

We invest in winners. This means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

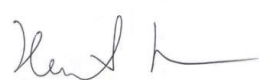
Novo Nordisk A/S

Novo Nordisk is one of our long-term investments. We presented the Danish company in our Investment Report back in May 2014 and again in November 2016. Novo Nordisk's specialisation in diabetes since its foundation in 1923 has given it a unique position in an oligopolistic market. The market share in insulin therapy is 50%. High research costs, economies of scale in production, established sales structures and strong patient loyalty due to individual insulin administration by the physician form stable barriers to market entry. Novo Nordisk invests 12% of its annual revenue in new products. As a result, the company traditionally has the broadest range and most promising pipeline of biopharmaceuticals. Even after the expiry of patent protection, generics only play a subordinate role, as they are biosimilar but not identical to the original. The medication costs only 2-4 euros per day, but it is essential for a diabetic. As a result, savings in the healthcare systems, discount concessions on increased list prices and temporarily intensified competition in individual product categories in the years 2016-2018 had little impact on the company's success story. Individual lifestyles and demographic factors are the catalyst for a widespread disease that affects around 470 million people. The International Diabetes Federation (IDF) estimates that about 700 million people

will have diabetes by 2040. Only about one in five diabetics currently have access to adequate care. This opens up considerable growth potential for Novo Nordisk for stable earnings based on insulin therapy, which is usually necessary for life. SARS-CoV-2 increases the need for treatment. Diabetes is not only one of the most important risk factors for a severe case of COVID-19, studies have shown that infection with the coronavirus can even trigger diabetes.

Novo Nordisk is one of the most profitable and best capital allocators in the world. Earnings per share of DKK 128 have been generated over the past 15 years. Of this, DKK 67 was retained. Earnings have risen by almost DKK 15 (17% p.a.) to DKK 16 per share over the same period. This means that the retained earnings generated an internal rate of return of 22%. The ongoing buyback of its own shares contributes to this. The net volume over the past 15 years, amounting to 27% of the outstanding securities, generates an increase of DKK 4.5, or 38%, in earnings per share for current shareholders. We consider Novo Nordisk's shares to be a debt-free equity bond. The earnings yield is currently 4% and the expected annual growth rate is 5-7%. Accordingly, we will continue to bet on the "Corona crisis winner" for our investors.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky

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