Obesity Interest Sparks Dealmaking Activity

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LUCY HAGGERTY, Analyst, Pharma Deals, IQVIA
TASKIN AHMED, Associate Director, Pharma Deals, IQVIA
SHIKHA KASHYAP, Manager, IQVIA Analytics Link/Pharma

In recent years, obesity has become increasingly more prominent in dealmaking within the life sciences sector, as drugmakers race to gain a share of the lucrative market. Despite a handful of blockbuster drugs already available, a significant unmet medical need remains which is fueling companies to discover and develop new, next-generation obesity medicines. Notably, there was a marked increase in partnering deal volume involving obesity candidates in 2024, with novel therapeutic modalities and treatment approaches driving several high-profile deals.

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Introduction

Recent technological advances in the obesity space have unveiled new drug targets and mechanisms of action which has led to several weight loss assets successfully reaching the clinic as well as a number of notable regulatory breakthroughs for the field. Leading the way are two marketed drugs — Novo Nordisk's Ozempic/Wegovy (semaglutide) and Eli Lilly's Mounjaro/Zepbound (tirzepatide) — which are both glucagon-like peptide-1 (GLP-1) receptor agonists and have demonstrated transformative potential to treat both diabetes and obesity. These blockbuster drugs recorded significant revenue growth in 2023 and 2024, with sales forecasted to continue to rise in coming years.

The emergence of GLP-1 drugs has sparked interest in the obesity field, with key players looking to develop next-generation therapies that can outcompete existing treatments and in turn gain their own share of the huge commercial opportunity. Existing medicines currently come with several setbacks, including injection administration, high costs and gastrointestinal (GI) side effects such as nausea and vomiting. Therefore, companies are focused on developing alternative weight-loss therapies with greater efficacy and ease of administration like long-acting injectables or oral pills, such as Lilly's orforglipron, a once-daily oral nonpeptide GLP-1 receptor agonist currently in Phase III development. Branching out beyond the well-trodden GLP-1 space, companies are also exploring candidates which are dual/multi-targeted or even targeted against alternative receptors. Examples include Roche's CT-388, a GLP-1/GIP receptor dual agonist, and Novo Nordisk's cagrilintide, a long-acting amylin analog.

Obesity dealmaking trends

Following this surge in interest, it is unsurprising that life science companies have turned to dealmaking to gain access to new anti-obesity therapies. Flush with cash from its successful diabetes and weight loss franchise, Novo Nordisk has largely dominated the dealmaking landscape, signing 17 obesity-focused deals between 2020 and Q1 2025 (Table 1). Its main competitor, Lilly, has also been prominent in the space, announcing 7 deals during the same period, with other key players such as AstraZeneca, Roche and Pfizer also signing multiple deals as a way to enter the lucrative market.

Table 1: Number of obesity deals* announced by major pharma companies, 2020 — Q1 2025

COMPANY**	DEAL NUMBER
Novo Nordisk	17
Eli Lilly	7
AstraZeneca	3
Roche	2
Pfizer	2

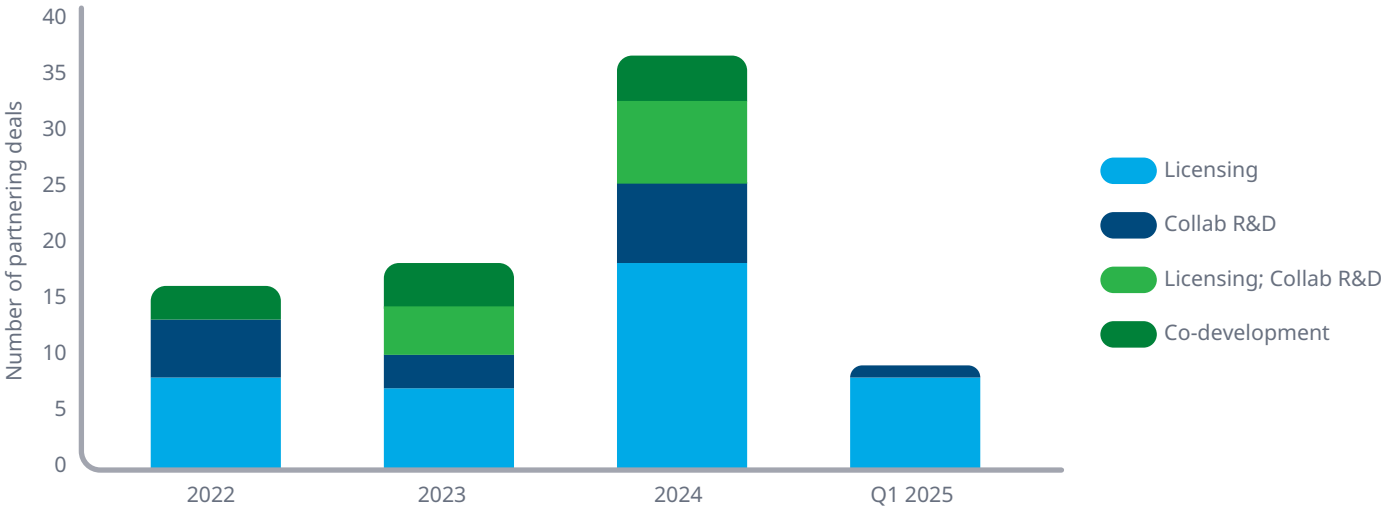
* All deals excluding funding focused on an obesity asset(s);
** When the company is the partnering company (pays to gain access to product).

Source: IQVIA™ Pharma Deals.

Between 2022 and Q1 2025, there were only 7 merger and acquisition (M&A) deals announced by life sciences companies that were primarily driven by an obesity asset in preclinical or early clinical stage development. This is relatively low in comparison to total deal volumes, as despite its rapid growth, the market remains in its infancy. However, there was somewhat of an uptick seen in M&A deals in 2023 when Novo Nordisk's Wegovy (semaglutide) and Lilly's Zepbound (tirzepatide) were starting to gain significant traction. Notable M&A obesity deals in 2023 include Roche's US$3.1 billion purchase of Carmot Therapeutics and its R&D portfolio of clinical stage incretins as well as Novo Nordisk's purchase of both Embark Biotech and Inversago Pharma to gain access to their leading metabolic early-stage programs. The latter deal saw Novo Nordisk hand over up to US$1.075 billion for Inversago's CB1 receptor-based therapies for the potential treatment of obesity, diabetes and complications associated with metabolic disorders.

In terms of obesity deal flow, pharma companies are instead showing preference for heavily backloaded partnering deals with innovative companies, often relying on them to carry out the initial stages of development, and only taking over once the asset has been sufficiently de-risked. Figure 1 shows the number of partnering deals involving obesity assets announced between 2022 and Q1 2025. Obesity partnering deal volume doubled in 2024, with 36 deals signed compared to only 18 in 2023.

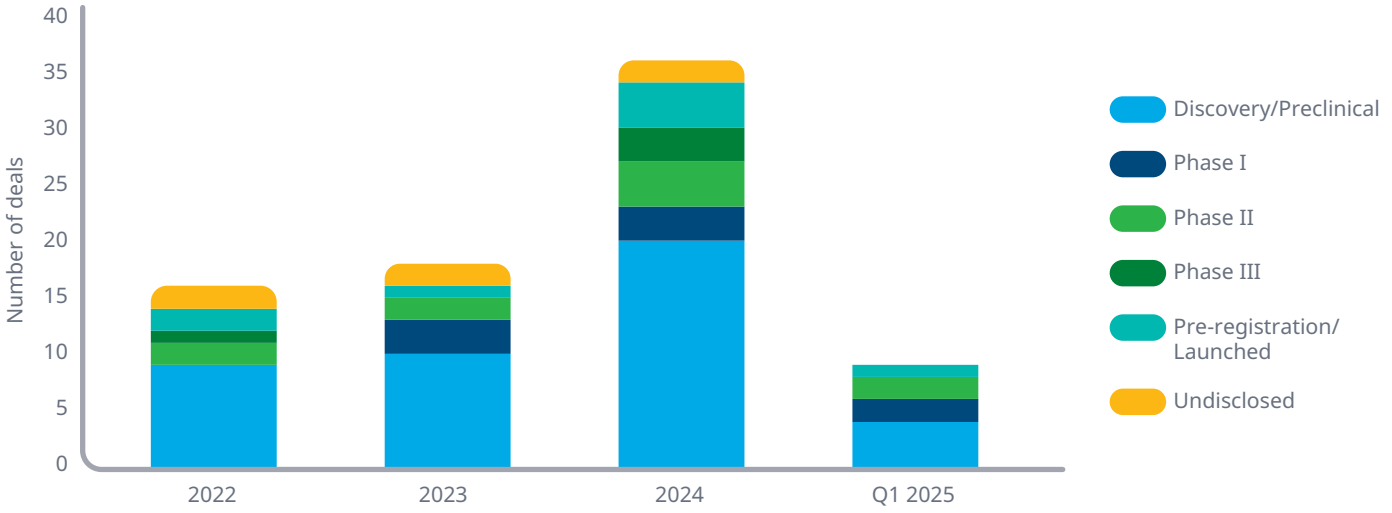
Figure 1: Number of obesity partnering* deals, 2022 — Q1 2025



* **Licensing**: licensing of the rights to a product, technology or patent(s) in return for a license fee; **Collab R&D**: two (or more) companies working together in discovery/preclinical/IND research; **Co-development**: two (or more) companies working together to develop a product in clinical stage.

Source: IQVIA™ Pharma Deals.

Figure 2: Number of obesity partnering deals by development phase, 2022 — Q1 2025



Source: IQVIA™ Pharma Deals.

Licensing deals experienced the biggest jump, with 18 agreements announced in 2024 compared to 7 in 2023. The majority of partnering deals in 2024 were driven by assets in the discovery and early clinical stage of development as companies looked to access new and upcoming therapeutic modalities (Figure 2). There was also a notable uptick in partnerships involving obesity drugs in Phase III, pre-registration and launched phases as these assets carried less developmental risk.

Key partnering deals

Table 2 shows a selection of notable high-valued partnering deals focused on obesity products announced between 2023 and Q1 2025. As licensing and collaborative deals have been included in the analysis, the total deal value is unlikely to be wholly realized in most cases, which is dependent on achieving specified development and clinical milestones. As such, any publicly disclosed upfront payments are shown as they offer a much better gauge of deal terms.

The largest partnering deal by upfront payment driven by an obesity drug so far is Roche's recent agreement with Zealand Pharma to co-develop and co-commercialize petrelintide, Zealand's long-acting amylin analog suitable for once-weekly subcutaneous administration. The deal, which involved a staggering US$1.65 billion upfront payment, will see the companies develop the drug as a standalone therapy as well as a fixed-dose combination with Roche's lead incretin asset CT-388. Similarly investing in amylin analogs, AbbVie paid Gubra US$350 million upfront and pledged up to US$1.875 billion more for the latter's GUB014295 (GUBamy), a Phase I potential best-in-class, long-acting amylin analog for the treatment of obesity.

The largest partnering deal focused on obesity products by value so far is Jiangsu Hengrui Pharma's US$6.01 billion licensing pact with US-based startup Kailera Therapeutics (then known as Hercules CM NewCo) announced in May 2024. Kailera in-licensed three GLP-1 obesity candidates from Hengrui in exchange for US$100 million in upfront, US$10 million in near-term payments and a 20% equity stake in Kailera. Hengrui is also eligible to receive up to US$200 million in clinical and regulatory milestone payments, and up to US$5.7 billion in sales milestone payments. Similarly looking to China to access obesity candidates, AstraZeneca paid Shanghai-based Eccogene US$185 million upfront and pledged up to US$1.825 billion more in milestones for ECC5004, an investigational oral once-daily GLP-1 receptor agonist for the treatment of obesity, type-2 diabetes and other cardiometabolic conditions. ECC5004 complements AstraZeneca's existing pipeline addressing both incretin and non-incretin pathways, including its GLP-1/glucagon dual agonist, AZD9550 and long-acting amylin analog, AZD6234.

Looking to diversify its obesity portfolio, in September 2024, Lilly signed a US$1 billion deal with Haya Therapeutics to apply the latter's advanced RNA-guided regulatory genome platform to support its preclinical drug discovery efforts. Haya's full-stack regulatory genome platform will be leveraged to identify, characterize and validate multiple novel long non-coding RNA (lncRNA) targets for the potential development of new treatments for obesity and related metabolic disorders. Also investing in innovative technologies for obesity drug development, Novo Nordisk partnered with Aspect Biosystems in a deal worth up to US$2.675 billion to develop bioprinted tissue therapeutics designed to replace, repair, or supplement biological functions inside the body with the aim of delivering a new class of disease-modifying treatments for diabetes and obesity.

Novo Nordisk has continued its obesity dealmaking spree in Q1 2025, announcing two US$1 billion+ deals in March in quick succession. The Danish pharma handed over US$200 million upfront to The United Laboratories for rights to UBT251, a triple agonist of the receptors for GLP-1, GIP, and glucagon in early-stage clinical development for the treatment of obesity, type 2 diabetes, and other diseases. A few days later, Novo Nordisk signed a US$1 billion pact with Lexicon for the latter's obesity candidate LX9851, a potent and selective oral small molecule inhibitor of Acyl-CoA Synthetase 5 (ACSL5) which is known to play a key role in the metabolic pathway which regulates fat accumulation and energy balance.

Table 2: Selected obesity partnering deals announced between 2023 and Q1 2025, ranked by total upfront payment

DATE ANNOUNCED	TOTAL DEAL VALUE (USD)	UPFRONT PAYMENT (USD)	COMPANIES	DEAL DRIVER
12th March 2025	$5.6 billion	$1.65 billion	Zealand Pharma, Roche	Petrelintide, Zealand Pharma's amylin analog
3rd March 2025	$2.225 billion	$350 million	Gubra, AbbVie	GUB014295, a long-acting amylin analog
24th March 2025	$2 billion	$200 million	The United Laboratories, Novo Nordisk	UBT251, a triple agonist of the receptors for GLP-1, GIP, and glucagon
9th November 2023	$2 billion	$185 million	Eccogene, AstraZeneca	ECC5004, an investigational oral once-daily glucagon-like peptide 1 receptor agonist (GLP-1RA)
16th May 2024	$6.01 billion	$100 million	Jiangsu Hengrui Pharma, Hercules CM NewCo	GLP product portfolio
28th March 2025	$1.005 billion	$45 million	Lexicon, Novo Nordisk	LX9851, a selective oral small molecule inhibitor of ACSL5
12th April 2023	$2.675 billion	Undisclosed	Aspect Biosystems, Novo Nordisk	Aspect's bioprinting technology for the development of bioprinted tissue therapeutics
4th September 2024	$1 billion	Undisclosed	Haya Therapeutics, Lilly	Haya's RNA-guided regulatory genome platform

Source: IQVIA™ Pharma Deals.

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Outlook

With recent innovation trends and technological breakthroughs, deal activity in the obesity space is expected to continue to grow in the coming years both in terms of volume and value. Given the significant unmet medical need, the market is forecasted to expand due to the increased prevalence of the disease and high demand for new weight-loss candidates. With 9 partnering deals already announced in Q1, R&D alliances focused on obesity assets are expected to remain upbeat in 2025 as companies look to partner with innovators to access next-generation therapies. If recent trends continue in 2025, the industry is on track to maintain the elevated level of deal activity seen in the obesity space during 2024. Current market leaders, Novo Nordisk and Lilly, are expected to continue to dominate the landscape. However, with several key players in the industry starting to heavily invest in the space as well as the emergence of attractive, alternative therapies, the lucrative market is expected to experience intense competition in the upcoming years.

Authors

LUCY HAGGERTY
Analyst,
Pharma Deals,
IQVIA

Lucy Haggerty is an Analyst in the IQVIA Pharma Deals team. She specialises in biopharma deals and alliances as well as company data research, analysis and forecasting. Lucy graduated from Imperial College London with a Master's degree in Chemistry with Medicinal Chemistry.

SHIKHA KASHYAP
Manager,
Analytics Link/Pharma Deals,
IQVIA

Shikha Kashyap is currently working as a Manager in the IQVIA Analytics Link and Pharma Deals team and has been associated with the company for the last 4.5 years. She has 11+ years of experience in Synthesis Market Research, Competitive Intelligence, Forecasting and Knowledge Management in the Pharma and Healthcare domain. Shikha holds an MBA degree from Amity University.

TASKIN AHMED
Associate Director,
Pharma Deals,
IQVIA

Taskin Ahmed has been working in the field of market research and healthcare business intelligence for over 10 years, previously at Intelligentsia and Thomson Reuters. During this time, he was responsible for research, analysis and development of biopharma industry focused reports, journals and databases. He has evolved his expertise in the pharmaceutical licensing deals and alliances area developing business relationships with pharmaceutical companies globally. Taskin holds an MBA from the University of Surrey Business School.

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