

Equity and shareholder return

Shareholders' equity

At December 31, 2018, shareholders' equity was DKK 11,438 million, up 2% from DKK 11,267 million at December 31, 2017, as comprehensive income in 2018 more than offset dividend payments and net stock buyback.

Equity ratio

Shareholders' equity represented 58% of the balance sheet total at December 31, 2018, down from 61% at December 31, 2017.

Return on equity

Return on equity was 28.4%, up 1.3 percentage points from 27.1% in 2017. The increase was a result of higher net profit and a relatively lower increase in equity.

Treasury stock

At December 31, 2018, the holding of treasury stock was 9.4 million B shares, equivalent to 3.2% of the common stock.

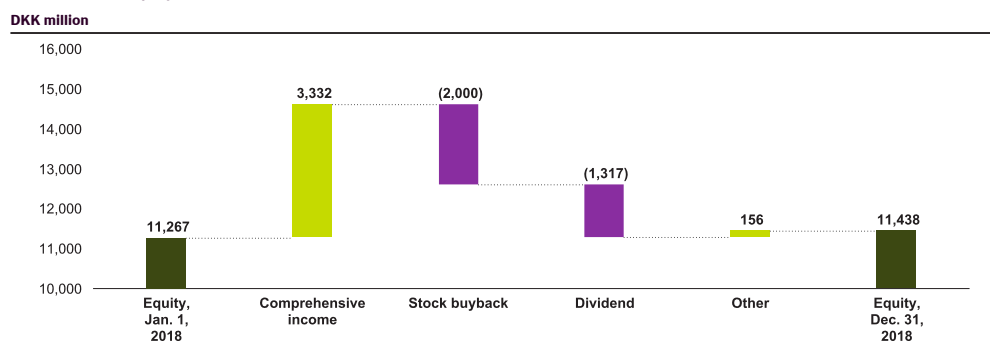
Dividend

The Board of Directors proposes that the Annual Shareholders' Meeting approve a dividend of DKK 5.00 per share for the 2018 financial year, an increase of 11% compared with 2017. This will result in an expected total dividend payment of approximately DKK 1,438 million, corresponding to a payout ratio of 44.6%.

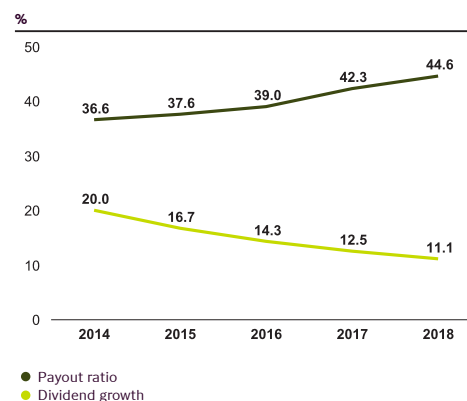
Stock buyback program

In 2018, Novozymes bought back 6.2 million B shares with a transaction value of DKK 2,000 million under the stock buyback program initiated on February 14, 2018, and completed on November 28, 2018. The shares acquired within the program will be used to reduce the common stock and to meet obligations arising from employee stock-based incentive programs.

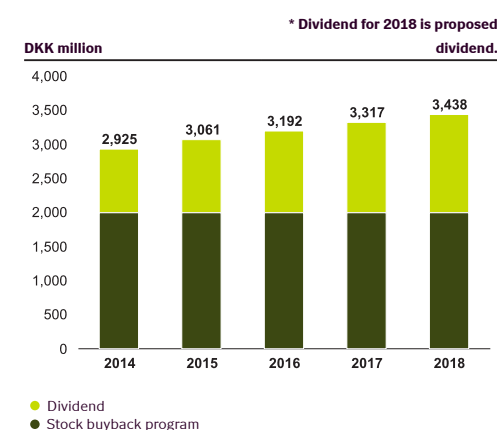
Movements in equity 2018



Payout ratio and dividend growth



Shareholder return



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Consolidated statement of shareholders' equity

DKK million	Attributable to shareholders in the company					Non-controlling interests	Total equity
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total		
Shareholders' equity at January 1, 2018	610	(262)	45	10,861	11,254	13	11,267
Net profit for the year				3,226	3,226	1	3,227
Other comprehensive income for the year		176	(71)		105	-	105
Total comprehensive income for the year		176	(71)	3,226	3,331	1	3,332
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				172	172		172
Write-down of common stock	(16)			16	-		-
Dividend				(1,316)	(1,316)	(1)	(1,317)
Stock-based payment				97	97		97
Tax related to equity items				(113)	(113)		(113)
Changes in shareholders' equity	(16)	176	(71)	82	171	-	171
Shareholders' equity at December 31, 2018	594	(86)	(26)	10,943	11,425	13	11,438
Shareholders' equity at January 1, 2017	620	670	(41)	10,483	11,732	13	11,745
Net profit for the year				3,119	3,119	1	3,120
Other comprehensive income for the year		(932)	86		(846)	(1)	(847)
Total comprehensive income for the year		(932)	86	3,119	2,273	-	2,273
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				179	179		179
Write-down of common stock	(10)			10	-		-
Dividend				(1,192)	(1,192)		(1,192)
Stock-based payment				104	104		104
Tax related to equity items				158	158		158
Changes in shareholders' equity	(10)	(932)	86	378	(478)	-	(478)
Shareholders' equity at December 31, 2017	610	(262)	45	10,861	11,254	13	11,267

The proposed dividend of DKK 1,438 million for 2018 is included in Retained earnings.