



## Novo Nordisk Plans its Strategic Transformation in the Obesity Market

Sources: An article by Andrea Park for FiercePharma, an article by Vibha Rabi for Scrip Citeline, and an article by Kelly Bilodeau for PharmaVoice

Novo Nordisk is undergoing a period of significant transition as it navigates intensifying competition, government pricing negotiations, shifting market dynamics, and a need to reassert leadership in the global obesity drug market. Once the clear frontrunner due to the success of *Wegovy* and *Ozempic*, the company has lost ground to Eli Lilly—primarily because of supply constraints, slower commercialization strategies, and an outdated go-to-market model. These pressures have triggered major internal restructuring and a renewed focus on innovation and global expansion to restore momentum.

A landmark development for Novo Nordisk was its joint agreement with Eli Lilly and the U.S. government to dramatically lower prices for obesity and diabetes GLP-1 drugs across Medicare, Medicaid, and direct-to-consumer (DTC) channels. The new pricing framework delivers deep reductions in exchange for long-sought Medicare coverage beginning in 2026. Under the deal, *Wegovy* and *Ozempic* will be priced at about US\$245 per month for Medicare and Medicaid beneficiaries, with patients paying a US\$50 copay.

For self-pay patients via the government-backed TrumpRx platform, prices will drop to around US\$350 per month, a 30% reduction from the prior US\$499 monthly DTC price. These reductions represent declines of 74% for *Wegovy* and 68% for *Zepbound* relative to list prices. TrumpRx prices are also designed to fall further, reaching US\$245 per month within 24 months. In addition, if oral GLP-1s—such as Novo's oral *semaglutide*—gain FDA approval, the initial lowest dose will be priced at US\$150 per month.

The agreement also includes priority review vouchers for Novo's high-dose semaglutide (*Wegovy Plus*), further incentivizing cooperation on pricing. Beyond GLP-1s, Novo and Lilly committed to providing a broader set of drugs to Medicaid and TrumpRx at "most favored nation" pricing and to harmonizing future drug launch prices inside and outside the U.S., aligning with earlier deals signed by Pfizer and AstraZeneca.

Novo expects the pricing cuts to have a low single-digit negative impact on global sales growth in 2026, but emphasizes that the tradeoff—Medicare access—is essential for long-term market expansion.

Alongside the government agreement, Novo Nordisk independently launched new, earlier-than-required price reductions for self-pay patients in the U.S. The company disclosed that the two lowest dosages of *Wegovy* and *Ozempic* now cost US\$349 per month, down from US\$499, while higher doses remain at US\$499. A promotional offer allows new patients to pay just US\$199 for each of their first two months. These

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## In Brief...

- ◆ **Cencora** announced plans to invest US\$1 billion through 2030 to bolster and expand its pharmaceutical distribution network in the U.S. The company will open its second national distribution center in Ohio and expand its presence in Alabama and California with the goal of improving and increasing capacity, efficiency and enhancing resilience of its national distribution network to support the evolving needs of its customers.

- ◆ **Johnson & Johnson's Innovative Medicine unit** in Japan is on a path to reclaim its double-digit growth and build a No.1 position in its core disease areas by the end of the decade, according to country president *Chris Rieger*. J&J has accelerated its launch cadence in Japan and has steadily built out its pipeline in the areas of multiple myeloma, lung cancer, inflammatory bowel disease, psoriasis and select rare diseases.

- ◆ **Porzio, Bromberg & Newman, P.C.**, parent law firm of IFPW member **Porzio Life Sciences**, announced the opening of their newest office in Naples, Florida, expanding its footprint to 10 offices across the United States and Puerto Rico. Principal *John M. Elias*, will lead the Naples practice, supporting a robust service offering to hundreds of clients in the state.

- ◆ **GIRP, the European Healthcare Distribution Association**, is pleased to announce the election of *Ms Katarina Gabrielson* as its new President. She succeeds *Mr. Bernd Grabner*, who has

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## The Business Case for Global Health Equity

(Source: An article by AccessNewswire)

A new report titled *The Business Case for Global Health Equity: The Investor View*, authored by SLR Consulting, urges global pharmaceutical companies to fundamentally rethink their commercial strategies by prioritizing growth in low- and middle-income countries (LMICs). Although the pharmaceutical industry has historically concentrated revenue generation within 10 to 15 high-income countries, investors now argue that this narrow focus is increasingly misaligned with global economic and demographic trends. LMICs are experiencing rapid economic expansion, with GDP growth projected to average 4% annually over the next decade—more than double the pace expected in high-income markets. This growth is accompanied by a substantial rise in middle-class consumers, whose expanding purchasing power is expected to drive significant increases in healthcare utilization and pharmaceutical demand.

The report emphasizes that LMIC markets are becoming more attractive not only because of demographic and macroeconomic shifts but also due to meaningful improvements in regulatory and policy environments. Governments across these regions are simplifying approval processes, reducing administrative barriers, and offering tax incentives or investment-friendly policies designed to attract multinational healthcare and life-science companies. These reforms are creating more

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## Novo (cont'd.)...

changes are available across Novo's DTC service NovoCare, retail pharmacies, telehealth partners including WeightWatchers and GoodRx, and more than 70,000 pharmacies nationwide through digital savings cards.

This intensified focus on DTC reflects lessons learned from competitor Lilly, whose LillyDirect platform has proven more successful at growing share. Novo is positioning this expanded access strategy as part of a broader effort to rebuild competitiveness in the U.S.—its most valuable market.

Despite early dominance, Novo Nordisk lost the market lead to Eli Lilly in mid-2025. Analysts cite several core issues, including: underinvestment in U.S. supply and distribution; slow commercialization strategy modeled after its diabetes business rather than meeting surging obesity-drug demand; extended GLP-1 shortages that opened the door to drug compounders; diluting branded volumes even after FDA shortages ended and delayed or inefficient use of DTC channels.

As pressure mounted—reflected in a 45% share price decline in October—Novo launched a leadership shake-up by appointing new CEO Maziar Mike Doustdar, restructuring its board, exiting cell therapy programs, implementing global layoffs, and consolidating R&D priorities. Novo's largest opportunity to rebound lies in the next wave of obesity and metabolic innovation. The company aims to leapfrog Lilly with Novo's oral *semaglutide* candidate is regarded as more effective than Lilly's rival oral GLP-1 (*orforglipron*), though less convenient because it must be taken on an empty stomach. Its market launch will be a test of Novo's new commercial approach.

The company's most promising program is its oral and injectable *amycretin* candidates, which target both GLP-1 and *amylin*. Phase 2 data revealed 22% weight loss in 36 weeks, outperforming *Wegovy*'s 14% and showing no plateau effect typical of GLP-1s. Analysts believe *amycretin* could represent the next major leap in obesity treatment and a chance for Novo to reestablish technical leadership. Lilly is also advancing an *amylin*-based competitor but with earlier-stage data showing greater than 11% weight loss.

Novo is also running two phase 3 trials evaluating *semaglutide* in Alzheimer's disease, potentially opening a high-value new therapeutic area if results are successful.

Novo is also expanding access to *Wegovy* outside the U.S., through a new partnership with Emcure in India, aimed at increasing production, distribution, and affordability for a rapidly growing obesity market. This initiative demonstrates Novo's commitment to expanding global penetration even as competition rises.

Eli Lilly remains Novo's strongest competitor, outperforming it in supply chain execution, product demand generation, and market share growth. Lilly's *Zepbound* and *Mounjaro* continue to surge, supported by a robust pipeline and stronger DTC presence.

Still, Novo shows early signs of recovery. Sales rose 27% quarter-over-quarter, and the company's restructuring may position it for greater agility. The upcoming earnings cycle will be a crucial indicator of whether Novo's transformation is gaining traction.

## The Business Case (cont'd.)...

predictable, navigable markets that are better suited for long-term commercial engagement.

Operational benefits further strengthen the case for LMIC-focused strategies. Establishing R&D or manufacturing capabilities in these regions can significantly reduce cost structures while enabling companies to accelerate clinical development timelines. Moreover, conducting research in more diverse populations enhances scientific validity and supports broader global applicability of pharmaceutical innovations. These operational efficiencies create competitive advantages, particularly as companies face intensifying pricing and margin pressures in traditional high-income markets, where healthcare systems are increasingly enforcing cost controls and demanding evidence of broader value.

Investors contributing to the report stress that global geopolitical volatility—including supply-chain disruptions, shifting trade dynamics, and growing calls for manufacturing diversification—adds urgency to expanding into nontraditional markets. By developing stronger commercial and operational footprints in LMICs, pharmaceutical companies can strengthen resilience, reduce exposure to concentrated market risks, and future-proof their growth strategies. Investors encourage companies not only to explore these markets but to do so deliberately, with early, strategic engagement that builds trust, supports local health priorities, and aligns with long-term business sustainability.

The report concludes that integrating LMICs into core commercial strategies is not just a matter of corporate social responsibility or philanthropic alignment but represents a compelling business opportunity that can unlock new revenue streams, enhance global competitiveness, and contribute to meaningful progress in global health equity. Investors are increasingly looking for pharmaceutical leaders to demonstrate that they understand the strategic importance of these markets and are prepared to act decisively to capture long-term potential.

## In Brief (cont.)

completed his distinguished tenure leading the organization, and she assumes the role immediately for a two-year term. As President, Ms Gabrielson will lead the implementation of GERP's strategic vision, championing fair competition, reducing unnecessary costs within the supply chain, and promoting the highest standards across the healthcare distribution sector.

- ♦ **Merck & Co.** has agreed to acquire **Cidara Therapeutics** for approximately US\$9.2 billion. Cidara's sole clinical asset, CD388, is designed to prevent influenza strains A and B, offering a level of protection against flu strains not covered by current vaccines and possibly overcome vaccine resistance that has become prevalent in the aftermath of the COVID-19 pandemic.

- ♦ **Cardinal Health** reported first quarter FY 2026 revenues of US\$64 billion, an 22% increase year-over-year. First quarter GAAP operating earnings increased 18% to US\$668 million and first quarter non-GAAP earnings increased 37% to US\$857 million, driven by segment profit growth across all five operating segments.

(Sources: Company Press Releases, Drug Store News, FiercePharma and PRNewswire)