

# NOVO NORDISK (ADR)

NYSE: NVO  
Industry: Pharmaceuticals

**SABRIENT**  
**STRONG**  
**BUY**  
**RATING**

## Stock Fundamentals as of January 19, 2010

Sabrient Rating	<b>Strong Buy</b>
Ticker	<b>NVO</b>
Market Cap Designation	<b>Large-cap</b>
Market Capitalization (Billions)	<b>\$34.5</b>
Price	<b>\$67.26</b>
52-Week High/Low	<b>\$70.00/41.35</b>
EPS (TTM)	<b>\$3.41</b>
P/E Ratio (TTM)	<b>19.7</b>
Dividend Yield	<b>1.2%</b>
S&P 500 P/E Ratio	<b>36.1</b>
Price/Book Ratio	<b>5.0</b>
Price/Sales Ratio	<b>3.5</b>
30-Day Average Volume (Thousands)	<b>209.4</b>
Beta	<b>0.35</b>
Current Ratio	<b>2.4</b>
Short Interest Ratio	<b>4.0</b>
Shares Outstanding (Millions)	<b>512.5</b>

### Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

### Sabrient's Market Cap Designations

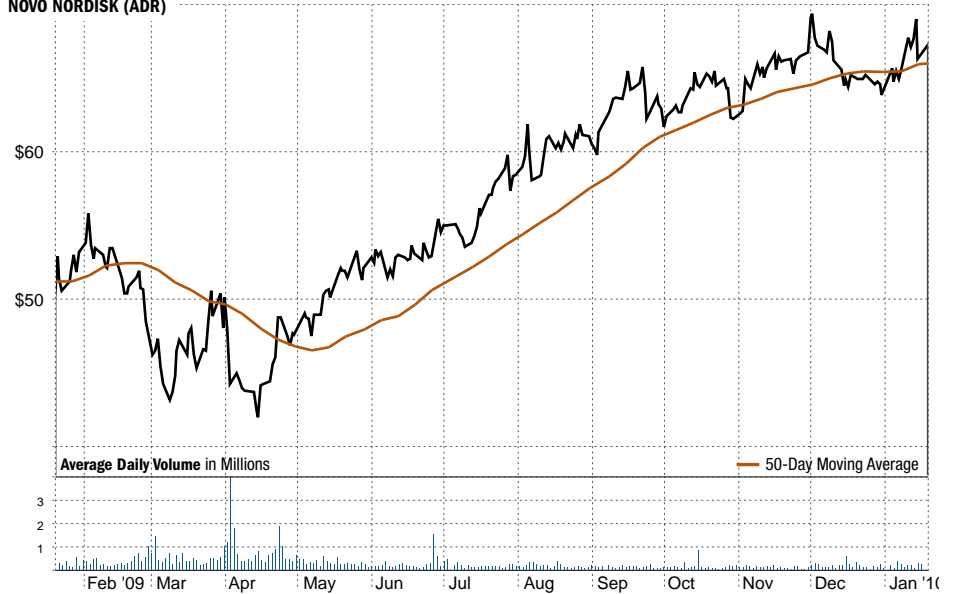
Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on **January 20, 2010** Page 1

Please see important disclaimer on page 5 of this report.

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## NOVO NORDISK (ADR)



## Company Profile

Novo Nordisk A/S, a healthcare company, engages in the discovery, development, manufacture, and marketing of pharmaceutical products. It operates in two segments, Diabetes Care and Biopharmaceuticals.

**Earnings and Revenue Update:** For the quarter ended September 30, 2009, Novo Nordisk reported earnings of \$588.7 million or \$0.98 per share compared with \$590.6 million or \$0.96 per share for the prior quarter and \$398.8 million or \$0.64 per share for the same quarter one year ago. Revenues were \$2.7 billion for the quarter ended September 30, 2009 compared with \$2.6 billion for the prior quarter and \$1.6 billion for the same quarter one year ago. Last twelve months' earnings were \$3.41 per share compared with \$2.58 per share a year ago. Last twelve months' revenues were \$9.8 billion compared with \$8.6 billion a year ago.

## Sabrient Analysis

NVO is rated a Strong Buy. The stock boasts a solid growth profile and satisfies Sabrient's strict set of stock selection criteria that point toward market outperformance.

- **Growth:** NVO earns exceptional marks as a growth stock with a Sabrient Growth Score of 90.7. Rigorous backtesting reveals that stocks with similar growth profiles outperform the market in the long term. A high growth stock does carry the risk of substantial downside price movement if the company should miss its earnings targets.
- **Value:** With a Sabrient Value Score of 65.9, NVO appears to be fairly valued at its current price and earnings trends.
- **Momentum:** NVO scores 60.5 for the Sabrient Momentum Score, which is a composite measure of price, earnings and group momentum.
- **Timeliness:** This stock has a Sabrient Timeliness Score of 51.5. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

**Sabrient**

Leaders In Investment Research

# NOVO NORDISK (ADR)

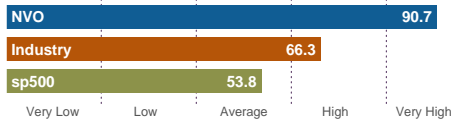
NYSE: NVO  
Industry: Pharmaceuticals

**SABRIENT**  
**STRONG**  
**BUY**  
**RATING**

## Current Sabrient Scores Compared with Industry and Relevant Benchmark

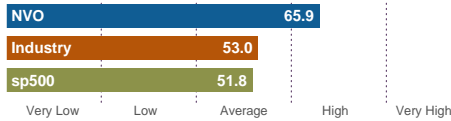
These Sabrient scores compare various aspects of NOVO NORDISK (ADR) with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

### Growth Score: 90.7



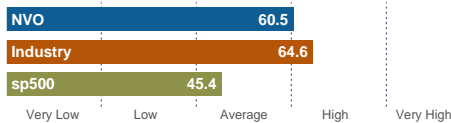
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 90.7, Novo Nordisk is considerably higher than the average of its industry group, which has a Sabrient Growth Score of 66.3.

### Value Score: 65.9



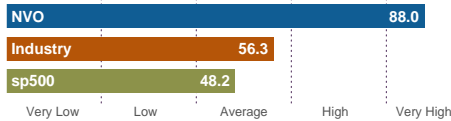
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 65.9, Novo Nordisk is moderately higher than the average of its industry group, which has a Sabrient Value Score of 53.0.

### Momentum Score: 60.5



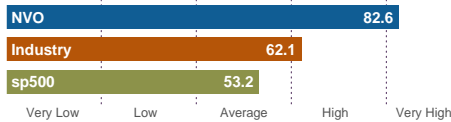
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 60.5, Novo Nordisk is marginally lower than the average of its industry group, which carries a Sabrient Momentum Score of 64.6.

### Earnings Score: 88.0



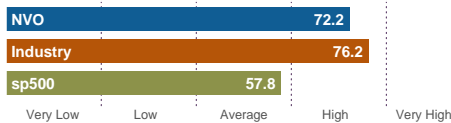
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 88.0, Novo Nordisk is substantially higher than the average of its industry group, which has a Sabrient Earnings Score of 56.3.

### Balance Sheet Score: 82.6



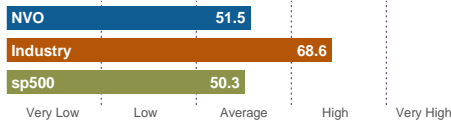
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 82.6, Novo Nordisk is considerably higher than the average of its industry group, which carries a Sabrient Balance Sheet Score of 62.1.

### Fundamental Score: 72.2



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 72.2, Novo Nordisk is marginally lower than the average of its industry group, which carries a Sabrient Fundamental Score of 76.2.

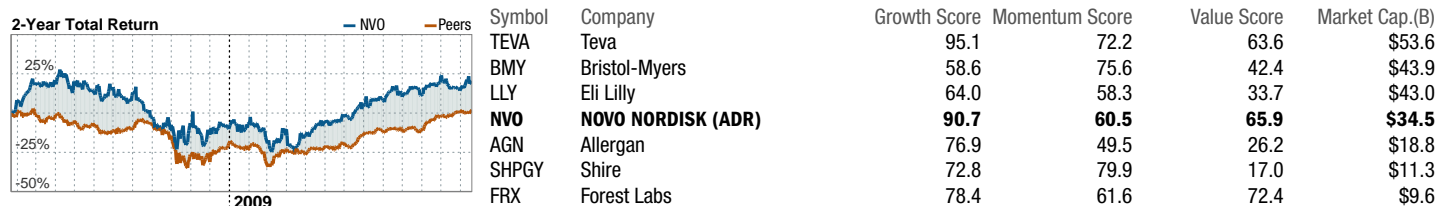
### Timeliness Score: 51.5



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 51.5, Novo Nordisk is moderately lower than the average of its industry group, which carries a Sabrient Timeliness Score of 68.6.

## Peer Analysis

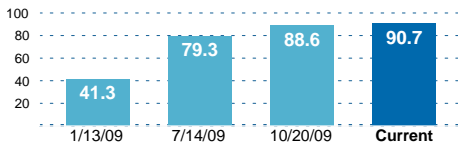
This table compares NVO with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares NVO's 2-year total return with the average 2-year total return of these companies.



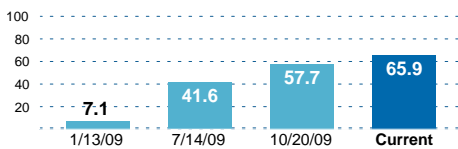
## Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

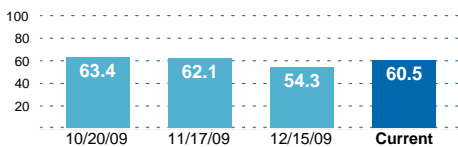
### Growth Score: 90.7



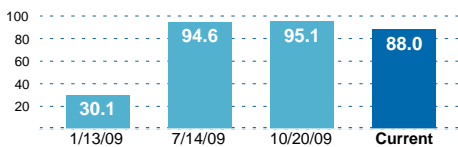
### Value Score: 65.9



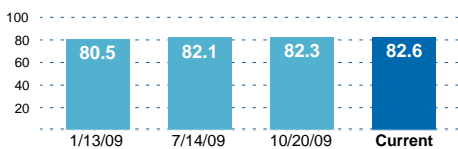
### Momentum Score: 60.5



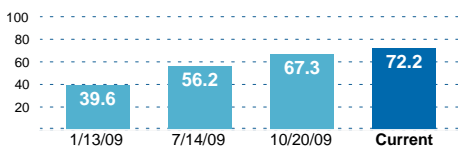
### Earnings Score: 88.0



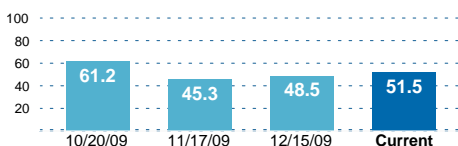
### Balance Sheet Score: 82.6



### Fundamental Score: 72.2



### Timeliness Score: 51.5



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

**Consistency Filter:** The Consistency Filter measures various earnings trends, along with short-term revenue growth. High scores are given to stocks that exhibit a smooth expansion in earnings and notable short-term revenue growth. The filter is currently among Sabrient's best performers in the large-cap segment. NVO scores 92.8 for this filter.

**Composite Growth Filter:** The Composite Growth Filter includes long-term and short-term factors related to earnings, cash flow and revenue growth. The filter has significantly outperformed its large-cap benchmark over the past three months. NVO scores 91.6 for this filter.

**Group Momentum Filter:** The Group Momentum Filter measures industry group performance in multiple periods with an emphasis on the last three months and serves as a proxy for broader market sentiment toward a group or niche. Backtesting shows that the filter has earned a significant premium to its large-cap benchmark over the past three months. NVO scores 48.7 for this filter.

In summary, NVO's Strong Buy rating is based on a profile of forward-looking metrics which show this stock could significantly outperform the broader markets.

## What the Market Wants: January 2010

[Note: For email delivery of the weekly What the Market Wants, sign up at [www.sabrient.com](http://www.sabrient.com). To view this week's stocks ideas and market stats, see "What the Market Wants" at the Sabrient blog at <http://www.sabrient.com/blog/>.]

### A WEEK OF MURK AND FOG

By David Brown, Chief Market Strategist

(January 19, 2010)

Last week brought us murk and fog in an otherwise bright New Year. All style/caps were down for the week, though not drastically. The worst was Small-cap Growth (-1.12%); the best was Large-cap Growth (-0.6%); and the rest crowded between these uninspiring returns. But given the tremendous amount of cash on the sidelines, the market seems unlikely to turn disastrous.

It could have been worse. Alcoa (NYSE: AA), Monsanto (NYSE: MON) and Chevron (NYSE: CVX) disappointed badly early on, although Intel (Nasdaq: INTC) brought in pleasing numbers later in the week. Government statistics were for the most part dismal -- worse-than-expected numbers for trade balance (-36.4 B), initial job claims (+11,000 to 444,000) and retail sales (-0.3%). Even consumer sentiment was poor (flat, actually, at 72.8 vs. December's final 72.5), probably a reflection of the other disappointing statistics. Only the consumer price index (CPI) was encouraging, increasing just 0.1% in December, after a 0.4% rise in November. Although Europe is beginning to struggle with inflation, the U.S. isn't having that problem yet.

This morning's announcement by Citigroup (NYSE: C) was worse than ugly, but it met expectations and still closed higher. IBM (NYSE: IBM) beat estimates but sold off a bit afterhours. Google (Nasdaq: GOOG) reports on Thursday. It must be the glow of these giants, plus all that money on the sidelines, that has the market doing so well, even as it reflects on last week's mess. Indeed, the S&P 500 closed at a new 52-week high today, with the Dow and the Nasdaq closing in on theirs. A bit surprising is that all of today's positive activity is in spite of a stronger dollar. Perhaps part of the market's resilience is due to several major M&A events, highlighted by Tyco's (NYSE: TEL) purchase of Brinks (NYSE: BCO). I guess if you can't rob the truck, just buy it.

Our sector outlook for last week had Healthcare, Consumer Staples, and Utilities in the top 5, and it was close to spot on as those three sectors were three of the only four sectors positive for the week. Materials, as predicted in our January 8th SectorCast, brought up the bottom last week, with Energy and Financials not much better.

This week, the Sabrient outlook seems best for Telecom, Healthcare and Utilities and worst for Materials, Industrials and Financials. As you can see from the SectorCast table, the Financials sector has fallen to the bottom once again.

Caution remains the word of the day, although the significant cash on the sidelines seems unlikely to let the market slip too much, barring any unforeseen disaster.

To see this week's stock ideas and market stats, go to the Sabrient blog at <http://www.sabrient.com/blog/>.

Next update: Monday, January 25, 2010.

## Company Description

Novo Nordisk A/S, a healthcare company, engages in the discovery, development, manufacture, and marketing of pharmaceutical products. It operates in two segments, Diabetes Care and Biopharmaceuticals. The Diabetes Care segment covers insulin franchise, including modern insulins, human insulins, insulin-related sales, and oral antidiabetic drugs, as well as GLP-1 compounds in development for both the treatment of type 2 diabetes and as an anti-obesity agent. The Biopharmaceuticals segment provides products in the areas of haemostasis management, growth hormone therapy, hormone replacement therapy, inflammation therapy, and other therapy areas. The company sells its products principally in the United States, Japan, China, the Russian Federation, India, Turkey, and other European countries. Novo Nordisk A/S was founded in 1925 and is headquartered in Bagsvaerd, Denmark.

## About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to [www.sabrient.com](http://www.sabrient.com)

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