S&P Global
Market Intelligence

Novo Nordisk A/S CPSE:NOVO B
FY Nine Months 2024 Earnings Call Transcripts

Thursday, November 7, 2024 1:15 PM GMT

S&P Global Market Intelligence Estimates

** Error while rendering estimates data.

Table of Contents

Call Participants

EXECUTIVES

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Jacob Martin Wiborg Rode
Head of Investor Relations

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Martin Holst Lange
Executive VP of Development & Member of the Management Board

ANALYSTS

Emily Field
Barclays Bank PLC, Research Division

Emmanuel Douglas Papadakis
Deutsche Bank AG, Research Division

James Patrick Quigley
Goldman Sachs Group, Inc., Research Division

Jo Walton
UBS Investment Bank, Research Division

Kerry Ann Holford
Joh. Berenberg, Gossler & Co. KG, Research Division

Rajesh Kumar
HSBC, Research Division

Richard Vosser
JPMorgan Chase & Co, Research Division

Richard J. Parkes
BNP Paribas Exane, Research Division

Sachin Jain
BofA Securities, Research Division

Simon P. Baker
Redburn (Europe) Limited, Research Division

Presentation

Sachin Jain
BofA Securities, Research Division

[Audio Gap] Karsten, CFO; Camilla, Commercial Strategy; Martin from R&D and the IR team. And the plan is 10, 15 minutes of intro comments and then Q&A. And so with that, my pleasure, Karsten.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

All right. So good afternoon. Great to see you all. We're bringing a great quarter to London in terms of Novo Nordisk Q3 results. So we're looking forward to seeing you all here as part of the lunch meeting at Bank of America. As Sachin said, a short introduction -- a short presentation, and then we do Q&A. And of course, as always, it's important to remember that the comments about the future are inherently uncertain and may play out differently. So no changes to that compared to prior presentations.

So when we look at progress on our strategy execution, and doing it in each of the core quadrants as we consistently use every quarter as our report card towards you, then we're in a historic phase in terms of growth as a company, growing 24% in the first 9 months. And that level of growth, of course, entails a lot of investments and a lot of resources going into that. And as a consequence, our CO2 emissions are also increasing by year 34%, driven by the CapEx investments we are pursuing to expand our supply chain. So our CO2 emissions across Scope 1, 2 and 3, it's really Scope 3 driven by CapEx.

Serving more patients than ever before. More than 43 million people with serious chronic diseases now using Novo Nordisk products, a step-up to the tune of DKK 3 million compared to last year across our different therapeutic categories of diabetes and obesity.

And strong performance in commercial, Camilla will come back to that. And then R&D quadrant or innovation and therapeutic focus quadrant, which is really full and we had to prioritize. So that's why Martin has a very rich pipeline readout coming up in a few slides. So really a pleasure to see progress on the innovation side. And then financials, 24% sales growth and 22% operating profit growth. But do bear in mind that we have clean reporting of our numbers. So this includes impairments that we did earlier this year. Take that out, our EBITDA growth is 30% over the first 9 months. So very strong growth, both top and bottom line. And that is converted into cash, and we have a very solid capital return to shareholders of DKK 57 billion on a year-to-date measure.

So with those comments, I give the word to Camilla.

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Thanks a lot, Karsten. Good afternoon, everyone. Just a highlight on how the sales growth is split, 24% sales growth, 31% in North America and 15%, sorry, in international operations. We also see, on the brand part, that a big part of our growth is driven by GLP-1, so our key brands, Ozempic and Wegovy are close to 100% share of our growth. And of course, when you look at the franchises, you see diabetes franchise growing 26% and obesity care growing 44%. So very strong growth. And of course, that also requires scaling.

As you see on this slide, we have basically, over the last 3 years, tripled our scaling efforts and our reach of patients in GLP-1. You also see that we are now covering 65% of the total GLP-1 market across diabetes and obesity in the world in terms of supply. And we will continue, of course, to do scaling efforts as we have talked about the last many quarters, but we continue to do that, and we are planning also on continued investments in this space.

When we look at the scripts, here, you see the U.S. obesity prescriptions. We continue to have broad formulary access in the U.S., covering more than 55 million lives. We also are looking at continued rollout plans in international operations now present in more than 15 countries with Wegovy. And in the U.S., you also see on this slide that our total scripts makes Wegovy still the leading brand in the U.S. obesity brand.

And of course, that doesn't stop with that. We continue also to invest in research and development, and Martin will talk a little bit to what that looks like. So Martin, over to you.

Martin Holst Lange
Executive VP of Development & Member of the Management Board

So in the R&D space, obviously, we try to think holistically around how we build a competitive pipeline. And having a clear ambition of also expanding into new disease areas, our focus has been expanding from the core, diabetes and obesity, into disease areas where there is a metabolic component, allowing us to build synergies between our research, development, our commercial capabilities, and moving into those spaces.

Then you'll see that we are building a pipeline that is now beginning to grow in the cardiovascular space, in the liver space. In the years to come, you'll see us do the same thing in the kidney space. And then obviously, we also have a small focus on Alzheimer's disease, and that's basically because of the data that we've seen so far suggesting that GLP-1 analogs could potentially be beneficial in the Alzheimer's space.

But the way we go about this is obviously -- and we feel really blessed about that, we have a molecule that is really, really good at doing weight lowering in obesity, really good at doing glycemic control in diabetes, but also has now been shown to have cardiovascular benefits, both on MACE, but also on the heart failure component. We look at potential liver. We look at potential kidney. We look at potential, as I talked about, Alzheimer's effects. Having that holistic approach with one molecule allows us actually to build capabilities in the research and the development and also in the commercial space. And obviously, we are really excited about what we see from semaglutide.

In the cardiovascular space, it appears to have the potential to be a cardiovascular drug in and of itself. And obviously, we continue to -- towards the end of this decade, continue to generate new data informing us of what can semaglutide do. I'm going to show the ESSENCE trial in just a minute. Next year, we'll see the results of the EVOKE trials. And towards the end of the decade, we also are looking at primary cardiovascular prevention in the ASCEND PLUS trial.

So that kind of approach allows us to broaden the value of semaglutide, broaden the promise of semaglutide, and adding continuous pieces to the puzzle of semaglutide. One of those pieces is something that some of us have been working on for many, many years. It's been a long and somewhat bumpy road. And it was super-gratifying to see the first outcomes of the ESSENCE trial. To those of you who don't remember the ESSENCE trial, two-part trial. One part is for regulatory approval based on liver biopsies. The continued part of the study is basically to generate hard evidence on liver endpoints, on cardiovascular endpoints, to document that there's not only just a liver biopsy upside to the intervention that we have investigated, but also outcomes benefit for patients.

For now, we have what we call the regulatory part of the trial because that is sufficient to cater to regulatory submission and hopefully approval. The regulatory requirements in the U.S. is to have improvement in hepatosteatitis (sic) [steatohepatitis] without worsening on fibrosis or vice versa. In Europe, they require both. And we are super-happy to see that we both win on the reducing the hepatosteatitis (sic) [steatohepatitis]. We do that by 63% as compared to placebo 34%. But we're also reducing fibrosis 37% compared to placebo approximately 23%. We have really, really strong data from a statistical perspective, but also from a clinical relevance perspective.

I can't say a lot more because actually -- and this is super-annoying also to me, some of the data have been redacted basically, because we have an ongoing trial and I and people who can make decisions on the trial cannot be influencing the ongoing trial. So to preserve the integrity of the trial, there are data that I have not seen. Karsten is also super-annoyed about that.

On the safety part, we once again confirm that semaglutide has an attractive safety profile. No new safety concerns identified in the ESSENCE trial, and that is gratifying in a new population. So yet another piece to the puzzle of the value offering that we can do with semaglutide to patients with serious chronic disease and unmet need. But it doesn't stop there.

We have 3 other focus areas. First focus area is obviously maximize our knowledge base and value of semaglutide. Second, build a leading and competitive obesity and diabetes pipeline. And as you can see from the slide, and I promised Karsten not to leave it up there for too long, a lot of progress and a lot of data coming in, in both the diabetes and the obesity space over the next couple of quarters.

But we also are building the cardiovascular -- beyond semaglutide, cardiovascular, liver and kidney-related pipeline, where we again see progress in both Phases I, II and III. And given that we defined that focus area only a couple of years ago, it's gratifying to see that level of clinical activity at this point in time. And finally, obviously, we are super happy with the progress that we're also doing in rare disease, specifically in the hemophilia space, but we also now see progress of our sickle cell disease assets, which obviously again speaks to a disease area with a huge unmet need. So across the board, as Karsten said, increased investments, but also increasing excitement in R&D.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Thank you, Martin. We really appreciate the return on investment in R&D. We continue to have it, of course. All right. So thank you to Martin. This is our outlook for the full year. We reiterated our outlook in terms of the midpoint compared to Q2, but narrowed the range as time is passing and only not even 2 months left to go. So really continuing executing on a plan and a growth level at a very high magnitude in now midpoint 25% growth on a base, as you will recall, of DKK 232 billion last year. So very high both relative and absolute growth levels for the company.

Small tweaks to currencies, nothing to comment about. And fine-tuning of tax rate, nothing changes on tax. This is the same effective tax rate we reported in Q3 as Q2, and therefore, the guidance of between 20% and 21%. And small technical tweaks to cash flow, nothing fundamental.
So this concludes the introductory presentation. And then we have Jacob Rode, our new Head of Investor Relations, not so new anymore, to control Q&A. So over to you, Jacob.

Question and Answer

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you. And I welcome Martin and Camilla back on stage, and we'll follow our usual procedure in that we will start with the host, Sachin, and please state your institution and your name before asking questions.

Sachin Jain
BofA Securities, Research Division

Sachin Jain, Bank of America. One clarification from yesterday and then one question. So given my question yesterday generated a lot of [furore], I might just ask you to clarify, Karsten. So high teens, did you mean 19%? And the reason I ask that, there was a lot of misunderstanding as to high teens, mid-teens, low teens. I just wanted to clarify. And given it was so close to consensus at 20%, just the intent, was it essentially took less consensus to provide a floor this early in '24 ahead of guide? So that's question one.

Question 2 is a bigger picture one on oral strategy. So level of confidence in CB1 given the data you see? And will you pursue an external backup scalable strategy given you won't know the outcome of CB1 until the end of next year? There's obviously a lot of interest in this given [indiscernible] data Phase III coming next year.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Sachin. I think the first one is clearly to you, Karsten, and then the second one goes to Camilla, and then to Martin.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. Thank you for that question, Sachin. I appreciate it, and I appreciate also kind of the noise in the market yesterday or the reaction in the market. So just to reiterate, including also my intention. So first of all, we are driving historic high levels of growth in the company, super-high growth as a company now this year in the mid-20s. What I said yesterday was we continue to scale our supply chain and scale the company to continue to drive very attractive growth into next year. That's point number one.

Point number two, when growth is at this magnitude, then the base effect becomes really important when we talk about growth rates. It's simple math. So this is just a reminder about that. And then the third piece was we had a one-off we already reported in the first quarter around favorable gross to net that we do not expect to repeat next year. So that has to be adjusted. So these were really just reminders around the technicalities when looking into next year. So overall, this is going to be guidance in February, and we look forward to come back with our '25 guidance in February. And again, we're delivering record-breaking growth currently. So of course, we're pushing to continue that.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. And let's go to Camilla first on the oral market, and next we can go to Martin.

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Yes. On the oral market, first of all, I'd like to say that we do believe that the injectable GLP-1 segment will be the biggest segment in the years to come. But of course, over time, it's also likely that there will be an oral segment. Then you asked about our priorities. And I would say, in our pipeline, we have oral semaglutide high dose. We also have oral amycretin, and then, of course, monlunabant that you also referred to. So for us, it's not either or. This is a portfolio of products. And of course, short term, with high dose or obesity, we would also be able to bring that to market as soon as we find that relevant. So these are some of our considerations.

Over time, the obesity market is big. It's likely that there will be a need for different types of options for different patients. We have not even seen the market segment itself yet in different patient populations. But of course, that is likely to happen. And then, of course, also there will be different geographical considerations. So it's absolutely not an either/or strategy that we are applying in the obesity segment.

Martin Holst Lange

Executive VP of Development & Member of the Management Board

And maybe to build on that, I mean, when we build pipeline, when we build portfolio, we think optionality. And that basically means, as Camilla said, we have optionality given that we have currently the only Phase III completed oral offering in this space with really, really good efficacy comparable to that of injectable, and with the CV and other benefits that we know come from semaglutide. And to Camilla's point, if that is something that we intend to launch, then we can do that as an option.

We can think about the same way of approaching this with amycretin. Both of those options are obviously less scalable than the subcutaneous offering. Monlunabant is still a high potential approach in this space. Given the data that we've seen, it was very, very clear that 2 high doses had been tested that led also to some side effects that, from a commercial perspective, would not be acceptable. And that basically means that we have to investigate lower doses. But given that the doses tested were very high on the dose response curve and the exposure response curve, we can actually allow ourselves to decrease the dose, still expect good efficacy in monotherapy, potentially also in combination therapy, and mitigate the safety concerns.

So when you ask into our confidence, we are still confident and optimistic about monlunabant. But obviously, given what we have seen, the risk is somewhat higher. Our approach to this, however, remains the same. I think even before the data came out, I said we would do an additional Phase IIb trial to make sure that we have a safe and efficacious drug before we go into Phase III, and that's still the plan.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Martin, and thank you, Sachin, and we go to Emily.

Emily Field
Barclays Bank PLC, Research Division

Emily Field from Barclays. Two questions. The first one, just on the logistics of the Catalent transaction. I know you said that you expect that, that will increase supply from 2026. But do those 3 facilities transfer to Novo Nordisk as soon as the Novo Holdings deal closes and we won't see an increase in supply just because it's sort of a transitional period?

And then secondly, I know there was a question asked on promotional efforts broadly yesterday, but more specifically in the U.S. with the current competitive landscape, Lilly said last week that they are going to be heavily increasing promotional efforts in mid-November. Maybe just a broader comment. Is that something you think you need to respond to? Or how are you seeing the competitive dynamics between the 2 molecules in obesity in the U.S.?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Emily. The first one on Catalent goes to you, Karsten.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. So we expect, as I said yesterday, the transaction to close this year. Then we'll do immediately a carve-out from the hold-co into the 3 sites that the Novo Nordisk operating company takes. So that will happen immediately. And then the reason why we said 2026 is that for us to transfer products to new manufacturing lines, we need to do technology transfers. And that's basically the gap between today and into 2026. But important to remind everybody that we are producing in these facilities. So we have access to certain capacities already with Catalent today. And of course, that will continue and continue to perform as we speak.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you. And then Camilla, on promotional efforts?

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

On the promotional efforts in the U.S., we, of course, will stay competitive. We have a very strong track record of being competitive in the U.S., establishing leading brands. You're looking at Ozempic and Wegovy. Those are very well-recognized brands that, of course, we have different channels to promote that, and we use the different approaches that it takes to be competitive in such a

market. And therefore, we're also happy to see that we have leading TRx both in diabetes and in obesity, and we will remain very competitive.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thanks, Camilla. Then we go to Richard Vosser.

Richard Vosser
JPMorgan Chase & Co, Research Division

Richard Vosser, JPMorgan. Maybe you could just give us an idea of the latest demand and stay time in markets where you're not supply constrained, such as maybe Denmark or others, just to give us a flavor of how that's panning out. And maybe second question, you talked about increasing supply and increasing the rollout ex-U.S. in Q4 with the acceleration. But maybe you could give us a bit more color on the rollout plans ex-U.S. I think at the start of the year, you may have had 10 markets and now you have 15. How should we think about it relative to those on a market basis?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Richard. I think both of those go to you, Camilla, first and second.

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Yes. Thank you. So on stay time, we continue to see with Wegovy that stay time is expanding. If we look at particular markets like Denmark, where we have a pretty significant share of the population on the product, we are continuing to see that people stay on for quite a long time. It is difficult yet to sort of specifically quantify that, because it's still early days, but I can say that it is significantly longer than what we saw with Saxenda. And specifically for the U.S., we see also stay time improving and continues to improve. So I'm not yet to say that we are at the end of what it will be, but we definitely have moved from -- you remember a few years back, we were talking with Saxenda for 5 months. We are more now closer to 7 months of stay time with Wegovy. But still, I would say this is not the end of it. So all moving in the right direction.

To your second question about the rollout in international operations, we rolled out in approximately 15 markets as we speak, but you should expect that we will continue to do that, and there are a few more markets coming up also this year. So it's important for us to also contribute to solving obesity in international operations. And we do see a significant demand in many of these countries also. So most recently, we launched in Australia, we are on our way into Brazil also, and there are more markets on the list for this year also.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Camilla. Then I think Richard Parkes here with the next one.

Richard J. Parkes
BNP Paribas Exane, Research Division

Yes. Richard Parkes from BNP Paribas Exane. So I've got a question coming back to 2025, and specifically on capacity expansion, because I'm trying to understand what the risks are to the upside and downside of you executing on that? Because my understanding is your next big API facility will open in 2026 and Catalent won't necessarily benefit you until 2026, when you can repurpose some of that. So when you think about 2025 in terms of capacity expansion, where does that come from? What do you need to execute on to optimize to deliver on those kinds of numbers? And what's the risk to the upside and downside on that?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Richard. Karsten, to you on the [indiscernible] blocks.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Thanks, Richard. And I think I'll just go back to Camilla's slide to just repeat this graph, because I think this is really a nice reminder around how we are scaling in terms of reaching more and more patients with our GLP-1. So right now, we have scaled with 4 million

patients compared to 12 months ago, patients using Novo Nordisk GLP-1, 4 million. So it's almost the population of Denmark, more or less the adult population of Denmark. In 1 year, we scaled with people on chronic therapy.

And again, a factor 3 in terms of scaling over 3 years. And the reason why I bring that is, this scaling doesn't only happen through industrial scaling like factories. These are also portfolio choices that enables the scaling. So how do we use our existing capacities even more efficiently to reach more patients, what are our portfolio choices and our product presentation choices. So on that front, we have multiple levers. So that's one piece to stand on.

On the industrial side, while you're correct that there are no, how can I put it, material one-offs kicking in, in '25, then we have the gradual scaling of lines who have gotten online in the past few years, if you take on fill/finish and so on. So we do have scaling of our industrial footprint, both on API for sure, but also on fill/finish, both fill and assembly pack. So look at this as a continued scaling and optimization of our industrial footprint, improvement through portfolio or scaling through portfolio and product presentations. So that's how we work with it into next year.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. We go to the middle to James. Can you put your hand up, James?

James Patrick Quigley
Goldman Sachs Group, Inc., Research Division

James Quigley from Goldman Sachs. I've got 2, please. So one on Ozempic momentum. I know there's been some pushes and pulls in supply challenges and things of that nature, but prescriptions in the U.S. seem to have steadied around the 700,000 mark. So how are you thinking about the market dynamics going forward? What are you seeing in terms of competitive trends in the U.S., but also ex-U.S.? Q4 is a tough comp, but how confident are you that you can continue to see robust growth into next year and beyond?

And the second question is on Wegovy U.S. wholesaler dynamics. We've seen some ex-U.S. stocking this quarter, but the third quarter sales for Wegovy pretty much tracked prescriptions. So when we're thinking about an acceleration in Q4, how dependent are we on stocking in Wegovy in the U.S.? How much visibility do you have on [indiscernible] movements in the U.S. as well and that can give you some visibility on that?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, James. Then firstly to Camilla on the strong global demand we see for GLP-1s, both in diabetes and obesity.

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Yes. So in relation to Ozempic in particular, of course, we see Ozempic is a leading brand in the U.S. in diabetes, but also in the rest of the world. We've now launched in 76 countries. So this is indeed a product that is in high demand. What we also see is that the use of GLP-1 in diabetes is all in all only 6%. So that also means that there is still significant potential. We know that it's recommended in many guidelines. So we see this as the beginning of a journey, as I said in the beginning.

We expect that there will be in the future an increased demand for injectable GLP-1s, both in diabetes, but also in obesity where, of course, the usage of our GLP-1 product, Wegovy, is still at a very -- you can say, it has a high impact on our overall sales and scaling. But of course, it is still, compared to the obesity population, still early days with a couple of millions of people being treated. So there's a lot more room for rolling out these brands, and we will continue to do that. And as Martin said, that's why we are building a life cycle management plan, where we continue to build on new indications to the semaglutide brand. This will continue to be important for us.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thanks, Camilla. And Karsten, on the moving parts in the U.S. on Wegovy.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. And internationally, if I understand your question correctly. So what we said in the third quarter was that we have a one-off in terms of Wegovy stocking in international operations. And this is completely normal, because when you launch a product, then you fill inventories with wholesalers and retailers in a specific geography. And the reason why we called it out was that it had a magnitude that it was sufficiently large to call out, first and foremost.

But it's important to note, this is a one-off, but we cannot grow from one-offs, right? But it's also not scaling back. This is inventory that will sit there and then we'll start supplying the market from there as we backfill inventories into those wholesalers and retailers. So that's the logic on ex-U.S. In the U.S., we have high visibility on inventory levels, of course, in our own warehouses as well as with the wholesalers. And then the retailer inventories, we have less visibility, too. But overall, that's the structure of the inventory in fact.

Jacob Martin Wiborg Rode
Head of Investor Relations

Then we move to Rajesh in the back.

Rajesh Kumar
HSBC, Research Division

Rajesh Kumar from HSBC. Just on the high teens growth we are thinking of next year. Can you unpack that in terms of how you're thinking about volume versus value in terms of what sort of assumptions are you making on rebates? I know you like making very conservative assumptions there. So that would be really helpful to understand.

The other one is, let's assume a scenario that, for some reason, Catalent deal either blocked by EU or FTC. How much more CapEx or would you be able to absorb the shock with the CapEx program you have now to meet the supply you have planned? Or would you need to rethink in a meaningful way in terms of capacity investment? And the last one is a slightly different one, which is, apart from orforglipron, which other asset you thought we wish we have that?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Rajesh. Then we'll bundle the first 2 into one since they are both essentially on supply, the short-term trajectory and next steps on Catalent.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Thank you for those questions, Rajesh. So when you look at our performance right now, it's actually fairly straightforward, as Camilla was alluding to. More or less 100% of our growth comes from Ozempic and Wegovy and its volume-based growth. And we like that because volume-based growth is really a sign of the quality of our products and the demand in the marketplace for what our products are doing. And we don't have any major changes in the portfolio into next year. There might be some portfolio balances and priorities that change. But fundamentally, this is what we're running on also into next year.

As to Catalent and a Plan B, of course, we have such a plan in the drawer. We don't want to confuse people about what that plan looks like. But put very simplistically, then this will be a mix between investing even more in our existing facilities and our existing footprint as well as contracting even more with external CDMOs.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. And on the last one to Martin, as far as I know, so your darlings are within our pipeline, but what's your [indiscernible].

Martin Holst Lange
Executive VP of Development & Member of the Management Board

Yes. And I really do love my darlings. So I don't know that I would wish to have anything else in my pipeline, because when I look at our current pipeline, starting with CagriSema, it has the potential to become the drug that gives unprecedented weight loss, unprecedented glycemic control. Semaglutide is in the mix. So we'll also get the CV benefits and potentially also other benefits. First and best-in-class potential, what's more to like. And I even have amycretin as a strong follow-up to CagriSema. So when I look at the pipelines, I'm super happy with my own.

Jacob Martin Wiborg Rode
Head of Investor Relations

Perfect. And we move to the front here and Simon Baker.

Simon P. Baker
Redburn (Europe) Limited, Research Division

Simon Baker from Redburn Atlantic. Just a quick clarification on Catalent. Karsten, you said that the reason for the slight delay is tech transfer. I'm presuming it's also due to termination of existing contracts on the Moderna in those facilities. So how much of that is a delay? You just got to wait for other people to get out?

And then a couple of questions on Martin's darlings, as we'll probably start calling them now. Firstly, on the long-acting amylin that's gone into Phase I. I'd be interested to get your thoughts on the comments from Astra that they see preclinically lean mass preservation with amylin agonism. And then on CagriSema, one of the things that cropped up in the Phase I and didn't seem to be a particular issue was the presence of antidrug antibodies, neutralizing antibodies. Firstly, is that anything to worry about? And secondly, how does that factor into your modeling of the 25% weight loss that you expect for the REDEFINE study?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Simon. Karsten, on Catalent time lines, confirmation of that?

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. So I think it's a slightly different question you're posing compared to Emily from before. So the first answer is how fast can we move in terms of accessing capacity at Catalent. And I'm saying that there's a lead time from when the deal closes to access free lines at Catalent, there's a lead time linked to tech transfers. So that's a '26 comment. Of course, as we've been out saying, then we are honoring existing customers and existing contracts, and that will then be the gearing into the medium term. So when existing customers are leaving, then we'll be able to utilize capacities even more and lines even more. So it's a staggered logic over the coming short to medium term.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. And Martin, firstly on...

Martin Holst Lange
Executive VP of Development & Member of the Management Board

I like that promotion. So first on the amylin biology and the potential for lean body mass preservation, I've seen the same data. And it's not just from one source, it's from several sources. The issue about amylin biology is that it doesn't always translate from animals to humans. So we just have to say it's early days. And we are obviously investigating this in our clinical trials. So we'll know in the not-too-distant future. But I think that's an interesting aspect of the amylin biology, and that's also why we like it so much.

On the antibodies, I'm not aware of many, if any, injectable proteins or peptides that do not induce antibodies. The trigger is to assess whether it has any clinical bearing on either efficacy or safety with CagriSema, with cagrilintide. And we have quite a lot of data at this point in time. Some forget that we have already done Phase II for cagrilintide in monotherapy. And in that, we saw no impact of neither efficacy or safety variables. That also means then when we look at our model, that has actually been factored in, because the model is based on the clinical response in Phases I and II, and that lands us nicely at the 25% mark.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Martin. We will stay on the same table with Kerry, and we'll move to Emmanuel afterwards. And 1, maximum 2 questions, please.

Kerry Ann Holford
Joh. Berenberg, Gossler & Co. KG, Research Division

Kerry Holford, Berenberg. My first question is on the direct-to-consumer approach that you have in the U.S., this effective self-pay element offering on Wegovy. Is that a temporary offering whilst you're building up more access in the U.S.? Or should we think about this more prolonged, and what proportion of total volume is that today? And then my second question is essentially housekeeping. CagriSema on the day of the results, what can we expect from you, not with regard to a number, but can we expect to see a number, specific weight loss figure? And then any detail on safety, more broad commentary just to kind of set the scene for us?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Kerry. Firstly, Camilla?

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Yes. So on Wegovy U.S., there are different, of course, channels and approaches that we will take. And I think you should expect that over time, it's likely that there will be more of a, you can say, direct care element. It's still early days, and these are still small numbers. So I would say the traditional channels will play a significant role going forward. But in most countries, it's likely that there, over time, will be more of an online approach to things as we've seen the development in the past years. So I would not say that this is significant as of now, but it's likely that it will be slowly growing over the years as technology also improves in this aspect. And of course, also, as we see more and more patients, then there might be more efficient ways of dealing with chronic care in the future. So this is more an evolution than a revolution.

Jacob Martin Wiborg Rode
Head of Investor Relations

And then Karsten on release strategy?

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. So we have a very stringent Danish regulator in terms of listed companies and disclosure, which is that material events need to be disclosed immediately. So that's the starting point. So that's what you should expect our process to be. It's a really tight process. And then what we'll be disclosing is what we assess to be material for the stock market. You can get some direction looking at our historic releases. But ultimately, it is science and the scientific results from REDEFINE that define. So look at historic, but of course if there's something that points in either direction, positive or negative, that we assess to be material, then we are obliged to disclose that.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. Very clear.

Emmanuel Douglas Papadakis
Deutsche Bank AG, Research Division

Emmanuel Papadakis, Deutsche Bank. First question in context of the surprisingly flat Wegovy prescription trends through Q3, can you just confirm that the limitation on volumes in the U.S. market is exclusively on the supply side and not on the demand side, nor are you seeing any changes from payers that are obstructing patient access to therapy?

Second question, since you studiously avoided answering it earlier on pricing outlook. Gross to net was pretty flat Q2 to Q3 for Wegovy. Is that the new normal? What is the expectation we should have for that further widening next year as a similar year-on-year quantum as we've had '23 to '24, likely over '24 to '25?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you. I think both to you, Karsten, on...

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

I can start on the demand side to say that there is a very high demand continuously for Wegovy in the U.S., and that when you see sort of ups and downs on NBRx, this is related to also supply and inflow into the market. So that is just to take that part out. And then maybe back to you, Karsten, on the rest of the question.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. And just to build one tiny piece on Camilla's comment. So right now, Wegovy is reaching around 1 million Americans if you convert the 220,000 scripts per week into patients served, 1 million out of more than 100 million Americans with obesity and 55 million Americans with obesity with Novo Nordisk with insurance coverage for Wegovy. So we're just at the beginning in terms of penetrating the market.

And then as to pricing, yes, a fairly clean quarter with a slight exception on Victoza and neutral development between Q2 and Q3 on underlying value prescript. So I agree to that, which would normally also be the case because contracts are not negotiated between Q2 and Q3. And then as to future outlook on pricing, then it's important to note that we are balancing access and reach to as many patients as possible with a rational pricing evolution. And that's the sweet spot we're looking at. But logically speaking, then as the product expands in volume and channels, there will be some give on pricing as you've seen on other products in history.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. Then I think the final set of questions go to Jo.

Jo Walton
UBS Investment Bank, Research Division

If I can come back again to supply for next year. So you've added 4 million patients worth of coverage this year. And towards the end of the year, you've added more countries. You're going to be adding direct-to-consumer advertising. Your competitor is bringing more interest to the market with direct-to-consumer advertising. Potentially, we have the compounders having to come off the market, because you're all saying you're not in short supply. I can see a very clear view that we could be seeing more than an incremental 4 million patients worth of demand next year, because you've got 55 million people who've potentially got insurance coverage, and they don't know about it as much as they surely will with all of the DTC advertising that's happening.

Should we be concerned that it will only be another sort of 3 months before you're back into telling us that you're in short supply? Because you're not in short supply for the demand that you have today. But if we were to think about the demand in 6 months' time, is that where we're going to have an issue with our models? Because we're expecting more demand, and we're expecting you to be able to supply it, because you've deliberately gone ex-U.S. and said, well, we won't supply Brazil and Australia unless we can continue to supply them. So we think gosh, you've got -- you must have more supply, I think, is implied in our models and expectations for growth. That's the first question.

And secondly, if I could just ask a little bit more, you must have more understanding than us about the background of the patients. But there was a PBM report out just recently, where they looked at 2 years' worth of treatment of people, not diabetic, who were obese and the health insurers save not a bean of money. In fact, they just had to pay extra for the drug. But they also said that the average BMI was 31. Now I thought your BMI was much higher than that. So if you could just tell us a little bit more about who you think the patients are that are coming to see this.

And I'll just ask one final question, if I may. Well, WeightWatchers is a really sort of solid group of people providing support, et cetera, and they're providing compounded Ozempic. Would you consider perhaps being a supplier to someone like them, because you're supplying all of the care as well as the product?

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Jo. And firstly, it goes to you, Karsten, on the supply question, the first one.

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. So I think it's important to note, linked to the unmet need that Martin covered before, then on a global scale, demand is so much greater than supply in the market. And that is going to be the case for a number of years. So that's why this is really about scaling our company as fast as possible. And that's to Camilla's slide in terms of additional patients reach and the different levers I covered before.

So we are scaling to the maximum pace we can, which is possible. And that's basically the approach on that. And then, of course, we make very conscious choices around the scaling that we do, how do we allocate that between brands and between geographies. And we have a very considered process on that front.

Jacob Martin Wiborg Rode
Head of Investor Relations

Thank you, Karsten. And Camilla, on patient characteristics?

Camilla Sylvest
Executive VP of Commercial Strategy & Corporate Affairs and Member of the Management Board

Yes. On patient characteristics, I would say both from the U.S., but also from other countries, the average BMI is around 37 approximately, and most of these patients also have one or more comorbidities. So of course, these are average data. You have to bear that in mind. But I think that is a pretty good picture of the patients that we are dealing with in average. Then I would say, on compounding, we remain concerned about patient safety. And that's why we are accountable for the semaglutide API that we produce, and we are not selling that to anyone else. We have a full value chain of operations. So we are marketing that ourselves also. So I think that is the best way that we can ensure that what is out there of semaglutide is well quality checked and approved and according to the pharma standards, which we cannot guarantee on any compounding. And that's basically our concern. And therefore, we would also not be collaborating with compounding companies.

Jacob Martin Wiborg Rode
Head of Investor Relations

That's very clear. Thanks, Camilla. And thanks, everyone. That concludes the Q&A. Karsten, a final set of words from you?

Karsten Munk Knudsen
Executive VP, CFO & Member of the Management Board

Yes. I think we've been around the key topics for the company. Just closing out, midpoint of growth this year, 25% in an industry growing mid-single digits. So amazing growth for the company. We are pushing everything we can to scale the company supply chain-wise to meet the unmet need with patients and demand out there. And at the same time, with this growth, that also enables us to invest significantly in R&D. And then the beauty, as you saw today, then we are able of converting that R&D into return and into assets to the benefit of patients.
So we look forward to seeing you all in February and talk about our '25 outlook at that point in time.