



Strategy

Growth and priorities for 2020

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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.

Welcome to our Capital Market Days

PARTNERING FOR IMPACT




Tuesday, May 5

12:30–13:15	Plenum presentation: Strategy – Growth & priorities for 2020
13:15–13:45	Plenum presentation: Sustainability – Leading the way
14:00–14:45	Plenum presentation: Innovation – Competitive advantages in a changing environment

15:00–15:50	Break-out sessions (rotation)	Track 1: Household Care Innovation & emerging markets	Partner guest: 
16:00–16:50		Track 2: Bioenergy Advancing grain-based ethanol	Partner guest: 
17:00–17:50		Track 3: Food & Beverages Food for a growing world	Partner guest: 

Wednesday, May 6

08:30–08:50	Plenum presentation: Business development – Platforms for the future
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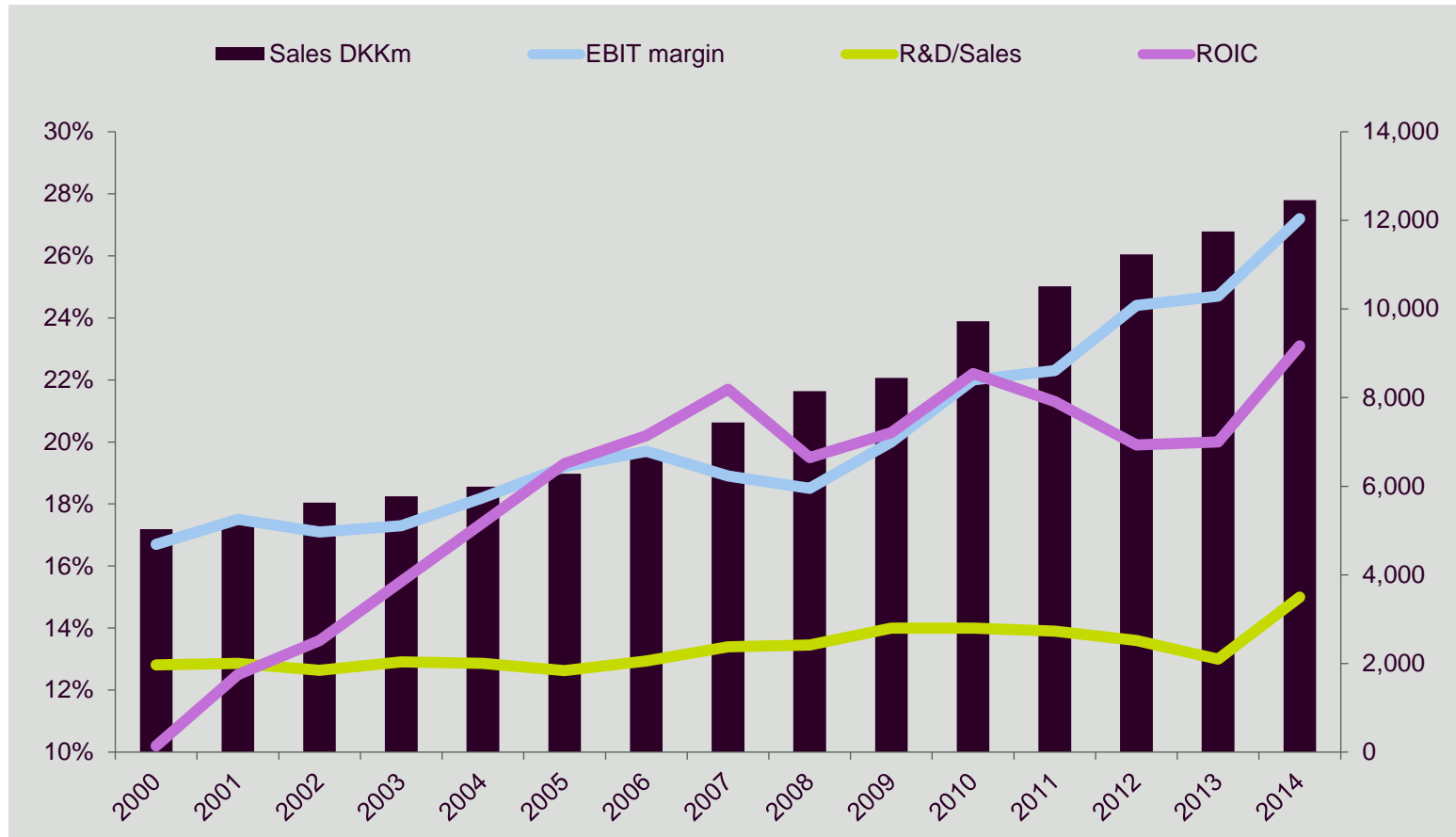
09:00–09:50	Break-out sessions (rotation)	Track 1: BioAgriculture Technology, accomplishments and priorities	Partner guest: 
10:00–10:50		Track 2: Biomass conversion On the cusp of commercialization	Partner guest: 
11:00–11:50		Track 3: Animal Health & Nutrition An alliance for growth	Partner guest: 

Session outline

- Perspectives on development
- Current position
- Strategic direction
- Long-term targets and financial priorities, CFO Benny D. Loft



15 years of innovation-driven returns



Strong absolute returns since 2000

2.5x sales
 4x EBIT
 5x net profit
 DKK ~30bn In operating cash flows

Driven by topline and leverage

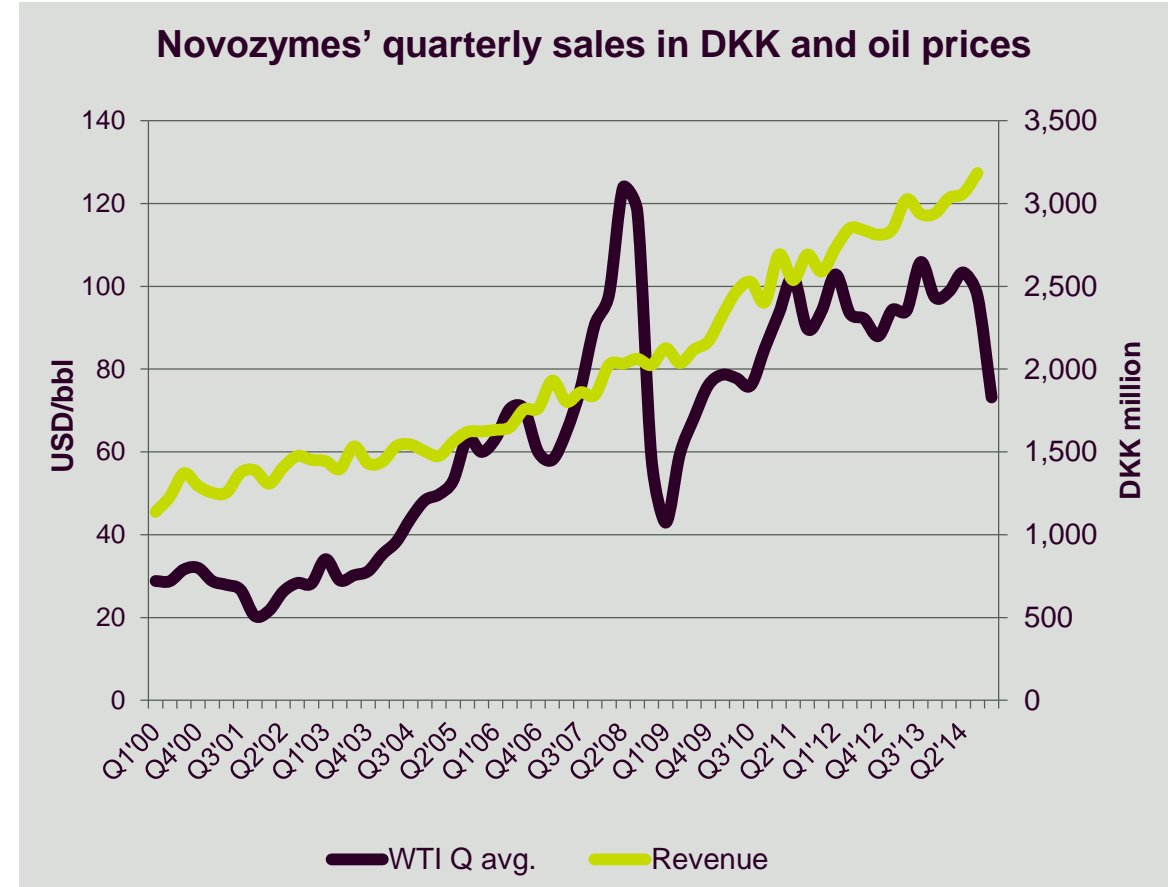
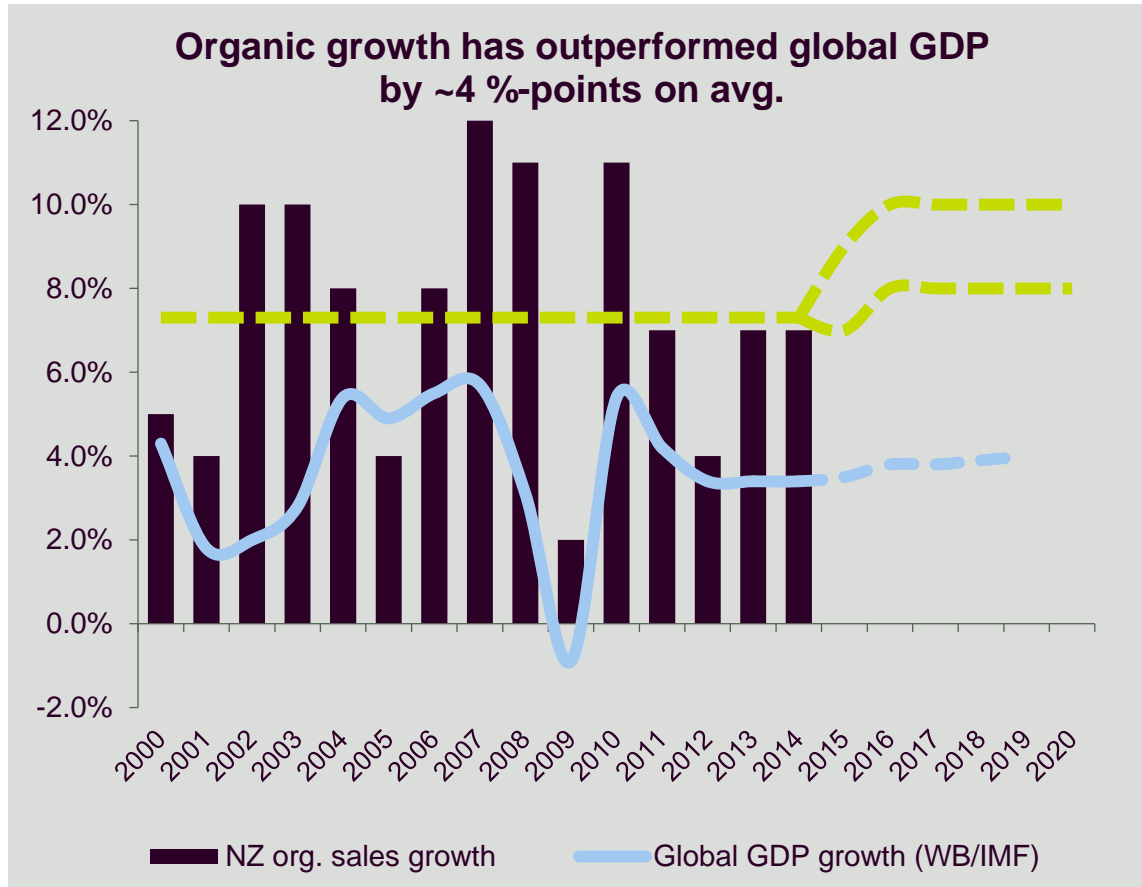
~7% organic sales CAGR
 +5.4 %-points gross margin
 +10.5 %-points EBIT margin
 +12.9 %-points ROIC

Innovation is the recipe

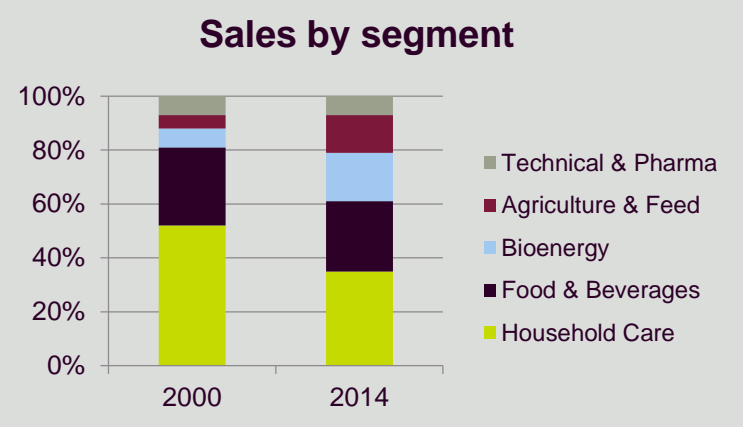
DKK 16bn invested in R&D
 +100 new solutions marketed

Novozymes has consistently outperformed global GDP

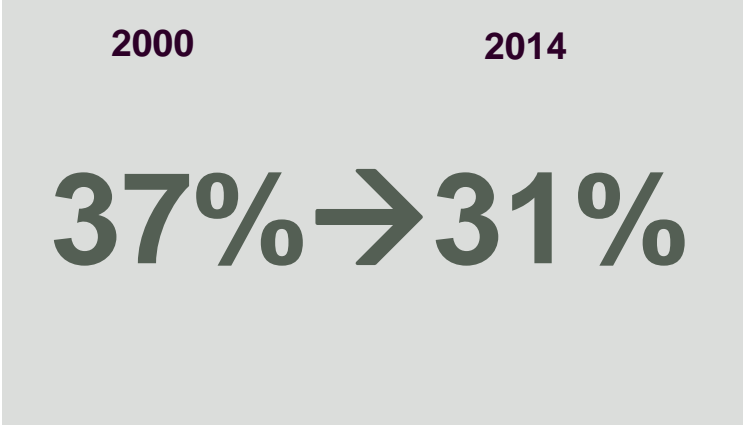
– through volatile oil price cycles



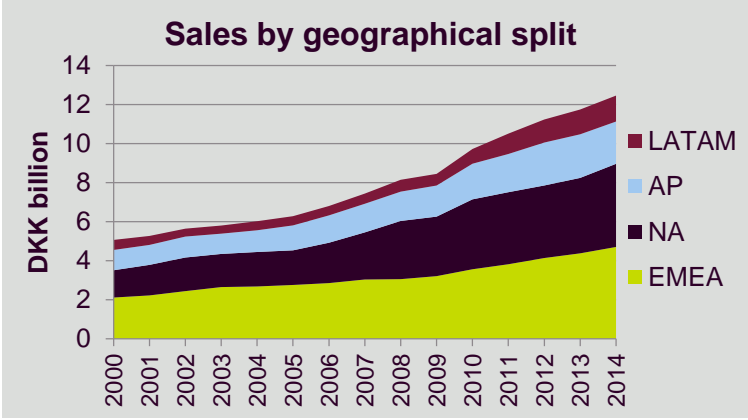
Diversification through market-expanding innovation has been key to our consistency



Diversity in end markets:
Bioenergy, Agriculture & Feed have emerged



Lower top 5 customer concentration:
Strong growth in new areas has decreased dependency on Household Care



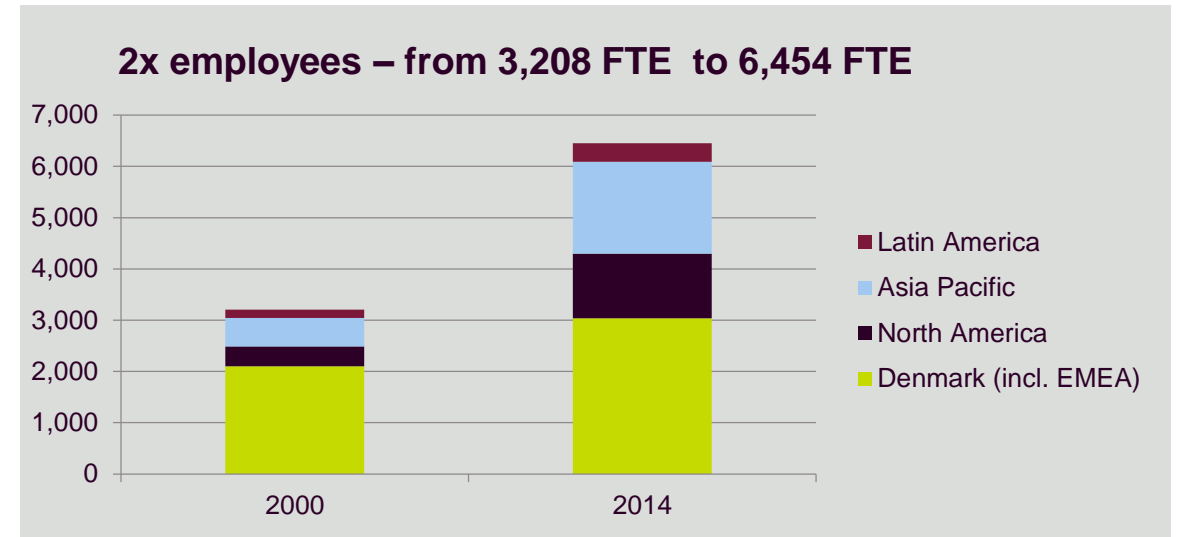
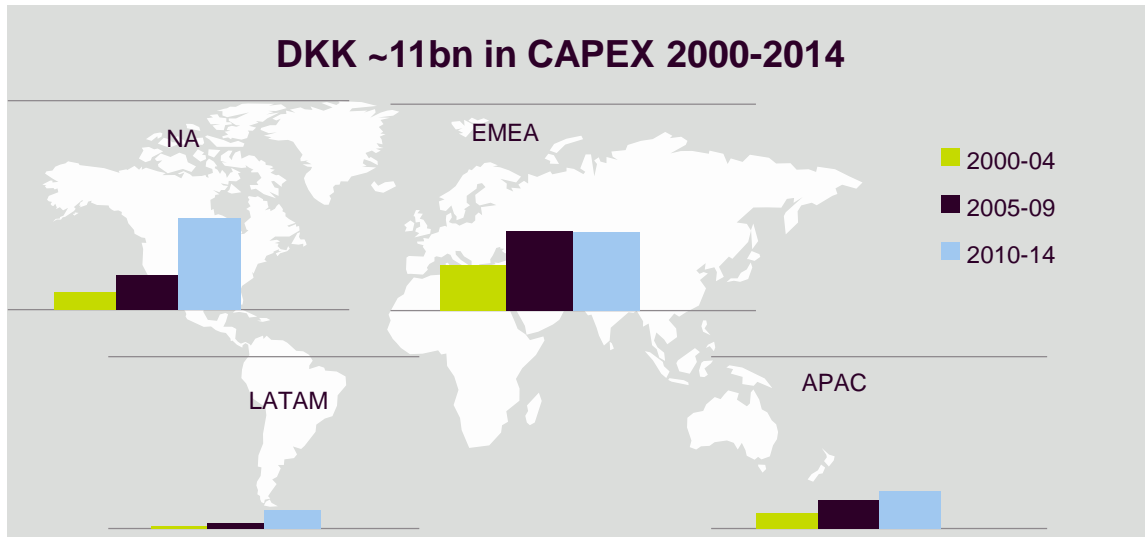
Geographically, we have succeeded in growing all regions

More than 100 new “public” molecules and technologies launched across markets

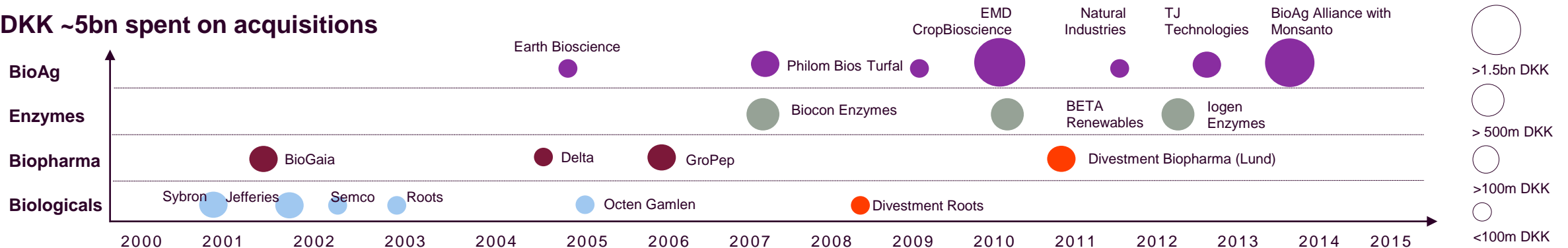
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Household Care	●●●	●	●●●●	●●	●●●	●●	●	●●	●	●●		●●●	●●●●	
Food & Beverages	●●●●	●●		●●●	●●	●●●●	●●●●	●●●●	●●●		●●●	●●●	●	●
Bioenergy			●		●●	●		●●	●●●	●	●●	●●●	●	
Agriculture & Feed		●		●		●	●			●	●		●	
Technical & Pharma	●	●●	●●●	●	●	●	●●	●	●	●●		●●	●	●
Total launches	8	6	9	7	8	10	8	9	8	6	6	11	8	2

● = Product launch

Investing for long-term growth; People, CAPEX and M&A

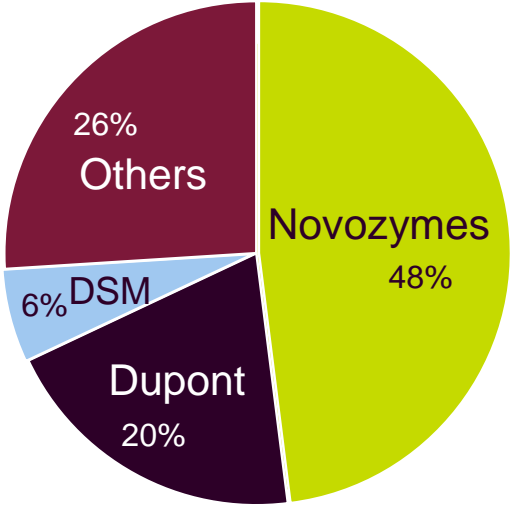


DKK ~5bn spent on acquisitions







Our set of competitive advantages across the value chain has led to a unique market-leading position

Scale	Quality	Sustainability	High barriers
<ul style="list-style-type: none"> • Production: 5 core plants in 3 regions • Research & Development: 2/3 of total investment of industry • Technical services: half of commercial organization “on site” • Market & technology coverage 	<ul style="list-style-type: none"> • Superior logistical agility due to full control of value chain • Right quality for customers and regulatory requirements 	<ul style="list-style-type: none"> • Triple bottom line • Trusted long-term partner • Pioneering life cycle assessment documentation 	<ul style="list-style-type: none"> • More than 7,000 patents • Diverse biotech know how and investments needed to compete • Customer partnerships • Manufacturing expertise

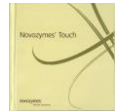


Source: Novozymes estimate

T  **GETHER** **WE**
BIOLOGICAL  **AL** **FIND**
ANSWERS FOR
BETTER  **LIVES** **IN A**
WORLD  **WORLD** **GROWING**
LET'S RETHINK TOMORROW

New purpose is instrument for long-term impact

Who are we?
(2000–2007)



The **Novozymes'** Touch

Spark; Passion;
Openness; Science



Vision: "We imagine
a future where our
biological solutions
...."



What's our role in the world?
(2007–2015)



Touch the **World** values

Dare to lead;
Trust and earn trust;
Connect to create,
Unlock Passion



Vision: "We imagine
a future where our
biological solutions
...."



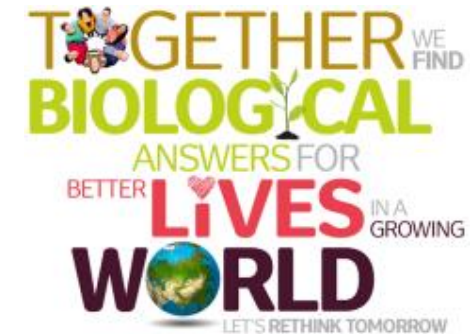
Ambition: Change
the world together
with our customers

**How do we create
the biggest impact?**
(2015–)



Touch the **World** values

Dare to lead;
Trust and earn trust;
Connect to create,
Unlock Passion



Our new strategy puts partnerships front and center for success in creating impact

PARTNERING FOR IMPACT

FOCUS AREAS

RALLY FOR CHANGE

Form partnerships and networks with customers, consumers, organizations and governments to make a sustainable difference.



LEAD INNOVATION

Excite our customers by delivering more significant innovation, tailored to their local markets.



FOCUS ON OPPORTUNITIES

Prioritize the customers, markets and activities that hold the biggest opportunities for creating impact.



GROW PEOPLE

Support Zymers and people around us in unfolding their full potential.



Working in partnerships is embedded in how we do business. But we can do better and more!

Novozymes has a strong track record of **partnerships**



Unquestionable focus, longevity, reliability, scale and history of partner collaboration makes Novozymes an ideal partner



Partner benefits



New solutions

We enable partners to bring new, better or lower-cost products to market



Sustainability

We enable partners to market sustainability claims and reach own sustainability goals



Cost reduction

Our solutions reduce costs by saving raw materials, energy, water and chemicals

Long-term financial targets reflect starting point and priorities

2020 financial targets:

Top-line growth is seen as best means for ensuring long-term sustainable earnings growth

We want to maintain high profitability and deliver strong returns on capital

8-10%

organic sales growth on average

≥25%

ROIC incl. goodwill

≥26%

EBIT margin

2020 impact targets:

Let's create the impact the world needs

...and put pressure on ourselves to act with speed

REACH

6 billion people with our biological solutions

EDUCATE

1 million people about the potential of biology

CATALYZE

5 global partnerships for change

DELIVER

10 transformative innovations

SAVE

100 million tons of CO₂

ENABLE

Novozymes' employees to develop

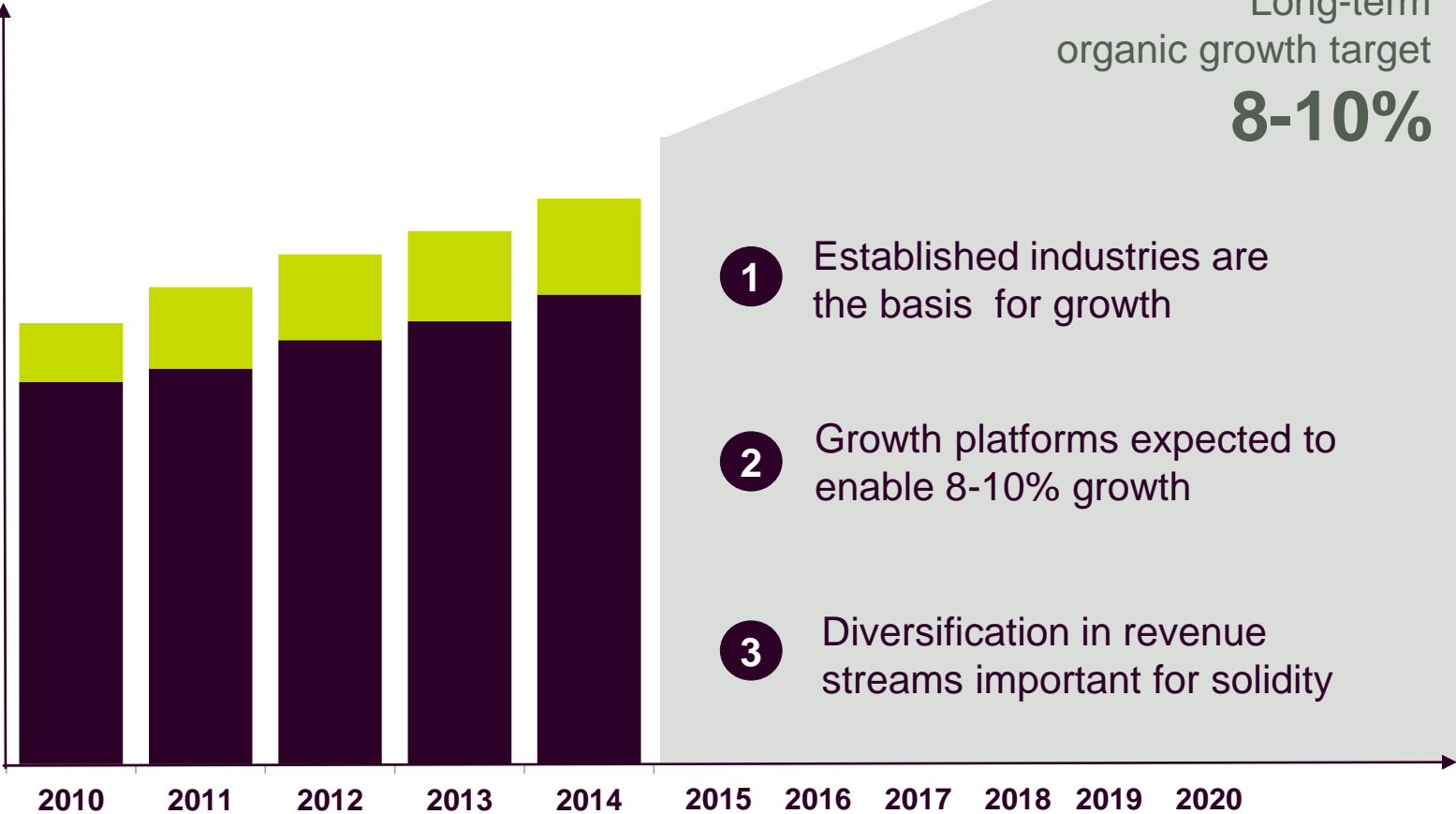
Growth until 2020 expected to be driven by established industries with additional growth from platforms

~7%
 Novozymes' organic growth average, 2010-2014

~7%
 Growth platforms' organic growth average, 2010-2014

~7%
 Established industries' organic growth average, 2010-2014

- **Growth platforms**
 - BioAg
 - Biomass Conversion
 - Animal Health & Nutrition
 - Pharma
- **Established industries**
 - Household Care
 - Grain-based ethanol
 - Food & Beverages
 - Technical



What are the opportunities for further leverage?

- **Gross margin**

Technology development supports future productivity improvements, but many unknowns, such as input costs and competition

- **S&D costs**

A potential area for increased investments, depending on go-to-market models

- **R&D costs**

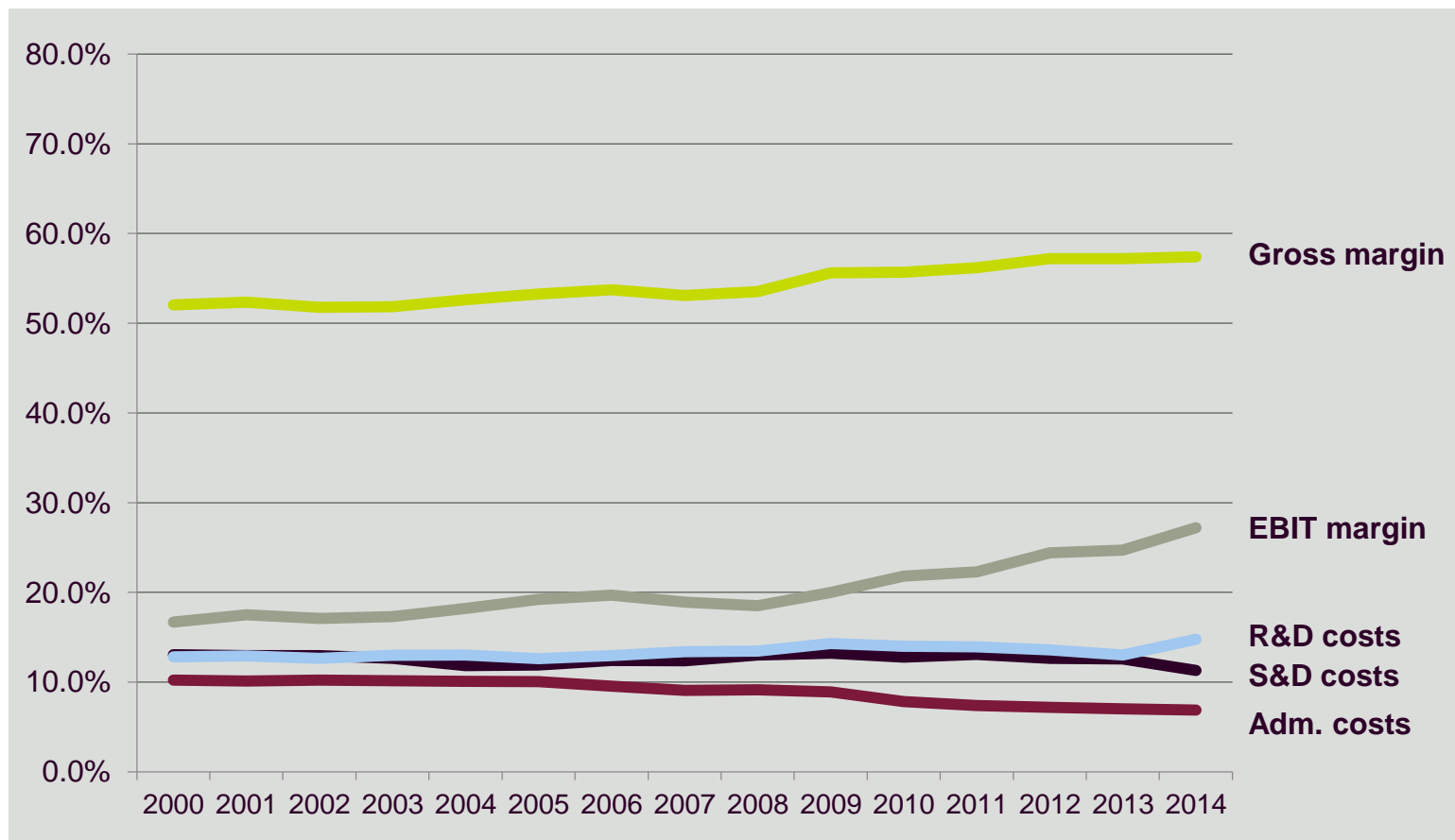
Expected to fluctuate around 14% of sales

- **Admin. Costs**

Expected to marginally decrease as function of growth

- **EBIT margin**

We target an EBIT margin $\geq 26\%$



Financial priorities; - Innovation, growth & shareholders

2015 to
2020:

8-10%

Organic
sales
growth

~14%

R&D

~8%

CAPEX

40%

Dividend
payout
ratio

2bn

2015
buyback

+

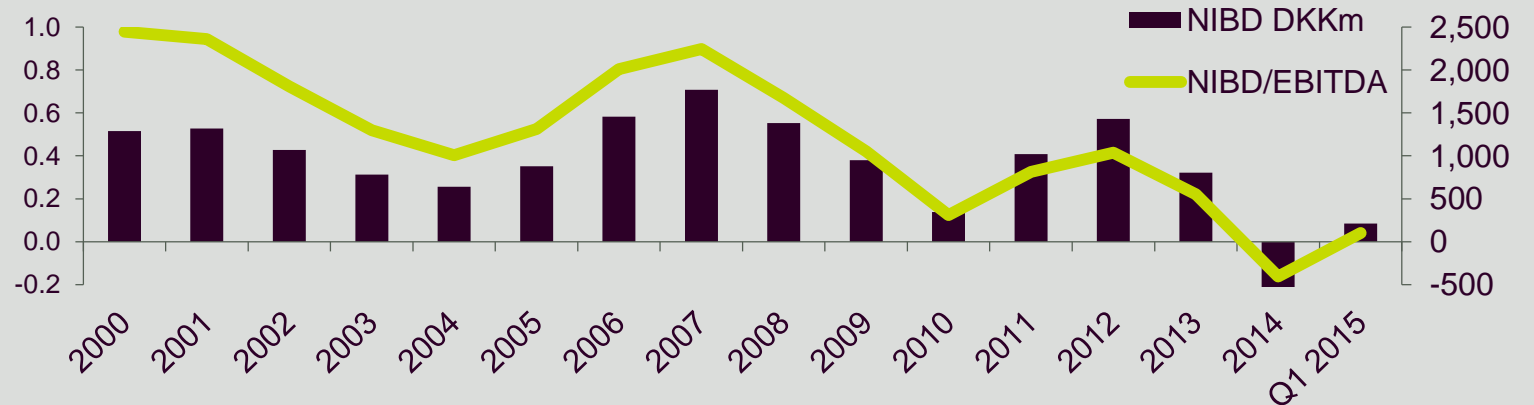
Initiatives &
returns

ROIC expected at $\geq 25\%$:

- Growth in net profit
- Deferred income from The BioAg Alliance decreasing
- Less growth in invested capital

NIBD/EBITDA target: 0-1

Net-Interest-Bearing-Debt/EBITDA



Conclusion

- Strong competitive position built on heritage and compounded investments in technology and assets
- We have a long term view on investments - with partners, in R&D, in people and in facilities
- Strategic direction reflects priority of growth and to make an impact on the world in partnership!
- And remaining a highly profitable company along the way



novozymes[®]



Rethink Tomorrow