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NVO and LLY Q4/25 Earnings Recap + TrumpRX effect.

Q4/25 Novo Nordisk (NVO)

Going into Q4/25, Novo Nordisk's estimated EPS was 5.847, driven by continued GLP-1 demand (Ozempic/Wegovy). Investor sentiment, however, was cautious. Roughly one-third of revenue is tied to products facing patent expirations in FY2026–FY2027, and recent political pressure around drug pricing introduced risk into the quarter.

After the bell on February 3rd, NVO reported EPS of 6.060, a 3.30% upside surprise, reflecting better than expected margins despite rising manufacturing investment. Fundamentally, the quarter was not weak, but shares have been aggressively repriced. From a 52-week high of $93.80 (February last year), NVO traded a low of $43.08, down ~47% from its peak levels, closing February 5th off at $43.34. The stock is now down 33% in just five trading days. This was due significantly to Hims & Hers (HIMS) which proposed a knock-off weight loss pill, putting 20% of NVO's revenue at risk. HIMS has since stopped offering their weight loss pill after an FDA audit.

Q4/25 Eli Lilly (LLY)

Shares Held	Share Price	Position Value	Unrealized P/L
500	$1,014.54	$733,705	(-5.46%) -$40,064

Eli Lilly entered Q4/25 with an EPS consensus of 6.732, supported by accelerating GLP-1 volumes (Mounjaro/Zepbound), expanding gross sales (75 billion expectations to 83 billion reality), and diversifying GLP portfolio with 3.5B in investment. Unlike Novo, Lilly went into earnings with stronger sentiment and less patent risk.

Before the bell on February 4th, LLY reported EPS of 7.895, delivering an 11.99% earnings surprise. This validated Lilly's execution advantage, particularly around supply growth. The stock reacted accordingly, trading up more than 10% in the trading day as investors rotated aggressively toward perceived winners within the obesity and metabolic care space.

Shares reached a 52-week high of $1,133.95 in December, with a 52-week low of $623.78 in August. At a current price near $1,020, the stock is down only ~9% from all-time highs, outperforming the sector.

For the first time in 5 years, LLY raised their dividend to 0.56%, showing 15% growth.

TrumpRX effect

Sector worries increased sharply following DJT's announcement of TrumpRX.gov, proposed at lowering prescription drug costs

The initiative is specifically highlighting high-profile GLP-1 drugs, including NVO's Ozempic which will see price cuts from $1000 per month down to $350. This triggered fears of compressing the profit margins. NVO, LLY, and other large-cap pharma sold off aggressively on the risk of it prior to the launch.

Despite market reaction, officials are skeptical that TrumpRx materially changes the price. The platform's primary impact is uncertainty going into implementation details rather than immediate price cuts. Spending on GLP-1 prescription drugs has accounted for 9% of US healthcare spending in recent years, and has continued to rise Y/Y.

"This is the biggest thing ever to happen on drug prices… it's going to reduce the cost of health care because health care is probably 50 percent drugs right?" - DJT