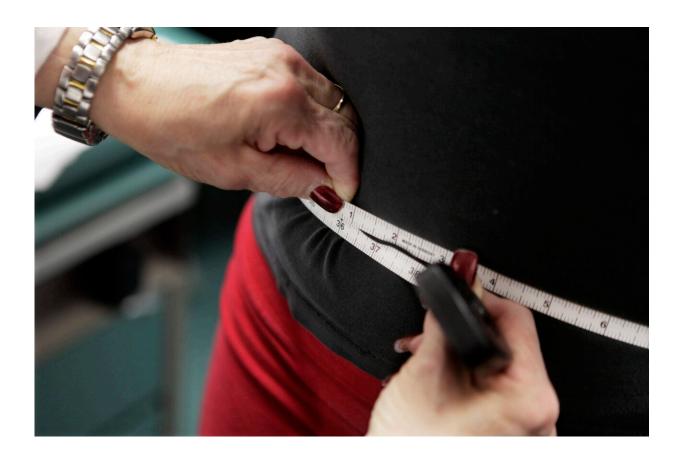


## **Big Pharma scrambles to feed demand for** weight-loss treatments amid rising US obesity rates

November 16 2023, by Damian J. Troise



In this Jan. 20, 2010 file photo, a subject's waist is measured during an obesity prevention study in Chicago. Obesity rates in the U.S. have been rising steadily for well over a decade and some of the world's biggest drug developers are tapping into the growing treatment market. Novo Nordisk reported another surge in profits and revenue during its most recent quarter with a big assist from Wegovy, an injectable treatment for weight loss approved by the Food and Drug



Administration in 2021. Credit: AP Photo/M. Spencer Green, File

Obesity rates in the U.S. have been rising steadily for well over a decade and some of the world's biggest drug developers are tapping into the growing treatment market.

Novo Nordisk reported another surge in profits and revenue during its most recent quarter with a big assist from Wegovy, an injectable treatment for <u>weight loss</u> approved by the Food and Drug Administration in 2021.

Obesity care sales rose 174% through the first three quarters of 2023 for Novo Nordisk, driven by the U.S. market. Demand for Wegovy, which is a high-dose version of the diabetes treatment Ozempic, has been high enough to warrant ongoing supply restrictions while the company works to increase production.

Eli Lilly is the most recent company to enter the weight-loss treatment market with its regulatory approval for Zepbound, a new version of the diabetes <u>drug</u> Mounjaro. It notably priced the drug at roughly a 20% discount to Novo Nordisk's Wegovy as the companies try to entice more employers to include weight-loss drugs in their insurance benefit plans.

Roughly one-third of adults in the U.S. were obese as of 2021, according to the Centers for Disease Control. That's up from a about quarter of U.S. adults in 2011. Some experts project that half of all U.S. adults will be obese by 2030.

"To gain coverage in Medicare and Medicaid, they'll likely need legislation at the state and federal level," said Jeff Jonas, portfolio manager at Gabelli Funds. "It's likely going to take years of market



development to reach their full potential, but these drugs could be revolutionary."

Rising <u>obesity rates</u> could mean sharp revenue growth from anti-obesity medications, Goldman Sachs projects. The <u>global market</u> for antiobesity medications reached \$6 billion earlier this year and could grow to \$100 billion by 2030, according to the bank's forecasts.

Novartis and Eli Lilly's injectable treatments will likely face competition in the future. Pfizer is developing danuglipron, a potential oral medication for obesity. Biotechnology giant Amgen is also developing an obesity treatment.

The ripple effect ahead could hurt some medical device makers through a decline in weight-loss surgeries. Even Walmart reportedly said customers picking up prescriptions for weight-loss drugs are buying less food.

The market is in a "shoot first, ask questions later" mood when it comes to weight loss drugs, said Nick Anderson, <u>portfolio manager</u> at Thornburg Investment Management. "It's clear that these are highly effective drugs and there is exceptionally strong demand for them."

Companies developing obesity treatments are also trying to show the benefits on overall health in an effort to gain more traction on <u>insurance</u> <u>coverage</u>. More insurance coverage eventually means more affordable weight-loss management.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Big Pharma scrambles to feed demand for weight-loss treatments amid rising US obesity rates (2023, November 16) retrieved 13 May 2024 from



https://medicalxpress.com/news/2023-11-big-pharma-scrambles-demand-weight-loss.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.