

Novo Nordisk

@ Nordic Value 2025

10 June 2025

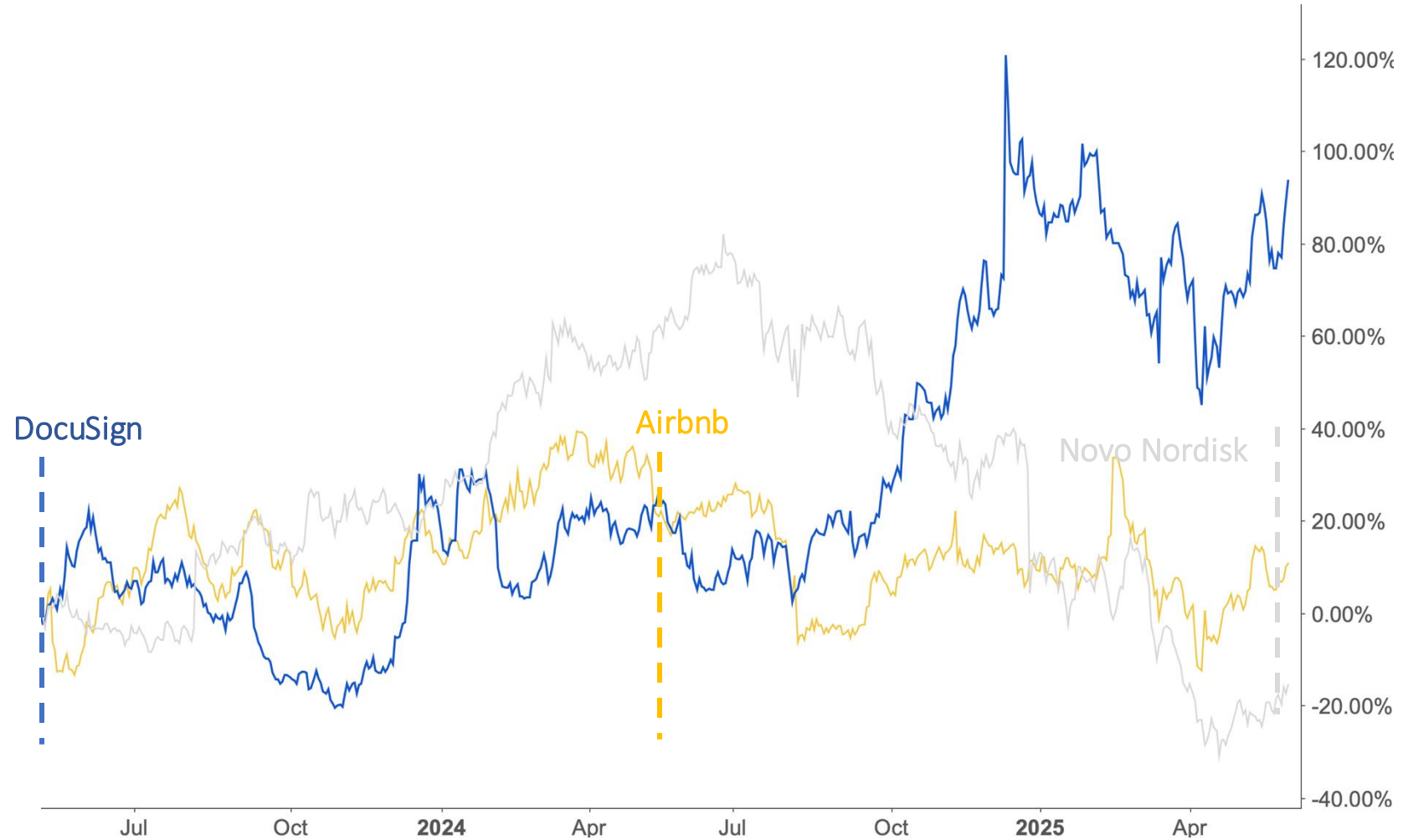
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My NV pitches are like good wine. You must leave them for a while
I like to pick the grapes in periods when stocks are down





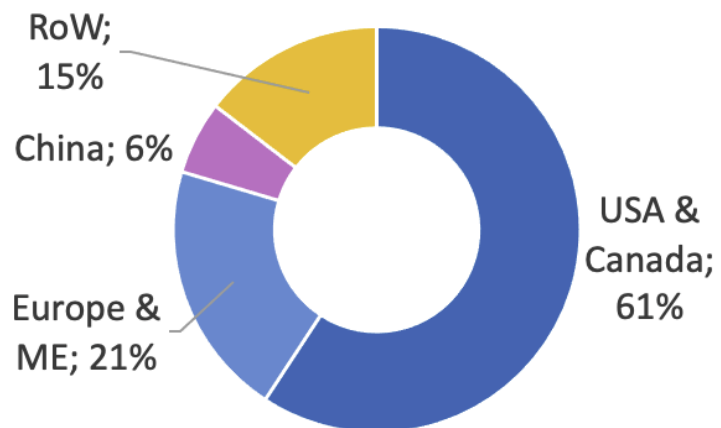
Novo Nordisk

Who is Novo Nordisk

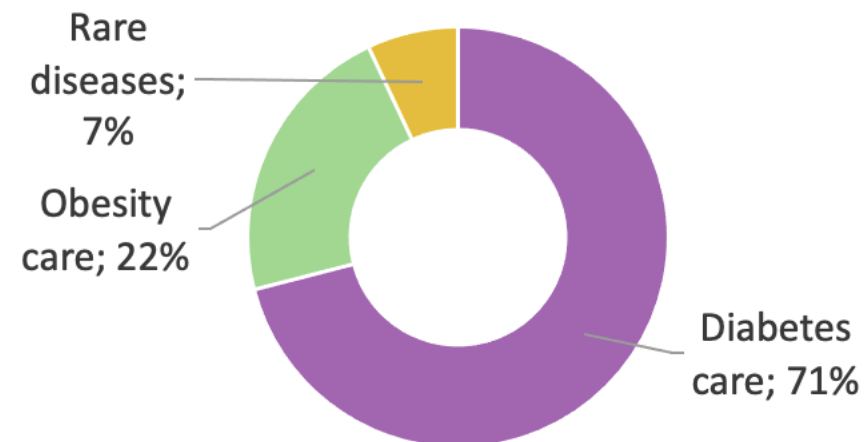
Founded 1923, listed in CSE in 1974 with a market cap of 470 mio DKK

In 2025 its a 350 billion DKK revenue (54bn \$) company with 45% EBIT margin. Market cap 2.2 trl DKK

2024 sales by geography



2024 sales by treatment area





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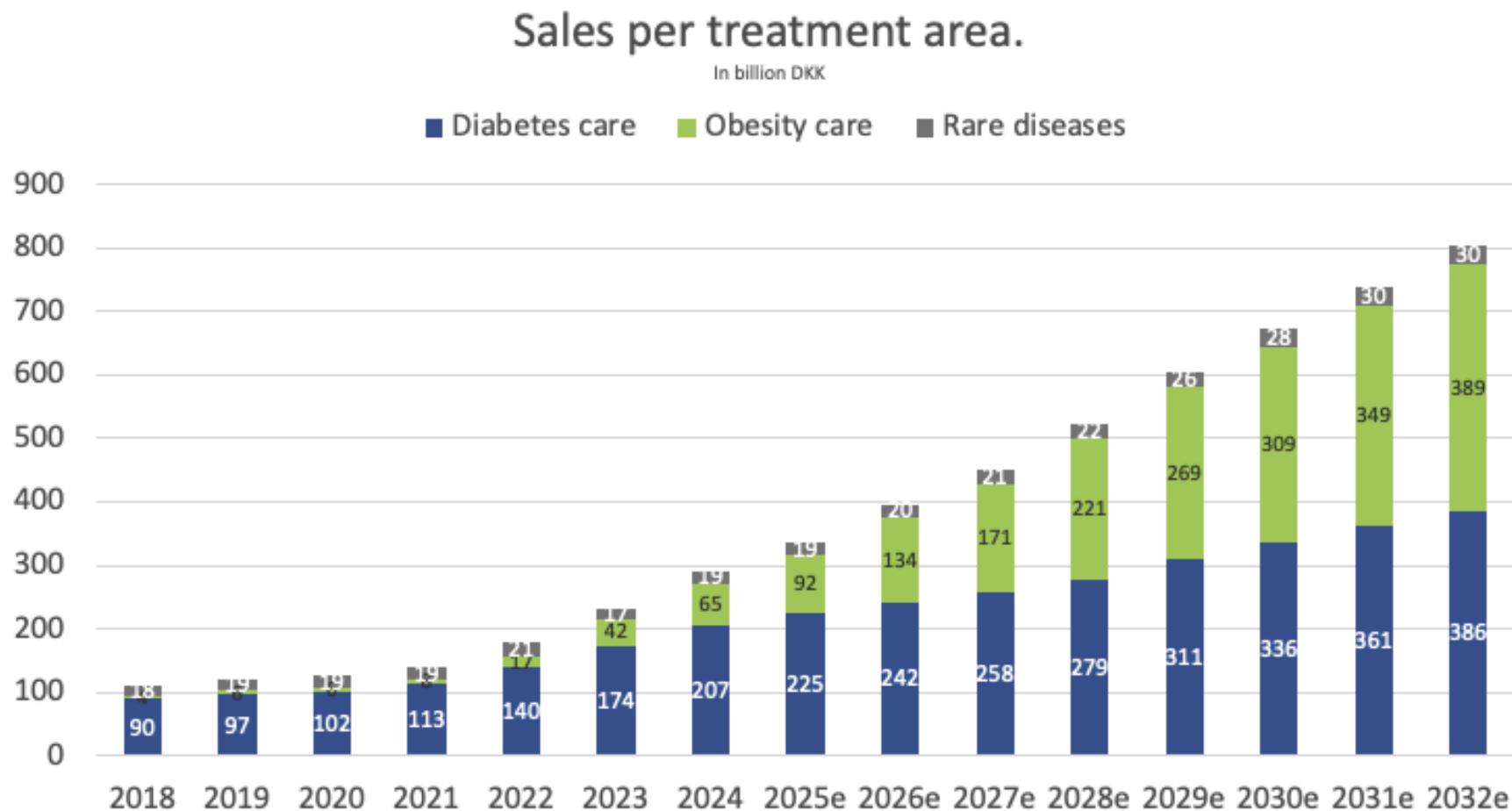
2025 is a soft period for the stock price





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What's the outlook 1



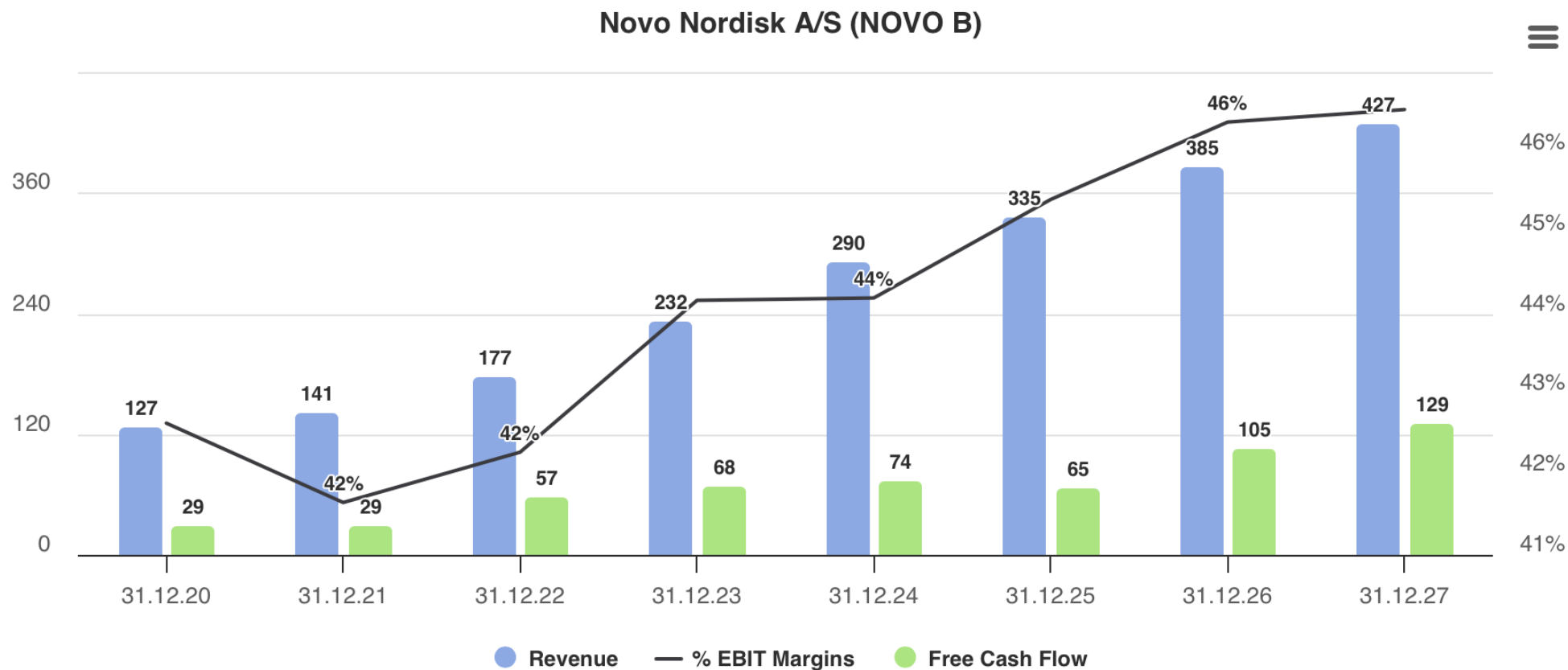
Growth
beyond
imagination
in 2021

Source: Consensus and selected sell-side reports



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What's the outlook 2

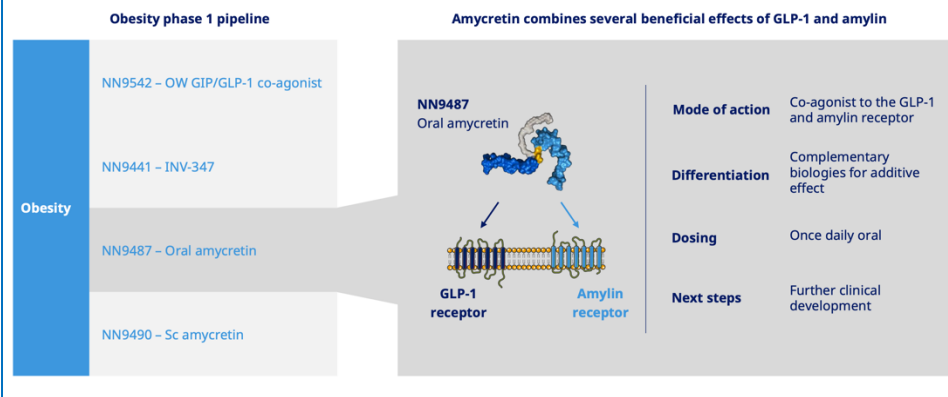




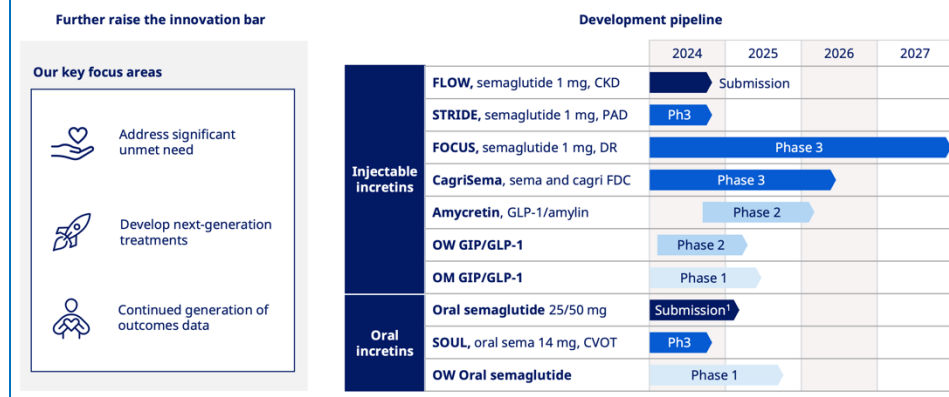
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Pipeline. Too scientific and too little commercial?

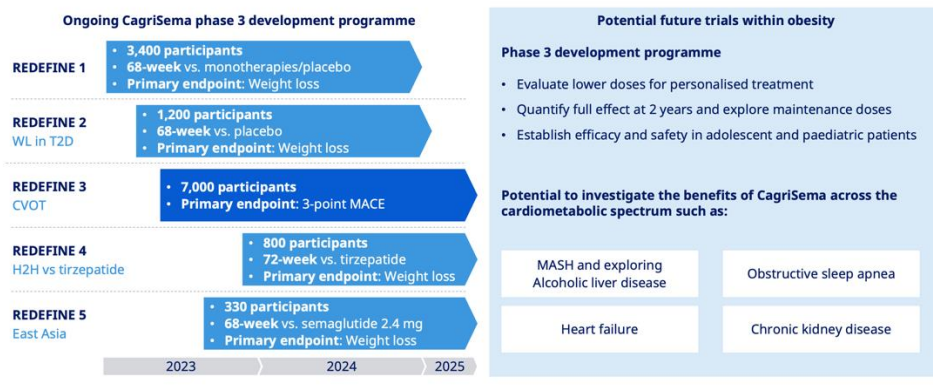
Oral amycretin is a novel, unimolecular co-agonist of both GLP-1 and amylin receptors that successfully completed phase 1 trial



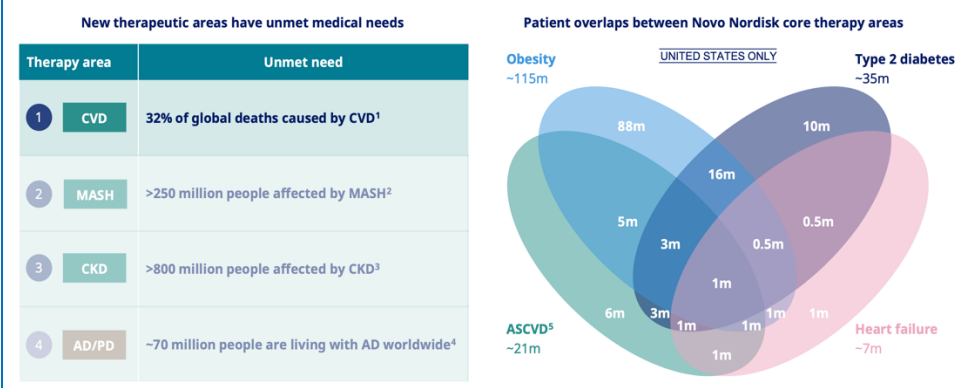
Development pipeline addresses unmet need in diabetes care by further raising the innovation bar



We are planning a comprehensive phase 3 programme in Obesity with CagriSema including several outcome trials



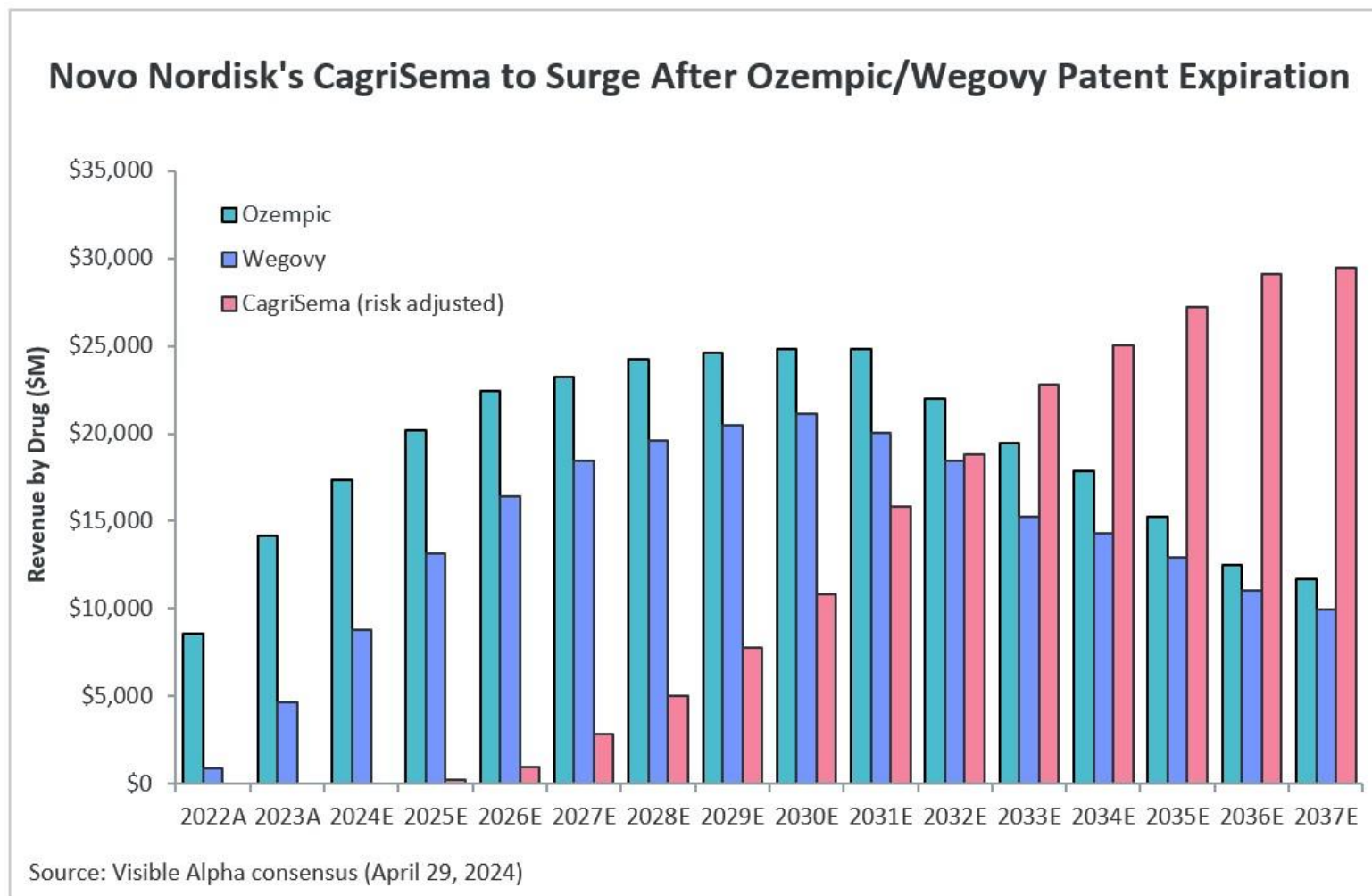
Novo Nordisk is expanding into Cardiovascular and emerging therapy areas





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Patent expirations starts in 2026 in China

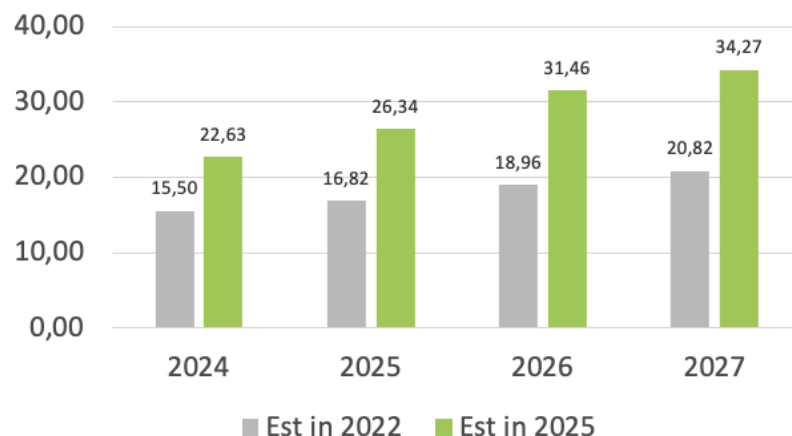




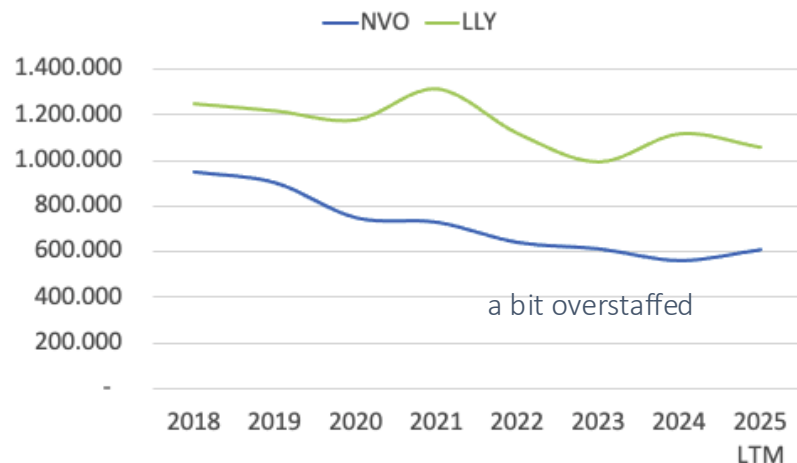
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Bloated cost structure? No, they are investing for high growth

Novo Nordisk EPS forecast



Revenues per employee in USD



The rapid growth of obesity drugs took them and Mr Market by surprise;

The windfall profits used for:

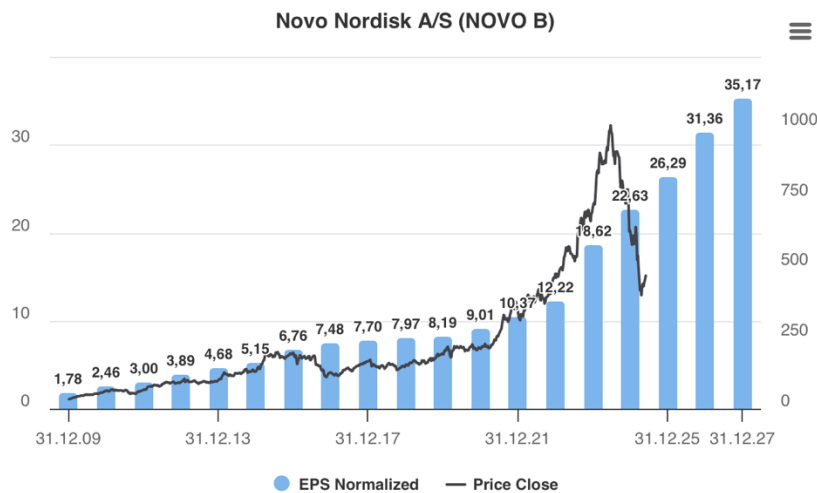
- R&D spend from 15bn DKK to 40bn DKK / year
- Capex from 8bn DKK in 2021 to 47bn DKK in 2024
- Catalent acquisition of 80bn DKK
- Several add-on acquisitions/partnerships
- Adding 50% more staff to 77.000. LLY has same revenues with 46.000 staff



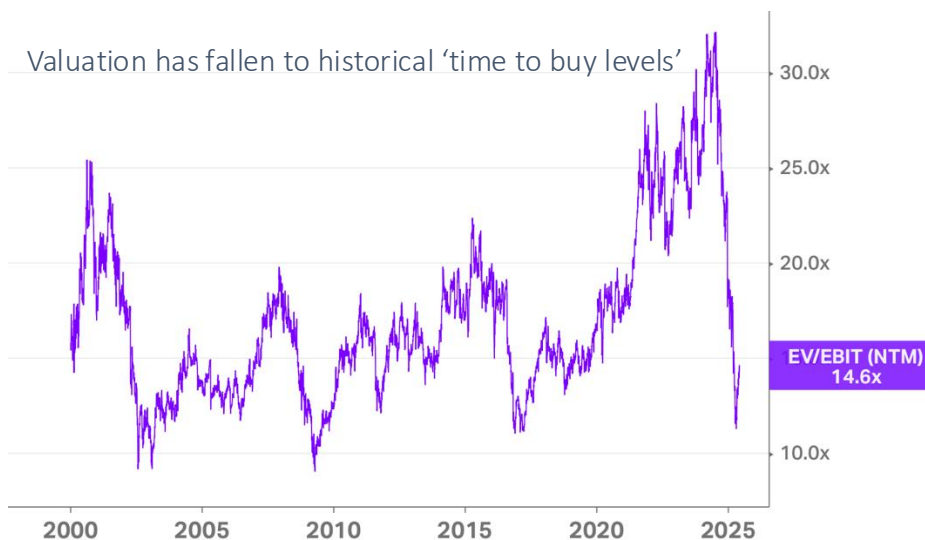
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Valuation and price target

EPS estimates have moderated 5-8% over the past year



Valuation has fallen to historical 'time to buy levels'



Novo Nordisk historical average forward P/E is 20-25x.

On estimated 2027 EPS this suggest **791**

Mr Market is currently pricing Novo Nordisk at 8% discount rate and 4% longer term growth.....

Novo Nordisk capital discipline with buck backs + cancellation has provided above 15% EPS CAGR

Discounting rate

	EPS growth rate					
	2%	4%	6%	8%	10%	12%
4%	654	710	775	852	941	1.045
5%	591	639	694	759	834	922
6%	537	577	624	679	743	818
7%	489	524	564	611	665	728
8%	447	477	511	551	598	652
9%	410	436	466	500	539	585

Using consensus EPS for 2025-29 and then annual EPS growth to 2045. No terminal value



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Valuation and estimate trends

Triggers

1. Better script data in USA after 22 May 2025
2. Pipeline readouts. ADA 20-23 June 2025
Alzheimer in September 2025 could be very important
3. New CEO and board composition
4. Restart buy backs
5. Market for obesity treatment in 2030 seen somewhere between 85-130 billion \$
6. 1 billion obese people and at 250\$/month probably 50-100 million will use the treatment => revenue pool could be way above 150 billion \$
7. Low valuation (a poor short-term trigger)

Volatility factors

1. Script data in US continues to trail LLY
2. New CEO not well perceived
3. Clinical data readouts that disappoint (like the Dec '24 event on cagrisema)
4. Competitors clinical data readouts
5. Patent expiration of semaglutid in China and Chinese exports to grey markets
6. Catalent acquisition of 80 bn DKK in 2024 not integrating as planned
7. Valuation when the stock is above 1.000 DKK 😊

My background

1. 40 years investment experience in global equities
2. Analyst, sales, asset manager, Investor Relations & various leadership roles
3. Family office since 2017 and own fund
4. Since September 2023 part of Brock Milton Capital. Among top 1% global long only equity funds over the past 10 years



WEB-TV

Ole S  berg: Stort potentiale i glemt aktie



Investment focus

1. Focus on companies with a 'must have' product or service with good growth, profitability and high return on capital
2. Good stewardship
3. GARP. Valuation on a mix of DCF and trading multiples
4. Concentrated portfolio
5. Multi-bagger focus – find them when they are mid-sized or seriously mispriced
6. Patience – it takes a lot of years watching the trees grow
7. Adjusting size and taking out weed early

Multibaggers that worked /still work



ASML



DocuSign

Vestas





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