

NOVO NORDISK A S
Form 6-K
August 08, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

August 5, 2016

NOVO NORDISK A/S

(Exact name of Registrant as specified in its charter)

Novo Allé

DK- 2880, Bagsvaerd

Denmark

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g-32(b):82-_____

Financial report for the period 1 January 2016 to 30 June 2016

5 August 2016

Novo Nordisk increased adjusted operating profit by 8% in local currencies in the first six months of 2016

Sales increased by 7% in local currencies

Sales increased by 7% in local currencies and by 5% in Danish kroner to DKK 54.7 billion.

- Sales of Victoza® increased by 14% (13% in Danish kroner).
- Sales of Tresiba® increased by 167% (161% in Danish kroner).
- Sales in the USA increased by 7% (7% in Danish kroner).
- Sales in International Operations increased by 11% (decreased 2% in Danish kroner).
- Sales in Region China increased by 10% (5% in Danish kroner).

Operating profit decreased by 3% reported in local currencies and by 6% in Danish kroner to DKK 24.8 billion. Adjusted for the non-recurring income related to the partial divestment of NNIT and the income related to out-licensing of assets for inflammatory disorders, both in 2015, operating profit in local currencies increased by 8%.

Net profit increased by 7% to DKK 19.4 billion. Diluted earnings per share increased by 9% to DKK 7.63. Adjusted for the partial divestment of NNIT, net profit and diluted earnings per share increased by 22% and 23% respectively.

In May, IDegLira the combination of insulin degludec (Tresiba®) and liraglutide (Victoza®) received a positive 16-0 vote from FDA's Advisory Committee recommending the approval of the treatment for adults with type 2 diabetes.

In June, at an American Diabetes Association (ADA) hosted symposium the detailed results from the LEADER trial were presented, demonstrating that Victoza® significantly reduced the risk of major cardiovascular events by 13% versus placebo when added to standard of care in 9,340 adults with type 2 diabetes at high cardiovascular risk.

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The Board of Directors has decided to introduce an interim dividend for 2016 of DKK 3.00 per share of DKK 0.20 that will be paid in August 2016.

For 2016, the range for expected sales growth has been narrowed to 5–7% and growth in adjusted operating profit is now expected to be 5–8%, both measured in local currencies. For 2017, Novo Nordisk has completed the majority of formulary negotiations in the USA and average prices after rebates are expected to be moderately lower, while the market access for the Novo Nordisk products is expected to remain largely unchanged.

Lars Rebien Sørensen, president and CEO: “Overall, we are satisfied with the performance in the first six months of 2016 where Victoza® and Tresiba® continued to deliver strong sales growth and Region China improved faster than expected. In the USA, the market environment is becoming increasingly challenging and contract negotiations for 2017 have reflected an intensifying price competition. In spite of this, we see significant growth opportunities based on our strong diabetes care portfolio.”

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		Company announcement No 55 /	
		2016	

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ABOUT NOVO NORDISK

Novo Nordisk is a global healthcare company with more than 90 years of innovation and leadership in diabetes care. This heritage has given us experience and capabilities that also enable us to help people defeat other serious chronic conditions: haemophilia, growth disorders and obesity. Headquartered in Denmark, Novo Nordisk employs approximately 42,300 people in 75 countries, and markets its products in more than 180 countries. Novo Nordisk's B shares are listed on Nasdaq Copenhagen (Novo-B). Its ADRs are listed on the New York Stock Exchange (NVO). For more information, visit novonordisk.com

CONFERENCE CALL DETAILS

On 5 August 2016 at 13.00 CEST, corresponding to 7.00 am EDT, a conference call will be held. Investors will be able to listen in via a link on novonordisk.com, which can be found under 'Investors'. Presentation material for the conference call will be available approximately one hour before on the same page.

FINANCIAL CALENDAR

28 October 2016 Financial Statement for first nine months of 2016
2 February 2017 Financial Statement for 2016

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Further information about Novo Nordisk is available on novonordisk.com.

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FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST SIX MONTHS OF 2016

These unaudited consolidated financial statements for the first six months of 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the *Annual Report 2015* of Novo Nordisk. Furthermore, the financial report including the consolidated financial statements for the first six months of 2016 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies. Novo Nordisk has adopted all new, amended or revised accounting standards and interpretations ('IFRSs') as published by the IASB, and also those that are endorsed by the EU effective for the accounting period beginning on 1 January 2016. These IFRSs have not had a significant impact on the consolidated financial statements for the first six months of 2016.

Amounts in DKK million, except number of shares, earnings per share and full-time equivalent employees.

PROFIT AND LOSS	H1 2016	H1 2015	% change H1 2015 to H1 2016	
DKK million				
Net sales	54,671	52,259	5	%
Gross profit	46,392	44,526	4	%
Gross margin	84.9 %	85.2 %		
Sales and distribution costs	13,608	13,322	2	%
Percent of sales	24.9 %	25.5 %		
Research and development costs	6,635	6,285	6	%
Percent of sales	12.1 %	12.0 %		
Administrative costs	1,781	1,741	2	%
Percent of sales	3.3 %	3.3 %		

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Other operating income, net	438	3,161	(86	%)		
Non-recurring income from the initial public offering of NNIT A/S	-	2,376	N/A			
Operating profit	24,806	26,339	(6	%)		
Operating margin	45.4	%	50.4	%		
Financial items (net)	(251)	(3,306)	(92	%)
Profit before income taxes	24,555	23,033	7	%		
Income taxes	5,132	4,814	7	%		
Effective tax rate	20.9	%	20.9	%		
Net profit	19,423	18,219	7	%		
Net profit margin	35.5	%	34.9	%		
OTHER KEY NUMBERS						
Depreciation, amortisation and impairment losses	1,341	1,311	2	%		
Capital expenditure (tangible assets)	2,775	1,782	56	%		
Net cash generated from operating activities	21,972	16,080	37	%		
Free cash flow	19,102	16,473	16	%		
Total assets	88,269	81,313	9	%		
Equity	42,585	39,111	9	%		
Equity ratio	48.2	%	48.1	%		
Average number of diluted shares outstanding (million)	2,545.4	2,594.1	(2	%)		
Diluted earnings per share / ADR (in DKK)	7.63	7.02	9	%		
Diluted earnings per share / ADR adjusted for non-recurring income from NNIT IPO (in DKK)	7.63	6.20	23	%		
Full-time equivalent employees end of period	42,265	39,658	7	%		

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SALES DEVELOPMENT

Sales increased by 7% measured in local currencies and by 5% in Danish kroner. Sales growth was realised within both diabetes care and biopharmaceuticals, with the majority of growth originating from Victoza®, Tresiba®, Norditropin® and Saxenda®. Sales growth was positively impacted by approximately 1 percentage point due to non-recurring rebate adjustments in the USA and inflationary effects in International Operations.

Sales split per therapy	Sales H1 2016 DKK million	Growth as reported	Growth in local currencies	Share of growth in local currencies
The diabetes and obesity care segment				
New-generation insulin ¹⁾	1,609	168	% 174	% 28
- Tresiba®	1,448	161	% 167	% 25
Modern insulin	23,521	(2)	% 0	% 2
- NovoRapid®	9,518	(4)	% (2)	% (5)
- NovoMix®	5,349	(4)	% 0	% (1)
- Levemir®	8,654	1	% 4	% 8
Human insulin	5,392	(5)	% (1)	% (1)
Victoza®	9,543	13	% 14	% 32
Other diabetes and obesity care ²⁾	2,765	22	% 25	% 15
- Saxenda®	619	-	-	15
Diabetes and obesity care total	42,830	4	% 7	% 76
The biopharmaceuticals segment	5,366			
Haemophilia ³⁾		(2)	% (1)	% (1)
- NovoSeven®	4,905	(7)	% (5)	% (7)
Norditropin®	4,565	17	% 19	% 20
Other biopharmaceuticals ⁴⁾	1,910	9	% 10	% 5
Biopharmaceuticals total	11,841	6	% 8	% 24
Total sales	54,671	5	% 7	% 100

¹⁾ Comprises Tresiba®, Ryzodeg® and Xultophy®.

²⁾ Primarily NovoNorm®, needles and Saxenda®.

³⁾ Comprises NovoSeven®, NovoEight® and NovoThirteen®.

⁴⁾ Primarily Vagifem® and Activelle®.

All regions contributed to sales growth; however, the USA was the main contributor with 50% share of growth measured in local currencies, followed by International Operations and Region China contributing 21% and 14%,

respectively. Sales growth in the USA was positively impacted by approximately 1.5 percentage points due to non-recurring adjustments to rebates in the Medicaid patient segment in first quarter of 2016 primarily related to Norditropin® and partly offset by the diabetes portfolio. Sales growth in International Operations of 11% measured in local currencies was positively

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impacted by approximately 4 percentage points due to the significant inflationary effects in Argentina and Venezuela.

Sales split per region **Sales
H1 2016
DKK
million**