

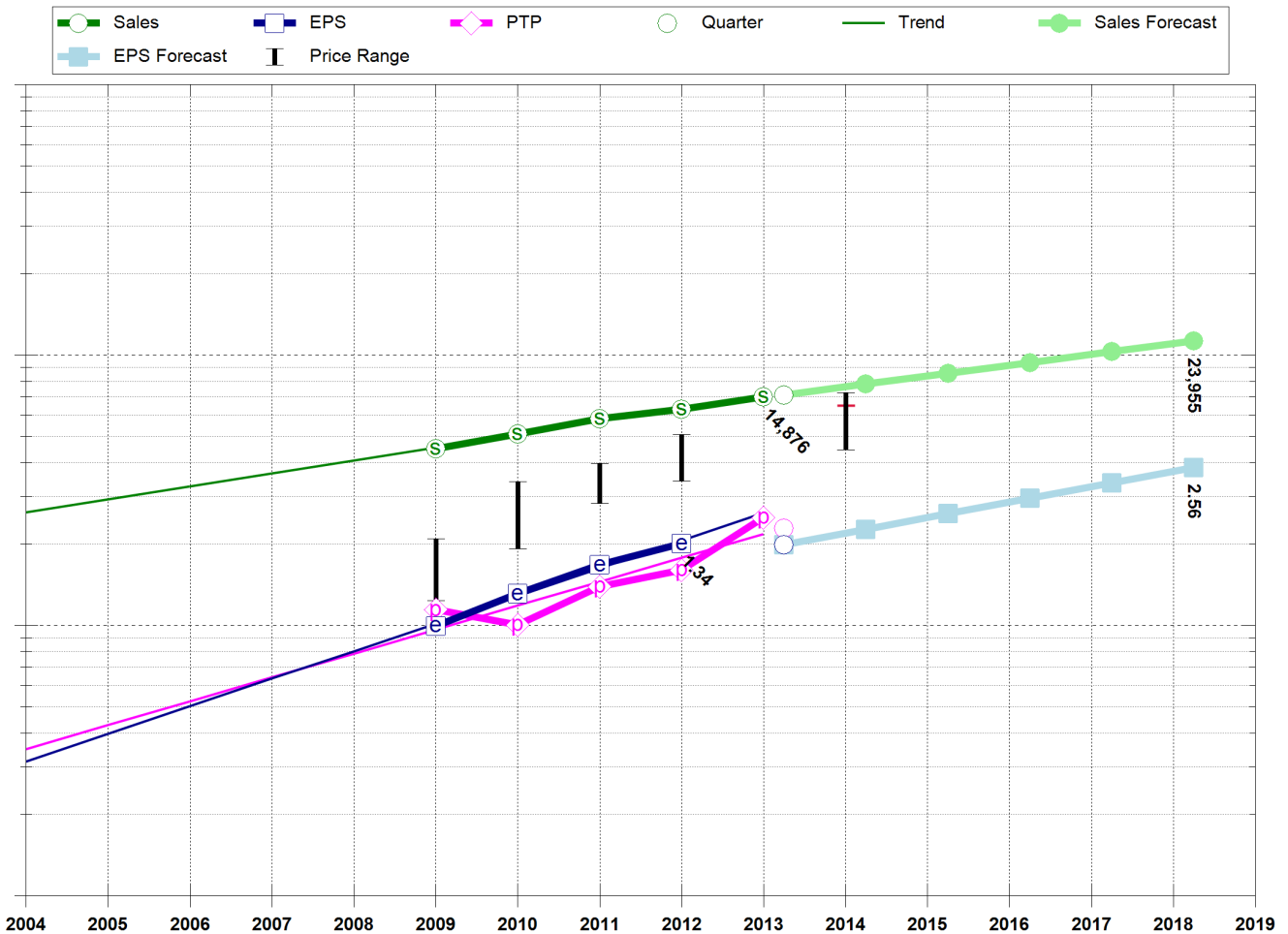
Company	Novo Nordisk A/S		Date	5/13/2014	
Prepared by	BARNES		Data taken from	BI Stock Data	
Where traded	NYSE	Industry	Biotechnology		
Capitalization ---	Outstanding Amounts	Reference			
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	2,642.4	0.0	6.8		
Debt (\$M)	147.6	% to Tot Cap	2.3	% Pot Dil	0.4

Stock Selection Guide

Symbol: NVO

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2013 Quarter Ending (03/14)	Sales (\$M)	Earnings Per Share
Latest Quarter	3,734.2	0.45
Year Ago Quarter	3,535.4	0.39
Percentage Change	5.6%	15.0%



- | | | | |
|-----------------------------------|--------|--|-------|
| (1) Historical Sales Growth | 276.9% | (3) Historical Earnings Per Share Growth | -2.1% |
| (2) Estimated Future Sales Growth | 9.7% | (4) Estimated Future Earnings Per Share Growth | 14.0% |

2 EVALUATING Management

Novo Nordisk A/S

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Last 5 Year Avg.
Pre-tax Profit on Sales	25.7%	24.4%	23.7%	26.2%	27.9%	31.0%	24.0%	29.1%	30.7%	43.5%	31.7%
% Earned on Equity	17.0%	21.9%	20.0%	25.3%	31.2%	30.6%	34.1%	42.4%	44.1%	9.8%	37.8%
% Debt To Capital	6.0%	8.9%	4.8%	4.1%	6.6%	3.7%	5.7%	2.2%	1.2%	0.5%	2.7%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

PRESENT PRICE 43.5

HIGH THIS YEAR 48.42

LOW THIS YEAR 29.90

	A	B	C	D	E	F	G	H	
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield	
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100	
1 2009	14.0	8.3	0.67	21.0	12.4	0.16	24.6	2.0	
2 2010	22.8	12.8	0.88	26.0	14.7	0.19	22.1	1.5	
3 2011	26.6	18.9	1.12	23.7	16.9	0.27	23.9	1.4	
4 2012	34.1	22.8	1.34	25.4	17.0	0.35	26.3	1.5	
5 2013	38.9	29.9	0.33	116.8	89.8	0.47	140.9	1.6	
AVERAGE		18.5		24.0	16.2		47.6		
CURRENT/TTM			1.33			0.60	45.0		
AVERAGE PRICE EARNINGS RATIO 20.1					CURRENT PRICE EARNINGS RATIO 32.7				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 24.00 X Estimate High Earnings/Share 2.56 = Forecasted High Price \$ 61.4

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 16.20 X Estimate Low Earnings/Share 1.73 = Forecasted Low Price \$ 28.0

(b) Avg. Low Price of Last 5 Years 18.5

(c) Recent Market Low Price 22.83

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.600}{1.60\%} = 37.5$

Selected Forecasted Low Price \$ 28.0

C ZONING using 25%-50%-25%

Forecasted High Price 61.4 Minus Forecasted Low Price 28.0 = 33.4 Range. 25% of Range 8.4

Buy Zone 28.0 to 36.4

Hold Zone 36.4 to 53.1

Sell Zone 53.1 to 61.4

Present Market Price of 43.51 is in the **Hold** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{61.4 - 43.51}{43.51 - 28.0} = \frac{17.93}{15.51} = 1.2$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{61.4 - 43.51}{43.51} = 1.41$ X 100 = 141.21 - 100 = 41.2 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Present Full Year's Dividend \$ } 0.60}{\text{Present Price of Stock } 43.51} = 0.01 = 1.4\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 23.5\%}{\text{Forecast High PE } 24.00} = 1.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout } 23.5\%}{\text{Forecast Average PE } 20.10} = 1.2\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 7.1 %
Average Yield 1.0 %
Annualized Rate of Return 8.1 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 3.4 %
Average Yield 1.2 %
Annualized Rate of Return 4.6 %