

# Equity and shareholder return

## Shareholders' equity

At December 31, 2017, shareholders' equity was DKK 11,267 million, down 4% from DKK 11,745 million at December 31, 2016, as dividend payments and stock buyback in 2017 more than offset comprehensive income.

## Equity ratio

Shareholders' equity represented 61% of the balance sheet total, down from 63% at December 31, 2016.

## Return on equity

Return on equity was 27.1%, up 1.0 percentage point from 26.1% in 2016. The increase was a result of higher net profit and a decrease in equity.

## Treasury stock

At December 31, 2017, the holding of treasury stock was 12.1 million B shares, equivalent to 4.0% of the common stock.

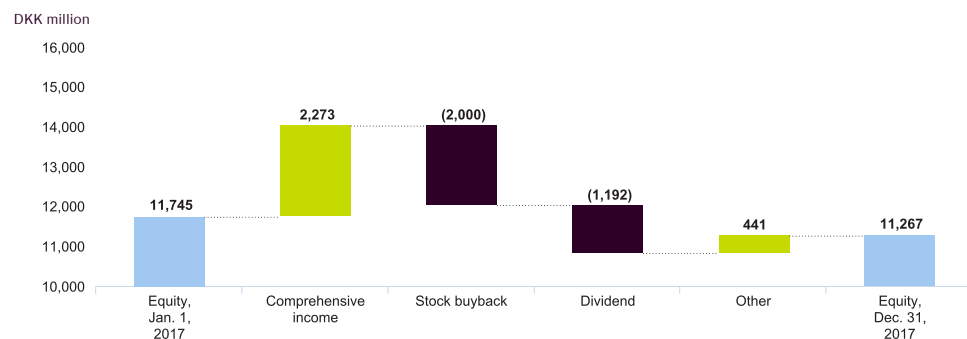
## Dividend

The Board of Directors proposes that the Annual Shareholders' Meeting approve a dividend of DKK 4.50 per share for the 2017 financial year, an increase of 13% compared with 2016. This will result in an expected total dividend payment of approximately DKK 1,318 million, corresponding to a payout ratio of 42.3%.

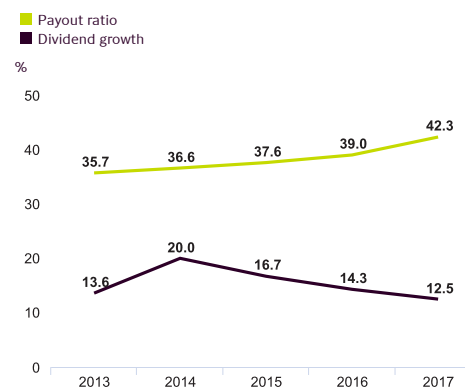
## Stock buyback program

In 2017, Novozymes bought back 6.8 million B shares with a transaction value of DKK 2,000 million under the stock buyback program initiated on January 25, 2017, and completed on November 9, 2017. The shares acquired within the program will be used to reduce the common stock and to meet obligations arising from employee share-based incentive programs.

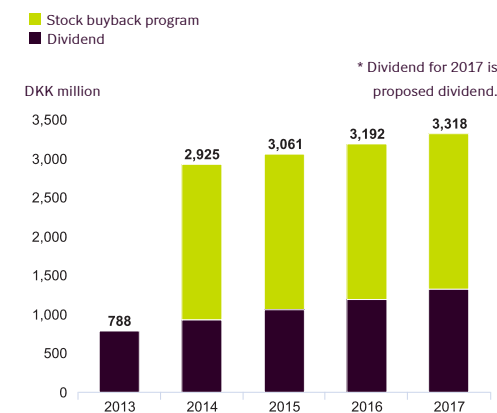
### Movements in equity 2017



### Payout ratio and dividend growth



### Shareholder return



[Read more about the Novozymes stock in The Novozymes stock](#)

# 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		
<b>Shareholders' equity at January 1, 2017</b>	<b>620</b>	<b>670</b>	<b>(41)</b>	<b>10,483</b>	<b>11,732</b>	<b>13</b>	<b>11,745</b>
Net profit for the year				3,119	3,119	1	3,120
Other comprehensive income for the year		(932)	86		(846)	(1)	(847)
<b>Total comprehensive income for the year</b>		<b>(932)</b>	<b>86</b>	<b>3,119</b>	<b>2,273</b>	<b>-</b>	<b>2,273</b>
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
<b>Changes in shareholders' equity</b>	<b>(10)</b>	<b>(932)</b>	<b>86</b>	<b>378</b>	<b>(478)</b>	<b>-</b>	<b>(478)</b>
<b>Shareholders' equity at December 31, 2017</b>	<b>610</b>	<b>(262)</b>	<b>45</b>	<b>10,861</b>	<b>11,254</b>	<b>13</b>	<b>11,267</b>
<b>Shareholders' equity at January 1, 2016</b>	<b>626</b>	<b>538</b>	<b>20</b>	<b>10,396</b>	<b>11,580</b>	<b>13</b>	<b>11,593</b>
Net profit for the year				3,050	3,050	-	3,050
Other comprehensive income for the year		132	(61)		71		71
<b>Total comprehensive income for the year</b>		<b>132</b>	<b>(61)</b>	<b>3,050</b>	<b>3,121</b>	<b>-</b>	<b>3,121</b>
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				69	69		69
Write-down of common stock	(6)			6	-		-
Dividend				(1,061)	(1,061)		(1,061)
Stock-based payment				136	136		136
Tax related to equity items				(113)	(113)		(113)
<b>Changes in shareholders' equity</b>	<b>(6)</b>	<b>132</b>	<b>(61)</b>	<b>87</b>	<b>152</b>	<b>-</b>	<b>152</b>
<b>Shareholders' equity at December 31, 2016</b>	<b>620</b>	<b>670</b>	<b>(41)</b>	<b>10,483</b>	<b>11,732</b>	<b>13</b>	<b>11,745</b>

The proposed dividend of DKK 1,318 million for 2017 is included in Retained earnings.