

Consolidated statements of income

Income statement

DKK million	Note	2023	2022
Revenue	2.1, 2.2	17,899	17,553
Cost of goods sold	2.3, 3.1, 3.2, 4.1	(8,177)	(7,976)
Gross profit		9,722	9,577
Sales and distribution costs	2.3, 3.1, 3.2	(2,365)	(2,271)
Research and development costs	2.3, 2.4, 3.1, 3.2	(2,017)	(2,001)
Administrative costs	2.3, 3.1, 3.2	(959)	(952)
Other operating income, net	2.5	171	276
Operating profit (EBIT) before special items		4,552	4,629
Special items	2.6	(576)	(68)
Operating profit (EBIT)		3,976	4,561
Share of result in associates		(18)	(7)
Financial income	5.2	282	533
Financial costs	5.2	(331)	(531)
Profit before tax		3,909	4,556
Tax	2.7	(870)	(870)
Net profit		3,039	3,686
Attributable to			
Shareholders of Novozymes A/S		3,024	3,676
Non-controlling interests		15	10
		3,039	3,686
Proposed dividend per share, DKK			6.00
Earnings per share, DKK	2.8	10.92	13.29
Earnings per share, diluted, DKK	2.8	10.88	13.19

Statement of comprehensive income

DKK million	Note	2023	2022
Net profit		3,039	3,686
Items that may subsequently be reclassified to the income statement:			
Currency translation adjustments			
Subsidiaries and non-controlling interests		(550)	155
Tax on currency translation adjustments		12	(15)
Currency translation adjustments		(538)	140
Cash flow hedges			
Fair value adjustments		(81)	(150)
Tax on fair value adjustments		17	33
Cash flow hedges reclassified to costs of goods sold		86	-
Cash flow hedges reclassified to financial costs		(25)	295
Tax on reclassified fair value adjustments		(13)	(65)
Cash flow hedges		(16)	113
Other comprehensive income		(554)	253
Comprehensive income		2,485	3,939
Attributable to			
Shareholders of Novozymes A/S		2,472	3,929
Non-controlling interests		13	10
		2,485	3,939

Consolidated statement of cash flows

DKK million	Note	2023	2022
Net profit		3,039	3,686
Reversal of non-cash items	6.7	2,155	1,935
Income tax paid	2.7	(790)	(910)
Interest received		77	18
Interest etc. paid		(157)	(131)
Cash flow before change in working capital		4,324	4,598
Change in working capital			
(Increase)/decrease in receivables		(177)	(330)
(Increase)/decrease in inventories		138	(787)
Increase/(decrease) in payables, deferred income and contract liabilities		(127)	534
Currency translation adjustments		(6)	(9)
Cash flow from operating activities		4,152	4,006
Investments			
Purchase of intangible assets	6.7	(199)	(130)
Purchase of property, plant and equipment	6.7	(1,857)	(2,760)
Sale of intangible assets		1	-
Sale of property, plant and equipment		3	28
Business acquisitions, divestments, purchase and sale of financial assets	6.7	(81)	190
Cash flow from investing activities		(2,133)	(2,672)
Free cash flow		2,019	1,334

DKK million	Note	2023	2022
Financing			
Borrowings		3,295	2,140
Repayment of borrowings		(2,307)	(1,602)
Overdraft facilities, net		(65)	193
Repayment of lease liabilities		(123)	(120)
Shareholders:			
Purchase of treasury stock		-	(500)
Sale of treasury stock		167	164
Dividend paid		(2,856)	(1,525)
Cash flow from financing activities		(1,889)	(1,250)
Net cash flow		130	84
Unrealized gain/(loss) on currencies and financial assets included in cash and cash equivalents		(55)	(6)
Net change in cash and cash equivalents		75	78
Cash and cash equivalents at January 1		1,041	963
Cash and cash equivalents at December 31		1,116	1,041

Consolidated balance sheet

Assets

DKK million	Note	Dec. 31, 2023	Dec. 31, 2022
Intangible assets	3.1	4,532	4,698
Land and buildings	3.2	4,614	3,999
Plant and machinery	3.2	4,953	4,151
Other equipment	3.2	992	1,028
Assets under construction	3.2	1,766	2,896
Deferred tax assets	2.7	1,762	1,623
Other financial assets		62	92
Investments in associates		205	223
Other receivables	4.3	43	32
Non-current assets		18,929	18,742
Inventories	4.1	3,627	3,803
Trade receivables	4.2	3,702	3,454
Contract assets	4.2	70	151
Tax receivables	2.7	296	352
Other receivables	4.3	279	360
Other financial assets		40	80
Cash and cash equivalents		1,116	1,041
		9,130	9,241
Assets held for sale	4.5	332	-
Current assets		9,462	9,241
Assets		28,391	27,983

Liabilities and equity

DKK million	Note	Dec. 31, 2023	Dec. 31, 2022
Common stock	5.5	562	562
Reserves and retained earnings		13,416	13,275
Equity attributable to shareholders of Novozymes A/S		13,978	13,837
Non-controlling interests	6.5	373	391
Total equity		14,351	14,228
Share purchase liability	6.5	-	760
Deferred tax liabilities	2.7	1,965	1,653
Provisions	3.4	100	119
Contingent consideration	3.6	-	224
Lease liabilities	5.3	232	288
Contract liabilities		152	129
Borrowings	5.3	4,329	3,619
Non-current liabilities		6,778	6,792
Share purchase liability	6.5	584	-
Lease liabilities	5.3	137	123
Provisions	3.4	12	10
Contingent consideration	3.6	72	158
Borrowings	5.3	3,083	2,919
Trade payables		1,616	1,869
Contract liabilities		65	94
Deferred income		54	44
Tax payables	2.7	183	326
Other liabilities	4.4	1,456	1,420
Current liabilities		7,262	6,963
Liabilities		14,040	13,755
Liabilities and equity		28,391	27,983

Consolidated statement of equity

Attributable to shareholders of Novozymes A/S

DKK million	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total	Non-controlling interests	Total equity
Equity at January 1, 2023	562	132	81	13,062	13,837	391	14,228
Net profit for the year				3,024	3,024	15	3,039
Other comprehensive income for the year		(536)	(16)		(552)	(2)	(554)
Total comprehensive income for the year		(536)	(16)	3,024	2,472	13	2,485
Sale of treasury stock				167	167		167
Dividends				(2,825)	(2,825)	(31)	(2,856)
Stock-based payment				147	147		147
Non-controlling interests and share purchase liability				176	176		176
Tax related to equity items				4	4		4
Changes in equity	-	(536)	(16)	693	141	(18)	123
Equity at December 31, 2023	562	(404)	65	13,755	13,978	373	14,351
Equity at January 1, 2022	564	(8)	(32)	11,303	11,827	379	12,206
Net profit for the year				3,676	3,676	10	3,686
Other comprehensive income for the year		140	113		253	-	253
Total comprehensive income for the year		140	113	3,676	3,929	10	3,939
Purchase of treasury stock				(500)	(500)		(500)
Sale of treasury stock				164	164		164
Write-down of common stock	(2)			2	-		-
Dividend				(1,524)	(1,524)	(1)	(1,525)
Stock-based payment				123	123		123
Non-controlling interests and share purchase liability				(43)	(43)	3	(40)
Tax related to equity items				(139)	(139)		(139)
Changes in equity	(2)	140	113	1,759	2,010	12	2,022
Equity at December 31, 2022	562	132	81	13,062	13,837	391	14,228

Proposed dividend for the period September 1 - December 31, 2023 will be announced by the Board of Directors of Novonesis in connection with the notice of the Annual Shareholders' Meeting.

Five-year summary

DKK million	2019	2020	2021	2022	2023
Income statement					
Revenue	14,374	14,012	14,951	17,553	17,899
Gross profit	7,954	7,853	8,623	9,577	9,722
EBITDA	5,292	4,918	5,423	6,046	5,365
Operating profit (EBIT) before special items*	4,039	3,652	4,007	4,629	4,552
Special items*	-	-	-	(68)	(576)
Operating profit (EBIT)	4,039	3,652	4,007	4,561	3,976
Financial items, net	(235)	(127)	(79)	2	(49)
Net profit	3,155	2,826	3,145	3,686	3,039
Balance sheet					
Total assets	20,437	20,510	24,767	27,983	28,391
Equity	11,480	11,244	12,206	14,228	14,351
Invested capital	15,507	15,094	18,118	20,703	21,490
Net interest-bearing debt	4,049	3,871	5,225	5,807	6,617
Investments and cash flows					
Cash flow from operating activities	3,196	4,355	4,062	4,006	4,152
Purchases of property, plant and equipment	862	794	1,071	2,760	1,857
Net investments excluding acquisitions	991	936	1,116	2,862	2,052
Free cash flow before acquisitions	2,205	3,419	2,946	1,144	2,100
Business acquisitions, divestments, purchase and sale of financial assets	430	(588)	(1,631)	190	(81)
Free cash flow	2,635	2,831	1,315	1,334	2,019

Key ratios have been prepared as described in the Glossary.

* Special items include costs related to the combination of Novozymes and Chr. Hansen.

** Including goodwill.

DKK million		2019	2020	2021	2022	2023
Key ratios						
Sales growth, DKK	%	0	(3)	7	17	2
Sales growth, organic	%	(1)	0	6	9	5
R&D costs (% of revenue)	%	13.7	13.8	13.4	11.4	11.3
Gross margin	%	55.3	56.0	57.7	54.6	54.3
EBITDA margin	%	36.8	35.1	36.3	34.4	30.0
EBIT margin before special items*	%	28.1	26.1	26.8	26.4	25.4
EBIT margin	%	28.1	26.1	26.8	26.0	22.2
Effective tax rate	%	17.0	19.7	19.9	19.1	22.3
Equity ratio	%	56.2	54.8	49.3	50.8	50.5
NIBD/EBITDA	x	0.8	0.8	1.0	1.0	1.2
Return on equity	%	27.5	24.9	27.3	28.6	21.7
ROIC** before special items*	%	21.1	18.9	19.3	17.9	16.5
ROIC**	%	21.1	18.9	19.3	17.6	14.4
Earnings per share (EPS), diluted	DKK	11.01	10.02	11.23	13.19	10.88
Dividend per share***	DKK	5.25	5.25	5.50	6.00	4.20

Environmental, social and governance data		2019	2020	2021	2022	2023
Total number of employees	No.	6,125	6,185	6,527	6,781	6,756
Rate of employee turnover	%	12.7	8.7	11.8	11.4	10.6
Frequency of occupational injuries with absence per million working hours		0.9	1.3	1.5	1.7	1.3
Women in senior management	%	31	33	34	33	36
GHG emissions from operations (scopes 1+2)	1,000 tonnes	330	234	218	161	143
GHG emissions from supply chain (scope 3)****	1,000 tonnes	655	626	684	734	644
Renewable electricity share	%	49	69	68	82	84
Total water withdrawal	1,000 m ³	7,845	7,998	8,538	8,720	7,793

*** Proposed dividend for the period September 1 - December 31, 2023 will be announced by the Board of Directors of Novonesis in connection with the notice of the Annual Shareholders' Meeting.

**** Supply chain emissions coming from purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations and business travel.