

Financial report for the period 1 January 2018 to 30 June 2018

8 August 2018

Novo Nordisk's operating profit decreased by 8% in Danish kroner and increased by 4% in local currencies in the first six months of 2018

Sales decreased by 5% in Danish kroner and increased by 4% in local currencies to USD 8.8 billion.

- Sales of Victoza® increased by 2% to USD 1.9 billion (12% in local currencies).
- Sales of Saxenda® increased by 35% to USD 0.3 billion (50% in local currencies).
- Sales of Tresiba® were unchanged at USD 0.6 billion (increased by 11% in local currencies).
- Sales of Xultophy® increased by 154% to USD 117 million (165% in local currencies).
- Sales in North America Operations decreased by 10% (unchanged in local currencies).
- Sales in International Operations increased by 1% (8% in local currencies).

Sales within diabetes care and obesity decreased by 4% to USD 7.4 billion (increased by 5% in local currencies).
Sales within biopharmaceuticals decreased by 9% to USD 1.4 billion (decreased by 1% in local currencies).

Operating profit decreased by 8% in Danish kroner and increased by 4% in local currencies to USD 4.0 billion, reflecting the significant depreciation of the US dollar and related currencies versus the Danish krone.

Net profit increased by 5% to USD 3.4 billion. Diluted earnings per share increased by 7% to USD 1.41.

In February 2018, Novo Nordisk launched Ozempic® in the USA, a new once-weekly GLP-1, and the initial feedback from prescribers and payers is positive and the formulary coverage for Ozempic® is progressing. The weekly new-to-brand prescription market share for Ozempic® has reached 14%.

During second quarter of 2018, Novo Nordisk announced the phase 3a results from four of the 10 clinical trials in the PIONEER programme with oral semaglutide, a new once-daily GLP-1 tablet for people with type 2 diabetes. The trials confirmed statistically significant reductions in both HbA_{1c} and weight for oral semaglutide compared to empagliflozin, sitagliptin and Victoza®.

The Board of Directors has approved an interim dividend for 2018 of USD 0.49 per share of DKK 0.20 to be paid in August 2018.

For 2018, sales growth is still expected to be 3-5% and operating profit growth is still expected to be 2-5%, both measured in local currencies. Sales growth and operating profit growth reported in Danish kroner are now expected to be 5 and 7 percentage points lower than in local currencies, respectively.

For 2019, formulary negotiations with pharmacy benefit managers and managed care organisations in the USA are progressing. Subject to the final outcome of these negotiations, average prices after rebates are expected to be lower compared with the levels in 2018, predominantly due to basal insulin pricing and changed Medicare Part D coverage gap legislation. The market access for Novo Nordisk's key products is expected to remain broadly unchanged compared to 2018.

Lars Fruergaard Jørgensen, president and CEO: "Sales growth in the first half of 2018 was driven by solid performance of our key innovative products: Victoza®, Tresiba®, Xultophy® and Saxenda®, and the launch of Ozempic® is off to a good start in North America. We are encouraged about the clinical trial results for oral semaglutide and we are looking forward to making the first oral GLP-1 treatment available for people with type 2 diabetes."

About Novo Nordisk

Novo Nordisk is a global healthcare company with 95 years of innovation and leadership in diabetes care. This heritage has given us experience and capabilities that also enable us to help people defeat obesity, haemophilia, growth disorders and other serious chronic diseases. Headquartered in Denmark, Novo Nordisk employs approximately 43,100 people in 79 countries, and markets its products in more than 170 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, Facebook, Twitter, LinkedIn, YouTube.

Conference call details

On 8 August 2018 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.

Webcast details

On 9 August 2018 at 13.30 CEST, corresponding to 7.30 am EDT, management will give a presentation to institutional investors and sell-side analysts in London. A webcast of the presentation can be followed via a link on novonordisk.com, which can be found under 'Investors'. Presentation material for the webcast will be made available on the same page.

Financial calendar

| | |
|-----------------|---|
| 1 November 2018 | Financial statement for first nine months of 2018 |
| 1 February 2019 | Financial statement for 2018 |

Contacts for further information

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

*For convenience, Danish kroner has been translated to USD in this release, using the average exchange rate of USD 1.0 = DKK 6.15346.

QUARTERLY NUMBERS IN USD (ADDITIONAL INFORMATION)

Key figures are translated into USD as additional information - the translation is based on the average exchange rate for income statement and the exchange rate at the balance sheet date for balance sheet items. The specified percent changes in DKK are based on the changes in the 'Quarterly numbers in DKK', see appendix 1. The specified percentage change in USD is calculated as a development in USD numbers in this appendix.

(Amounts in USD million, except number of full-time equivalent employees, earnings per share and number of shares outstanding).

| | 2018 | | 2017 | | | | % change Q2 2018 vs Q2 2017 in USD | % change Q2 2018 vs Q2 2017 in DKK |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---|---|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | |
| Net sales | 4,384 | 4,446 | 4,418 | 4,198 | 4,230 | 4,073 | 4% | (4%) |
| Gross profit | 3,688 | 3,753 | 3,678 | 3,526 | 3,579 | 3,465 | 3% | (5%) |
| Gross margin | 84.1% | 84.4% | 83.2% | 83.9% | 84.6% | 85.1% | | |
| Sales and distribution costs | 1,136 | 1,065 | 1,299 | 1,023 | 999 | 972 | 14% | 5% |
| Percentage of sales | 25.9% | 24.0% | 29.6% | 24.4% | 23.6% | 23.9% | | |
| Research and development costs | 527 | 548 | 625 | 523 | 504 | 471 | 5% | (3%) |
| Percentage of sales | 12.0% | 12.3% | 14.2% | 12.5% | 11.9% | 11.6% | | |
| Administrative costs | 136 | 143 | 175 | 141 | 126 | 131 | 8% | (1%) |
| Percentage of sales | 3.1% | 3.2% | 4.0% | 3.4% | 3.0% | 3.2% | | |
| Other operating income, net | 62 | 58 | 25 | 65 | 28 | 40 | 121% | 104% |
| Operating profit | 1,951 | 2,055 | 1,604 | 1,904 | 1,978 | 1,931 | (1%) | (9%) |
| Operating margin | 44.5% | 46.2% | 35.9% | 45.3% | 46.7% | 47.4% | | |
| Financial income | 166 | 198 | 29 | 61 | 62 | 37 | 168% | 147% |
| Financial expenses | 121 | 6 | (49) | 3 | 172 | 106 | (30%) | (36%) |
| Financial items (net) | 45 | 192 | 78 | 58 | (110) | (69) | (141%) | (140%) |
| Profit before income taxes | 1,996 | 2,247 | 1,682 | 1,962 | 1,868 | 1,862 | 7% | (1%) |
| Income taxes | 343 | 472 | 368 | 424 | 398 | 408 | (14%) | (20%) |
| Net profit | 1,653 | 1,775 | 1,314 | 1,538 | 1,470 | 1,454 | 12% | 4% |
| Depreciation, amortisation and impairment losses | 123 | 121 | 142 | 112 | 127 | 101 | (3%) | (11%) |
| Capital expenditure (net) | 252 | 381 | 473 | 327 | 285 | 230 | (12%) | (18%) |
| Net cash generated from operating activities | 2,538 | 1,620 | 988 | 2,017 | 1,499 | 1,732 | 69% | 56% |
| Free cash flow | 2,131 | 1,195 | 497 | 1,706 | 1,244 | 1,489 | 71% | 58% |
| Total assets | 16,143 | 15,577 | 16,491 | 15,540 | 15,004 | 13,532 | 8% | 6% |
| Total equity | 7,674 | 7,365 | 8,026 | 7,452 | 7,429 | 5,789 | 3% | 1% |
| Equity ratio | 47.5% | 47.3% | 48.7% | 48.0% | 49.5% | 42.8% | | |
| Full-time equivalent employees end of period | 43,105 | 42,688 | 42,076 | 41,656 | 41,385 | 41,636 | 4% | 4% |
| Basic earnings per share/ADR (in USD) | 0.68 | 0.73 | 0.54 | 0.62 | 0.60 | 0.58 | 13% | 6% |
| Diluted earnings per share/ADR (in USD) | 0.68 | 0.73 | 0.53 | 0.63 | 0.59 | 0.58 | 15% | 6% |
| Average number of shares outstanding (million) | 2,425.8 | 2,437.3 | 2,451.2 | 2,465.6 | 2,480.2 | 2,495.8 | (2%) | (2%) |
| Average number of diluted shares outstanding (million) | 2,430.9 | 2,442.3 | 2,456.1 | 2,469.4 | 2,484.1 | 2,500.0 | (2%) | (2%) |
| Sales by business segment: | | | | | | | | |
| Long-acting insulin | 857 | 805 | 868 | 806 | 883 | 802 | (3%) | (10%) |
| Premix insulin | 414 | 436 | 414 | 405 | 399 | 410 | 4% | (4%) |
| Fast-acting insulin | 790 | 789 | 732 | 800 | 755 | 761 | 5% | (3%) |
| Human insulin ¹⁾ | 373 | 391 | 378 | 382 | 363 | 360 | 3% | (5%) |
| Total insulin | 2,434 | 2,421 | 2,392 | 2,393 | 2,400 | 2,333 | 1% | (6%) |
| Total GLP-1 | 947 | 1,000 | 991 | 843 | 853 | 823 | 11% | 3% |
| Other diabetes care ¹⁾ | 161 | 185 | 161 | 165 | 158 | 168 | 2% | (6%) |
| Total diabetes care | 3,542 | 3,606 | 3,544 | 3,401 | 3,411 | 3,324 | 4% | (4%) |
| Obesity (Saxenda [®]) | 142 | 127 | 109 | 101 | 101 | 77 | 41% | 29% |
| Diabetes care and obesity total | 3,684 | 3,733 | 3,653 | 3,502 | 3,512 | 3,401 | 5% | (3%) |
| Haemophilia | 367 | 413 | 434 | 380 | 403 | 369 | (9%) | (16%) |
| Growth disorders (Norditropin [®]) | 273 | 244 | 269 | 255 | 248 | 236 | 10% | 1% |
| Other biopharmaceuticals | 60 | 56 | 62 | 61 | 67 | 67 | (10%) | (16%) |
| Biopharmaceuticals total | 700 | 713 | 765 | 696 | 718 | 672 | (3%) | (10%) |
| Sales by geographic segment: | | | | | | | | |
| North America Operations | 2,174 | 2,206 | 2,279 | 2,139 | 2,230 | 2,139 | (3%) | (10%) |
| - USA | 2,072 | 2,126 | 2,191 | 2,050 | 2,154 | 2,062 | (4%) | (11%) |
| International Operations | 2,210 | 2,240 | 2,139 | 2,059 | 2,000 | 1,934 | 11% | 2% |
| - Region Europe | 875 | 864 | 855 | 816 | 791 | 748 | 11% | 2% |
| - Region AAMEO | 511 | 479 | 483 | 461 | 452 | 424 | 13% | 4% |
| - Region China | 439 | 500 | 397 | 401 | 386 | 438 | 14% | 5% |
| - Region Japan & Korea | 237 | 208 | 248 | 230 | 232 | 210 | 2% | (6%) |
| - Region Latin America | 148 | 189 | 156 | 151 | 139 | 114 | 6% | (1%) |
| Segment operating profit: | | | | | | | | |
| Diabetes care and obesity | 1,560 | 1,640 | 1,229 | 1,472 | 1,586 | 1,522 | (2%) | (9%) |
| Biopharmaceuticals | 391 | 415 | 375 | 432 | 392 | 409 | 0% | (8%) |

¹⁾ Comparative figures have been restated as sales of bulk insulin are now disclosed as part of other diabetes care.