S&P Global
Market Intelligence

Novo Nordisk A/S CPSE:NOVO B

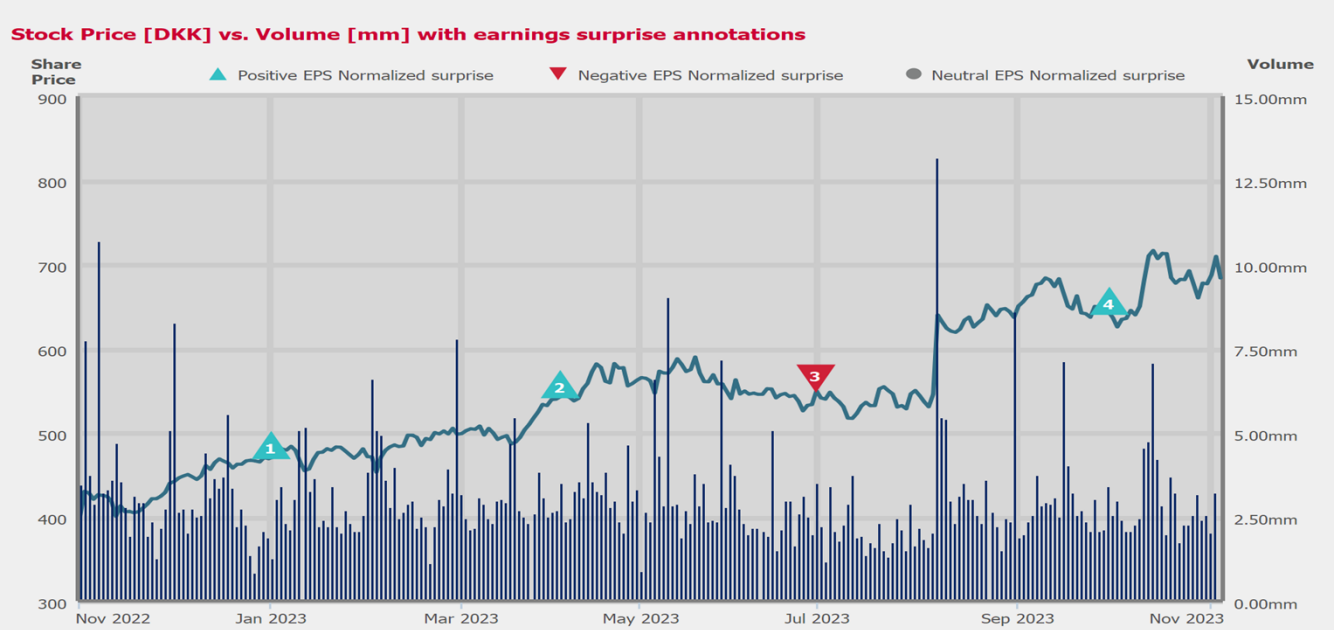
FQ3 2023 Earnings Call Transcripts

Friday, November 3, 2023 1:15 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2023-			-FQ4 2023-	-FY 2023-	-FY 2024-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	4.80	5.00	4.17	4.75	18.60	NA
Revenue (mm)	57394.87	58731.00	2.33	62483.13	228011.84	NA

Currency: DKK
Consensus as of Nov-03-2023 1:46 PM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ4 2022	2.93	3.01	1 2.73 %
FQ1 2023	4.32	4.39	2 1.62 %
FQ2 2023	4.59	4.32	3 (5.88 %)
FQ3 2023	4.80	5.00	4 4.17 %

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Kasim Kutay
Non-Independent Director

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

ANALYSTS

Charles David Mabbutt
Morgan Stanley, Research Division

Colin Peter White
UBS Investment Bank, Research Division

Emily Field
Barclays Bank PLC, Research Division

Laura Alexis Hindley
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Richard J. Parkes
BNP Paribas Exane, Research Division

Unknown Analyst

Presentation

Richard Vosser
JPMorgan Chase & Co, Research Division

Welcome to everyone in the room, welcome to everyone on the line to view the lunch meeting at the Novo Nordisk 9 Months Roadshow. I'm Richard Vosser, European pharma analyst at JPMorgan. It's my great pleasure to host Novo today, and I'll just get out of the way and hand over to Kasim for a few introductory remarks, and then we'll go to Q&A. Kasim?

Kasim Kutay
Non-Independent Director

Thank you, Richard Vosser. And thank you to JPMorgan for hosting Novo Nordisk and our Q3 roadshow presentation. As you can imagine, we're in a very good place. It's amazing results at Novo Nordisk these days, growing more than 30% top and bottom line organically. And very good progress on pipeline, SELECT readout, flow interim. So a pleasure to be here this quarter. I'm here with Camilla Sylvest, our Head of Corporate Affairs and Commercial Strategy. And Martin Lange, Head of Development. So this is really the dream team being here. So we're ready for a lot of questions. And we'll do a brief presentation 10 minutes or so just as a warm up, and then we do the full Q&A after that.

So hopefully, you have some exciting questions to share with us. So just reminding you about that we'll be talking about the future and the future has in tendency to fall out slightly different than what we believe or even significantly differently. So that's the name of the game. So now we're all aware about that and reminded about that. And then as a company, we are communicating through our strategic aspirations. Every quarter, we keep ourselves accountable on our progress on our strategy execution and this quarter, I'd just like to mention a few highlights without going through the full deck.

So first of all, in terms of why we're here as a company, this is really to reach patients, to make a difference for patients and society, to live better lives with diabetes, obesity, et cetera. And this quarter, we reached 40 million people living with diabetes. So we've been around for 100 years. And I try to million here, and we would look a little bit older, but we've been around for 100 years, and now we reached 40 million patients. But what's even more remarkable is that the acceleration you've seen in our business performance, that's a function of reaching 4 million patients more just during the last 1 year.

So the pace in which we are reaching more patients is higher than pretty much ever before. And that is a function of the innovation we're bringing out there, in the form of Ozempic in diabetes rebases also. And really meeting needs of patients on a global scale. So I just want to share that one. Then we reached a couple of really important milestones. So first of all, according to IQVIA MAT. Now we are at exactly 1/3 of the global diabetes care market, measured in value market share. So 33.3% global diabetes value market share, which is the target we set up for '25. Now we reached that already here in late '23. And then for obesity care, we'll come back to that, but we reached 30 billion in 9 months. And as you know, we had a target on aspiration of 25 billion, more than 25 billion by '25. So really good progression and the performance behind our strategy execution.

Martin will talk further about the pipeline and on financials, 33% sales growth and 37% operating profit growth at constant exchange rates. I think the numbers, they stand for themselves. And of course, that uses attractive cash flow generation and capital allocation to shareholders through dividends and share buyback. I call it almost a Novo classic, but at a higher growth market than normal.

And then over to Camilla on commercial performance.

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

Yes. Thanks a lot, Kasim, 33% sales growth driven by both of our operating units, international operations and North America operations, you see the majority of the growth coming from North America. When we look at the regions, we have double digit in all of the regions that you see mentioned here. And when we look at the peers, you see that the primary part of the growth is driven by obesity but also by GLP-1. So it's really Ozempic rebuilds drive the vast part of our growth.

When we look at insulin, in particular, in IO, you see the negative growth. It's primarily impacted by VBP in China. So just to say without that VBP, volume-based procurement effect of China, we have growth in insulin also in international operations. Obesity for the first time in the U.S. is now adding more growth contribution than diabetes in the U.S. alone. So that's, of course, sort of a new paradigm in our growth of the future. And then you see rare disease still being impacted by production problems, and that basically just means that we see a negative growth in that space. If we just move on to zoom in a little bit on obesity, we see 174% sales growth

in the first 9 months of this year. Primarily driven by the U.S., you see also here how, on the bar chart, the U.S. North America has lifted the sales contribution. And we basically see that more than 95% of the sales growth is driven by Wegovy as of now.

You see on the right-hand side, that we have done launches in more countries than just the U.S. But in the U.S., you also see that we have been restricting starter doses as you know, to make sure that we can cater for patient continuity. So that's what you see the effect of here. And of course, we are looking at significantly scaling our supply also for next year. We have launched Wegovy international operations now in 5 countries. First 2 countries like the U.S., we've seen a very, very high demand. So as a consequence of that, when we have launched in U.K. and Germany, we are focused on a more restricted amount of supply into those markets, so that we from the get-go could communicate around that and could ensure patient continuity. And those 2 markets are generally, we have decided to launch in those because we wanted to focus on governments that have been -- want to be working, of course, with us on Wegovy to make sure we could get, we go with those most in need.

So in the U.K. via Nice and in Germany via New Disease Management Program, that is in the making in Germany at the moment. So those were the opportunities that we are pursuing, but in a more controlled and restricted fashion than what you've seen in the U.S. and in Denmark and Norway. And with that, over to Martin for more on the pipeline.

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

Yes, thanks very much, Camilla. So as you probably know, it's a lot of fun to be in R&D and Novo Nordisk states. Progress across the pipeline, we see very nice readouts. While Investor Relations didn't want to give me a slide on SELECT, I do want to give a shoutout to SELECT next week because obviously, we are looking forward to getting to share more data than just the 20% lowering in risk of getting myocardial infraction stroke or cardiovascular test. And so much more in SELECT and please tune in next week, it's going to be incredibly exciting, we think.

Being on SELECT and being in the spirit of SELECT and really not disclosing very much, you also know we announced that we will close down the flow trial. That is a reasonably large outcomes trial in the nephrology space, approximately 3,500 patients being randomized driver magnetite 1.0 milligram of placebo. The primary endpoint of the trial is a composite endpoint of 5 components, where free components are looking towards kidney progression, either in terms of measurement of EGFR being reduced by more than 50%, EGFR going below 50 or patients going through dialysis or in transplant but also looking at mortality caused by kidney death and mortality caused by cardiovascular. That obviously is interesting. And based on that 5-point, primary endpoint. At DMC, a couple of weeks ago recommended us to close down the trial based on efficacy. And obviously, the last words based on efficacy is difficult. They could also have recommended us to close down the trial for futility.

So based on efficacy is good news. You will also see on the slide, the study was powered for a 20% difference between the semaglutide arm and the placebo arm on the primary endpoint. In the spirit of SELECT, we've given the same guidance to the DMC, the power is one thing. But if we are to stop on an interim analysis, we had to be absolutely sure. So the guidance for them to stop was substantially above 20% in terms of differential towards placebo. So you should expect something like that when you see the data. So incredibly exciting. My problem is your problem. I haven't seen the data and I'm not going to see the data for another couple of months. But as soon as we have them, we will share them with you. Just as a teaser, there will also maybe be a policy endpoint being disclosed on SELECT in a couple of days.

If we look at the broader R&D milestones, again, progress across the board in diabetes care. I may want to point out CagriSema. We've initiated the Phase III program for type-2 diabetes. As you know, we have a lot of aspirations and very high aspirations for CagriSema and obesity as well as in type 2 diabetes. And we are already finalized with the pivotal recruitment for the obesity program. So really, really happy days in the CagriSema world. IcoSema is going to be incredibly exciting. We have a combination of [IGT-once-weekly] insulin with semaglutide once weekly GLP-1 analog, that holds a tremendous potential from an efficacy and from a safety perspective in type-2 diabetes patients. And obviously, we are looking much forward to the readout of the pivotal trial in first half of next year.

Then maybe I've already mentioned SELECT. There may be one additional thing to point out on the regulatory submission to the U.S. FDA and to the European authorities a couple of weeks ago, we're not going into details, and a couple of days ago, we received a message from the FDA that they have granted priority review for SELECT. I have gotten a question or 2 on whether that was based on using a voucher over the last couple of days and the answer is no. There was no use of voucher. This is basically based on the FDA criteria for what constitutes a priority review.

Subcutaneous and oral EM increasing we'll see data on oral EM increasing n a couple of months, but we are sufficiently confident but also enthusiastic around the concept of treating that we've also initiated subcutaneous dosing. And you will see us, if the data support

our aspirations to fast progress the EM increasing project. In Rare Disease, we have our first approval in the RNA space based on nedosiran for primary hyperoxaluria, which is obviously very exciting from our prospective. And then I want to call out, obviously, in first half of next year, then we will see results from Mimi. So with that, back to you, Karsten.

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

Yes. Thank you, Martin. And this is just on the financial outlook for '23. So since we pre-released, there are no changes to what we released earlier. So we've increased our outlook for the full year. So now our top line growth outlook is between 32% and 38% sales growth for the year at constant exchange rates. So very, very high growth rate amongst the highest in the history of the company. Then we have adjusted for FX movements, compared to when we guided for the second quarter.

So stronger U.S. dollar yields lower negative impact on FX compared to what we've seen earlier. The offset to that is, of course, hedging and then net-net, a stronger cash flow linked to the stronger operating performance. And the step-up in cash flow is lower than what you'd expect from the operating performance. And that's a function of the fact that we've executed on a couple of business development opportunities, including the KBP transaction that we disclosed recently.
So that's the outlook for the year. And now we're ready to move into Q&A. And we have our Head of Investor Relations Daniel Bohsen to pick across the group for questions and answers. And I would be surprised if he doesn't give the first questions to our host.

Question and Answer

Daniel Bohsen
CVP & Head of Investor Relations

That is exactly correct, Karsten. As always, we'll give the first question to the host. And let's stick with 1 question, and then we have a chance to do several rounds. So Richard, over to you.

Richard Vosser
JPMorgan Chase & Co, Research Division

Okay. One question, please. Richard Vosser, JPMorgan. This year, we've seen margin expansion as the top line growth has outpaced the ability to invest. When we think about the future, how should we think about the speed of pipeline development and business development and whether that can keep pace with sales growth?

Daniel Bohsen
CVP & Head of Investor Relations

So Karsten, I think that's over to you.

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

Yes. So first of all, with this level of sales growth, and given the fact that we have paid for infrastructure, so to say, it's natural there to get the margin accretion, margin improvement. It's not a target in itself. It's just rational business logic. And of course, we run a rational business. Ultimately, what we want to do is, we want to pursue innovative-based growth. And we want to do that short, medium and long term. And that's why we really want to invest in our business to succeed on that. And that means that our resource allocation is really to invest in scaling supply investing in our commercial growth drivers. And here, right now, it's really about obesity market development. [indiscernible] and GLP-1 penetration globally and then building a long-term growth opportunity through our R&D pipeline.

And I think it really stands out with the R&D growing 40% on a year-to-date basis in terms of investments. And that is where you should see that as a function of strategic importance for the company to invest in the long term in the company, but also a rational approach that we believe that the investment opportunities, we have that they are creating a rational and attractive return for our shareholders. Otherwise, we wouldn't be doing it. So that's the approach.

How that then adds into margins. It's also a function of business development and the structure of our business development transactions. I would say our arching on business development, just to cover that one. Priority, first of all, strategic, it is about fit into our key therapy areas, diabetes, obesity, cardiovascular rebleeding as our top priorities. Then we need to see the scientific attractiveness and unmet needs and then we need to see the financial case. And then given the profile of our company, and our growth profile, then our preference is to go for early-stage assets because that's what really builds the long-term growth opportunity for the company. So net-net, high-growth yields margin improvement not being a target in itself because we want to invest for growth.

Daniel Bohsen
CVP & Head of Investor Relations

We'll go to Charlie down there. Please state your name and organization. I forgot to say that before.

Charles David Mabbutt
Morgan Stanley, Research Division

Charlie Mabbutt from Morgan Stanley. So you showed a slide yesterday on patient opportunities in different comorbidities. I've entered to your thoughts on which these you see is the most right for disruption from a GLP-1 perspective and where you see the biggest opportunity to drive high adoption?

Daniel Bohsen
CVP & Head of Investor Relations

I don't know, Martin or Camilla, who wants to...

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

I think it should be both of us. So I can start from the clinical perspective, we had to think this in, again, from our portfolio perspective because, obviously, there's a big, big potential for [Vion] and of itself, but actually, we see even bigger potential, for example, for CagriSema. I think we would be remiss, obviously not staying with obesity, huge potential, both in terms of volume but also in terms of the impact we can make to patients.

The cardiovascular disease area. And this is both ASD, as we've seen it with SELECT. But I would encourage you to maybe also to look at some heart failure data when we see SELECT data on Saturday next. And this is where we potentially see a big upside with the GLP-1 analogs, including what we will see with CagriSema. There will be quite a number of additional disease areas and opportunities, but I think the big free will still be diabetes, obesity and cardiovascular disease.

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

Exactly. So of course, we are aligned on that from a commercial point of view. The unmet need is very big in those areas. And when we are looking at sort of growth waves for the future, it's about building on indications both to semaglutide, but also to future compounds, and we take a proactive strategy on how to look at what are the potentials within those compounds what can they do? And of course, in related therapy areas to our core diabetes obesity cardiovascular. So maybe later, we will talk about flow. But when you look at renal opportunities, then, of course, we know that just an example, 40% of people living with type 2 diabetes, also have chronic kidney disease to some extent.

And that just means that there is a big potential whereas had cardiovascular disease. So many of these cardiometabolic diseases are interrelated. And just to add from a commercial point of view, it means that by expanding, for example, the label on Ozempic, we can slowly from a commercial point of view, get access to target groups. Where we later then can focus in on the actual target group, for example, be that being the cardiovascular label on Ozempic, now us moving into cardiovascular disease. So that's the way we can stay focused on our core, but still expand to newer [peers].

Daniel Bohsen
CVP & Head of Investor Relations

We'll move over to Peter Verdult first and then Laura afterwards.

Peter Verdult
Citigroup Inc., Research Division

I've got a few, but I will stick to the rules, just 1 for now. It's not lost on us that Ozempic scripts are now declining. And judging by the incoming we're getting even today from multiple investors beginning to become concerned. So is this just a function of periodic supply constraints, utility management stepping up, something else. But can you -- I think people are looking for reassurance. It's basically a follow-up from yesterday's question, Karsten. How quickly can we reverse those deteriorating trends?

Daniel Bohsen
CVP & Head of Investor Relations

I don't know, Karsten, supply and script in U.S. Can you comment on that?

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

Yes, I can start out and then Camilla, you can add in also. So yes, you're correct. I'm always super careful not to forecast and guide on new-to-brand scripts because it is volatile in nature. I would say, when we look at the whole category, we have a category, the GLP-1 category, which is on an [MAT] basis growing 50% and it's a category that started out back in 2005. So really growing at this pace speaks to the benefits of the existing treatments. And then on the short-term dynamics, clearly, supply, and do bear in mind, when supply is tight, then companies talked from a novel perspective, then, of course, we adjust our commercial tactics also and adjustment to commercial tactics could be items like how much are we sampling in physician practices and how much are we doing in terms of DTC activity.

And of course, if that pressure is lower than at other periods that of course, has some impact on new starts. That's the logic of promotional tactics. And then finally, the promotional tactics also spills into social media. And we see social media also tapering off over the last few months. And then I would say, finally, in a fast-growing category, then, of course, payers are looking at really

ensuring that it's the right patients that get reimbursed and stepping up there. What they call utilization management criteria really to ensure that they have proper documentation for the patients getting insurance coverage for ozempic. And it's not beyond the label, but it is just stricter requirements in terms of blood glucose, based on the right lab test, et cetera, that needs to be documented in the right way, according to a new standard in order to get insurance reimbursement. So those are the factors. And I'd say overall, we are very, very confident that the run rate for GLP-1 and obesity is very attractive for many years to come.

Daniel Bohsen
CVP & Head of Investor Relations

Already with the next question.

Laura Alexis Hindley
Joh. Berenberg, Gossler & Co. KG, Research Division

Laura Hindley from Berenberg. So my question is on the Logo rebate adjustment. Can you give us some guidance as to the absolute figure in Q3? How much of this was a rebate adjustment, so a true one-off versus a reflection of actually just more people paying out of pocket than you anticipated earlier in the year? And then what percentage of [gobindozempic] use is via insurers versus out-of-pocket in the U.S?

Daniel Bohsen
CVP & Head of Investor Relations

Karsten, over to you also on that one.

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

So yes, we had a favourable rebate adjustment to go in the third quarter. And it's important to note that for launch products or young products, you don't have a lot of experience in terms of exactly what channels and what payers and hence, what rebate rates are being paid on those products. So there's no magic in the fact that their rebate adjustments for a product like Wegovy. And so that's the starting point. And it turned out different compared to our expectations, not because of some specific actions in the markets, but just due to the fact that we had provided for more in rebates than what it turned out, when we got the actual rebate claims in from the PBMs.

In terms of channel mix, et cetera, I'd say, one driver was a non-rebated business, which is a composite of different factors. So it's not only pharmacy cash and the non-rebate was around 10%, as we're looking at it. Yes, I think that's as detailed as we'll go today on this topic.

Daniel Bohsen
CVP & Head of Investor Relations

We'll move to Richard.

Richard J. Parkes
BNP Paribas Exane, Research Division

Richard Parkes from BNB Paribas. On Lilly's call yesterday, they were asked about stay time and they said they've looked at experience Wegovy and they didn't think that, that was a good guide going forward given your supply constraints, which kind of implies that maybe stay time that you've been seeing hasn't been as good as you might be hoping. And he's the one thing on your call yesterday, didn't sound that confident about. And I know the answer is likely to be supplier disruption, but is there any comfort that you can give to investors that, that what you're seeing currently is due to restricted supply rather than patient behaviour?

Daniel Bohsen
CVP & Head of Investor Relations

Camilla over to your state time insights we can share.

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

Thanks a lot. So definitely, we've had some disruptions with Wegovy, and it's too early days to give you the exact stay time. But of course, anecdotal evidence is very strong in terms of patient appreciation of being on Wegovy. And we know from Denmark, for

example, just to give you some insights that the majority of the patients actually continues to stay on the product. Also, this was launched in the beginning of the year. At this point, the majority of the patient continues to stay on the product. So we also know that daytime also often is impacted by the drop-off in the first few weeks, and that can be for many different reasons. It can be either not picking up at the pharmacy access, not really working out or, of course, people dropping out because of other types of issues or no share or other things.

But it's mainly within the first few weeks. And then from there, we know that people are more likely to stay on. So the real exact number of stay time, we will only know in a while from now, but we will continue to describe that as good as we can from our eWorld evidence data to you. But no doubt that we expect a much longer stay time on Wegovy than what we've seen on Saxenda in the past.

Daniel Bohsen
CVP & Head of Investor Relations

So we are ready for the next question. We have one in here.

Unknown Analyst

This is [indiscernible] from [indiscernible]. I have 1 question, if I may. So the question is about the Treat Obesity Act. So it would be great if you could share your thoughts with us. Do you think is it that or as we have heard? Or if not, what do you expect action?

Daniel Bohsen
CVP & Head of Investor Relations

Camilla, over to you again.

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

So no, we don't think the Treat and Reduce Obesity Act in the U.S. is that it does require bipartisan change in regulation for it to be enabled. And of course, over time, it will be important to have also that group of patients enrolled on obesity treatment, which is today not allowed in that segment. Having said that, I want to also reiterate that, today, we have access to 15 million Americans that have access to Wegovy in the commercial segment. And we also have a number of states that provide access to Wegovy via the Medicaid. So the most poor people, I think around 14 states that keep access this way.

So we do have, compared to the less than 1 million people on Wegovy today, there is significant access even in the commercial segment and in the segment for the most poor people. So of course, Medicare Part D is important, and we continue to work towards that. But there is already a very big access. That means that in the U.S., that means that 80% of people are paying no more than $25. That’s great.

Daniel Bohsen
CVP & Head of Investor Relations

So we'll move to Peter Welford.

Peter James Welford
Jefferies LLC, Research Division

Can I ask a question on CagriSema, please. Just with regards to the Phase III trials in obesity are fully enrolled. Can you just talk a little bit about, firstly, when you can go to regulators with those data or you also require data from, I think, the sort of shared cardiovascular study this part of the type 2 diabetes program, to be able to just a bit for obesity. I guess I'm not sure what the hazard ratio sort of requirements are necessary for obesity versus diabetes drug approvals for FDA. And is there any reason why you think with CagriSema with those data, we should expect a bigger disparity, I guess, between obesity and diabetes versus what we see with semaglutide alone in the 2 different indications as far as how the drug performs relatively for the sort of weight loss HPMC and reductions?

Daniel Bohsen
CVP & Head of Investor Relations

Yes. Martin, that's one for you.

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

Yes, absolutely. So first of all, we will acquire data from redefined free, which is the cardiovascular outcomes trial that is covering both diabetes and obesity for regulatory submission. That is actually not on time critical test in the way that we designed the program. So at the end of the day, you should still expect to see when we see readouts of redefine 1 and 2, we'll also be able to do the regulatory submissions thereafter. When it comes to differentiation, we've discussed the weight loss. The weight loss potential of CagriSema is big. We're currently assuming at least 25%, which is obviously in a non-diabetes population, really good.

When it comes to diabetes, we've seen superiority over semaglutide or glycemic control to the tune of 0.4 percentage points. That is in a really short study. And the way that [indiscernible] act, we can actually expect to see an even bigger differential with longer treatment. Obviously, we had to show that in Phase III, but that would be our expectation. I think the big differentiator in diabetes will actually be on weight loss. Our current assessment is we will see at least 20% weight loss with CagriSema in type 2 diabetes. And that is without comparison, the best and most differentiated that we've seen comparing to anything else out there.

Daniel Bohsen
CVP & Head of Investor Relations

We'll go to Emily.

Emily Field
Barclays Bank PLC, Research Division

Emily Field from Barclays. Just a follow-up question to your earlier answer talking about the excitement around the cardiovascular benefits of semaglutide. Where do you currently stand on running primary convention studies particularly in light of those being run by your competitor and now SELECT now and really gone through it.

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

I think in the diabetes space, it makes sense and we're actually also doing a primary prevention study for Ozempic, as we speak. The event rate, and the nature of cardiovascular outcomes price, you're dependent or events when it comes to both the sample size or the size of the study and also the duration of the study.

The event rate in obesity for cardiovascular events is low. So it requires bigger trials, and it requires potentially longer trials. All it requires that you define events composite of events that may not be acceptable from a regulatory perspective. Typically, from a regulatory perspective, you have to look at 3.8%. And that basically means that depending on your purpose, if you have a clear regulatory purpose, you also have to either expect a very, very big differential or you have to make out probably large sample size. We don't expect to pursue primary prevention for Wegovy, but we would not rule it out when it comes to CagriSema, some of our other offerings in our pipeline.

Daniel Bohsen
CVP & Head of Investor Relations

So we'll take the question here, and then we'll ...

Colin Peter White
UBS Investment Bank, Research Division

It's Colin White from UBS. I was just wondering, ahead of the HA, if you could give any perspectives on the commercial regular importance of the benefit of each component of the miss that we might see?

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

So the commercial part, I would need to Camilla, but on the only thing that we have disclosed is that all of the individual components were contributing to the primary endpoint. And again, the individual components, myocardium infraction stroke and cardiovascular risk. We've not said to what extent, and we've not said, if they are equally distributed. The only thing that we mean by that is they are all on the right side of Unity and they are all supporting the assessment of the primary endpoint. So in a position to previous outcome studies where you may have seen one of the components going in the other direction, you don't see that here. But again, you'll have to wait until Saturday to see that.

Daniel Bohsen
CVP & Head of Investor Relations

Camilla, commercial perspective on SELECT.

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

Yes. On the commercial perspective, we already see now just with the top line results out that there is keen interest from payers and policymakers to understand what does this mean and to enter into discussions on reimbursement of Wegovy. So it's clear that this is a landmark trial that provides a lot of evidence and data for us also going forward, understanding much more about obesity. So there are many aspects of this data set that is relevant for payers and policymakers, always at this point before the release.

Daniel Bohsen
CVP & Head of Investor Relations

And Peter, was so unusual discipline before with only 1 question. So you'll get another 1 now.

Peter Verdult
Citigroup Inc., Research Division

I'll try to stay disciplined. Peter of Citi Group. Just taking a breather from GLP-1, maybe Camilla. The outlook for the interesting franchise globally. I mean VBP in China is ended, but I don't know, it's more coming, big reset in the U.S. this year, ICOS. So my question is, do you still believe, you got a lot of crisis when you launched Tresiba saying it deserved the premium and didn't get anywhere. What's your mindset going into the icosema launch? And just high level, how are you thinking about the outlook for insulin going forward?

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

Yes. So icosema and icodec provides a great offering to patients. It's a once-weekly treatment has never been seen before. Everyone can imagine that a once-weekly injection, we've seen it even in GLP-1 that that's much small advantageous than once daily. Then actually, now we've talked a lot about scaling and supply. There's also just having to ship for once weekly treatment instead of a once daily treatment, is also an advantage for us. We are, of course, looking at from a supply point of view, how can we make sure that we can utilize the presentations that we have in a much smarter way, and there once weekly is just an added benefit as well. And then finally, I want to say also we only hold approximately 33%, 34% market share in the basal segment. So there is an opportunity for us to also take share in that segment with the first one will be insulin.

Daniel Bohsen
CVP & Head of Investor Relations

We have a question down here.

Unknown Analyst

[Raj Sharma] from HSBC. Just thinking forward, if we look ahead in, say, towards end of '24, you would have your -- potentially your competitor would have launched their obesity product by then. They clearly are preparing various strategies, to have less of a supply issue as you had, you are expanding your capacity. What point do you think the supply becomes less of an issue for the overall GLP market. And how does the competitive pricing model work from that point?

Daniel Bohsen
CVP & Head of Investor Relations

Karsten, considerations on supply.

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

Yes. Could you just repeat, was it for the obesity market or the obesity and diabetes?

Unknown Analyst

GLP-1 market.

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

The GLP-1 market. And thank you for taking a slightly longer perspective because I think that's the right approach on this one. So the starting point is we see just based on the demand, we see now and we've seen for the last number of years, that GLP-1s are making a difference for patients and prescribers. So this is not a push market. Really, this is about the market really understanding the benefits of GLP-1 treatments on a number of parameters, A1c, weight, cardiovascular risk reduction. So we have checked that box. And then it's really about market penetration.

And when we look at the runway for GLP-1s, we've been talking about in diabetes at only around 5% of global diabetes scripts are for TF1 today. So the runway is very, very sizable, both in magnitude and in duration. And I say when I travel the Novo world and talk to our GMs, they are really pulling to get more Ozempic and the step-up opportunity in their local businesses is very significant. So that's the strategic premise.

And given the market structure, there are 2 companies that are scaling into this market. So I do believe that that space for both in this market. Now I'm just talking diabetes because it makes it a little bit simpler. So long runway and plenty of space for 2 companies to scale globally. And then again, in obesity and just to give you some hard numbers to get the sense of it, more than 800 million people in the world living with obesity, according to WHO today.

And Camilla spoke to the U.S. setting more than 100 million people in the U.S. with obesity, 50 million with these people in the U.S. with Wegovy reimbursement and treatment of less than 1 million today. So this is a volume-based market expansion strategy with ample space for more than 1 company. So that's why it is not the classic well-defined market where companies are fighting for share. This is about building the markets. So I would be less concerned about tough price competition for a number of years and more focus on global volume penetration and volume development because the incumbents in the market, they're going to scale significantly over the coming years and hence, less focus on price competition. And then you can say, when are you out of supply constraints, and then I'd say, given the global magnitude of the opportunity, without knowing a competitor supply capacities, then I do believe it will be a number of years, several years, before this market is unconstrained on a global basis.

Daniel Bohsen
CVP & Head of Investor Relations

We have room for a few more questions. We'll take the last one here before.

Martial Descoutures
ODDO BHF Corporate & Markets, Research Division

Martial Descoutures from Deutsche Bank. So as you're now basically moving into cardiology with SELECT and so on, just if you can give us an update on the guidelines? And when do you expect those to get updated? And how important is this eventually. But also as you're venturing into cardiology, has it the way that you look at cardiological therapeutic areas, such as hypertension, cholesterol lowering, [indiscernible] and so on? Has your view of those change how you look at it from a competitive perspective, just would be keen to understand that.

Daniel Bohsen
CVP & Head of Investor Relations

So I sense a couple of questions, but if we do brief answers, then let's try to check Martin. So the medical guidelines and afterwards, Camilla, our strategy in CBD.

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

So medical guidelines, once we have the SELECT data out, we'll be working with the key opinion leaders who write the guidelines and who own the guidelines to see if we can see an update of the diabetes guidelines, the obesity guidelines, but certainly also guidelines within cardiovascular potentially, for example, either based on SELECT, but potentially also on loow of kidney guideline. So that's the approach that we usually take you already now see GLP-1 being mentioned in the diabetes and some obviously guidelines. And obviously, based on SELECT, we aim to expand that.

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

And from a commercial point of view, of course, as I spoke to before, so we are addressing the cardiovascular disease area from 2 angles, 1 with specific cardiovascular assets, [indiscernible] and others that we have in our pipeline, and we are also expanding and approaching from diabetes and obesity with label expansions in those patient segments. So it's a 2-way approach to get to that therapy

area. That also means from a sort of pure cost point of view, we can derisk some of the expansions that we need to do to enter into the cardiology segment.

Daniel Bohsen
CVP & Head of Investor Relations

And I think we'll take the last question before we wrap up, and then management will stay around a little longer. But Richard, as the host, I think you will get the last question.

Richard Vosser
JPMorgan Chase & Co, Research Division

We haven't talked sales forces for ages. So an icodec is launching maybe next year. So, what do you need in terms of sales forces at the moment? Do they need to step up to for an insulin relaunch, if you like? How should we think about that? And maybe DTC as well? Does that restart next year?

Daniel Bohsen
CVP & Head of Investor Relations

Camilla, sales force strategy is what you can say at this point in time?

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

Now going into specific segments. We, of course, want to make sure that we are competitive in every segment that we operate in that goes for GLP-1 insulin and other spaces, and we will also be there for icodec when we launch there. At the moment, we are also, of course, spending a lot of time with our reps trying to explain some of the periodic out-of-stock situation that there can be, but also in obesity to talk about the -- what is obesity, why does it need to be treated and so on. And then finally, I would say there's also a moment in time now where we actually can experiment a little bit more with more digital solutions for the future, which I think everyone here understands that there is a high demand for our GLP-1 products at the moment. So it gives us a little bit of leeway to test out a few things in the marketing and sales area that we can benefit later on from when the competition maybe get more intensified.

Daniel Bohsen
CVP & Head of Investor Relations

This concludes the Q&A. But Karsten, any final words from your side before we close the call?

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

Thanks, Daniel, and thanks to the audience and the ones listening in from remote for listening into our Q3 call. 33% sales growth in the first 9 months is remarkable in a Novo setting, and I think also in an industrial setting. It's a sign of the innovation we've brought to market really meet patient needs I spoke about how many patients were reaching 40 million in diabetes. So we're on an innovation-based growth strategy delivering this year, setting out for attractive growth also in the years to come. So we are happy to come back with our full year results and guidance for ’24 come late January. And then just like on a final note, just to remind you that we have a Capital Markets Day coming up in March to go deeper in a number of our business topic. So I hope to see many of you there in person or virtually.
So with that, have a great rest of the Friday and thank you for listening in.