

The Ozempic Epidemic: How Novo Nordisk Became Europe's Most Valuable Company

The Ozempic Epidemic refers to the craze and social media hype around the drug Ozempic, a semaglutide originally intended to treat type 2 diabetes. The growing cultural obsession with weight-loss saw this drug as a rapid weight-loss solution, sparking widespread interest without considering potential side effects. While it may have produced negative side effects for some, its producer Novo Nordisk greatly benefitted from this trend, becoming the most valuable company in Europe in September 2023 (when it was valued at \$428 billion) and June 2025.

Novo Nordisk, formed in 1989 from the merger of two Danish insulin companies, is the world's leading insulin manufacturer - it is estimated that they control 50-52% of the global insulin market. Its success can be attributed to early market access, continuous innovation, and long-term investments into research & development. The global rise in diabetes and related increase in demand for insulin has driven steady and dependable growth for Novo over the years.

Ozempic, the brand name for semaglutide, was developed in the 2000s as a more effective, longer-lasting treatment for type 2 diabetes. Unlike insulin, a daily injection, Ozempic is a weekly injection, reducing the burden of injections on diabetic people. It was released in 2017 and became one of the most commercially successful medications in the world.

Despite being approved solely to treat diabetes, many patients began using Ozempic as a tool for weight loss after users reported weight loss as a side effect of its use. Celebrity endorsements by Elon Musk, Kelly Osbourne, and more who achieved dramatic weight loss and publicly credited semaglutides only served to encourage this use. Social media amplified the success of Ozempic, especially TikTok - the tag #ozempic has garnered billions of views, with users posting transformation photos and popular 'WIEIAD' (what I eat in a day) on Ozempic videos. This online attention vastly increased awareness of the drug and provide marketing for the drug as a weight-loss tool without Novo Nordisk's involvement. Novo recognised the cultural demand and medical potential of semaglutides in managing obesity. In 2021, they took advantage of the opportunity to innovate and build on the success of Ozempic and developed Wegovy - a higher dose of semaglutide designed specifically for chronic weight management. This product produced more significant and sustained weight loss than other obesity medications, allowing Novo to formally enter the weight-loss market and provide a novel solution to weight management. This was highly successful, and Novo has become the market leader in the anti-obesity market, with a 74% share in the first months of 2024, cementing its position at the forefront of weight-loss drugs.

However, this rapid surge in demand was not completely positive. Persistent shortages of the drugs meant that some diabetic patients who needed the drug for medical reasons were unable to access it, while affluent customers using the drug for weight loss could obtain it privately. This has sparked debate about whether drugs like Ozempic should be funded by the NHS as Mounjaro is in order to make access easier. While this creates high costs for the NHS to shoulder, I believe that the long-term benefits of treating diabetes and weight management could justify this cost. It could extend people's lives and reduce the expensive treatment that can accompany obesity complications long-term, such as treating heart failure.

The impact of Ozempic and Wegovy on the company's valuation was unprecedented. By 2024, semaglutide-based products had dramatically reconstructed Novo Nordisk's business model, composing of almost 70% of Novo's revenue. Together, Ozempic and Wegovy generated around \$26 billion in sales for Novo, leading Novo's market capitalisation to surpass the \$400 billion GDP of its home country, Denmark, and become the most valuable company in Europe by market capitalisation in both September 2023 (\$428 billion) and June 2025 (\$367.91 billion). However, this creates structural vulnerability - with such a high proportion of its revenue based on semaglutide sales, Novo becomes highly vulnerable to demand, competition, and findings from clinical trials. If these factors start to shift, Novo's valuation could become volatile.

At present, Novo Nordisk ranks among the largest pharmaceutical companies in the world, with a market capitalisation estimated at \$200-250 billion. This is significantly less than previous valuations, but Novo remains in the top 10 most valuable companies in Europe by market capitalisation, currently No. 8. Part of this decline can be attributed to a clinical trial whose findings showed that semaglutide did not significantly slow cognitive decline in Alzheimer's patients. This caused Novo's share price to fall because investors were hoping semaglutides could be used as a new therapy, and the trial results raised questions about future growth of semaglutide products. Novo's growth has slowed, and competition has increased as more companies enter the anti-obesity market. For example, the weight-loss drug Mounjaro and complementary weight-management drug Zepbound produced by Novo's competitor, Eli Lilly, have shown even greater efficacy in clinical trials. This poses a huge threat to Novo's position as a leader in the market, especially considering Eli Lilly's success in gaining popularity in large markets such as India and the UK. Eli Lilly has also grown faster than Novo, with its market capitalisation surpassing \$700 billion in 2025. This is partially due to the success of Mounjaro - but unlike Novo, Eli Lilly has diversified, with drugs in oncology, immunology, diabetes/obesity, and therapeutic areas. Having multiple growth avenues reduces the risk of failure, and many view Eli Lilly as the future leader of the anti-obesity market.

The future of weight-loss drugs is likely to be optimistic - obesity rates continue to rise globally, and demand for medical interventions is rising with them. The anti-obesity market is forecasted to be worth \$150 billion by 2035, making it one of the fastest-growing areas in medicine. For Novo Nordisk to remain competitive it will need to continually innovate. The company is already looking at developing an oral semaglutide obesity drug as opposed to the injection, which would be a major breakthrough in anti-obesity medication. Oral medication is far easier for patients to administer, meaning the innovation of such a medicine could further increase Novo's market capitalisation.

Overall, dominance of the market is unlikely to remain concentrated in a single company. With Novo's vulnerabilities and Eli Lilly's clinically promising developments, it is likely that the industry will become more fragmented over the next decade, especially with more firms entering the market. I think that Novo will remain a major player in the industry, but not at the level of monopoly it held during the Ozempic boom.