

Novo Nordisk Value Long Term

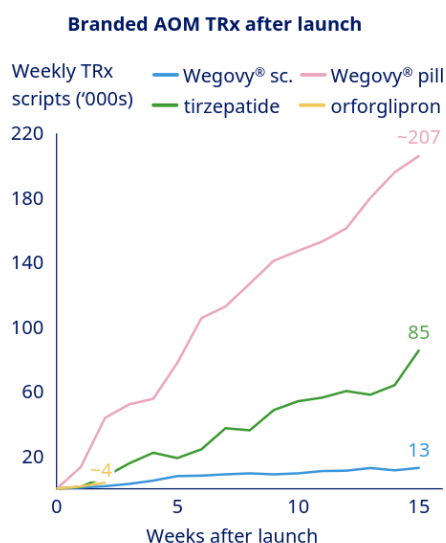
Price at this time is 287.40 DKK with a market cap of 979.75 billion DKK. This is historically an attractive price. One may ask why it could have traded at 1000 DKK, now at 28% of its top price. The idea is simple: it is not a leader in GLP and growth seems uncertain. So the analysis here is to investigate if we can expect a better future than is currently priced in.

		2025	2024	2023
Net profit	DKK million	102,434	100,988	83,683
Average number of shares outstanding ¹	in million shares	4,443.0	4,453.9	4,482.8
Average dilutive effect of restricted stock units	in million shares	4.7	9.1	12.0
Average number of shares outstanding, including dilutive effect	in million shares	4,447.7	4,463.0	4,494.8
Basic earnings per share	DKK	23.06	22.67	18.67
Diluted earnings per share	DKK	23.03	22.63	18.62

¹ Excluding treasury shares

Prices may change, but for now the historical earnings per share is 7.5% of price, this is only the earnings. Another 11 DKK per share by dividend, 3.5% of the cost of shares. Approximately 11% on a yearly basis at the current price.

So can the company grow, or at least not decrease in earning power, to maintain these for the next 9-10 years, for a full payback of the investment?



In the short term, 2-3 years. one of the new strategies need to pan out, with a new market paradigm of high volume cheaper GLP products. One of these that gave a hint of better news is the success of the wegovy pill. Outpacing the other releasing they have, this had a crazy early demand, consumer really waited for a pill form of GLP.

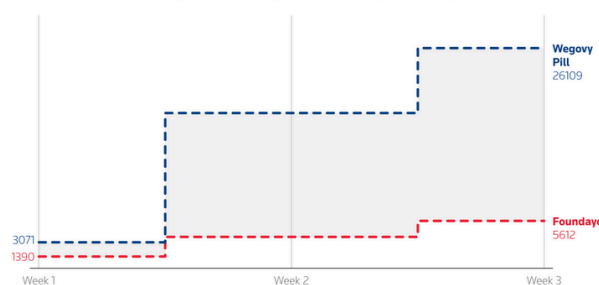
The problem with this is, the price is so much lower than ozeimpic injectable was sold for in the past. This will eat some revenue of such highly profitable injectables.

Eli Lilly released “Foundayo” Unlike most other GLP-1 pills, it is a non-peptide small molecule.

The weight loss is only up 12.4% 72 week, compared to novo, wegovy pill with a weight loss of 14% in a 64 weeks trail.

So in short term, this is a positive sign from novo, many of there previous product may reduce of revenue generated.

Lilly's pill has seen a slower ramp vs Novo's first to market oral Wegovy
Early launch data shows signs of expanding market for weight loss drugs

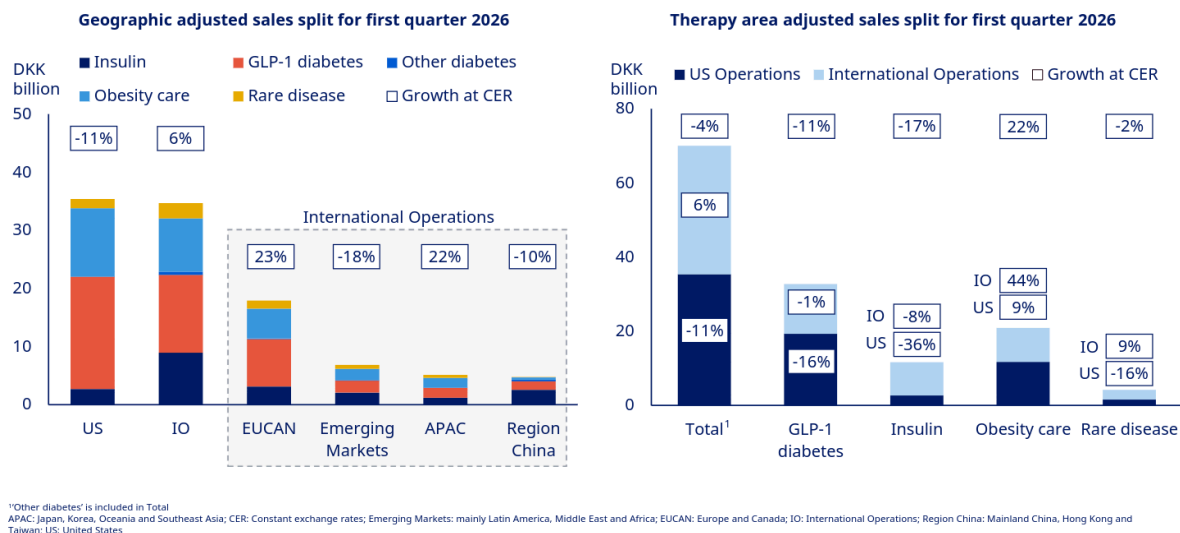


Note: Analysts warn that the data may not capture all of the prescriptions in early launch weeks, including telehealth prescriptions

Source: IQVIA data shared by analysts | Mariam Sunny and Bhanu Satija

Claude responded: Q1 2026 has hurt future expectations as a clear decline of the year. Q1 2026 has hurt future expectations as a clear decline of the year. This was guided for the year before 2025, as the pill and other price pressures would hurt sales monetarily. Remember that the price dropping is a signal not of less demand, but rather a story of supply. This was bound to happen.

Now one could ask if the market size in terms of patients will increase to the extent that volume for Novo and maybe others will be such to offset this pressure.



To confirm these risks, in Q2 the success of the Wegovy pill numbers will be shown. For now the future is hard to predict, making this a more sensible choice of belief. I want to simply understand what the market thinks. To defend the market cap of 979.75 billion DKK, one can use a Discounted Cash Flow (DCF) model, this helps expand the current day value to account for growth, risks, and the inflation time costs of future profit.

DCF Valuation Analysis

Stock Price 285 Market Cap (billions) 979,000

Parameter	Unit	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Inflation Time Decay 3%	Net Sales	million	232,261	290,403	309,064	—	—	—	—	—	—	
	Operating Profit	million	102,574	128,339	127,658	—	—	—	—	—	—	
	Net Profit	million	83,683	100,988	102,434	91,166	81,138	72,213	64,269	57,200	50,908	45,308
	Value after Inflation		—	—	102,434	88,431	78,704	70,046	62,341	55,484	49,381	43,949
	Annual Growth	-11.00%	—	—	—	—	—	—	—	—	—	—
Dividends	million	31,767	44,140	51,763	26,529	23,611	21,014	18,702	11,097	9,876	8,790	
Div / Profit		37.96%	43.71%	50.53%	30.00%	30.00%	30.00%	30.00%	20.00%	20.00%	20.00%	

Sum Component	Value (million)
PV of Net Profits	803,792
PV of Dividends	174,996
Total Intrinsic Value	978,788

All future cash flows discounted at 3% annual inflation decay. Projections 2026–2032 use -11% annual growth on net profit. Dividend payout assumed at 30% (2026–2029) and 20% (2030–2032).

The growth minus risks is 11% YoY with an inflation rate of 3%. The idea is to create a scenario which one thinks the market tries to reflect.

The problem with this is that a stable decrease makes no sense. A company will try to survive by taking on some risks and being opportunistic to fix the bottom line: firing people, taking on expensive debt, finding any way to make the line go up. So this model makes more sense in mature markets of zero innovation. In pharma, the death of a company would be a far more violent event than this model makes it seem, because it tries to take risk and spread it out.

Conclusion

I believe the value of Novo is underpriced, and the future will not meet the -11% YoY downfall, as this would be a quick death if so. But the short term success of the Wegovy pill, which I think we will see in Q2, simply does not reflect the decline in growth the market expects from Novo. I see a company that needs to learn to play a different game, and maybe not be an epic growth story like before, but not a dead business at all, which is what I think the market is trying to price in. For now they buy shares back and give 50% in dividends of very large profits. It seems to me there is at least a good chance for the longer term value play, to be realized by dividend if the market does not.