

# Novo halves US cost of weight-loss drug

Danish group to cut price next year as it struggles to compete with Eli Lilly

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Novo Nordisk is halving the US list price of its most popular weight-loss drug as the Danish drugmaker struggles to compete with rival Eli Lilly in the obesity market.

Novo said yesterday that the wholesale US price of Wegovy would be cut by 50 per cent from January next year.

Its diabetes drug Ozempic will be reduced by 35 per cent. The new list price for each drug will be \$675 a month and will apply to Wegovy injections and tablets.

The wholesale price for Lilly's weight-loss drug Zepbound is more than \$1,000 a month.

The lower prices would increase the customer base, said Jamey Millar, executive vice-president of Novo's US operations.

"The lower list price is intended to connect more people with our innovative medicines," he said in a statement.

Novo's shares were down 2.5 per cent

in afternoon trading in New York yesterday. Lilly's shares were down 1 per cent.

The announcement underlines its struggle to compete with Eli Lilly. Novo's shares fell on Monday after it published trial results showing lower average weight loss from its new obesity drug CagriSema than from Lilly equivalents.

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Morgan Stanley analysts called the results "a worst-case scenario for Novo" and said that CagriSema could struggle to compete with Lilly.

CagriSema has not yet been approved by US regulators but a decision is expected by the end of the year.

The disappointing results were "likely to affect physician and patient perception of the drug, adding to launch headwinds", Morningstar said on Monday.

Separately yesterday, Novo announced results of a mid-stage trial of another new weight-loss drug, developed and tested in China. The drug delivered average weight loss of almost

20 per cent over the course of a 24-week trial.

The new molecule targets three hormones in the gut and pancreas with the aim of delivering more weight loss.

Data from the study "shows some promise, but remains too early," said BMO Capital Markets analyst Evan Seigerman.

He said that Novo's price cut, which was first reported by The Wall Street Journal, was driven in part by competition with Lilly but also with the aim of expanding access to patients on Medicare, the US insurance programme for senior citizens.