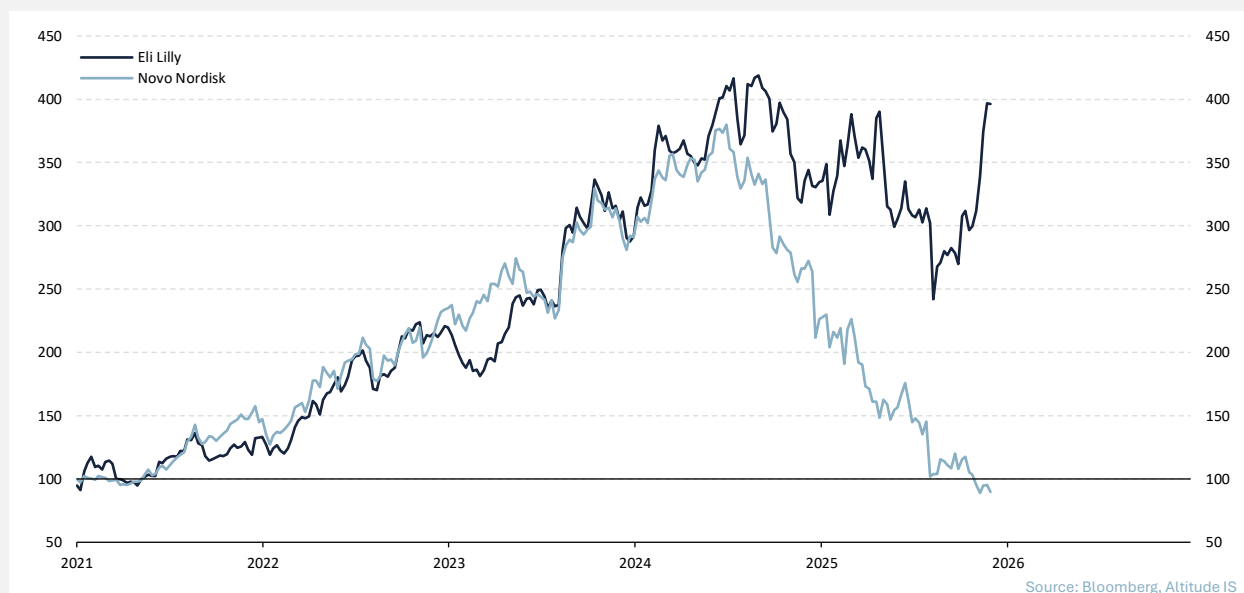


The flexiweekly that reaches new heights - published on 1<sup>st</sup> December 2025

## "THE FIGHT AGAINST OBESITY, A REVOLUTION UNDER PRESSURE"

- Medicines to combat obesity are rapidly gaining acceptance
- The historic duopoly faces scientific, industrial and commercial challenges
- New entrants and subcontractors claim their place in the value chain
- Across these different areas, capital is flowing into the investment theme

### CHART OF THE WEEK: "Eli Lilly and Novo Nordisk, two opposing trajectories"



## FINANCIAL MARKETS ANALYSIS

In November 2023, when the first GLP-1 treatments for weight loss began to send stock market counters into a frenzy, we wrote that "losing weight can boost profits". In July 2024, Eli Lilly was hailed as the "eighth magnificent", as its outperformance eclipsed the rest of the US market. Since then, the company has had a turbulent but successful stock market run. In contrast, its Danish counterpart, Novo Nordisk, has been a constant disappointment (see Chart of the Week). **Today, the theme is changing scale.** The GLP-1 revolution is no longer limited to two pharmaceutical groups and a few iconic products. **It is now spreading throughout the entire value chain: laboratories, competitors**



**of niche players and industrial subcontractors.** For investors, the question is no longer whether this therapy will prevail, but how the profits will be distributed.

**The therapeutic revolution represented by the fight against obesity is becoming increasingly well understood.** As a reminder, the GLP-1 class is based on a hormone naturally produced by the intestine, Glucagon-Like Peptide-1, which helps the body regulate blood sugar levels and send a signal of satiety to the brain after meals. By mimicking this hormone, drugs known as "GLP-1 agonists" slow gastric emptying, reduce appetite and improve blood sugar control. In this way, they enable much greater weight loss than therapies prescribed in the past, with a positive impact on obesity-related comorbidities (diabetes, cardiovascular risks, certain forms of cancer). **This market is booming, doubling every two to three years** (see Fig. 2). **And since good news never comes alone, drugs to combat obesity are being adopted all over the world** (see Fig. 3).

Fig. 2 – Global market for GLP-1 agonists

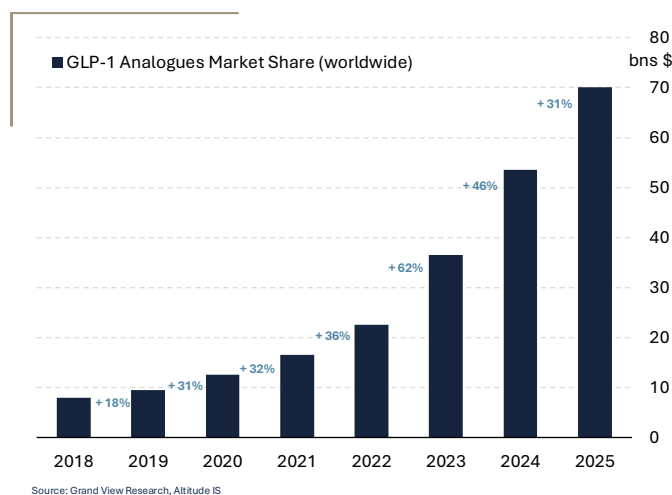
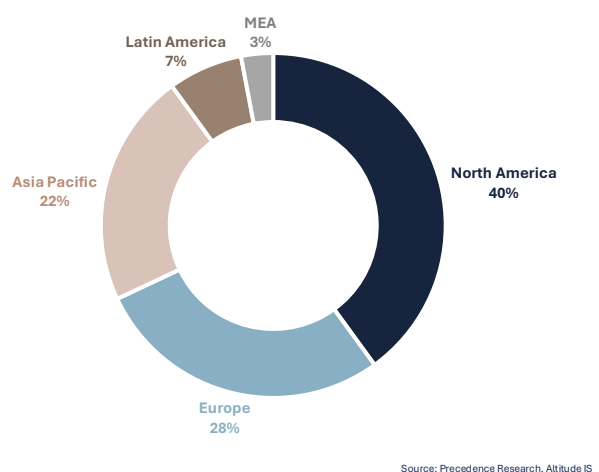


Fig. 3 – Breakdown by geographical area



**The next step is to make pharmacology more complex.** "Multi-agonists" seek to target several receptors simultaneously (GLP-1, GIP, or glucagon) in order to increase weight loss. At the same time, laboratories are developing oral medications to simplify administration. Weekly subcutaneous injections can sometimes be a barrier to medication, at least for some patients. These technical developments may seem anecdotal, but they will be decisive in determining the market shares of pharmaceutical groups. **A daily tablet or a better-tolerated molecule will be the key to success in meeting much broader demand.**

**The market for obesity treatment is more difficult than it appears, even for the leaders.** At first glance, Eli Lilly and Novo Nordisk appear to have a duopoly. Everything points to strong growth in their profits. In recent years, sales of Mounjaro, Zepbound, Ozempic and Wegovy have transformed their income statements and propelled their market capitalisations to global mega-cap status. However, the day-to-day reality is more nuanced. Establishing a lasting presence in this market requires overcoming several obstacles:

- **The first challenge is scientific. To maintain their leadership, these two companies must continue to innovate.** However, developing a new GLP-1 agonist is not simply a matter of copying an existing formula. It involves striking a subtle balance between efficacy and tolerance. The faster the weight loss, the more likely gastrointestinal side effects (nausea, vomiting, diarrhoea) are to become problematic. The failure of certain drugs, promising on paper, is a reminder that the reality of



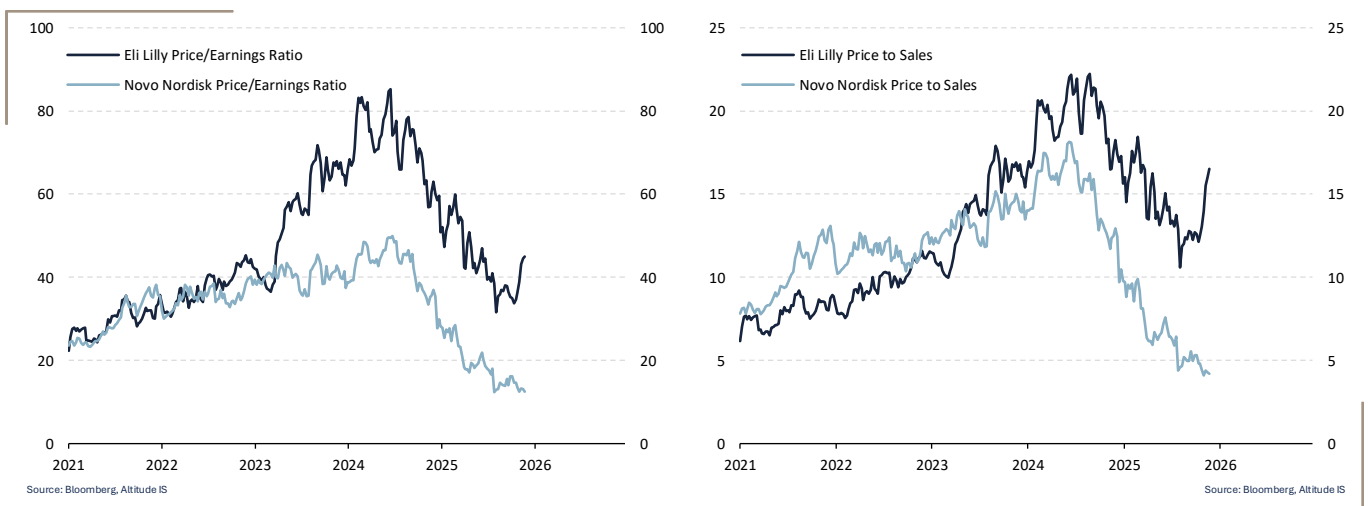
pharmaceuticals is complex. This is a very high barrier to entry for competitors, but it is also a challenge for the historic duopoly.

- **The second challenge is industrial.** GLP-1 analogues are complex peptides to manufacture. They require specific synthesis steps, followed by sterile filling and packaging of the injection pens. Due to insufficient capacity, the first few years of marketing were regularly marked by shortages. To address this issue, the leaders are investing heavily in their factories and are no longer hesitating to take direct control of subcontractors' sites. The acquisition of units specialising in sterile filling illustrates this desire to secure the production chain, from the raw molecule to the final ready-to-use product. Companies that fail to do so risk ending up with a full order book but shrinking profits.
- **The third challenge is commercial and regulatory.** As the market grows, health authorities are questioning the overall cost of these treatments, which amount to several thousand dollars or euros per person per year. In both the United States and Europe, the issue of reimbursement by public and private health systems has become central. Recently, these organisations have taken a tougher stance. They are seeking to negotiate more firmly, impose eligibility criteria and give priority to patients with significant metabolic risks.

**The euphoric phase**, when every announcement of a clinical trial sent Eli Lilly and Novo Nordisk shares soaring, **has given way to an environment where investors have become more cautious.** The development plans and prospects of the two industry leaders are being scrutinised closely. While the companies' share prices were rising in tandem, a shift occurred in 2024. **Prescriptions for Eli Lilly's Zepbound clearly surpassed those for Novo Nordisk's Wegovy in the United States.** For many patients, weight loss is faster and greater with Eli Lilly's multi-agonists than with Novo Nordisk's semaglutide. At the same time, the American company is reassuring investors about its industrial execution, announcing massive new investments in its factories and indicating that an oral version is in advanced development.

This was enough to gain the upper hand over Novo Nordisk, whose narrative was becoming less and less satisfactory. The pipeline for the next generation of drugs appears more difficult to read, with some programmes delayed or considered less differentiating. Investors began to doubt the Danish group's ability to maintain the same pace of growth as its American rival. With the company's valuation very demanding at the time, the slightest doubt about margins, capacity ramp-up or payer pressure on prices caused the stock to correct sharply and repeatedly.

Fig. 4 & 5 – Valuation of the two industry leaders





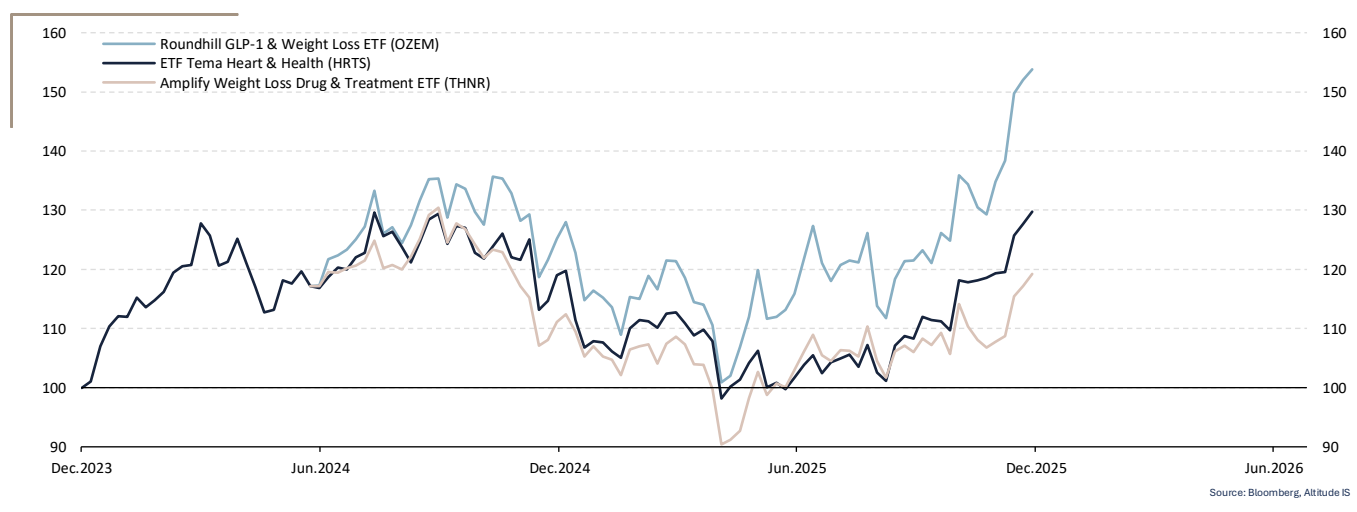
**This combination of consistently high expectations for Eli Lilly and successive disappointments for Novo Nordisk explains the decoupling of the two stocks from 2024 onwards** (see Chart of the Week). It also helps to understand why Novo Nordisk's valuation ratios ended up falling to levels that were unusually low for a growth stock (see Figs. 4 & 5). By comparison, Eli Lilly's valuation ratios may seem high, but they are not excessive given its earnings and sales growth.

**Competitors and subcontractors provide insight into the entire value chain.** Beyond the duopoly, the GLP-1 revolution has created a veritable stock market ecosystem, from research laboratories to manufacturing and packaging sites for injection pens.

- **Several major pharmaceutical groups are seeking to gain a foothold in this new market.** These include [Amgen](#), [AstraZeneca](#), [Roche](#), [Merck](#), [Regeneron](#), [AbbVie](#), and [Pfizer](#). Their competitive strategy is not necessarily to unseat the leaders, but to position themselves in specific segments. This can be done by manufacturing molecules that are better tolerated by patients who have had to abandon conventional treatments. Others are focusing on oral formulations for patients who refuse or are unable to opt for injections. The latter are working on programmes targeting related conditions (Alzheimer's disease, heart failure, kidney or liver disease). For these players, a few percentage points of market share would already represent several billions in additional revenue. The risk, however, is becoming locked into very costly R&D programmes without achieving sufficient differentiation to convince doctors and insurers.
- **Industrial subcontractors.** Working behind the scenes at internationally renowned laboratories, specialist subcontractors play a decisive role. These include companies such as [CordenPharma](#), [Catalent](#), [Samsung Biologics](#), and [Lonza](#). In the pharmaceutical industry, specialists refer to these companies as CDMOs (Contract Development & Manufacturing Organisations) because they develop and produce medicines on behalf of laboratories. As GLP-1s are particularly demanding in terms of peptide synthesis and sterile packaging capabilities, subcontractors with suitable production lines are able to sign long-term contracts with the two giants, sometimes even with advance financing. These smaller players can thus embark on multi-year investment plans to expand or modernise their production sites, thereby benefiting from greater visibility on their future revenues.

**For investors, these two groups of companies offer indirect exposure to the theme.** Although these companies are not primarily linked to the fight against obesity, their profits will be linked to the major trends in this innovative healthcare sector.

Fig. 6 – Thematic index funds focused on the fight against obesity





**In recent years, several ETFs dedicated to the fight against obesity and GLP-1 treatments have emerged.** The "Tema Heart & Health" (HRTS), "Roundhill GLP-1 & Weight Loss" (OZEM) and "Amplify Weight Loss Drug & Treatment" (THNR) index funds allow investors to access this theme without having to identify the winners and losers (see Fig. 6). They aggregate the major pharmaceutical companies most exposed to weight loss, specialised industrial subcontractors and, in some cases, companies linked to nutrition or obesity management.

### **Conclusion:**

The GLP-1 revolution has already delivered on its medical promise. It has changed the way obesity and diabetes are treated. The theme remains promising, as the therapeutic field that has been opened up is immense, but it is becoming more demanding. The initial euphoria has given way to selectivity, where the quality of execution now counts as much as the scientific promise.

Each group of companies will have to prove itself: leaders will have to industrialise their production to defend their advance, competitors will have to provide undeniable added value, and subcontractors will have to manage and cope with this unprecedented surge in demand.



## RETURN ON FINANCIAL ASSETS

Markets Performances (local currencies)	Last Price	Momentum Indicator (RSI)	1-Week (%)	1-Month (%)	2025 Year-to-Date (%)	2024 (%)	2023 (%)
<strong>Equities</strong>							
World (MSCI)	1 005.1	58.50	3.6%	0.0%	21.6%	18.0%	22.8%
USA (S&P 500)	6 849	58.90	3.7%	0.2%	17.8%	25.0%	26.3%
USA (Dow Jones)	47 716	59.26	3.2%	0.5%	13.9%	15.0%	16.2%
USA (Nasdaq)	23 366	56.50	4.9%	-1.4%	21.7%	29.6%	44.7%
Euro Area (DJ EuroStoxx)	597.9	55.50	2.9%	0.4%	22.2%	10.2%	19.5%
UK (FTSE 100)	9 721	57.28	1.9%	0.4%	23.0%	9.6%	7.7%
Switzerland (SMI)	12 834	65.49	1.6%	4.9%	14.2%	7.5%	7.1%
Japan (Nikkei)	50 254	54.77	3.3%	-4.1%	28.3%	21.3%	31.0%
Emerging (MSCI)	1 367	47.81	2.5%	-2.4%	30.4%	8.0%	10.2%
Brasil (IBOVESPA)	159 072	74.92	2.8%	6.4%	32.2%	10.4%	22.3%
Mexico (IPC)	63 597	58.33	3.0%	1.8%	32.8%	11.0%	22.4%
India (SENSEX)	85 707	64.15	0.6%	2.2%	11.1%	9.6%	20.5%
China (CSI)	4 527	44.71	1.6%	-2.4%	18.2%	18.2%	-9.1%
Com. Services (MSCI World)	166.1	63.72	4.7%	3.3%	34.4%	31.9%	38.1%
Cons. Discretionary (MSCI World)	455.0	52.60	4.4%	-2.1%	9.1%	20.7%	29.5%
Cons. Staples (MSCI World)	294.0	62.05	1.5%	3.6%	10.4%	4.7%	3.2%
Energy (MSCI World)	265.5	56.86	1.2%	2.7%	14.9%	2.9%	6.0%
Financials (MSCI World)	217.2	60.56	3.3%	2.1%	24.2%	25.1%	16.4%
Health Care (MSCI World)	399.2	75.13	2.0%	7.9%	16.4%	1.5%	4.1%
Industrials (MSCI World)	457.8	53.31	3.2%	-1.7%	23.5%	12.8%	22.6%
Info. Tech. (MSCI World)	959.4	50.83	4.5%	-4.8%	25.6%	31.9%	51.5%
Materials (MSCI World)	378.6	62.89	5.3%	3.8%	26.7%	-7.6%	12.9%
Real Estate (MSCI World)	1 005	56.73	1.9%	1.4%	5.6%	-0.4%	5.3%
Utilities (MSCI World)	199.5	61.80	2.5%	2.1%	28.2%	13.0%	1.6%
<strong>Bonds (Bloomberg)</strong>							
World (Aggregate)	3.44%	56.84	0.7%	0.2%	7.9%	-1.7%	5.7%
USA (Sovereign)	3.83%	60.90	0.3%	0.6%	6.7%	0.6%	4.1%
Euro Area (Sovereign)	2.82%	55.81	0.3%	0.0%	1.2%	1.9%	7.1%
Germany (Sovereign)	2.46%	45.98	0.0%	-0.3%	-0.8%	0.6%	5.6%
UK (Sovereign)	4.41%	58.63	0.7%	0.1%	5.9%	-3.0%	5.6%
Switzerland (Sovereign)	0.39%	48.22	-0.1%	-0.2%	1.4%	5.4%	7.9%
Japan (Sovereign)	1.57%	34.99	-0.1%	-0.8%	-3.1%	-2.1%	0.9%
Emerging (Sovereign)	5.93%	70.44	0.3%	0.4%	12.5%	7.0%	11.0%
USA (IG Corp.)	4.76%	61.83	0.4%	0.7%	8.0%	2.1%	8.5%
Euro Area (IG Corp.)	3.14%	55.00	0.1%	-0.2%	3.2%	4.7%	8.2%
Emerging (IG Corp.)	6.12%	57.09	0.0%	0.0%	7.6%	7.0%	6.7%
USA (HY Corp.)	6.57%	70.01	0.6%	0.6%	8.0%	8.2%	13.4%
Euro Area (HY Corp.)	5.47%	63.58	0.3%	0.1%	4.9%	8.2%	12.1%
Emerging (HY Corp.)	7.41%	69.33	0.2%	0.5%	12.5%	14.9%	13.1%
World (Convertibles)	537.5	53.82	3.8%	-1.9%	22.1%	9.4%	12.3%
USA (Convertibles)	708.8	53.63	4.6%	-2.4%	18.4%	10.1%	14.6%
Euro Area (Convertibles)	288.4	50.45	0.6%	-0.4%	23.9%	14.7%	7.3%
Switzerland (Convertibles)	279.4	60.48	0.7%	0.4%	16.0%	-10.5%	5.8%
Japan (Convertibles)	256.3	58.49	1.8%	-0.2%	13.1%	6.4%	7.6%
<strong>Hedge Funds (Bloomberg)</strong>							
Hedge Funds Industry	1 786	90.56	n.a.	0.9%	10.9%	11.1%	7.8%
Macro	1 440	80.70	n.a.	1.1%	7.3%	7.4%	1.6%
Equity Long Only	2 444	82.54	n.a.	1.0%	10.6%	12.0%	15.9%
Equity Long/Short	1 927	90.28	n.a.	1.0%	14.9%	14.0%	7.7%
Event Driven	1 873	88.47	n.a.	0.2%	8.6%	8.7%	7.3%
Fundamental Equity Mkt Neutral	1 836	96.68	n.a.	1.3%	11.1%	12.4%	6.6%
Quantitative Equity Mkt Neutral	1 783	86.48	n.a.	0.5%	7.1%	9.8%	7.8%
Credit	1 702	98.71	n.a.	0.6%	6.6%	8.5%	8.1%
Credit Long/Short	1 723	100.00	n.a.	0.7%	5.8%	10.0%	11.2%
Commodity	1 995	94.50	n.a.	1.2%	11.5%	14.7%	7.3%
Commodity Trading Advisors	1 382	65.65	n.a.	0.9%	3.0%	7.9%	-3.6%
<strong>Volatility</strong>							
VIX	16.35	41.88	-30.2%	-6.3%	-5.8%	39.4%	-42.5%
VSTOXX	17.12	42.84	-30.3%	-3.9%	0.7%	25.3%	-35.0%
<strong>Commodities</strong>							
Commodities (CRB)	533.8	n.a.	0.7%	-1.4%	-0.5%	5.1%	-8.0%
Gold (Troy Ounce)	4 239	n.a.	4.3%	7.3%	61.5%	27.2%	13.1%
Silver (Troy Ounce)	56.50	n.a.	13.0%	20.1%	95.5%	21.5%	-0.7%
Oil (WTI, Barrel)	58.65	n.a.	0.6%	-5.9%	-18.2%	0.1%	-10.7%
Oil (Brent, Barrel)	64.35	n.a.	3.2%	0.4%	-13.2%	-4.6%	-4.5%
<strong>Currencies (vs USD)</strong>							
USD (Dollar Index)	99.46	49.25	-0.7%	0.8%	-8.3%	7.1%	-2.1%
EUR	1.1601	53.03	0.8%	0.6%	12.0%	-6.2%	3.1%
JPY	156.20	39.13	0.1%	-1.4%	0.6%	-10.3%	-7.0%
GBP	1.3239	54.58	1.1%	0.7%	5.8%	-1.7%	5.4%
AUD	0.6545	55.76	1.4%	0.0%	5.8%	-9.2%	0.0%
CAD	1.3979	57.35	0.9%	0.2%	2.9%	-7.9%	2.3%
CHF	0.8039	47.32	0.5%	0.1%	12.9%	-7.3%	9.9%
CNY	7.0745	69.09	0.4%	0.3%	3.2%	-2.7%	-2.8%
MXN	18.296	57.74	1.0%	0.7%	13.8%	-18.5%	14.9%
EM (Emerging Index)	1 834.5	47.24	0.5%	-0.4%	6.2%	-0.7%	4.8%
XBT	91 457	n.a.	5.1%	-16.4%	-2.4%	120.5%	157.0%

Source: Bloomberg, Altitude Investment Solutions

Total Return by asset class (Negative \ Positive Performance)





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