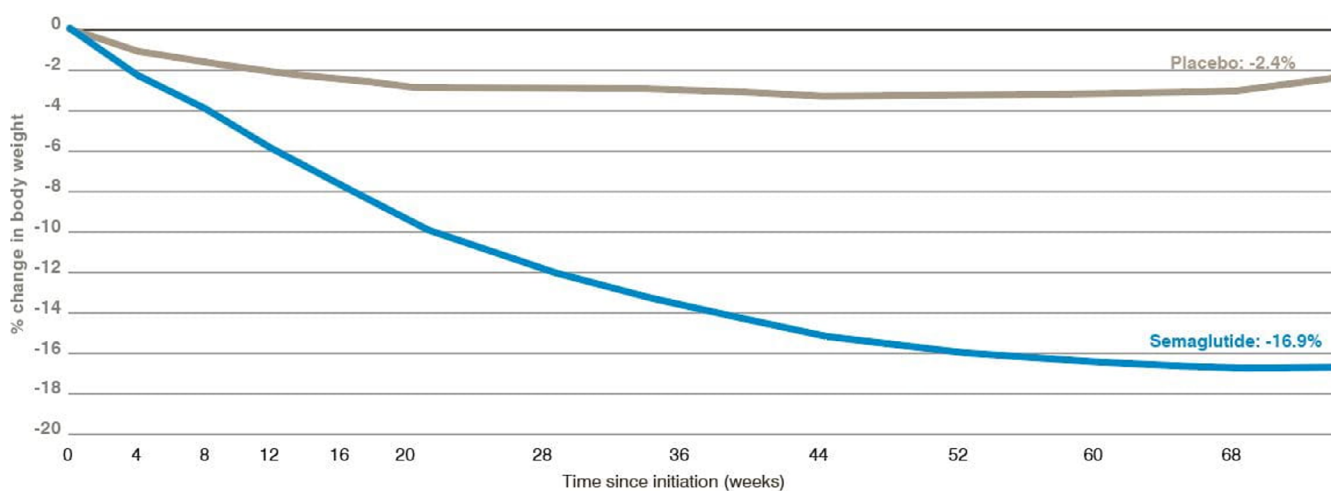


GLP-1s have seemingly emerged rapidly over the past five years. Initial research and development began in 1986, focusing on potential treatments for Type 2 Diabetes. However, there was little fanfare or excitement until 2005, when the first GLP-1 received FDA approval.

GLP-1 stands for Glucagon Like Peptide-1, a synthetic Glucagon which slows the release of glucose into the bloodstream, in turn slowing the emptying of the stomach. This deceleration in digestion results in prolonged satiety, ultimately leading to a decline in body fat over time. From a diabetes standpoint, it was the controlled glucose management that turned the drug into a Type 2 blockbuster, with weight management as an added bonus. Besides the obvious health benefits of weight loss, there are also proven benefits such as better blood sugar control and a reduced risk of cardiovascular disease.



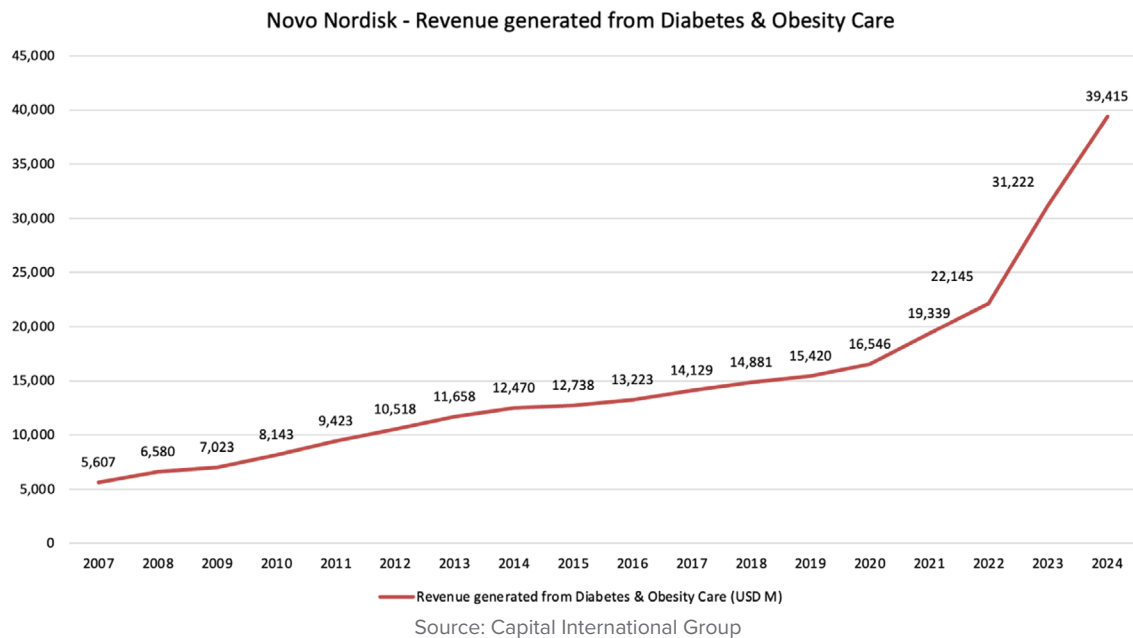
Source: Novo Nordisk

The discovery of these drugs was initially seen as a breakthrough for Diabetes, with several drugs approved for treatment. However, as time went on and the popularity of the drugs grew, they were approved for other conditions, such as general weight loss, opening the drugs to a much wider market.

Obesity is a significant problem for the global economy. Since 1990, obesity levels in adults have doubled, and adolescent obesity has quadrupled. According to the World Health Organization (WHO), in 2022, 43% of adults aged 18 years and over were categorised as overweight, the precursor to obese status. With increasing obesity levels comes increased spending on health-related expenses. It is predicted that by 2035, if current trends prevail, the global economic impact of overweight and obesity will reach \$4.3 trillion annually, equating to almost 3% of global GDP.

Novo Nordisk and Eli Lilly have been dominant forces in the GLP-1 space for the last decade. Eli Lilly had the first-mover advantage with the first FDA approved GLP-1 in 2005. This was only approved and used for Diabetes, not weight loss, and needed to be injected twice daily due to the short half-life of the drug. Novo Nordisk entered the market with the world's first once-daily injectable GLP-1 with a half-life five times longer than the next option.

In 2017, Novo Nordisk released its blockbuster drug Ozempic to treat Type 2 Diabetes. This once -weekly injection was possible due to the longer half life of 160 hours (7 days), meaning it stays active in the bloodstream far longer and reduced the need for more frequent dosing. This was closely following by Eli Lilly’s introduction of Mounjaro in 2022. Both of these newer GLP-1’s had the right balance of optimal results, maximum efficacy, and reduced the number of required dosages leading to them becoming global phenomena.



In the relatively short amount time they have been available, the GLP-1 market has transformed the companies that produce them into essential pharmaceutical powerhouses.

The global GLP-1 market was valued at USD49.3billion in 2024, with Novo Nordisk holding a majority of approximately 54%. UBS reported in their UBS Evidence Lab Survey that they expect the market to grow to \$126bn in 2029, representing an impressive CAGR of 30% between 2023 and 2029.

The next step for the sector is to develop and gain approval for an oral GLP-1 solution with the same efficacy as the injectables whilst maintaining minimal side effects. Currently, there is only one FDA approved oral GLP-1, Novo Nordisk’s Rybelsus. This has only been approved for Type 2 Diabetes, not weight loss, which could potentially be the next breakthrough for the medicine. As of December 2024, there were 63 oral GLP-1 drugs in active development, with four in phase 3 trials. This highlights that although there has been a lot of success in the segment, there is still a large and profitable gap in the market for an oral substitute.

**Written by Shane De La Haye**, Portfolio Manager - Capital International (Jersey) Limited

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