Novo chief injects risk-taking amid push to revive drugmaker's growth

Doustdar's drive to rejig Danish pharma behind blockbuster Wegovy pill undeterred by trial setbacks

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One year since becoming Novo Nordisk's chief executive, Mike Doustdar is betting on the "phenomenal" sales of its weight-loss pill, new drugs and acquisitions to return the drugmaker to growth.

Doustdar, the first foreigner to lead the Danish company, wants the Ozempic maker to take risks as he pushes to revive its fortunes amid stiff competition and disappointing trial results.

"You know, if you do not like failure, then you should not get into a pharma business," he told the FT at Novo's headquarters in the suburbs of Copenhagen. "I actually think success for us will be to have more shots at goal because we're dealing with science and research that has, inevitably, failure attached to it."

The 55-year-old has not shied away from tough decisions since becoming chief executive last August. He announced 9,000 job cuts — the most in Danish corporate history — and slashed profit and revenue guidance because of market share losses and pricing pressure for its injectable weight-loss medicine.

While acknowledging the challenging environment — the company has forecast that sales and operating profits could decline by as much as 12 per cent this year — Doustdar said Novo could return to growth under his leadership.

"I am very confident in Novo Nordisk's ability to return to sustainable sales and profit growth over time," he said.

"That confidence is not based on expecting the market to become easier. It is based on the scale of unmet patient need, the strength of our science and portfolio, and the changes we are making to become more focused, faster and more competitive."

To achieve that goal, he said Novo must take risks and accept that some will not pay off.

The need to handle adversity was on full display during Doustdar's interview with the FT on Friday, with his staff interrupting to announce that a drug aimed at reducing the risk of heart attacks had failed a late-stage trial, sending Novo's shares down 10 per cent. The results were a setback to efforts to develop treatment pipelines beyond its blockbuster weight-loss drugs.

"It's not the first, nor is it going to be the last time we fail, and it doesn't deviate us from our strategy," Doustdar said, reiterating the company's commitment to developing treatments for cardiovascular health and continuing two other related trials.

Novo pioneered modern weight-loss drugs to become Europe's most valuable publicly listed company in 2023 before its stock and sales tumbled as US rival Eli Lilly and generic competitors gained market share.

Choosing Doustdar reflected the board's appetite to shake things up, catapulting the Iran-born, US-raised Austrian national who had quietly risen from office clerk to Novo's head of international operations over three decades.

During his final interview for the job, armed with a 106-page presentation, he recalls telling the board they should not give him the job if they were not willing to support difficult and unpopular decisions, including potential job cuts.

After slashing jobs and navigating a board revamp, Doustdar received a boost in June when prescriptions for Novo's Wegovy pill surpassed 3mn less than six months after release, making it one of the biggest US pharmaceutical launches by volume.

"The numbers are phenomenal," he said.

Eli Lilly introduced its own rival pill in April but, rather than hurting demand for Wegovy, Doustdar said sales of Novo's oral treatment had "accelerated" since then.

Mike Doustdar, Novo Nordisk's chief executive, with a mammoth tooth that, as legend goes, was won by the seafaring father of Novo's first CEO at a poker game in Russia. Right, Wegovy pill prescriptions in June exceeded 3mn less than six months after release — Rasmus Degnbol/FT

The Wegovy pill, an oral version of its injectable obesity blockbuster, has been launched in the United Arab Emirates and the UK and was recently approved by the EU.

Novo is also pushing ahead with the next-generation oral pill, Zenagamtide, which is starting phase 3 trials and could be brought to the market before the end of the decade if "everything goes well".

"We are ahead in our R&D for the next generation, and we are way ahead on what's happening in the commercialisation of the pill, not just in the US, everywhere we basically are currently present," he said.

However, Novo's margins have come under pressure. It has been forced to cut prices in the US, its largest market, after President Donald Trump urged the world's largest pharma groups to reduce prices in America. That price cut, which the Novo boss described as "unprecedented", has eaten into margins on its more profitable injectables.

Novo is betting that the rapid growth of pill sales will make up for the reduced prices of its injectables. Medicare, the US health insurance programme for elderly people, began offering expanded access to Wegovy last month, potentially increasing sales.

Novo Nordisk shares plunge after 2024 peak

Danish krone

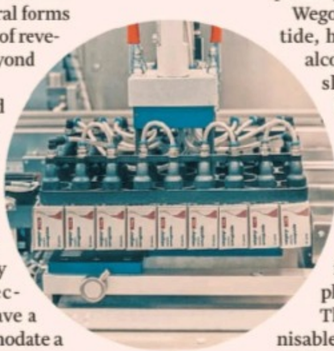
Source: LSEG

But the company has yet to win over investors as it prepares to publish half-year financial results today. Its shares have fallen more than 8 per cent this year and are trading at less than a third of their 2024 peak.

"I think it's fair to say investors still have questions about Novo's path forward," said James Gordon, an analyst at Barclays. "Investors would like a clearer plan for what the company would be selling post-semaglutide.

"Because by 2030, semaglutide across the different injectables and oral forms is going to be about 70 per cent of revenues and the follow-on plan beyond 2030 is still a little unclear."

As Novo attempts to expand its pipeline and diversify its portfolio, Doustdar said he was open to "big" mergers and acquisitions. Asked whether he would consider transformational deals, he said: "Yes, I would not shy away from going in that direction . . . I'm happy that we have a balance sheet that can accommodate a very large size."



Doustdar also signalled he would consider far bigger deals than Pfizer's $10bn acquisition of obesity drug developer Metsera after a takeover battle with Novo, saying that was not a "large" transaction in his eyes.

Speaking before news broke of talks between AstraZeneca and Bristol Myers Squibb over a potential $400bn pharma mega-merger, he said: "Probably today we are in more data rooms than ever before looking into anything and everything that is out there."

But he stressed that the company prioritised assets that fill gaps in its portfolio over size. The Novo chief sees deals as a potential answer to investors' frequent questions about the company's ability to diversify. Unlike its biggest competitor in weight loss, Eli Lilly, which also does cancer and neuroscience, Novo generates more than 90 per cent of its sales from its obesity and diabetes drugs.

> 'If you don't like failure, you should not get into a pharma business . . . success for us is to have more shots at goal'

"I do think that we need to diversify, no doubt about it, but I think we need to have disciplined diversifications around science areas and customer populations that we are synonymous with," he said.

Some 2bn people suffer from conditions linked to diabetes, obesity and being overweight, and Novo is exploring treatments for cardiovascular, kidney and liver diseases. Trials into some of its Alzheimer's treatments failed to meet primary goals at the end of 2025.

Wegovy's main ingredient, semaglutide, has also been shown to reduce alcohol and drug use, or could help sleep apnoea and skin issues, Doustdar said.

He leads a company that was formed by a merger in 1989 of two rivals, Novo and Nordisk. The predecessor companies extracted insulin from pig pancreases in a country known for having more pigs than people.

The company is now barely recognisable from those days but Doustdar said he resisted some of the comforts typically enjoyed by the bosses of large multinationals.

He works at an open-plan desk at Novo's headquarters, using a small telephone-booth-style room for private calls. His desk is surrounded by pictures of his wife and two sons, with a sign that warns: "Arrogance kills".

His proudest possession, however, is a mammoth tooth, said to have been won by the seafaring father of the company's first CEO at a poker game in Russia and then handed down from one generation of leaders to the next.

"It's a reminder to you every day that I'm here for a short period of time and that I have a responsibility to pass the baton to someone else after me," he said.

"And when I do, I'd like it to be in a better shape and form than when I got it."