



ROSHNI  
Roshni is living with type 1 diabetes in India

# novo nordisk – a focused healthcare company

Investor presentation  
First three months of 2020



# Agenda

COVID-19 update

Highlights

Sales update

R&D update

Financials and outlook

Strategic aspirations 2025

# Forward-looking statements

Novo Nordisk's reports filed with or furnished to the US Securities and Exchange Commission (SEC), including this presentation as well as the company's statutory Annual Report 2019 and Form 20-F, which are both expected to be filed with the SEC in February 2020 in continuation of the publication of the Annual Report 2019, and written information released, or oral statements made, to the public in the future by or on behalf of Novo Nordisk, may contain forward-looking statements. Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- Statements of targets, plans, objectives or goals for future operations, including those related to Novo Nordisk's products, product research, product development, product introductions and product approvals as well as cooperation in relation thereto,
- Statements containing projections of or targets for revenues, costs, income (or loss), earnings per share, capital expenditures, dividends, capital structure, net financials and other financial measures,
- Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings, and
- Statements regarding the assumptions underlying or relating to such statements.

These statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Novo Nordisk cautions that a number of important factors, including those described in this presentation, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including interest rate and currency exchange rate fluctuations, delay or failure of projects related to research and/or development, unplanned loss of patents, interruptions of supplies and production, product recalls, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Novo Nordisk's products, introduction of competing products, reliance on information technology, Novo Nordisk's ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in governmental laws and related interpretation thereof, including on reimbursement, intellectual property protection and regulatory controls on testing, approval, manufacturing and marketing, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign companies, unexpected growth in costs and expenses, failure to recruit and retain the right employees, and failure to maintain a culture of compliance.

For an overview of some, but not all, of the risks that could adversely affect Novo Nordisk's results or the accuracy of forward-looking statements in this presentation, reference is made to the overview of risk factors in 'Managing risks to protect value' on pp 33-35 of the Annual Report 2019.

Unless required by law, Novo Nordisk is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this presentation, whether as a result of new information, future events or otherwise.

## Important drug information

- Victoza® is approved for the management of type 2 diabetes only
- Saxenda® is approved in the USA and the EU for the treatment of obesity only

# Novo Nordisk response to COVID-19 pandemic

## Novo Nordisk priorities during COVID-19



Safeguard the health of our employees



Continue the supply of life-saving medicines to patients



Support society with resources and expertise

## Novo Nordisk status across the value chain

### Production

- All manufacturing sites operating
- Medicines available to patients worldwide

### R&D

- Continuation of on-going clinical trials
- Trial recruitment negatively impacted
- No new trials started

### Commercial

- Majority of Novo Nordisk medicines used for chronic treatment
- Fewer new patients initiating treatment
- Increased prescription duration and stocking

# Strategic aspirations 2025

## - Highlights first quarter 2020



Purpose and sustainability

**Additional US affordability offerings** launched in Q1 2020

**Societal contributions** during COVID-19 pandemic

**100% renewable power** across all production sites



Commercial execution

**Diabetes sales increased by 13%:**

- Value market share leadership expanded by 0.7%-points to 28.7%
- Sales of GLP-1 increased by 37% driven by continued performance of Ozempic® in IO and NAO

**Obesity sales increased by 30%** to DKK 1.6 billion

**Biopharm sales increased by 16%** driven by key products Norditropin®, NovoEight®, and Refixia®



Innovation and therapeutic focus

**Diabetes:**

- Rybelsus® received approval for the treatment of type 2 diabetes in the EU and the UK
- Ozempic® marketing authorisation application submitted in China

**Biopharm:**

- Concizumab phase 3 clinical trials paused

**Other serious chronic diseases**

- Positive phase 2 data for semaglutide in NASH



Financials

**Sales growth of around 7%, at CER, when adjusting for COVID-19 related stocking effects**

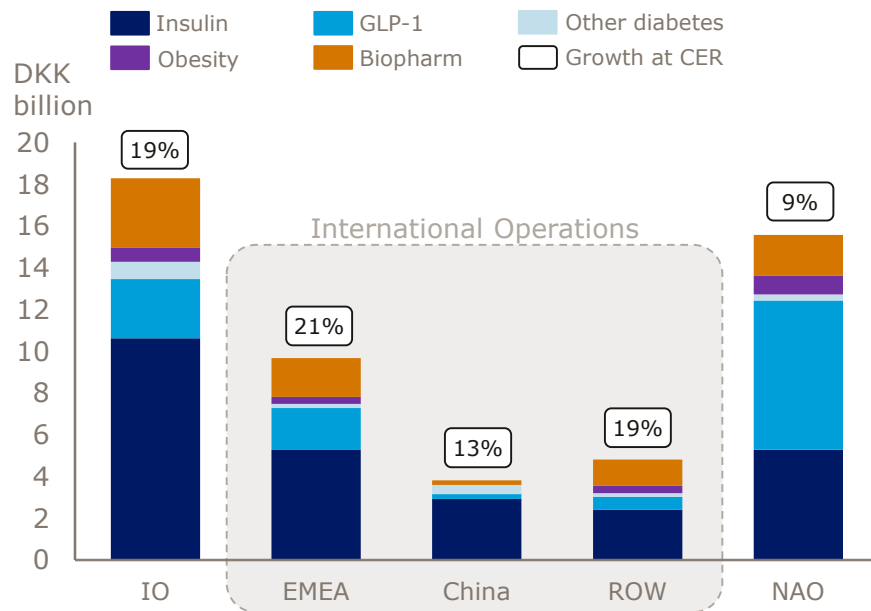
- Sales increased by 14% to DKK 33.9 billion
- 19% and 9% growth in IO and NAO, respectively
- In the US, 43% of sales are coming from products launched since 2015

**Operating profit increased by 12%** to DKK 16.3 billion

- Productivity improvement and improved admin-to-sales ratio

# Sales growth of 14% at CER – around 7% adjusted for COVID-19 related stocking

## Reported sales split for the first quarter of 2020



## Growth drivers for first quarter of 2020

### Sales growth of 14% at CER, driven by solid sales growth in IO and NAO

- Impacted by approximately DKK 2 billion due to COVID-19-related stocking

### International Operations sales growth of 19% at CER

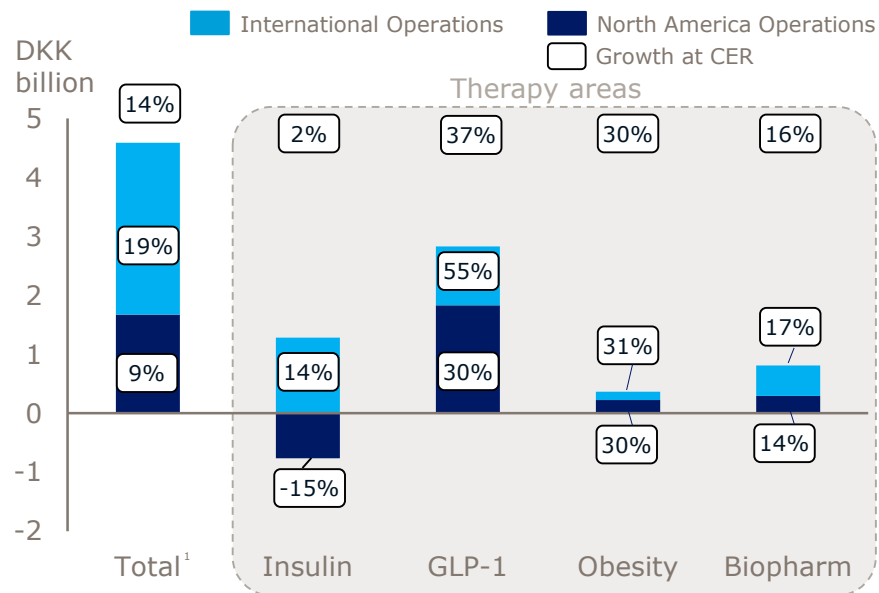
- Growth driven by all areas and all therapies
- Stocking impact mainly in EMEA

### North America Operations sales increased by 9% at CER

- Stocking impact mainly at the patient level
- Sales growth in GLP-1 (+30%), Obesity (+30%), and Biopharm (+14%), offset by declining insulin sales (-15%)

# Sales growth driven by all therapy areas

## Added reported sales and growth per therapy area and operational unit at CER



<sup>1</sup> "Other diabetes" is included in Total  
CER: Constant exchange rates

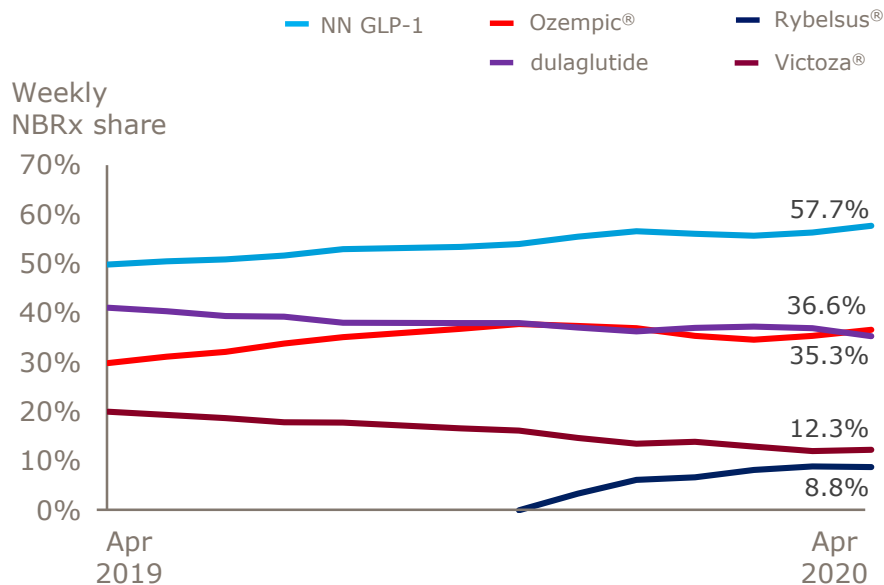
## Growth drivers for the first quarter of 2020

- COVID-19-related stocking of DKK 2 billion mainly impacting insulin and GLP-1
- **Expanding global diabetes value market leadership** by 0.7%-points to **28.7%**
- Global **insulin volume market share** increased by 0.1%-points to **46.5%**
- **GLP-1 market leadership expands** by 2.2%-points to **48.3%** value market share
- **Global obesity value market share** of **58.9%**
- **Biopharm sales** increased by 16% at CER, driven by both Norditropin® and haemophilia products and both operating units

Source: IQVIA MAT, Feb 2020

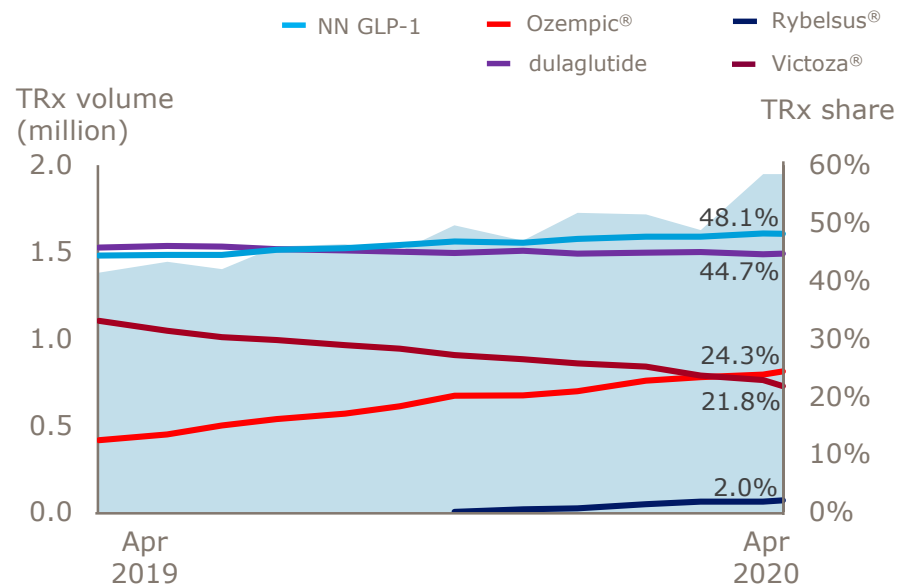
# Early Rybelsus® uptake further supports GLP-1 NBRx and TRx market leadership in the US

## USA GLP-1 NBRx market share



Source: NBRx-IQVIA National LRx Weekly, April 2020  
NBRx: New-to-brand prescriptions

## USA GLP-1 TRx market size and market share

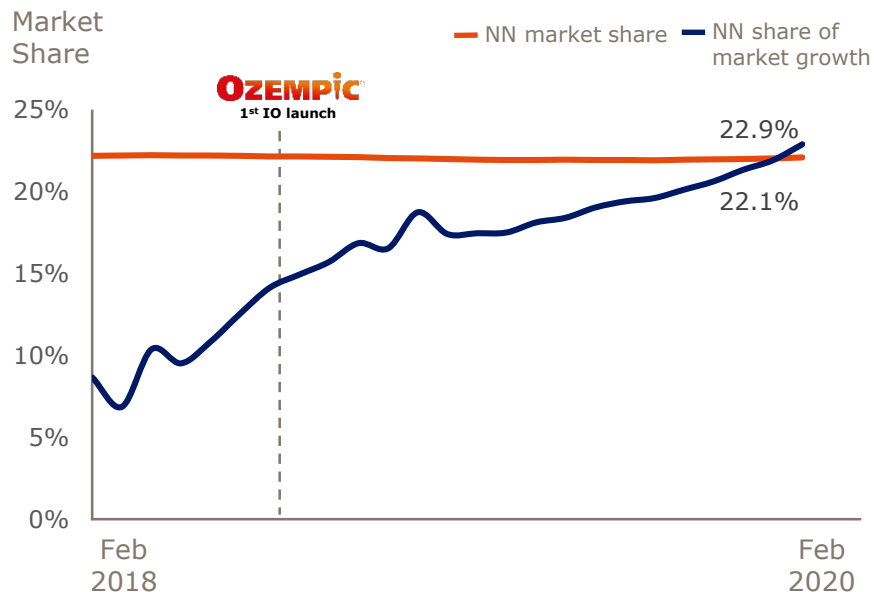


Source: TBRx-IQVIA National LRx Weekly, April 2020  
TRx: Total prescriptions

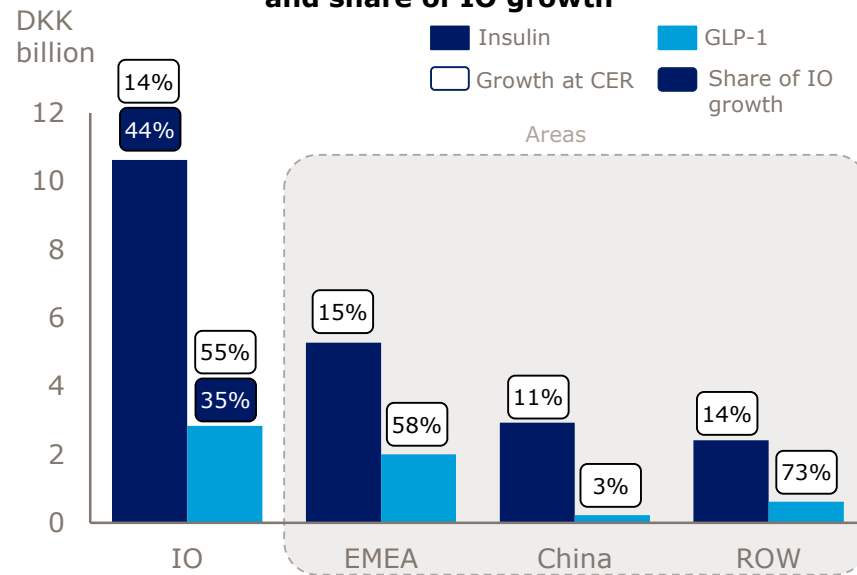


# Novo Nordisk is growing its diabetes market share in International Operations

## Diabetes value market share and share of growth in IO



## Reported Insulin and GLP-1 sales, growth, and share of IO growth

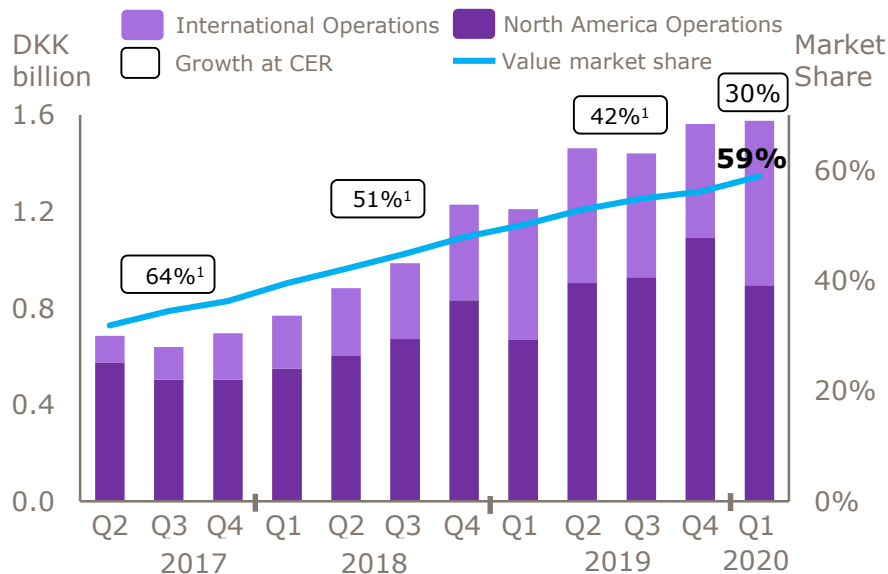


Source: IQVIA 3 months rolling value, spot rate, Feb 2020

IO: International Operations; EMEA: Europe, Middle East, and Africa; China: Mainland China, Hong Kong, Taiwan ROW: Rest of World

# Global rollout and promotional activities drive Saxenda® sales growth of 30% at CER

## Reported sales split in operational units



Note: Numbers in the graph are reported quarterly sales  
CER: Constant exchange rates  
<sup>1</sup> Year growth at CER

## Novo Nordisk remains global market leader

- | Region | Market Share | Sales Growth                                                                                                              |
|--------|--------------|---------------------------------------------------------------------------------------------------------------------------|
| Global | 59%          | Novo Nordisk expands market leadership to 59% value market share from 51%                                                 |
| IO     | 39%          | Saxenda® is launched in 46 countries<br>Continued investments in market development activities                            |
| NAO    | 72%          | Sales growth of 31% driven by all regions<br>Novo Nordisk currently has a value market share of 39% in the obesity market |

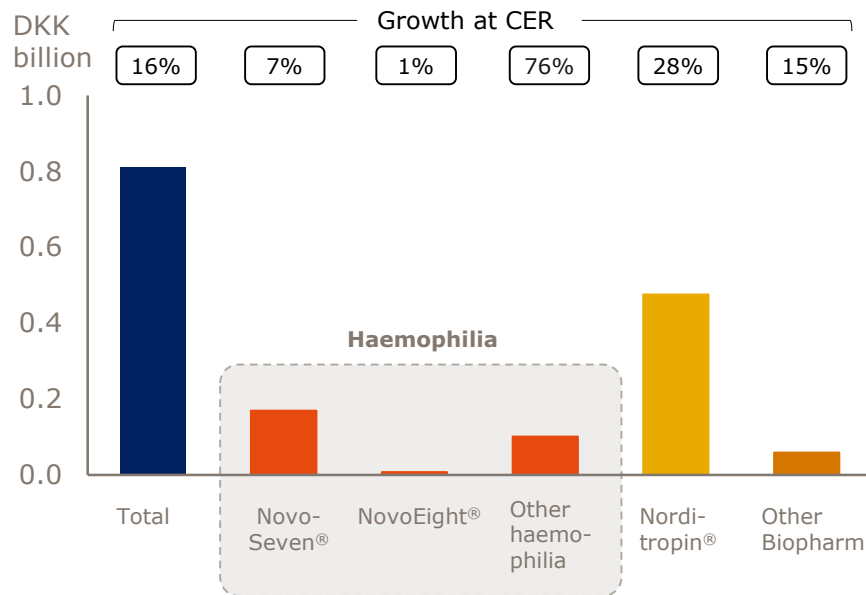
Source: IQVIA monthly, Feb 2020

Note: Growth rates are at CER

IO: International Operations; NAO: North America Operations

# Biopharm sales growth of 16% at CER, driven by haemophilia and growth disorder products

## Increase in reported Biopharm sales across products



Note: 'Other haemophilia' includes Esperoct®, NovoThirteen® and Refixia®; 'Other Biopharm' includes primarily Vagifem® and Activelle®

## Biopharm sales driven by global commercial execution

Biopharm sales growth driven by

- 17% growth in **International Operations**
- 14% growth in **North America Operations**
- Impacted by COVID-19-related stocking, timing of shipments and changes in inventories

**Haemophilia sales increased by 9%** driven by

- Solid NovoSeven® sales
- Continued global rollout of Refixia® and Esperoct®

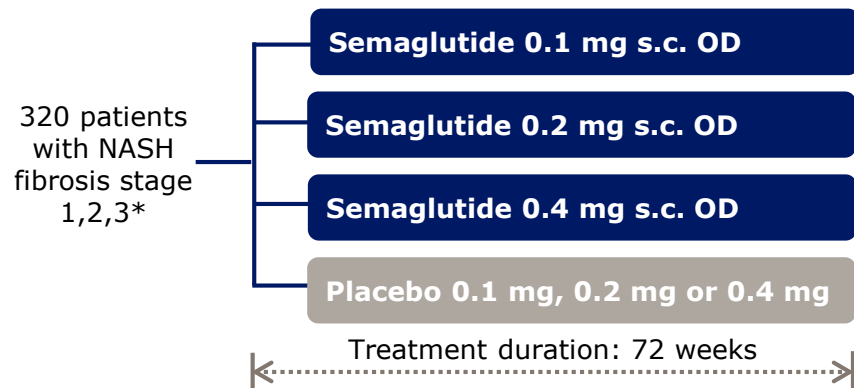
**Norditropin® sales increased by 28%** at CER, driven by

- COVID-19-related stocking and changes in inventories
- Additional demand due to competitive landscape in select countries

Note: Sales growth stated at constant exchange rates

# Phase 2 trial investigating semaglutide in the treatment of NASH meets primary endpoint

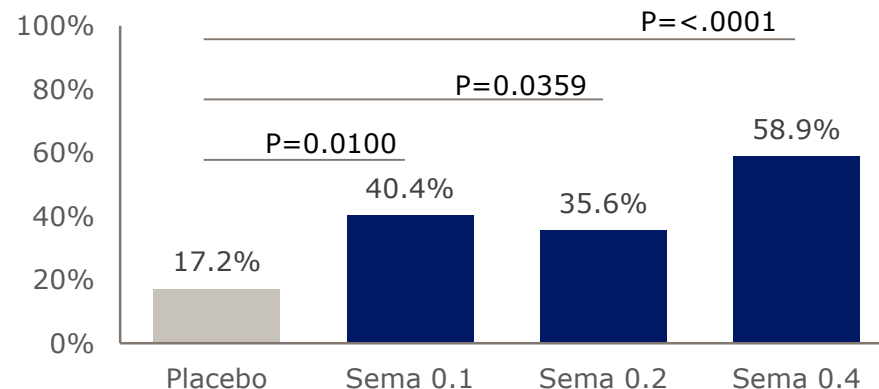
## Semaglutide NASH phase 2 trial design



### Primary endpoint:

- Resolution of NASH and no worsening in liver fibrosis

## Semaglutide showed resolution of NASH with no worsening of fibrosis versus placebo in the trial

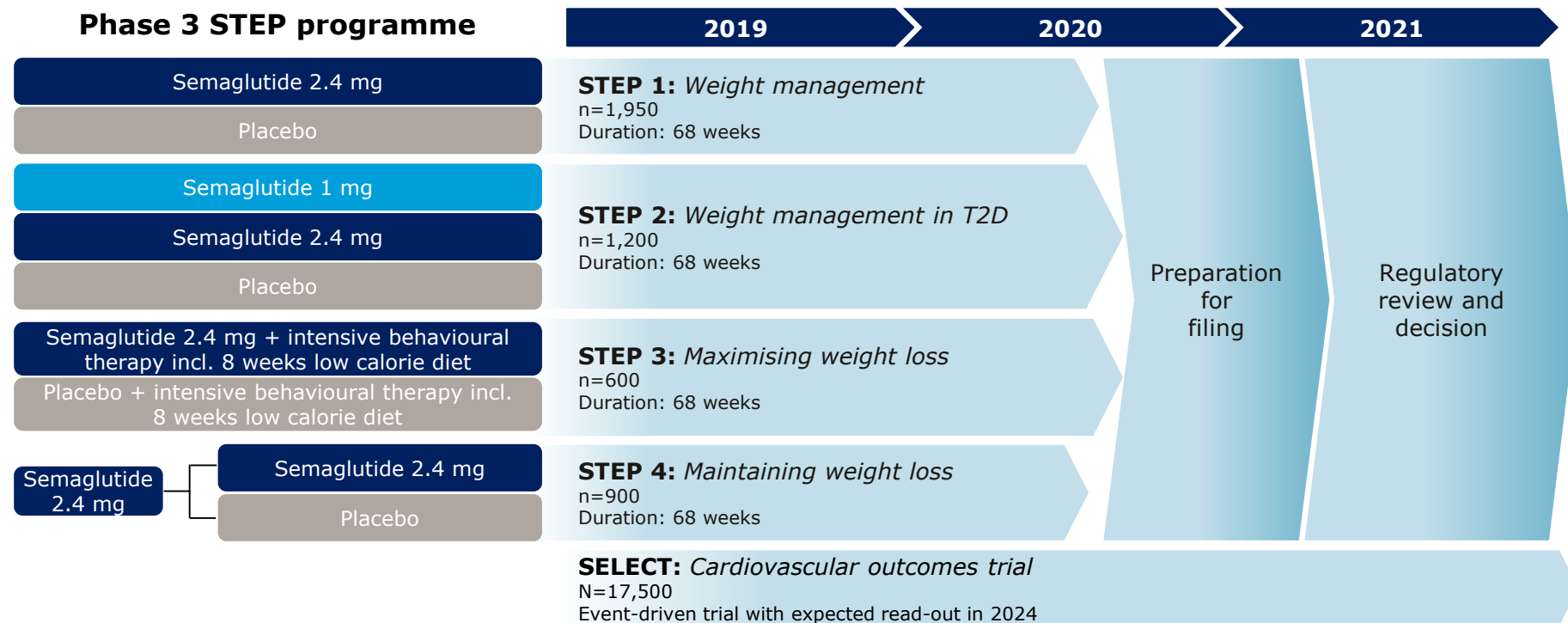


### Safety:

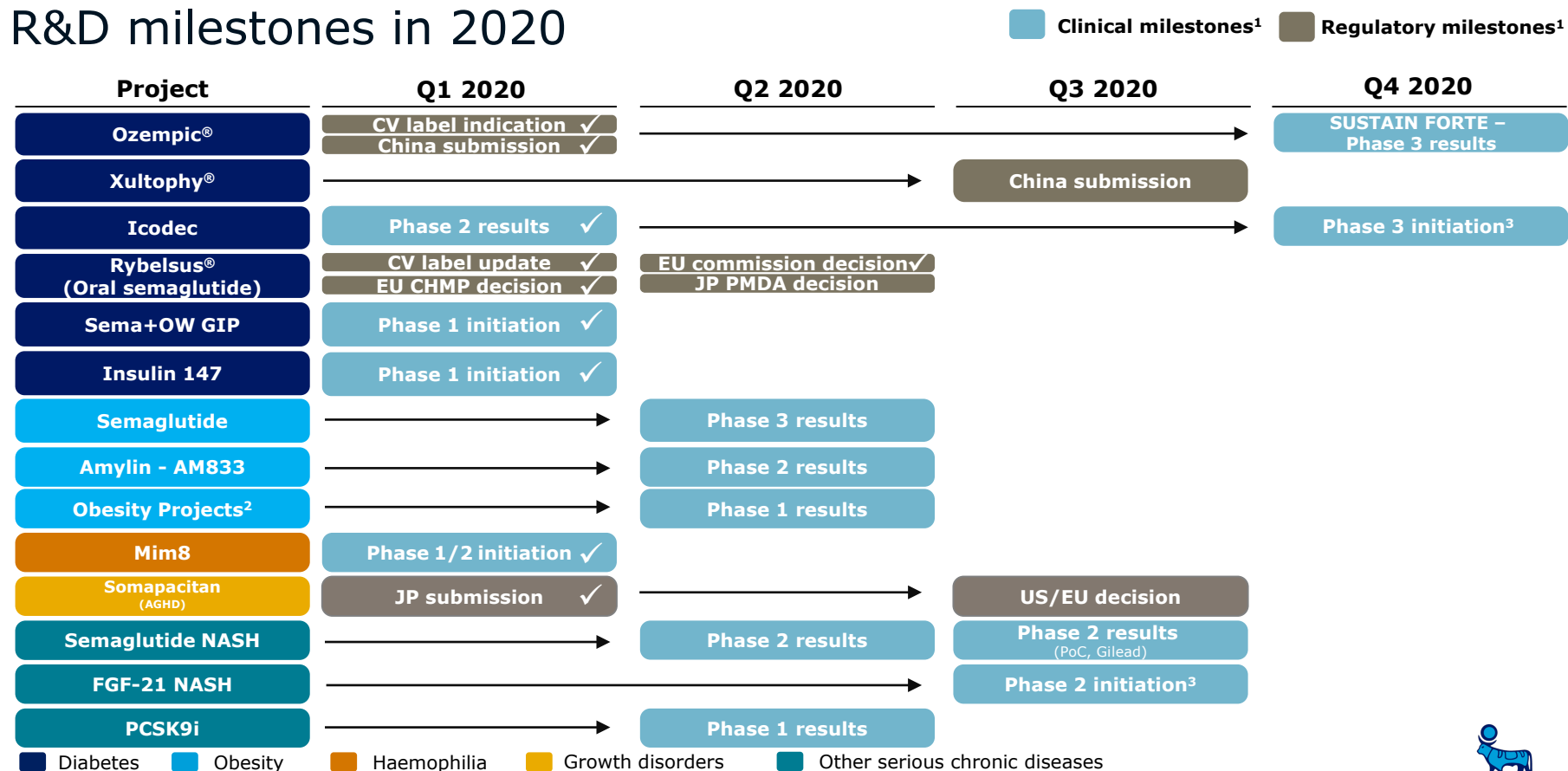
- The most common adverse events were gastrointestinal events, consistent with GLP-1 receptor agonists

\*Full list of inclusion criteria: Age 18-75; NASH activity score  $\geq 4$ ; NASH fibrosis stage 1,2,3; BMI  $> 25.0$  kg/m<sup>2</sup>, HbA1c  $\leq 10\%$ ; No other chronic liver disease other than NASH  
NASH: Non-alcoholic steatohepatitis; s.c.: subcutaneous; OD: once-daily

# The semaglutide obesity STEP programme begins reporting results in the coming months, starting with STEP 4



# R&D milestones in 2020



<sup>1</sup> Expected to be published in the given quarter or in the subsequent quarterly company announcement; <sup>2</sup> Obesity projects include GG-co-agonist, Tri-agonist 1706, Am833-Sema 2.4 combination; <sup>3</sup> Trial initiations could be impacted by COVID-19 status

Note: LA-GDF15 phase 1 results removed since FY2019 presentation due to delay COVID-19 related trial delay; Concizumab phase 2 and phase 3 clinical trials paused  
Sema: Semaglutide; GIP: Gastric inhibitory polypeptide; EU: European Union; JP PMDA: Japanese Pharmaceutical and Medical Devices Agency; OW: Once-weekly; AGHD: Adult growth hormone deficiency; PoC: Proof of Concept

# Financial results – First three months of 2020

In DKK million	2020	2019	Change (reported)	Change (CER)
<b>Sales</b>	33,875	29,291	16%	14%
<b>Gross profit</b>	28,489	24,559	8%	
<i>Gross margin</i>	84.1%	83.8%		
Sales and distribution costs	7,590	6,946	9%	7%
<i>Percentage of sales</i>	22.4%	23.7%		
Research and development costs	3,777	2,678	41%	40%
<i>Percentage of sales</i>	11.1%	9.1%		
Administration costs	927	911	2%	1%
<i>Percentage of sales</i>	2.7%	3.1%		
Other operating income, net	107	215	(48%)	
<b>Operating profit</b>	16,302	14,239	14%	12%
<i>Operating margin</i>	48.1%	48.6%		
Financial items (net)	(1,281)	(1,017)		
<b>Profit before income tax</b>	15,021	13,222	14%	
Income taxes	3,124	2,777	12%	
<i>Effective tax rate</i>	20.8%	21.0%		
<b>Net profit</b>	11,897	10,445	14%	
<b>Diluted earnings per share (DKK)</b>	5.05	4.36	16%	

# Financial outlook for 2020

	Expectations 6 May 2020	Expectations 5 February 2020
Sales growth – at CER	3% to 6%	3% to 6%
Sales growth - reported	Around 1 percentage point higher	Around 1 percentage point higher
Operating profit growth – at CER	1% to 5%	1% to 5%
Operating profit growth - reported	Around 1 percentage point higher	Around 1 percentage point higher
Financial items (net)	<b>Loss of around DKK 2.5 billion</b>	Loss of around DKK 1.5 billion
Effective tax rate	20% to 22%	20% to 22%
Capital expenditure	Around DKK 6.5 billion	Around DKK 6.5 billion
Depreciation, amortisation and impairment losses	Around DKK 5 billion	Around DKK 5 billion
Free cash flow	DKK 36 to 41 billion	DKK 36 to 41 billion

The financial outlook is based on an assumption of a continuation of the current business environment and given the current scope of business activities and has been prepared assuming that currency exchange rates remain at the level as of 30 April 2020.

CER: Constant exchange rates



# Strategic aspirations for 2025

## - Milestones expected for 2020



Purpose and sustainability

### Expansion of the US affordability offerings

**Utilise solar energy power** across all US operations

**100% renewable power in 2020** for all production sites



Innovation and therapeutic focus

### Diabetes:

- Sema FORTE phase 3 results due Q4 2020
- Insulin icodec phase 3 initiation in the second half of 2020

### Obesity:

- Semaglutide obesity phase 3 results due mid-2020
- Amylin phase 2 results

### Biopharm:

- Mim8 phase 1/2 initiated
- Somapacitan regulatory feedback from the FDA/EMA for the treatment of AGHD

### Other serious chronic diseases:

- Phase 2 readouts from two NASH trials



Commercial execution

**Expand diabetes market leadership** led by launches and penetration of Ozempic®, Rybelsus®, and new-generation insulin

**Strengthen Obesity leadership** with continued global rollout and penetration of Saxenda®

### Continued launches of key Biopharm products

Refixia® and Esperoct® support sustained growth outlook



Financials

**Sales growth** expected to be 3-6% (reported: around 1 percentage point higher)

**Operating profit growth** expected to be 1-5% (reported: around 1 percentage point higher)

**Free cash flow** in the range of DKK 36-41 billion

DKK 17 billion share repurchase programme

# Investor contact information

## Share information

---

Novo Nordisk's B shares are listed on the stock exchange in Copenhagen under the symbol 'NOVO B'. Its ADRs are listed on the New York Stock Exchange under the symbol 'NVO'.

For further company information, visit Novo Nordisk on:  
[www.novonordisk.com](http://www.novonordisk.com)

## Upcoming events

---

06 Aug 2020 Financial statement for the first six months of 2020  
30 Oct 2020 Financial statement for the first nine months of 2020  
03 Feb 2021 Financial statement for the full year of 2020

## Investor Relations contacts

---

Novo Nordisk A/S  
Investor Relations  
Novo Allé  
DK-2880 Bagsværd

Daniel Muusmann Bohsen	+45 3075 2175	<a href="mailto:dabo@novonordisk.com">dabo@novonordisk.com</a>
Valdemar Borum Svarrer	+45 3079 0301	<a href="mailto:jvls@novonordisk.com">jvls@novonordisk.com</a>
Ann Søndermølle Rendbæk	+45 3075 2253	<a href="mailto:arnd@novonordisk.com">arnd@novonordisk.com</a>
Mark Joseph Root	+45 3079 4211	<a href="mailto:mjhr@novonordisk.com">mjhr@novonordisk.com</a>
Kristoffer Due Berg (USA)	+1 609 235 2989	<a href="mailto:krdb@novonordisk.com">krdb@novonordisk.com</a>