



INSEAD Finance Group

January 2024

Novo Nordisk

Health Care

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Executive Summary

Fair Value Estimate:

€ 96.52

Current Market Price:

€ 113.95

Overvalued

Key Drivers of Growth

- 1 Increased assumptions of biopharma GLP-1 sales in 2031 to nearly \$170 billion across diabetes (\$50 billion), obesity (\$85 billion), and overweight (\$35 billion)
- 2 Greater proportion of patients will receive (and stay compliant with) treatment, including overweight (lower BMI) patients.
- 3 Beginning in 2032, we expect low-cost generic semaglutide to increase treatment rates, likely focusing sales of next-generation products

Key Drivers of Uncertainty

- 1 Prices could fall substantially as volumes increase (in line with payer contracts) and as new entrants launch (beginning in 2026-27), with average net prices falling from roughly \$8,000 annually to \$3,000 in 10 years.
- 2 80% of 2026 Novo Nordisk sales forecast stem from GLP-1 therapies, with evolving efficacy and safety profiles of these next-generation therapies creates high uncertainty around Novo Nordisk fair value
- 3 Faster than expected Mounjaro uptake could lead to downside to Ozempic forecasts in diabetes, and faster than expected Zepbound uptake could lead to downside for Wegovy forecasts in obesity.
- 4 Lower than expected growth of the GLP-1 Diabetes and Obesity markets would yield downside to forecasts.

01

Business Overview

Company - General Overview

Novo Nordisk



Company Highlights

- **History:** Century-old Danish pharmaceutical company founded in 1923, from two separate entities- Nordisk Insulinlaboratorium, and Novo Terapeutisk Laboratorium
- **Valuation:** Stock growth has been exponential since the company was listed in the early 2000's. In the last year alone, they have experienced stock price increases of about 50%, largely driven by the unprecedented demand for their weight-loss related products
- **Strategy:** Novo Nordisk continues to produce medications for conditions such as diabetes and haemophilia. With the popularization of their weight-loss products, Novo Nordisk has experienced a surge of growth which they continue to capitalize on by funding research and production for their own more efficient and viable weight loss products
- **Brand:** It is arguable that there is significant value associated with their brand name. Already a powerful and trusted pharmaceutical company, the growth of their weight-related products has catapulted them into a nearly household-name
- **Major Corporate Finance Transactions:** In June of 2023, Novo Nordisk entered into an exclusive negotiation with BioCorp to acquire a controlling stake in their company. This was soon followed by a tender offer on all remaining market shares, making BioCorp a subsidiary of Novo Nordisk for a price of 154 million Euros

Management Team and Board of Directors

Key Management



Lars Fruergaard Jørgensen, Chief Executive Officer

Mr Jørgensen joined in 1991 as an economist in Health Care, Economy & Planning. Over the years he was appointed senior vice president for IT & Corporate Development, executive vice president and CIO, took over the responsibilities for Corporate People & Organisation and Business Assurance and became chief of staff. He was appointed president and CEO in January 2017.

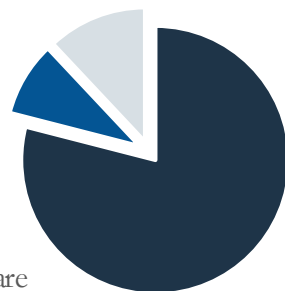
Board of Directors

Helge Lund, Chairman
Henrik Poulsen, Vice-Chairman
Elisabeth Dahl Christensen, Director
Laurence Debroux, Director

Kasim Kutay, Director
Christina Law, Director
Martin Mackay, Director
Thomas Rantzau, Director

Andreas Fibig, Director
Sylvie Grégoire, Director
Liselotte Hyveled, Director
Mette Bojer Jensen, Director

Revenue Share by Product Categories



- Diabetes Care
- Obesity Care
- Rare Disease

Diabetes Care: 79%

This segment is strongly driven by their GLP-1 products. Novo Nordisk's insulin value market share has increased from 43.8% to 44.6% in the last 12 months.

Obesity Care: 9%

The growth of products in the dynamic obesity market segment has been strong, despite the supply constraints affecting Wegovy. The volume growth of the global branded obesity market was 63%.

Rare Disease: 12%

Rare Disease growth has been driven by treatments for rare blood disorders, fueled by demand for NovoSeven and the newly launched products Esperoct® and Refixia. Expanding into new areas and advancing the development of key products within the Rare Disease unit – comprising treatments for rare blood, rare renal and endocrine disorders – in a strategy to grow existing operations and expand the core business.

Company - General Overview

Novo Nordisk

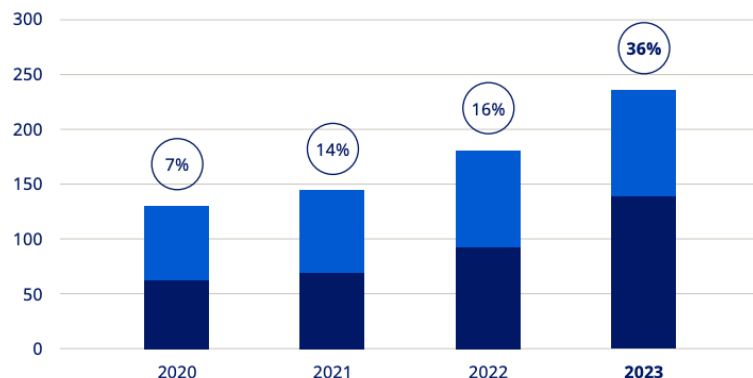


Novo Nordisk by Region

FINANCIAL PERFORMANCE (DKK billion)

● North America Operations net sales ● International Operations net sales

○ Growth at CER



Trend drivers

- The growth of products in the dynamic obesity market segment has been strong, despite the supply constraints affecting Wegovy®. Availability of anti-obesity medication is improving around the world, with around 80% of commercial formularies in the US now providing access and around 15 other countries offering varying levels of reimbursement.
- Insulin sales are declining but market share grows due to lower realised prices in the US, intensified biosimilar competition, higher demanded rebates coupled with channel and payer mix, as well as flat to declining class volume growth.

Impact on Strategy

- New global Commercial Strategy organisation based around three therapy areas – diabetes, obesity and other drive greater focus, each unit will have full functional responsibility, including therapy area strategy and ambition, early planning, access, commercial strategies, launch preparations and digital solutions.
- Diabetes growth has been driven by GLP-1 products across both North America and International Operations but uptake varies greatly by region.
- Revenue diversification into new treatments for diseases such as cardiovascular disease (CVD), non-alcoholic steatohepatitis (NASH), chronic kidney disease (CKD) and Alzheimer's disease.

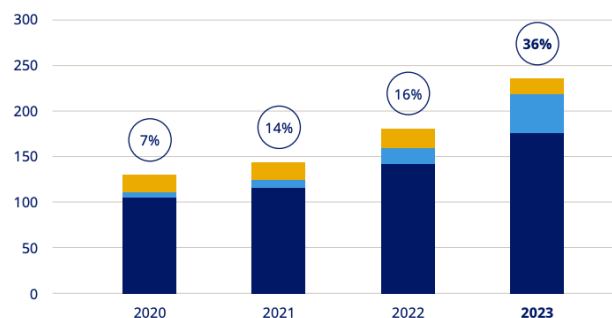
Novo Nordisk Sales by product category

Shift towards obesity care in 2021 and 2022 with an even stronger shift expected in the following years

SALES BY THERAPEUTIC AREA (DKK billion)

● Diabetes care ● Obesity care ● Rare Disease

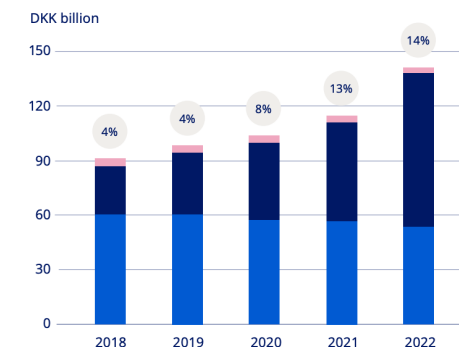
○ Growth at CER



Sales split in Diabetes care

● Insulin sales ● GLP-1 sales ● Other diabetes care

○ Growth at CER



Trend Drivers

- Growing Demand in Diabetes and Obesity Drug Markets: Novo Nordisk is leading in the diabetes and obesity care markets, driven by high demand for blood sugar-modulating medications and weight-loss treatments.
- Regulatory and Market Dynamics: The company's performance is significantly influenced by regulatory decisions on new medications or uses for existing ones, and changes in drug reimbursement rates.

Impact on Strategy

- Investment in Innovation and Diversification: The company is investing in new technology platforms and acquiring companies like Inversago Pharma to diversify and strengthen its product portfolio, especially in the GLP-1 segment.
- Global Accessibility and Affordability Initiatives: Novo Nordisk is focusing on making their products more accessible and affordable globally, including various schemes to reduce customer out-of-pocket costs, and broadening their market reach through global distribution and marketing efforts.

02

Internal Analysis

Product Analysis

Novo Nordisk



GLP-1 Product Segment (38% of Total Sales/ +56%)

| | Percent of Segment | Growth |
|---|--------------------|--------|
| Injectable GLP-1 Medicine | | |
| OZEMPIC | 62.88% | 77% |
| VICTOZA liraglutide injection | 28.08% | -18% |
| Oral GLP-1 Medicine | | |
| RYBELSUS semaglutide tablets 7mg/14mg | 9.02% | 134% |

Insulin (39.77% of Total Sales)

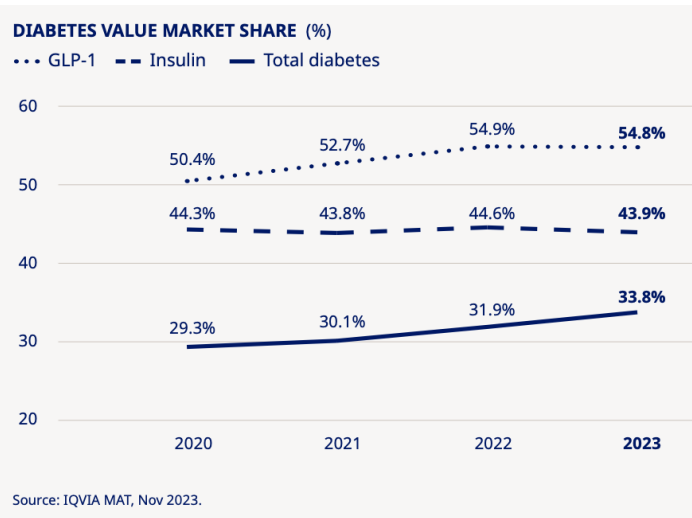
| | Percent of Segment |
|---------------------|--------------------|
| Long-Acting Insulin | 32.2% |
| Premix Insulin | 20% |
| Fast-Acting Insulin | 31.5% |

Obesity Care (9% of Total Sales)

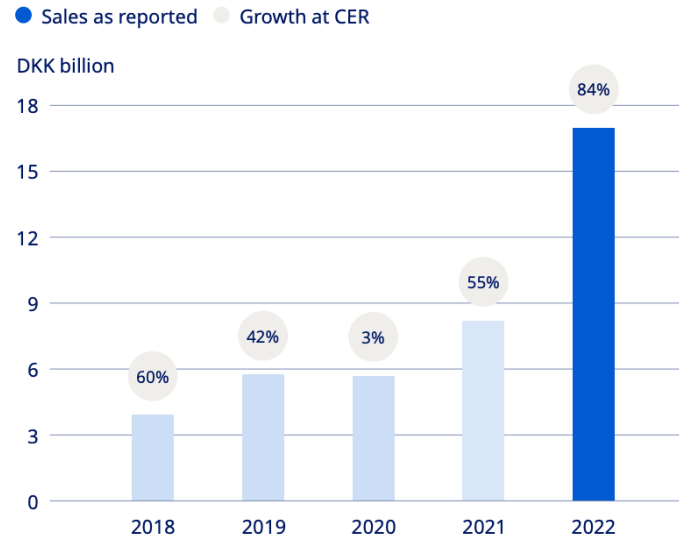
| | Growth |
|---|--------|
| Saxenda liraglutide injection | 101% |
| wegovy semaglutide injection 2.4 mg | |

BioPharm (12% of Total Sales)

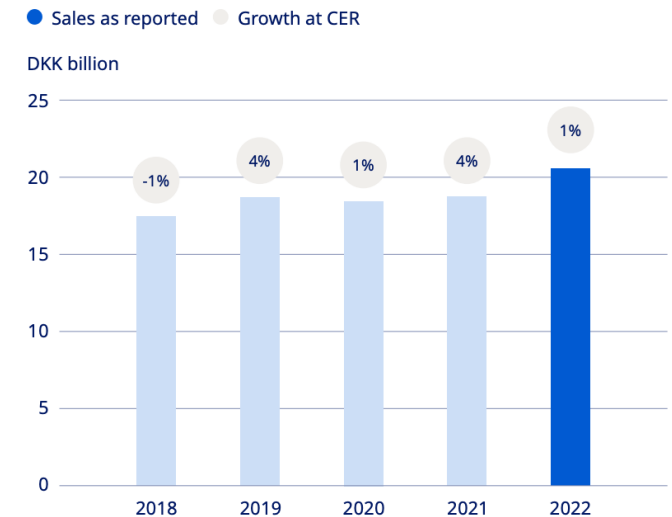
| | Percent of Segment |
|--------------------------|--------------------|
| Rare Blood Disorders | 53% |
| Rare Endocrine Disorders | 38% |
| Other Biopharm | 8.7% |



Obesity care sales



Rare Disease sales



Industry Diagram

Novo Nordisk



Pharma Supply Chain



Research and Development

Manufacturing Development

API Production

Filling / Tableting

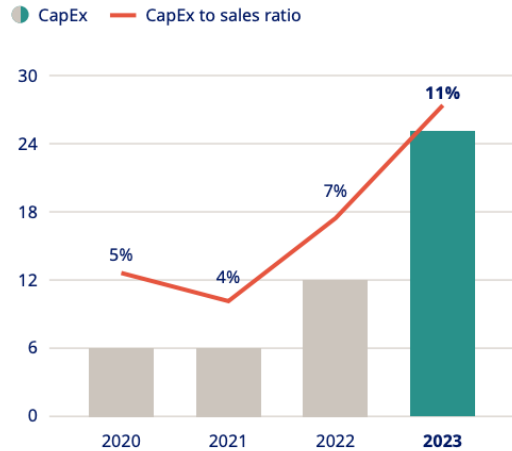
Assembly and Packaging

Distribution/ Cold Chain

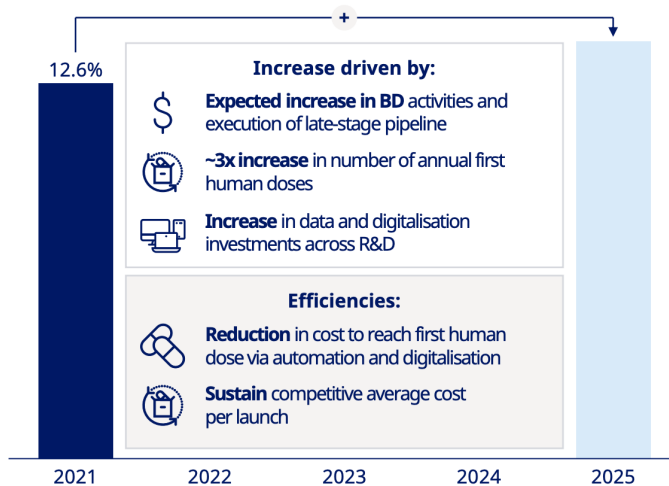
Patients



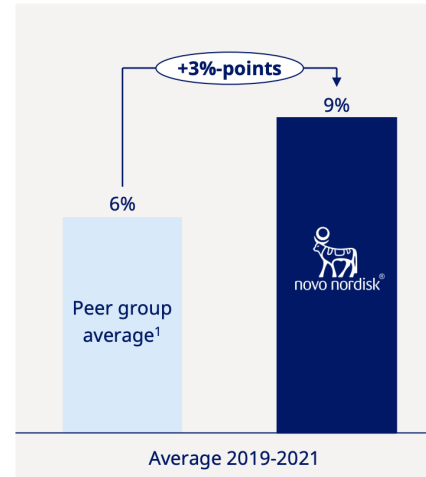
CAPEX INVESTMENTS (DKK billion)



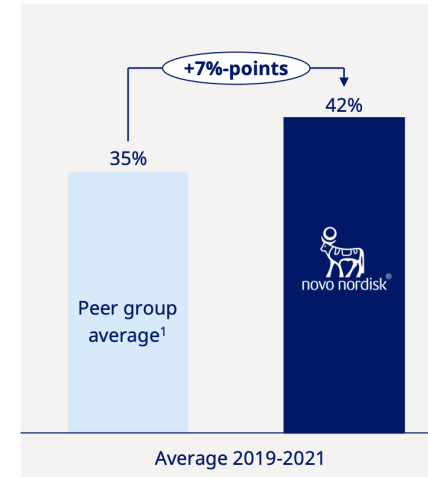
R&D ratio expected to gradually increase



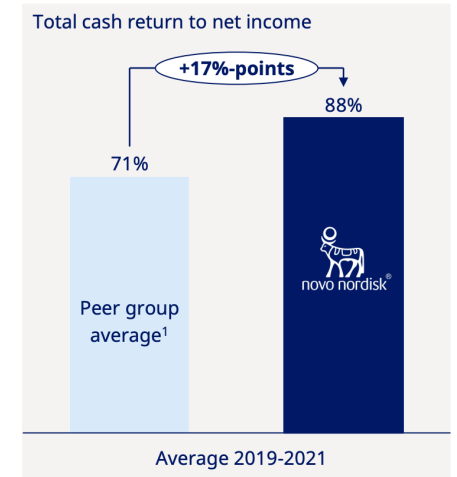
Sales growth (CER)



Operating margin



Cash returned to shareholders



Strategic resource allocation towards 2025

| | | | |
|--------------------------------|---|--|-----------|
| Diabetes care | Insulin | <ul style="list-style-type: none"> Sustained investment levels towards 2025 Targeted investments such as insulin icodex and Ryzodeg[®] in China | |
| | GLP-1 | | |
| Obesity care | semaglutide tablets semaglutide injection | Increased | |
| Rare disease | Market development | semaglutide injection 2.4 mg | Increased |
| Other serious chronic diseases | Launch investments for Sogroya [®] , conzicumab and Mim8 | Sustained | |
| | Pre-commercial activities for future growth drivers | Increased | |

Investment levels towards 2025

| | |
|-----------|---|
| Sustained | → |
| Increased | ↑ |
| Increased | ↑ |
| Sustained | → |
| Increased | ↗ |

S&D cost ratio
Gradually decline

03

External Analysis

Industry Analysis and overview

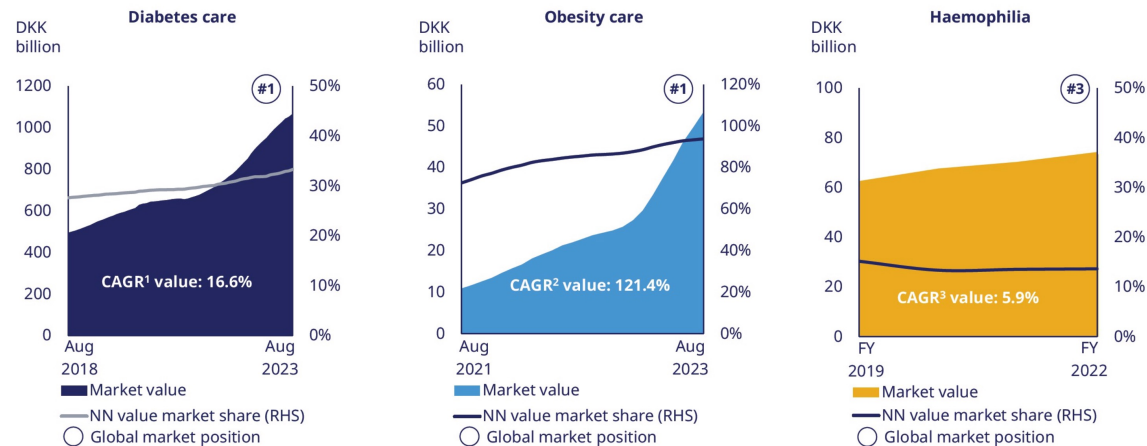
Novo Nordisk



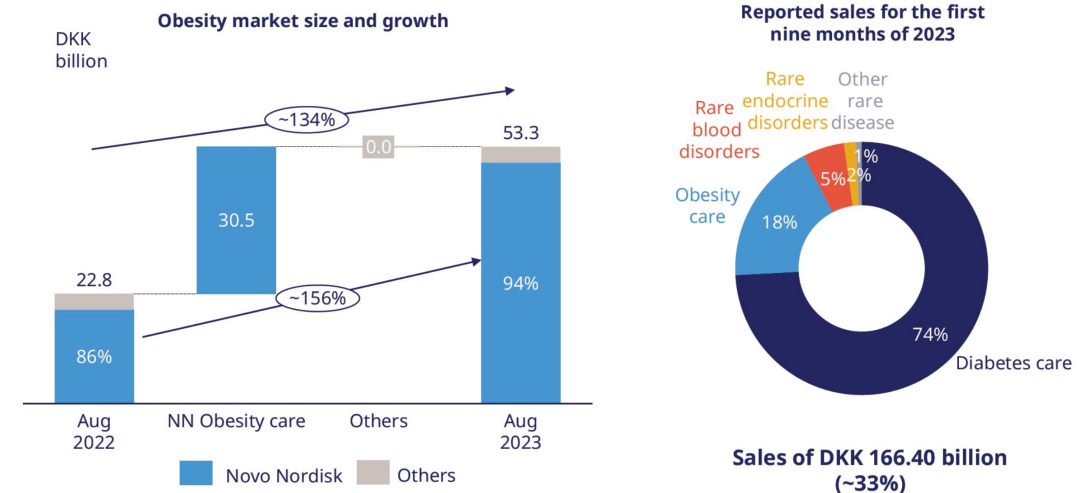
Current anti-obesity market and competitive landscape

- The global anti-obesity drug market is forecasted to grow from \$6 billion to \$100 billion by 2030, driven by escalating obesity rates worldwide according to Goldman Sachs
- Major pharmaceutical players like Eli Lilly are looking to enter the market and capture a significant share.
- Competition in the market is expected to intensify among companies like Arena Pharmaceuticals, Orexigen Therapeutics and Vivus, alongside biotech firms focusing on innovative approaches to obesity treatment.
- Novo Nordisk will acquire Catalent (three fill-finish sites), enhancing manufacturing capacity to support global diabetes and obesity treatment initiatives.
- Future M&A activity expected to further increase manufacturing capacity and gain a competitive edge.

Future growth projections



Position of Novo Nordisk in the market



Industry trends

- Significant competition in the same product lines suggests a potential decreased profitability of diabetes and obesity treatment in the future.
- Many companies are looking into the integration of AI into their operations, which could reduce project delivery times by 40%, and operation costs by 30%.
- Pharma companies will be heavily dependent on regulators to bring highly profitable drugs to the market, while being pressured by increased public scrutiny.
- Patent expirations and the entry of generic and biosimilar competitors pose significant challenges to maintaining market share and revenue streams for established pharmaceutical companies like Novo Nordisk.
- Changes in healthcare policies and reimbursement models, particularly in major markets like the US & EU can impact market access and profitability for pharmaceutical companies, requiring adaptability and strategic planning.

Industry Analysis

Novo Nordisk



Industry Overview

Pharmaceuticals

| | |
|-----------------|------|
| EV/Sales | 71.0 |
| EV/EBITDA | 2.3 |
| P/E | -7.7 |
| Price/Cash Flow | -7.7 |
| Price/Book | 4.4 |
| Dividend Yield | 2.5% |

Healthcare

| | |
|-----------------|------|
| EV/Sales | 70.8 |
| EV/EBITDA | 0.9 |
| P/E | 0.4 |
| Price/Cash Flow | -2.9 |
| Price/Book | 6.6 |
| Dividend Yield | 5.1% |

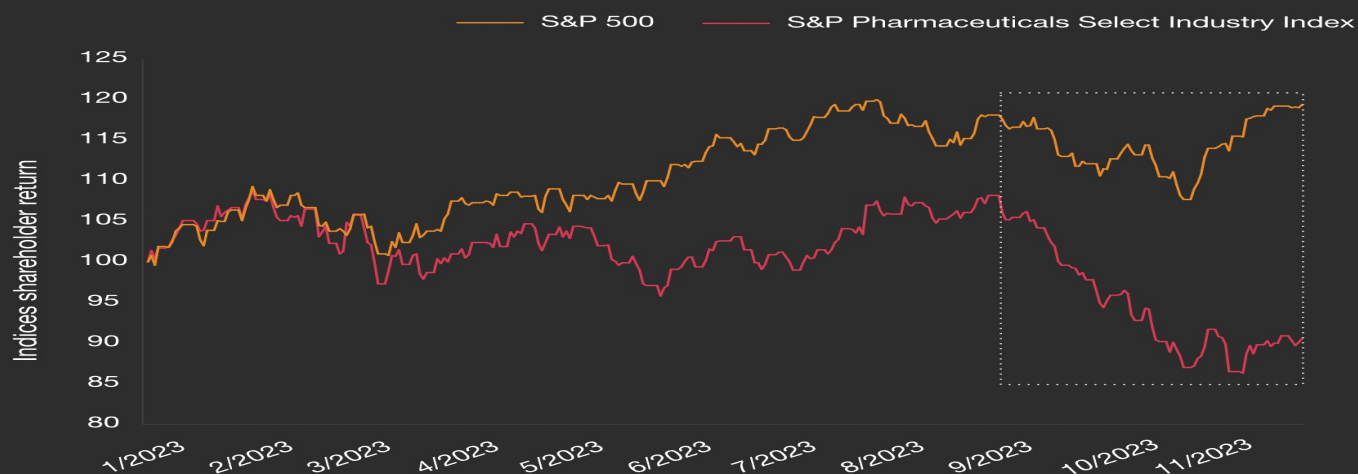
Trends

- Significant competition in the same product lines suggests a potential decreased profitability of diabetes and obesity treatment medications, as many companies strive for space in the market, slashing margins
- Many companies are looking into the integration of artificial intelligence systems into their operations, and some data suggests that this could reduce project delivery times by 40%, and operation costs by 30%. Considering pressure from competitors, inflation, and rising interest rates, managers must find ways to cut costs and increase their margins

Industry index compared to S&P500

2023 YTD TSR, 1/3/23-11/30/23

Starting in September 2023, the pharmaceutical index dropped notably compared to the S&P 500



Competitive Landscape

| | Novo Nordisk | Sanofi SA | AstraZeneca | Johnson & Johnson | Novartis | Roche Holding | Eli Lilly | Merck |
|-----------------------|---|--|--|--|--|--|---|---|
| Primary Region | Europe | Europe | Global | US | Europe | Europe | US | Europe |
| Performance | - Revenue: 33bn; - Net Income: 12 bn | - Revenue: 48.5bn; - Net Income: 10.8bn | - Revenue: 45.7bn; - Net Income: 11.2bn | - Revenue: 88.2bn; - Net Income: 25.9bn | - Revenue: 46.8bn; - Net Income: 13.6bn | - Revenue: 69.2bn; - Net Income: 16.9bn | - Revenue: 33.6bn; - Net Income: 5.7bn | - Revenue: 22.9bn; - Net Income: 3.9bn |
| Stock Performance TTM | +55% | +3.2% | -1.3% | -1.6% | +17.8% | -14% | +89% | +14% |

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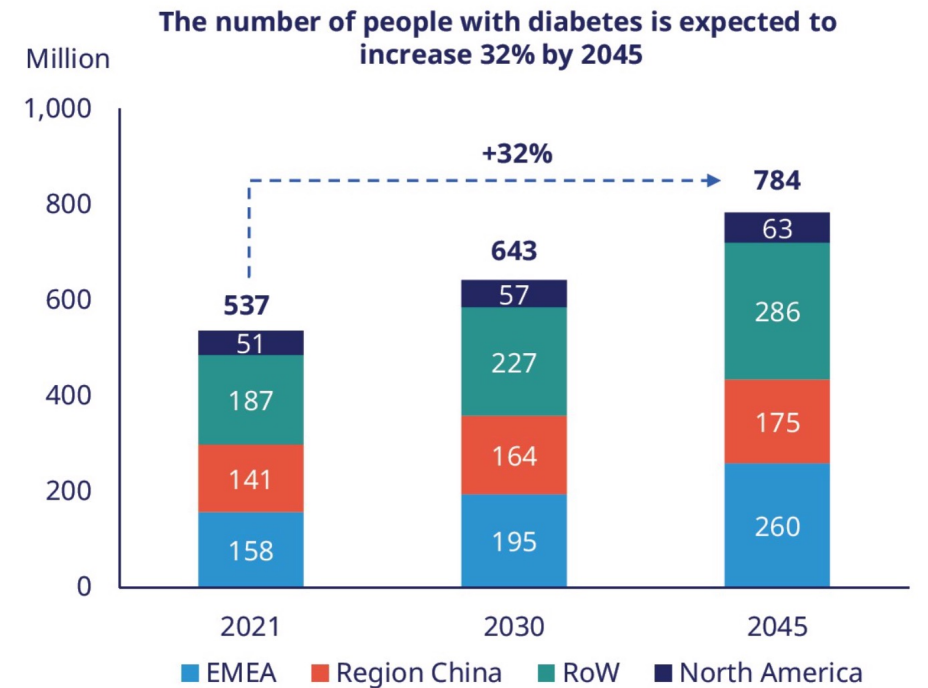
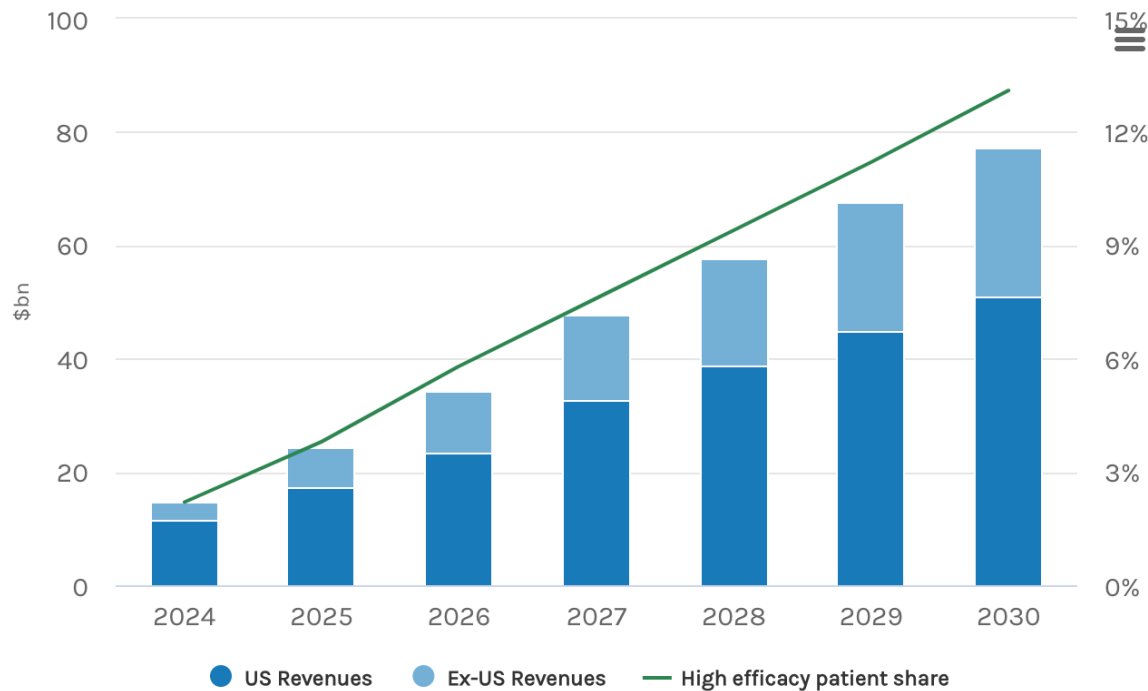
Investment Thesis

Thesis I: Anti-Obesity Drug Market Potential

Novo Nordisk



Pharma Supply Chain



Source: Morgan Stanley Research Estimates

05

Valuation

Valuation Precedent Transactions

Novo Nordisk



Precedent Transactions

In thousands EUR

| Date | Target | Acquirer | Transaction Value | Revenue | Net Income | EBITDA | EV | EV/Net Income | EV/Rev | EV/EBITDA |
|-------------------------------|------------------------|-----------------------|-------------------|---------------|--------------|--------------------|---------------|---------------|---------|-----------|
| Feb-20 | The Medicines Company | Novartis | €9 bn | € 5,201 | € (104,364) | € (494,727) | € 6,591,200 | -63.2x | 1267.3x | -13.3x |
| Dec-23 | Seagen | Pfizer | €39.92 bn | € 1,866,470 | € (580,470) | € (56,681,466,640) | € 21,749,296 | -54.6x | 11.7x | -62.9x |
| Nov-20 | Bioerativ Therapeutics | Sanofi | €10.77 bn | € 1,036,121 | € 319,038 | € 441,936 | € 5,484,124 | 34.2x | 5.3x | 26.1x |
| May-23 | Prometheus Biosciences | Merck | €5.11 bn | € 6,476 | € (138,053) | € (134,822) | € 8,109,794 | -64.2x | 1252.3x | -59.8x |
| May-19 | Shire | Takeda | €57.56 bn | € 13,443,056 | € 4,082,502 | € 5,756,876 | € 59,760,468 | 17.3x | 4.4x | 14.5x |
| Dec-23 | Karuna Therapeutics | Bristol Meyers Squibb | €13 bn | € 10,117 | € (273,904) | € (262,826) | € 4,720,443 | -31.3x | 466.6x | -28.0x |
| Nov-23 | ImmunoGen | AbbVie | €9.28 bn | € 103,464 | € (212,030) | € (205,214) | € 3,146,137 | -127.5x | 30.4x | -127.3x |
| Median | | | | | | | | -54.6x | 17.8x | -28.0x |
| Average of positive multiples | | | | | | | | 25.7x | 13.2x | 20.3x |
| Novo Nordisk | | | | € 821,625,677 | € 11,222,768 | € 14,944,736 | € 497,936,859 | | | |
| Novo Nordisk EV | | | | | | | € 288,817,934 | € 303,378,141 | | |

Valuation Comparables

Novo Nordisk



Pharmaceutical Comparables

Amounts in Euros in Thousands

| Companies | HQ Country/Territory | Market Cap (€) | Enterprise Value (Daily) | Net Income after Non-Controlling/Minority Interests (TTM) | Total Revenue (TTM) | EBITDA (TTM) | Price(Daily)/Earnings | EV(Daily)/EBITDA | EV/Revenue | Revenue 3 Yr historic growth % | EBITDA margin % |
|---------------------------------|----------------------|----------------|--------------------------|---|---------------------|--------------|-----------------------|------------------|------------|--------------------------------|-----------------|
| Merck & Co. (NYS: MRK) | United States | € 295,084,991 | € 319,780,234 | € 337,315 | € 55,555,277 | € 14,075,623 | 900.05x | 28.60x | 5.8x | 13.40% | 28.37% |
| Bristol-Myers Squibb (NYS: BMY) | United States | € 91,448,367 | € 117,899,428 | € 7,416,304 | € 41,592,295 | € 17,944,221 | 12.68x | 6.57x | 2.8x | 3.96% | 43.13% |
| Johnson & Johnson (NYS: JNJ) | United States | € 349,697,537 | € 355,753,256 | € 32,486,645 | € 78,699,690 | € 31,919,252 | 30.23x | 17.66x | 4.5x | 1.48% | 30.00% |
| AstraZeneca (LON: AZN) | United Kingdom | € 174,430,354 | € 194,950,530 | € 5,503,313 | € 42,336,236 | € 12,538,867 | 31.96x | 15.55x | 4.6x | 20.80% | 29.60% |
| Pfizer (Pharmaceuticals) | United States | € 141,380,249 | € 159,977,259 | € 1,958,274 | € 54,059,078 | € 5,892,380 | 73.23x | 27.15x | 3.0x | 25.62% | 10.90% |
| Eli Lilly (NYS: LLY) | United States | € 654,806,831 | € 671,586,559 | € 4,842,916 | € 31,535,787 | € 8,777,033 | 135.21x | 90.32x | 21.3x | 11.91% | 30.00% |
| Sanofi (PAR: SAN) | France | € 107,228,146 | € 117,253,146 | € 5,400,000 | € 46,444,000 | € 10,047,000 | 19.88x | 11.67x | 2.5x | 7.60% | 21.63% |
| Sector Median | | | | | | | 31.96x | 17.66x | 4.52x | 12% | 30% |
| Novo Nordisk (CSE: NOVO B) | Denmark | € 498,369,891 | € 497,936,859 | € 11,222,768 | € 31,148,636.00 | € 14,944,736 | 44.72x | 33.32x | 16.0x | 22.60% | 47.98% |

Discounted Cash Flow Valuation

Novo Nordisk



| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | 23,787,227 | 30,603,018 | 36,815,032 | 44,728,067 | 53,689,163 | 58,739,835 |
| Operating expenses | (13,869,945) | (16,796,330) | (19,884,090) | (23,892,655) | (28,181,201) | (30,644,055) |
| EBIT | 9,917,282 | 13,806,688 | 16,930,943 | 20,835,413 | 25,507,961 | 28,095,780 |
| Adjusted Tax | 1,758 | 2,729 | 3,565 | 4,437 | 5,443 | 5,919 |
| NOPLAT | 9,915,523 | 13,803,959 | 16,927,378 | 20,830,975 | 25,502,519 | 28,089,861 |
| D&A | 557,744 | 400,946 | (343,601) | (541,453) | 281,668 | 378,718 |
| Capex | (547,106) | (1,124,778) | 1,299,957 | 1,528,848 | (622,212) | (724,626) |
| Change in NWC | (2,270) | 1,809 | 2,836 | (886) | 1,448 | 1,061 |
| FCF | 11,022,643 | 15,327,874 | 15,280,983 | 18,761,560 | 26,404,951 | 29,192,143 |
| Discount rate | 7.50% | | | | | |
| Discount factor | 107.50% | | | | | |
| Discounted FCF | € 14,258,487.18 | € 13,223,132.89 | € 15,102,315.63 | € 19,772,041.16 | € 20,334,039.52 | |

| | |
|---|-----------------------------|
| Firm Valuation | |
| <i>In thousands</i> | |
| PV of FCF (2023e-2027e) | 82,690,016 |
| Terminal Value as of 2031 | 377,104,006 |
| PV of Terminal Value | 244,348,884 |
| Enterprise Value | € 327,038,900,456.43 |
| Enterprise Value to Equity Value Deductions | |
| - Debt | 3,351,920 |
| +Cash | 1,698,182 |
| Equity Value | € 327,037,246,718.03 |
| Number of shares | 3,388,408,293 |
| Price per share | € 96.52 |

06

Risk and Mitigations

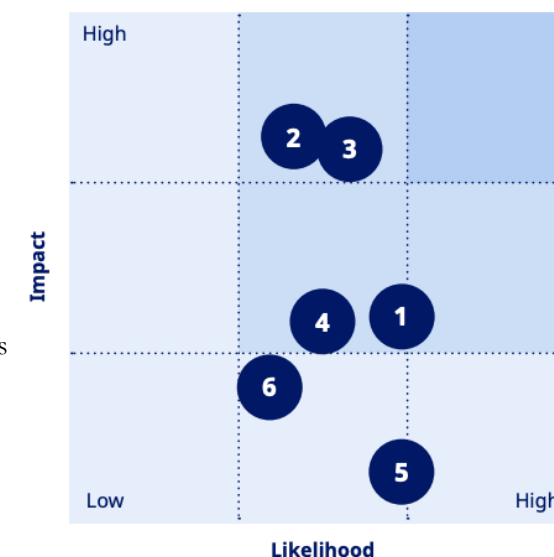
Risk and Mitigations

Novo Nordisk



| Risk Area | Description | Mitigating Actions |
|---|---|--|
| Research and Clinical Pipeline Risks | Findings in clinical activities, regulatory processes or misjudging of commercial potential, leading to delays or failure of products in the pipeline. | <ul style="list-style-type: none"> • Pre-clinical and clinical activities to demonstrate safety and efficacy. • Consultations with regulators |
| Product Supply, Quality, and Safety Risks | Higher-than-expected demand or disruption of product supply due to, e.g. geopolitical instability or quality issues may compromise product availability, | <ul style="list-style-type: none"> • Significantly expanding global production with multiple facilities and safety stock to reduce supply risk. • Planning and management of supply chain. • Regular quality audits of internal units and suppliers |
| Commercialization Risks | Competitive pressures, as well as market dynamics and geopolitical, macroeconomic or healthcare crises (e.g. pandemics) leading to reduced payer ability and willingness to pay | <ul style="list-style-type: none"> • Innovation of novel products, clinical trial data and real-world evidence demonstrate added value of new products |
| IT Security Risks | Cyber-attacks or infrastructure failure resulting in business disruption or breach of data confidentiality | <ul style="list-style-type: none"> • Company-wide internal audit of IT security controls. • Detection and protection mechanisms in IT systems and business processes. |
| Financial Risks | Exchange rate fluctuations (mainly in USD, CNY, JPY and CAD), disputes with tax authorities and changes to tax legislation and interpretation. | <ul style="list-style-type: none"> • Hedging for selected currencies. • Integrated treasury management. |
| Legal, Patent, and Compliance Risks | Breach of legislation, industry codes or company policies. Competitors asserting patents against Novo Nordisk. | <ul style="list-style-type: none"> • Legal review of key activities. • Code of Conduct integrated in our business. • Internal controls to minimise vulnerability to patent infringement and invalidity actions. |

KEY OPERATIONAL RISKS (ILLUSTRATIVE)



07

Investment Summary

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Overvalued

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- 4 Lower than expected growth of the GLP-1 Diabetes and Obesity markets would yield downside to forecasts.

08

Exhibits

Figure 3: EU Major Pharma - comparative valuation

| Company | EV \$m | CCY | Price | PE | | | | EV/ EBITDA | Lever age | FCF Yld | Div Yld | UBS CAGR '23-'28E | | | PharmaValues EV/NPV |
|--------------------------------|---------|-----|--------|-------------|-------------|-------------|-------------|---------------|--------------|-------------|-------------|----------------------|-------------|-------------|------------------------|
| | | | | 2023e | 2024e | 2025e | 2026e | | | | | 2024e | 2024e | 2024e | |
| AZN | 233,661 | GBX | 10,520 | 22.0 | 19.0 | 17.0 | 14.8 | 14.9 | 1.7 | 2.9% | 2.4% | 7.0% | 13% | 14% | 1.20 |
| BAYER | 80,560 | EUR | 29 | 4.9 | 5.3 | 5.0 | 5.1 | 6.8 | 4.2 | 7.6% | 6.9% | 1.0% | 0.4% | 1.0% | 0.77 |
| GSK | 110,421 | GBX | 1,568 | 11.9 | 12.3 | 10.1 | 8.7 | 10.4 | 2.8 | 4.8% | 3.8% | 4.4% | 7.3% | 7.2% | 0.84 |
| MERCK KGAA | 79,858 | GBX | 152 | 18.5 | 17.7 | 15.2 | 13.7 | 12.2 | 1.2 | 3.8% | 1.4% | 4.9% | 7.6% | 8.8% | 0.76 |
| NOVARTIS | 219,712 | CHF | 89 | 16.7 | 14.7 | 13.5 | 13.0 | 11.9 | 0.3 | 6.5% | 4.0% | 3.6% | 5.7% | 9.0% | 1.07 |
| NOVO | 504,740 | DKK | 775 | 42.6 | 32.4 | 26.3 | 21.1 | 24.6 | -0.2 | 2.5% | 1.6% | 16% | 19% | 20% | 1.72 |
| ROCHE | 269,304 | CHF | 247 | 14.2 | 14.1 | 12.9 | 12.2 | 10.5 | 1.5 | 6.7% | 4.1% | 5.3% | 6.5% | 6.1% | 0.91 |
| SANOFI | 140,265 | EUR | 93 | 12.2 | 12.4 | 10.5 | 9.3 | 9.6 | 0.9 | 7.0% | 4.0% | 5.6% | 8.8% | 9.4% | 0.68 |
| Simple average | | | | 17.9 | 16.0 | 13.8 | 12.2 | 12.6 | 1.6 | 5.2% | 3.5% | 6.0% | 8.5% | 9.4% | 0.99 |
| Simple average ex-Novoo | | | | 14.3 | 13.7 | 12.0 | 11.0 | 10.9 | 1.8 | 5.6% | 3.8% | 4.6% | 7.0% | 7.9% | 0.89 |

Source: UBS estimates, Company data, Refinitiv Eikon as at 31/01/2024

Company - General Overview

Novo Nordisk

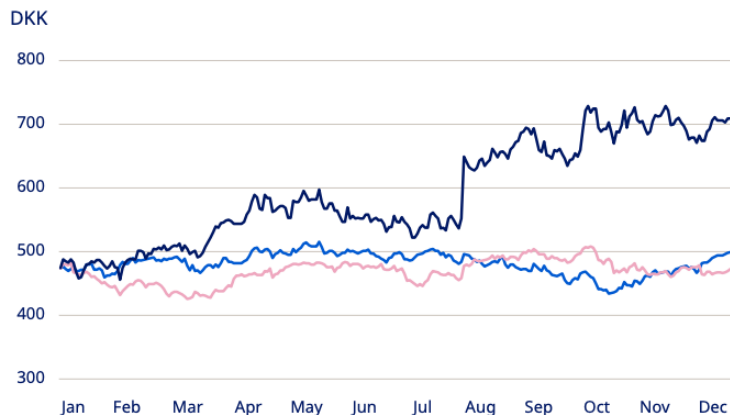


Share Price

SHARE PRICE PERFORMANCE 2023

Novo Nordisk share price and indexed peers⁵ (%)

— Novo Nordisk — OMXC25 — Peer group⁶



Valuation Statistics

| | |
|------------------|--------|
| Market Cap | 434.10 |
| Enterprise Value | 431.37 |
| P/E | 43.48 |
| EV/EBITDA | 33.57 |
| EPS (2023) | 1.64 |
| Total Debt | 3.5 |

Solvency Ratios

| | |
|--------------------------|---------|
| Total Debt to EBITDA | 0.34x |
| Net Debt to EBITDA | -0.01x |
| Total Debt to IC | 0.24x |
| Total Debt to Equity | 0.31x |
| Interest Coverage | 183.07x |
| EBITDA Interest Coverage | 200.41x |

Capital Structure

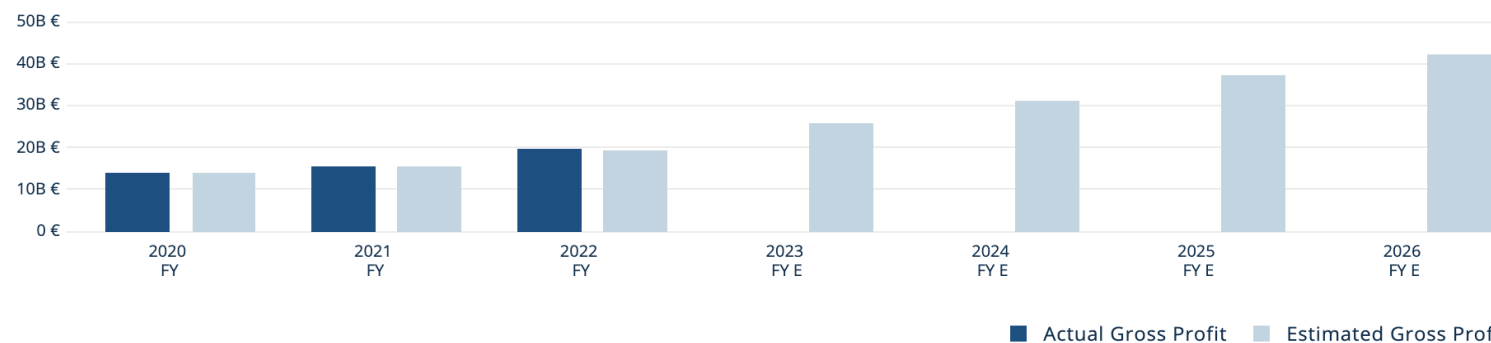
| Rank | Shareholder Name | Nationality | 2023 |
|------|--|-------------|-------|
| 1 | Novo Holdings | Denmark | 6% |
| 2 | Capital Research & Management Co. | US | 4.6% |
| 3 | The Vanguard Group Inc. | US | 3.25% |
| 4 | Norges Bank Investment Management | Norway | 2.52% |
| 5 | Novo Nordisk A/S | Denmark | 1.53% |
| 6 | Fundsmith LLP | UK | 1.13% |
| 7 | Fidelity Management and Research | US | 1.1% |
| 8 | BlackRock Investment (UK LTD) | UK | 1.0% |
| 9 | GQG Partners LLC | US | 0.71% |
| 10 | Capital Research & Management Co. (Global) | US | 0.65% |

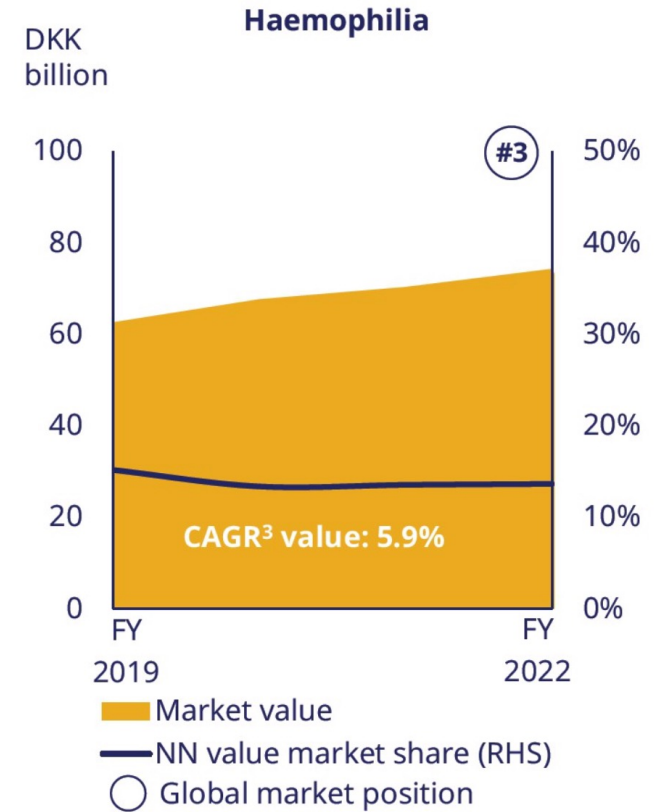
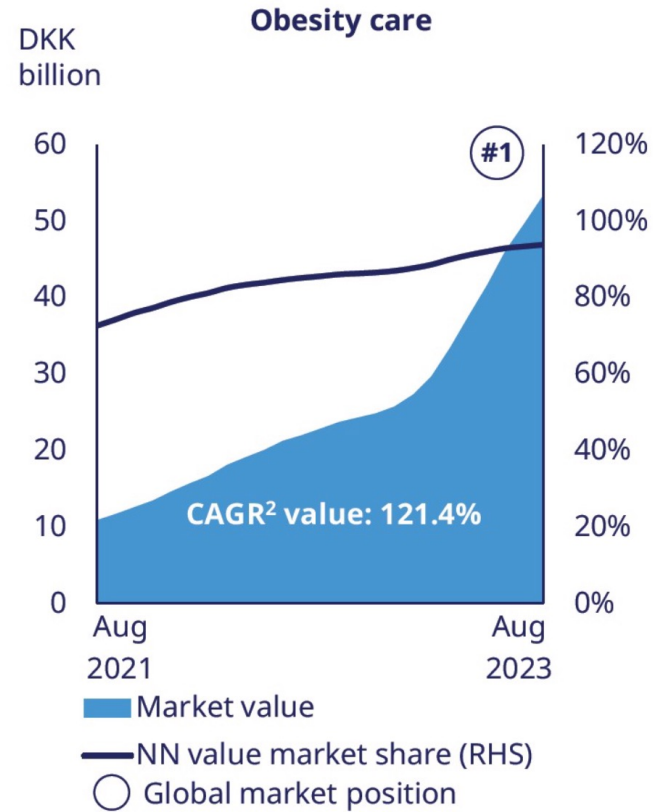
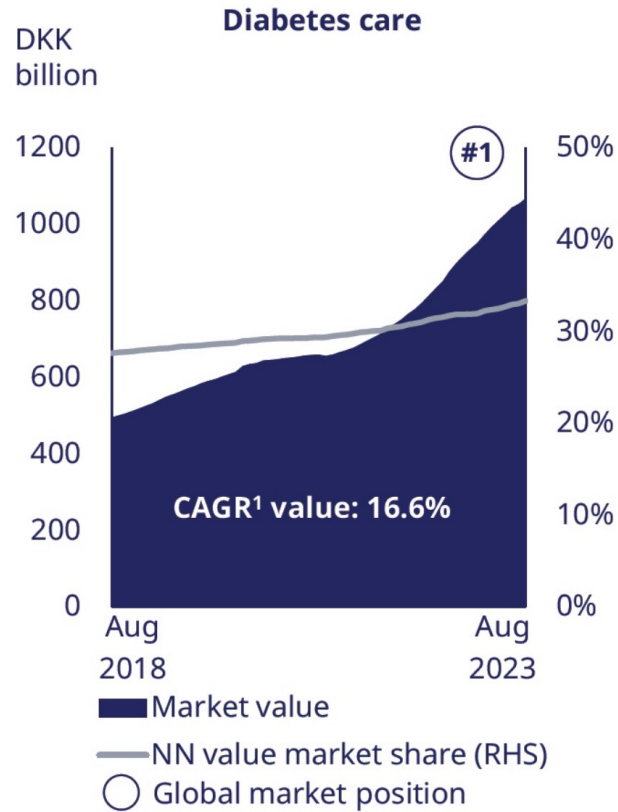
Deal Breakdown by Region

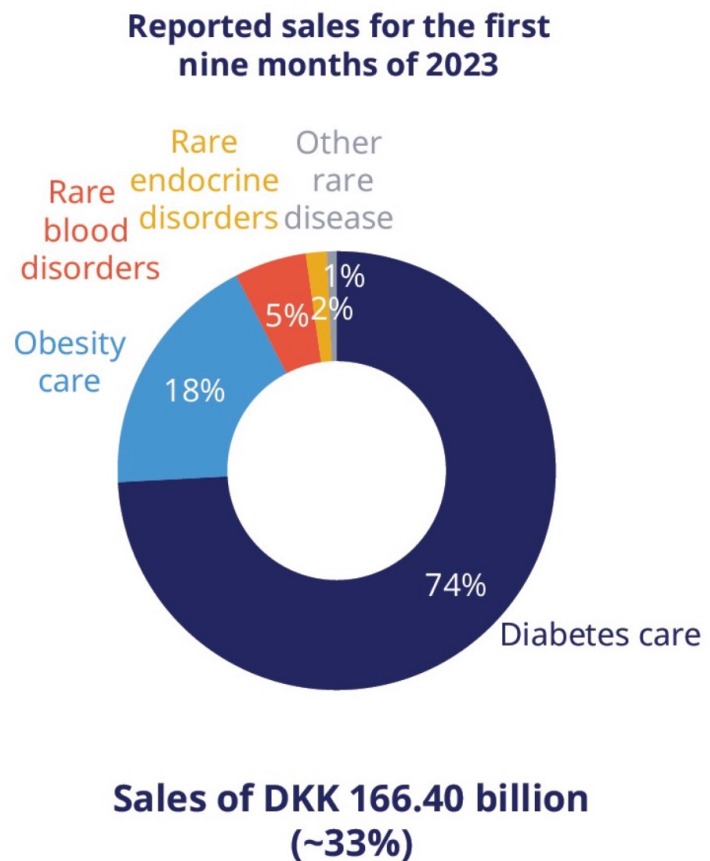
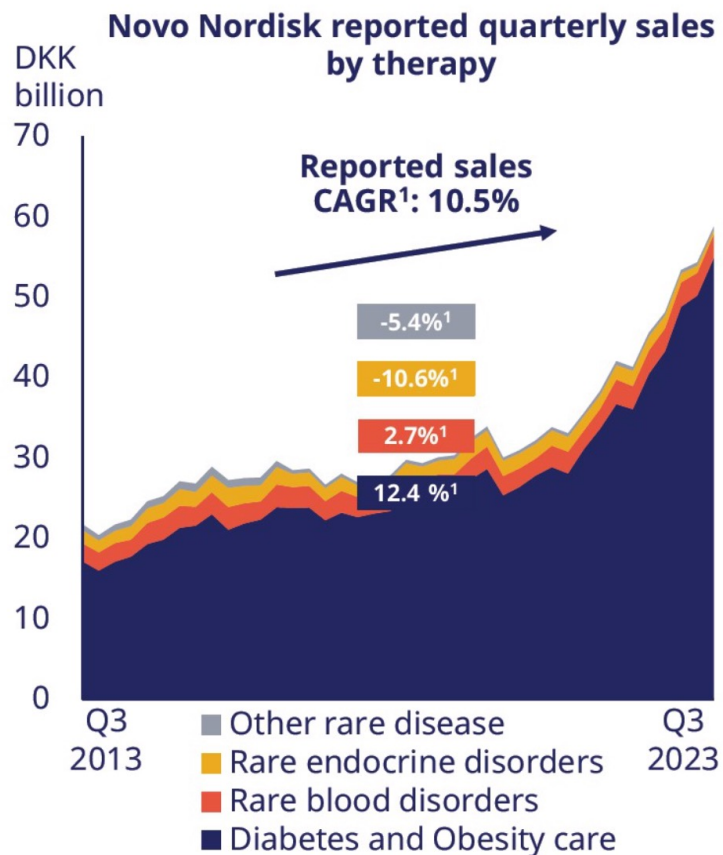


Despite a historical trend of dealings in Europe, Novo Nordisk has made significant headway in deals with North America, likely due to high pharmaceutical prices, and an overweight population suffering from diabetes

Gross Profit Estimates







Reported sales and growth breakdown for the first nine months of 2023

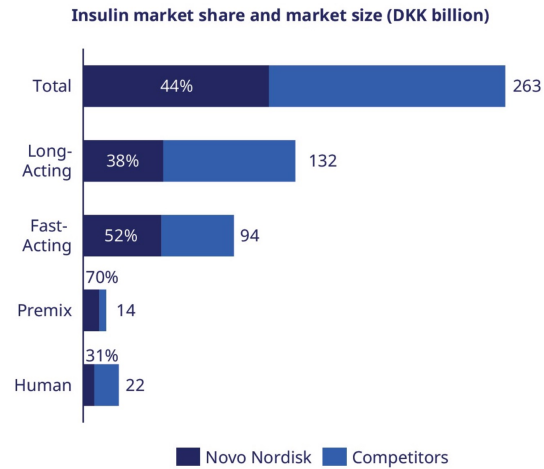
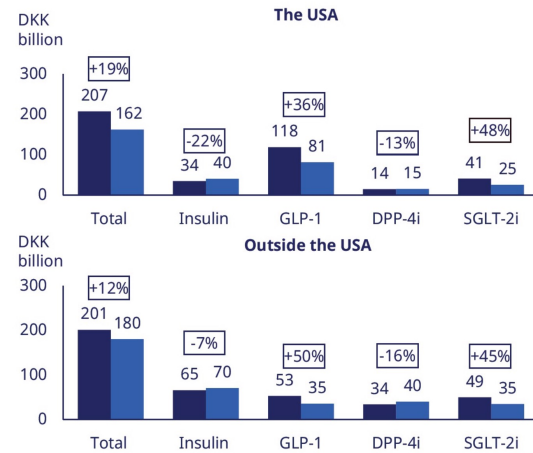
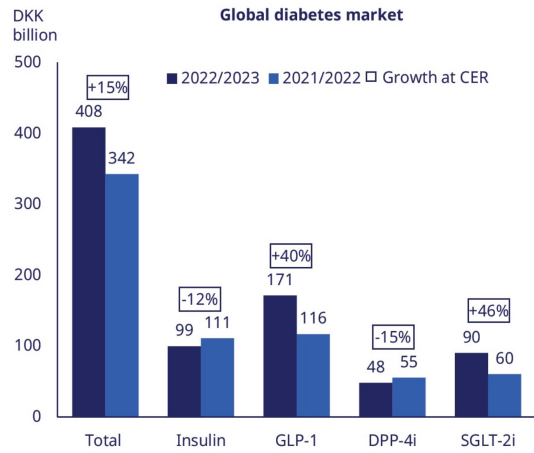
| Therapy | Sales (mDKK) | Growth | Share of growth |
|---------------------------------------|----------------|-------------|-----------------|
| Injectable GLP-1 ² | 72,531 | 44% | 54% |
| Rybelsus [®] | 12,840 | 82% | 14% |
| Total GLP-1 | 85,371 | 49% | 68% |
| Total insulin³ | 36,042 | -7% | -6% |
| Other Diabetes care ⁴ | 1,990 | -21% | -1% |
| Total Diabetes care | 123,403 | 25% | 60% |
| Obesity care ⁵ | 30,403 | 174% | 47% |
| Diabetes and Obesity care | 153,806 | 40% | 107% |
| Rare blood disorders ⁶ | 8,842 | 2% | 0% |
| Rare endocrine disorders ⁷ | 2,572 | -54% | -7% |
| Other Rare disease ⁸ | 1,178 | -7% | 0% |
| Rare disease | 12,592 | -18% | -7% |
| Total | 166,398 | 33% | 100% |

Diabetes Market

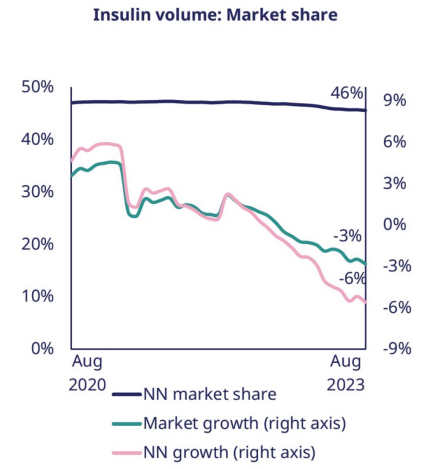
Novo Nordisk



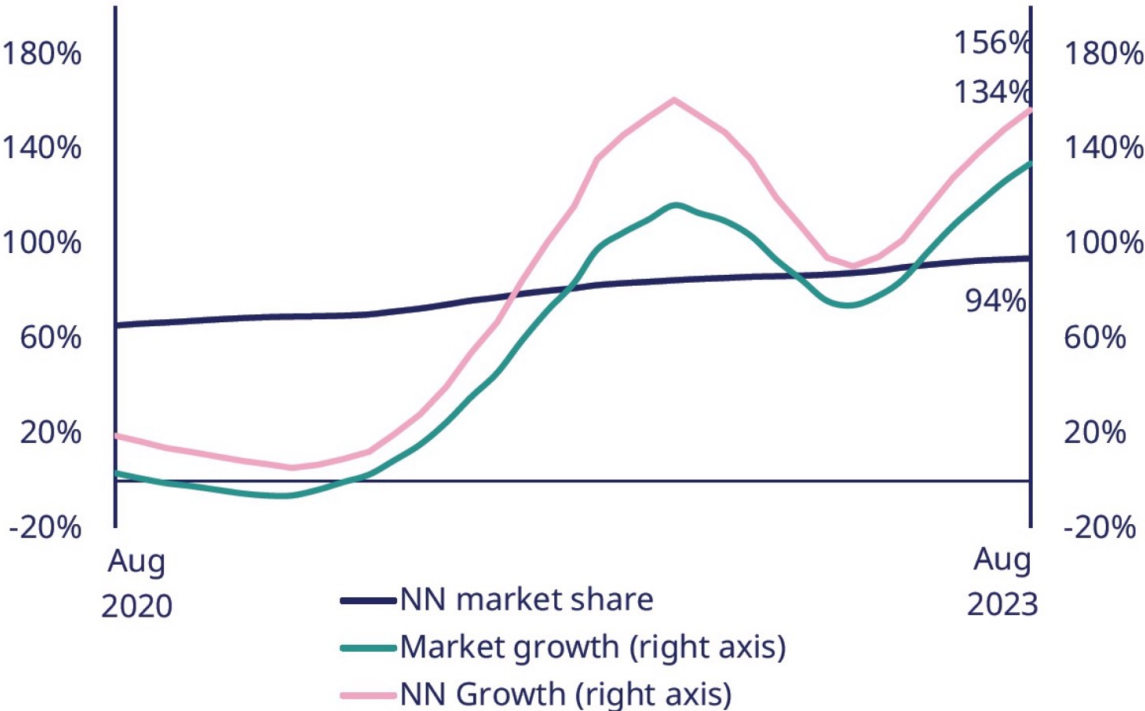
Total branded diabetes market with a global value of DKK 410B annually



| Category | Market growth (%) | Δ Market share (%) |
|-------------|-------------------|--------------------|
| Total | -3.7% | -0.2% |
| Long-Acting | -4.1% | +0.4% |
| Fast-Acting | 0.1% | -0.7% |
| Premix | -15.9% | +0.8% |
| Human | -7.1% | -1.3% |



Obesity market growth and Novo Nordisk value market share



Obesity market size and growth

