

COMPANIES & MARKETS

Novo weighs impact of price cuts in crowded anti-obesity drugs sector

Danish group's challenges mount despite Hims & Hers withdrawing plan to sell copycat Wegovy pill

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LONDON

Novo Nordisk endured a turbulent 2025 marked by a sliding share price, intensifying competition and divisions that led to a board exodus. The start to this year shows there is no end in sight to the company's woes.

The anti-obesity pioneer issued a dismal sales and profit forecast last Wednesday that pushed its share price down by almost 20 per cent. The following day, it was hit by news that the US telehealth group Hims & Hers was launching a much cheaper copycat version of its Wegovy pill.

Novo received a reprieve on Saturday when Hims & Hers said it would no longer offer the discounted product following "constructive conversations with stakeholders across the industry", sending shares up more than 5 per cent in Copenhagen yesterday.

However, the episode highlights the challenges facing the Danish company. News of the copycat has enraged Novo, which is taking legal action. It followed the announcement last week that the company expected net sales to fall by as much as 13 per cent this year – a gloomier outlook than the most bearish analysts had expected.

Mike Doustdar, who in August was appointed chief executive of the maker of the Ozempic and Wegovy blockbuster drugs, was already grappling with how to find new growth areas. He has warned of further losses in Novo's shares after a drop of more than 50 per cent in the past year.



'With this kind of guidance, it's very difficult to see any light at the end of the tunnel'

"I don't disagree with the notion of some short-term pain to come," said Markus Manns, a senior portfolio manager and healthcare specialist at Union Investment, who described Novo's guidance as "shocking". "With this kind of guidance, it's very difficult to see any light at the end of the tunnel," he added.

In addition to competition in an increasingly crowded obesity market, Novo is facing price cuts in the US that Doustdar has described as "painful" as well as expiring patents in some key markets.

Novo, which was once Europe's most valuable company, ousted its former chief and suffered board departures last year after a dispute with its majority shareholder, the Novo Nordisk Foundation, over how to stem declines in profit growth and the share price.

The company risks falling further behind US rival Eli Lilly, whose share price rose on Wednesday after saying its 2026 sales would jump to at least \$80bn, from \$65bn last year.

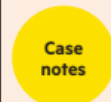
Novo blamed its guidance on what Doustdar called "unprecedented pricing pressure" in the US – its largest market – where efforts by President Donald Trump to lower prices would weigh on how much the company could charge.

As part of the most favoured nation agreement, pharmaceutical groups have to peg US drug prices at the lowest price paid in other developed countries.

For Novo, this means cutting the price of injectable Ozempic and Wegovy drugs from at least \$1,000 a month to \$350 when purchased on TrumpRx, the president's new direct-to-consumer website.

The company will also reduce prices for patients covered by the Medicare and Medicaid government insurance plans.

Karsten Munk Knudsen, Novo's chief financial officer, said the new US pricing models would hurt sales on two fronts: cash-paying consumers and insurance



Hims & Hers sued over weight-loss treatment

Novo Nordisk is suing US telehealth company Hims & Hers to stop it from selling "knock-off" versions of its weight-loss drugs, escalating the battle over obesity medicines in the world's largest drug market.

In a Delaware district court filing yesterday, Novo accused Hims of patent infringement for semaglutide, the active ingredient in Ozempic and Wegovy.

Denmark-based Novo argued it had invested billions of dollars to develop semaglutide and get it approved by the US Food and Drug Administration.

Its lawsuit escalates a battle with Hims that had been simmering for months. Hims unveiled a copycat version of Novo's new weight-loss pill last week, prompting Novo to launch the legal action.

Last year, Novo ended a partnership with Hims that had been in place to boost sales.

In an interview, John Kuckelman, Novo's general counsel, said while the FDA allowed pharmacies to provide compounded versions of drugs to patients with specific needs and in times of shortages, those conditions did not apply to the formulation that Hims had intended to sell. "Hims has completely thumbed their nose at the law," he said.

Novo had been trying to stop Hims from continuing to sell the compounded version of its injectable weight-loss treatment before the pill announcement, which caught the company by surprise.

Separately, the FDA said on Friday it would investigate unregulated weight-loss drugs and mentioned Hims specifically. The following day the company said it would stop offering the weight-loss pill. Hims' share price sank 22 per cent in early trading yesterday.

In a statement, Hims said: "Novo Nordisk's lawsuit is a blatant attack by a Danish company on millions of Americans who rely on compounded medications for access to personalised care. Once again, Big Pharma is weaponising the US judicial system to limit consumer choice."

Hims had planned to offer the discounted version of the Wegovy pill to retail at \$49 a month, while the Novo version was introduced at \$149.

reimbursements. However, lower prices could boost volumes.

"Clearly, what we need to show as a company is that lower pricing in the self-pay segment opens up for more patients starting on our products," he told the FT.

The US slowdown tells only part of the story. The company expects growth in international sales to slow to "mid-single digits" this year from about 10 per cent in 2025, due to expiring patents for Wegovy and Ozempic in markets such as Canada, Brazil, India and China. That will allow generic manufacturers to sell the drugs at lower prices.

Novo had been hoping for a boost from the introduction last month of the pill version of Wegovy in the US. It began retailing for \$149 at the lowest dose and has already been bought by about 170,000 people.

That optimism was put to the test by Hims & Hers' attempt to offer a treatment that would have retailed at just \$49 a month. Hims & Hers said it

remained "committed to the millions of Americans who depend on us for access to safe, affordable and personalised care".

The withdrawal of the competing product does not necessarily mean the end of Novo's troubles.

Analysts at Jefferies last month warned that the company faced challenges such as the entry of similar products and the possibility of customers switching from the more expensive injectable Wegovy to the pill version.

Eli Lilly is awaiting regulatory approval for its own anti-obesity pill orforglipron, though it has underperformed Novo's oral medicine in efficacy and tolerability in trials. Other major groups, including Pfizer and Roche, are also preparing to launch anti-obesity drugs to challenge Novo and Eli Lilly.

Investors have long complained about Novo's limited pipeline compared with its peers as well as its dependence on obesity and diabetes treatments, which accounted for more than 90 per cent of its 2025 sales.

One analyst said that Novo, which last year lost out to Pfizer in a bid to buy obesity-focused biotech Metsera, needed to acquire new assets to boost its pipeline, adding that business development was a significant weakness.

Knudsen said the company would be interested in adding a GLP-1 drug that could be taken once a month – instead of daily or weekly – to its portfolio.

Novo has announced two further departures among its senior ranks, with the head of its US business and the boss of product and portfolio strategy both leaving.

It has hired Jamey Millar from Optum, a subsidiary of insurance company UnitedHealth Group, to take on the role of running the US division.

Optum is one of the largest pharmacy benefit managers that act as intermediaries in the industry, and Novo hopes that Millar's experience in the sector, as well as a three-decade career that included stints at GSK and Procter & Gamble, will benefit the company.

UBS analysts cautioned, though, that the turnover of senior staff "does not provide confidence in the company's direction".



Financial services

Grimes returns to Morgan Stanley after spell at White House

JOSHUA FRANKLIN, ARASH MASSOUDI,
JAMES FONTANELLA-KHAN
AND OLIVER BARNES

Michael Grimes, the star technology investment banker and one of the closest advisers to Elon Musk, has rejoined Morgan Stanley after a year working in the Trump administration.

The Wall Street firm told employees in a memo yesterday that Grimes, who has been behind the mega listings of Facebook, Uber and Palantir, was returning to the group as chair of investment banking.

His return to Morgan Stanley comes as investment banks vie for the lead

position on the blockbuster public listing of Musk's SpaceX company, which is likely to be the biggest initial public offering in history and generate a huge windfall in fees.

"We have asked Michael to bring his expertise to the full banking and [institutional securities group] franchise, particularly as technology transforms productivity and impacts global industrial policy," Morgan Stanley executives Dan Simkowitz, Mo Assomull, Eli Gross and Simon Smith wrote in the memo.

"Michael will continue to manage and build relationships with many of our most important global corporate,

venture, private equity and sovereign clients."

Grimes left Morgan Stanley last year to work as an adviser in the Department of Commerce after almost three decades with the Wall Street bank. He oversaw the US government's investment unit, in effect acting as an in-house dealmaker for the Trump administration, which over the past year has bought stakes in several strategic companies, including chipmaker Intel and mineral group USA Rare Earth.

He had previously played a central role in growing Morgan Stanley's technology equity capital markets business, which is one of the bank's historic

strengths. At Morgan Stanley, he helped lead some of the largest tech IPOs including Facebook and Airbnb. He also advised Musk and helped the billionaire finance his \$44bn acquisition of social media company Twitter, which is now known as X.

Morgan Stanley has cultivated strong ties with Musk, with another of its former bankers, Anthony Armstrong, taking up the role of chief financial officer of xAI last year following a stint in the Trump administration.

Grimes entered Wall Street folklore by moonlighting as an Uber driver to help win the leading position on the ridesharing company's IPO in 2019.

Support services

Watchdogs to examine private equity ownership of audit firms

MARTIN ARNOLD AND ELLESHEVA KISSIN
LONDON

Global securities regulators are set to probe the risks of private equity investments in audit firms, intensifying scrutiny of the rising number of buyouts in the financially sensitive sector.

In recent years, private equity groups – attracted by their strong cash flows and the perception of a fragmented market ripe for consolidation – have snapped up stakes in auditors and increased their valuations.

The flurry of mid-tier deals has triggered concerns about a deterioration of audit quality and the potential for conflicts of interest at accountants.

Iosco, the global association of 130 securities regulators and financial market authorities including the US Securities and Exchange Commission and the UK Financial Conduct Authority, was due to announce yesterday that it was planning "an exploration of the growing interconnectedness between private equity activities and the audit sector".

Jean-Paul Servais, chair of Iosco, told the FT: "We want to start looking into this because private equity is doing more deals with audit firms and that can have benefits but could also entail risks, such as for audit quality."

The move marks a ratcheting up of scrutiny from regulators into the growing trend for accountancy firms to be taken over by private equity firms.

'PE is doing more deals with audit firms and that can have benefits but could also entail risks'

Grant Thornton, the sixth-biggest UK audit firm by revenue, sold a majority stake to private equity investor Cinven in 2024, accelerating a wave of mid-tier deals in the UK.

In the US, the trend is more advanced: a third of the largest US accounting groups have entered the portfolios of private equity funds while in January last year Blackstone bought Citrin Cooperman, the first firm to change hands twice.

Regulators are particularly sensitive about the ownership of audit firms due to the key role they play in maintaining the confidence of investors, creditors and broader society in the financial statements of major businesses.

Iosco plans to examine a number of potential risks for audit firms, including conflicts of interest, independence, the quality of their work and culture.

Officials said the review would also consider potential benefits from private equity investment in audit firms, including enhanced operational efficiency, accelerated growth and extra funding for new technologies such as AI.

Supporters of the buyout trend maintain that private equity will help mid-tier firms gain the financial backing and expertise to compete with the Big Four accounting firms – Deloitte, EY, KPMG and PwC – and that buyout shops have a clear incentive to invest in audit quality.

The SEC sounded a note of caution in 2022, warning that it "could create incentives that conflict with the auditor independence rules".

The Institute of Chartered Accountants of Scotland last year called for an urgent review of rules governing who can own audit firms, saying: "Difficult ethical decisions might face undue influence as a result of commercial pressures."

The Financial Reporting Council, the UK's accountancy regulator, has maintained a more neutral tone but last year asked firms to tell the FRC that they were considering private capital so it could monitor "threats to... independence as a result of conflicts".

Contracts & Tenders

BIDDING NOTICE

SEINFRA INTERNATIONAL BIDDING N° 001/2026

Object: Concession of public services for the operation, maintenance, monitoring, conservation, capacity expansion, and service level maintenance of the Roadway System Lot 10 – Noroeste, comprising the segments described in the Roadway Operation Program (ROP). Judgment criterion: The criterion for judging the best economic proposal will be the lowest toll rate, under the terms of Article 15, item I, of Law N° 8,987/1995. The bidding documents (invitation to bid, agreement, and annexes) are available for consultation on the SEINFRA website: (www.infraestrutura.mg.gov.br). The envelope containing the bid bond and the envelope containing the financial bid must be delivered to the headquarters of B3 S.A. – Brasil, Bolsa, Balcão, on March 17th, 2026, from 10:00 AM to 12:00 PM, at Rua XV de Novembro, 275, Centro, São Paulo/SP, in accordance with the provisions of the invitation to bid. The public auction, with the participation of bidders whose bid bonds have been accepted, will be held on March 20th, 2026, at 2:00 PM, at B3 S.A., Brasil, Bolsa, Balcão, at Rua XV de Novembro, 275, Centro, São Paulo/SP, as per the provisions of the invitation to bid. The bidder ranked first must deliver the envelope containing the qualification documents on the date and time of the public auction, in accordance with the provisions of the invitation to bid.

Pedro Bruno B. de Souza,
Secretary of State for Infrastructure, Mobility and Partnerships

