

# Weight-loss drug maker Novo Nordisk's profit surges as sales boom

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Pharma group Novo Nordisk has become a key driver of the Danish economy.

Danish pharmaceutical giant Novo Nordisk posted bumper profits for 2023 on Wednesday, driven by blockbuster sales of diabetes and obesity treatments that helped it become Europe's most valuable company.

The century-old company has also turned into a major driver of Denmark's economy as sales of diabetes medication Ozempic and obesity drug Wegovy have boomed.

Novo Nordisk said its net profit rose 51 percent to 83.7 billion kroner (\$12.1 billion) last year—more than 1.5 billion kroner higher than forecast by analysts surveyed by financial data firm FactSet.

It said sales for obesity and diabetes drugs surged by 42 percent at constant exchange rates to 215.1 billion kroner last year.

Overall sales rose by 36 percent to 232.3 billion kroner in 2023.

"It looks like Novo Nordisk can explain all of the growth in the Danish economy in 2023 and that it will be just as important this year," Danske Bank chief analyst Las Olsen told AFP.

He cited the company's effect on job creation, tax contributions and dividends paid to shareholders.

Denmark's economy is expected to grow by 1.7 percent in 2023, according to a central bank forecast.

## **'Strong performance'**

Ozempic, an injectable medication, became wildly popular on social networks for its slimming properties even though its intended use is to combat diabetes.

It also makes Wegovy, which has the same active ingredient as Ozempic in a different dose and was approved by US regulators to treat obesity.

The treatments are popular among celebrities and their success have

turned Novo Nordisk into a darling of investors who drove up the company's shares so high last year that it became Europe's largest group by market capitalisation.

"We are very pleased with the strong performance in 2023 reflecting that more than 40 million people are now benefiting from our innovative diabetes and obesity treatments," chief executive Lars Fruergaard Jorgensen said in a statement.

"We continue to make progress on our strategic aspirations. Our focus in 2024 will be on reaching more patients, progressing and expanding our pipeline as well as the continued significant expansion of our production capacity," he added.

In 2023, Novo Nordisk invested around 75 billion kroner to expand its production sites, which have struggled to meet rising demand.

The investments concern primarily two sites in Denmark and one in France.

## **Ozempic top seller**

More than 10 percent of the world's population suffers from diabetes, with the number of adult diabetics seen rising by 46 percent by 2045, according to the International Diabetes Federation.

Ozempic is now the world's top-selling diabetes drug, with Novo Nordisk holding 33.8 percent of the market.

It is officially only prescribed for diabetes, though it has become popular for its weight-loss properties.

Wegovy is an anti-obesity treatment that was launched in the United

States in 2021 and is now also available in Denmark, Germany, Norway and the UK.

Sales of Wegovy soared by 154 percent in 2023.

The World Health Organization says more than a billion people suffer from obesity, a chronic condition that increases the risk of cardiovascular disease, diabetes, some forms of cancer and complications, such as with COVID-19.

Obesity, which is notoriously difficult and costly to treat, may be caused by lifestyle factors as well as genetics.

If prevention and medical treatments don't improve, the World Obesity Federation says it expects half of the world's population, 51 percent, to be either overweight or obese by 2035.

According to its calculations, the economic impact of such a development would exceed \$4 trillion per year.

Novo Nordisk, which has 64,000 employees in 80 countries, said it expected its overall sales to increase by 18-26 percent in 2024.

Danske Bank analyst Olsen noted that while Novo Nordisk's growth "cannot go on forever", the "income, investment and knowledge from the current success will continue to benefit Denmark, as long as we maintain a flexible economy that can handle future shocks."

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