

Novo Nordisk earnings narrowly miss expectations

October 31 2013

Novo Nordisk, the world's biggest producer of insulin for diabetes sufferers, posted a quarterly profit that narrowly missed expectations, and issued a cautious outlook for next year on Thursday.

Net income in the third quarter rose by 13.0 percent to 6.415 billion kroner (\$1.178 billion, 860 million euros), which was slightly below a 15.0-percent forecast from Dow Jones Newswire analysts.

Sales rose three percent to 20.511 billion kroner, compared with expectations of a 6.2-percent increase.

"The diabetes unit simply isn't developing in line with [market expectations](#)," Sydbank analyst Soeren Loentoft Hansen told Danish news agency Ritzau.

"I particularly note the subdued growth of modern insulins NovoRapid and NovoMix in the US market," he added.

Both products contain the active ingredient insulin aspart, used by diabetes sufferers to control glucose levels in their bloodstream, and are sold in pre-filled pens and pen-fill cartridges.

The group maintained its forecast for 2013 and expects annual sales to grow by 11 to 13 percent in local currencies.

However, sales growth will fall back to "high single digits" next year, it

said.

"We have seen significant growth in biopharma and NovoSeven this year, and we know that historically this is a volatile business," chief financial officer Jesper Brandgaard told journalists on a conference call.

US sales could also be impacted by the loss of two contracts with health benefit manager Express Scripts, he added.

Novo Nordisk has almost half the global insulin market, which has grown rapidly in recent years following a rise in the number of people suffering from [diabetes](#), estimated by the World Health Organization to stand at nearly 350 million.

The company is also involved in haemophilia care, growth hormone therapy and [hormone replacement therapy](#).

Shares in Novo Nordisk were down 3.95 percent at 1026 GMT on the Copenhagen bourse, where the main index was down 0.55 percent.

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