a must for big bets

- Leverage partner competencies from other industries
- Develop model for stronger partner engagement
- Build innovation relationships with end customers

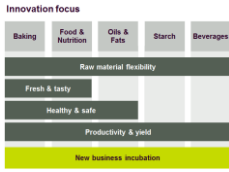
Drive near-market opportunities

- In-field application development
- Closer interaction with customers
- Manning-up in emerging markets
- Use of local raw materials

Benefit from changes in innovation pipeline management

- Portfolio management to reduce incremental innovation with limited commercial opportunity





Deeper and broader in a platform and with partners

Example: Deeper and broader in Oils & Fats

Situation: Smaller business today for oil processing

Future – Through partnerships:

- Develop application and process understanding to drive development, building value for partner and enabling a broader shift to biological processing of oil seeds
- Unlock other oil-rich substrate streams

Example: Deeper and broader with Cargill

Situation: Longstanding relationship in starch, but limited experience within other business areas

Future: Enhance innovation partnership to allow for broader strategic scope of collaboration across verticals. E.g. Oils & Fats processing



Conclusion

- A good longstanding business for Novozymes
- 4 defining trends shape opportunity to create more impact:
 - More with less
 - Health
 - Emerging markets industrialization
 - Consumers wanting more natural foods
- Partnering for impact:
 - Unlock new substrate streams
 - Enhance productivity offering in existing markets
 - Freshkeeping
 - Remove unwanted compounds



novozymes® 

Rethink Tomorrow