# Novo Nordisk ousts CEO amid share price plunge and Eli Lilly competition



Novo Nordisk, a leader in the burgeoning obesity treatment market, has recently seen a significant upheaval in its leadership. Lars Fruergaard Jørgensen has been ousted as CEO amid a sharp decline in the company's share price and increased competition from rival Eli Lilly. The Danish pharmaceutical giant is renowned for its weight loss drug Wegovy and the diabetes medication Ozempic; however, the landscape has shifted dramatically in recent months as competitors arise, most notably with Eli Lilly's Mounjaro (known as Zepbound in the UK) gaining significant traction.

According to reports, following pressure from the Novo Nordisk Foundation, which holds a dominant position in the company’s voting rights, the board removed Jørgensen, who expressed surprise at the sudden dismissal. His tenure, marked by considerable achievements since 2017—including tripling the company’s sales and profits—has increasingly come under scrutiny due to recent market challenges and the underperformance of new product launches. In a striking show of confidence, analysts at JP Morgan noted that the leadership change could signal decisive action from the foundation, aimed at stabilising the firm during this turbulent period.

The escalating competition within the weight-loss drug market has been monumental. Eli Lilly’s Mounjaro has reportedly outperformed Wegovy in effectiveness, with clinical studies indicating greater average weight loss among users. Research published in JAMA Internal Medicine revealed that Mounjaro patients lost an average of 15.3% of their body weight over a year, compared to just 8.3% for Ozempic users. This pivotal shift highlights the mounting threat Eli Lilly poses, as it has also seen faster adoption rates in the U.S. market, surpassing Wegovy prescriptions for the first time in March.

Novo Nordisk’s struggles are further compounded by a damaging drop in its stock value—over 50% since mid-2024. The company temporarily held the title of Europe’s most valuable publicly listed firm but has since seen its market capitalisation diminish from approximately £460 billion to around £166 billion. Such a decline in investor confidence coincided with disappointing trial results for some of Novo’s promising new weight-loss medications, which have failed to meet market expectations, leaving analysts questioning the firm’s strategic direction.

The circumstances surrounding Jørgensen’s exit reflect deeper issues within Novo Nordisk’s operations, including its response to competitive pressure and the effectiveness of its product pipeline. With an increase in the availability of lower-cost alternatives from compound pharmacies, the firm has faced additional challenges, although these substitutes are now set for discontinuation due to regulatory changes by the U.S. FDA.

The shake-up in leadership and accompanying strategic review may be a prelude to a significant shift in how Novo Nordisk approaches the increasingly crowded obesity treatment market. As the search for a new CEO begins, the implications of this leadership change resonate throughout the industry, prompting many to ponder what the future holds for a company once seen as the gold standard in obesity and diabetes medications. Observers will be keenly watching how the Novo Nordisk Foundation manages this transition to restore confidence among investors and reposition the company for future growth amid fierce competition.

**Reference Map**

1. Paragraph 1: 1, 4, 5
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## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-14720813/Ozempic-boss-axed-battle-fat-jabs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/sustainability/boards-policy-regulation/insulin-ozempic-history-novo-nordisks-ceos-2025-05-16/> - This article discusses the history of Novo Nordisk's CEOs, focusing on the recent departure of CEO Lars Fruergaard Jørgensen amid rising competition in the obesity drug market. It highlights key milestones in the company's development, including the launch of the NovoPen in 1985 and the introduction of GLP-1 drugs. The piece also touches upon the challenges faced during Jørgensen's tenure, such as disappointing trial results for next-generation obesity drugs and the success of Eli Lilly's Zepbound product, leading to concerns about Novo Nordisk's market position.
3. <https://www.reuters.com/business/healthcare-pharmaceuticals/view-wegovy-maker-novo-nordisk-ousts-ceo-competition-obesity-drug-market-heats-2025-05-16/> - This article reports on the sudden departure of Novo Nordisk CEO Lars Fruergaard Jørgensen amid growing concerns over the company's diminishing competitive edge in the weight-loss drug market, particularly against U.S. rival Eli Lilly. Analysts note that Jørgensen's exit, after eight years of leadership, marks an unprecedented move in the company’s history and reflects deeper strategic challenges. While Novo pioneered obesity treatments with its drug Wegovy, it has recently struggled with regulatory issues, communication strategy, and slower R&D progress, especially in contrast to Lilly's aggressive market expansion.
4. <https://apnews.com/article/f725a97267e34781ea8dfafa3f82ae5c> - This article covers the resignation of Lars Fruergaard Jørgensen, CEO of Danish pharmaceutical giant Novo Nordisk, following a sharp decline in the firm’s share price and downgraded financial forecasts. The company, renowned for its blockbuster weight loss drug Wegovy and diabetes treatment Ozempic, both containing the active ingredient semaglutide, saw its stock drop over 50% since mid-2024. The drop in Wegovy sales was largely attributed to cheaper imitation drugs offered by compounding pharmacies during a shortage of the original medication. However, the U.S. FDA has indicated that shortages have since eased, and these replicas must soon be discontinued. Additionally, a recent study funded by competitor Eli Lilly found that their weight loss drug Zepbound outperformed Wegovy, further impacting Novo Nordisk’s market confidence. Despite the downturn, the company acknowledged Jørgensen's significant contributions during his tenure and stated he would remain temporarily to ensure a smooth leadership transition. Jørgensen, with Novo Nordisk since 1991, has served as CEO for eight years.
5. <https://www.ft.com/content/2d26130e-0a70-4e4e-89ad-9697b0eb7a42> - This article discusses Novo Nordisk's decision to remove CEO Lars Fruergaard Jørgensen amid declining profits, reduced market share, and a significant drop in stock value—over 50% in the past year. Once Europe's largest listed company, the Danish pharmaceutical giant is losing ground to competitor Eli Lilly, particularly in the obesity and diabetes drug markets. Investor confidence waned following disappointing clinical trial results for next-generation treatments, especially the underperformance of CagriSema. The situation is further complicated by a surge in cheaper replica drugs in the U.S. sold by compounding pharmacies, despite a recent ban on most of these alternatives. Novo Nordisk cut its 2025 sales and profit forecasts, prompting its board and Jørgensen to mutually agree on a leadership change. Though Jørgensen expressed surprise at the decision, he maintained pride in his tenure, during which the company's stock tripled. The search for a new CEO is underway, and the transition will be managed to ensure continuity. The Novo Nordisk Foundation is increasing its board involvement as the company attempts to regain stability and market confidence. Shares fell 4.4% following the announcement.
6. <https://www.reuters.com/business/healthcare-pharmaceuticals/novo-nordisk-ceo-step-down-2025-05-16/> - This article reports on Novo Nordisk's announcement of the departure of CEO Lars Fruergaard Jørgensen amid concerns about losing its competitive edge in the burgeoning obesity drug market. Despite achieving significant success under Jørgensen's leadership since 2017—making Novo Nordisk Europe's most valuable publicly listed firm—the company has recently faced challenges. Its stock has dropped 32% year-to-date and 59% from its June 2024 peak, pressured by strong competition from U.S. rival Eli Lilly's Zepbound treatment. Investor disappointment with Novo’s drug pipeline further contributed to the leadership change. Jørgensen will stay on until a successor is named. Former CEO and current Novo Nordisk Foundation chair Lars Rebien Sorensen will rejoin the company board as an observer, aiming for a board seat at the next annual meeting. The board and foundation concluded that a CEO transition is in the best interest of the company and shareholders. The foundation retains control through 77% of voting shares. Novo Nordisk's share price dropped 3% after the announcement.
7. <https://www.benzinga.com/markets/equities/24/07/39680165/eli-lillys-mounjaro-outpaces-novo-nordisks-ozempic-in-weight-loss-effectiveness-study-shows> - This article reports on a study published in JAMA Internal Medicine, which found that patients on Eli Lilly’s Mounjaro (tirzepatide) lost more weight than those on Novo Nordisk’s Ozempic (semaglutide). The study analyzed electronic health records of approximately 41,000 obese or overweight patients prescribed these drugs. It revealed that Mounjaro users experienced a mean loss in body weight of 5.9% at three months, compared to 3.6% for Ozempic users. At six months, the mean loss was 10.1% for Mounjaro users versus 5.8% for Ozempic users. At 12 months, the mean body weight loss was 15.3% for Mounjaro users and 8.3% for Ozempic users. The risk of gastrointestinal adverse events was similar for both drugs.