Revelation Partners

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Beyond the Drug: Investment Opportunities in the Growing GLP-1 Market

GLP-1s have quickly become one of the most consequential drug classes in modern medicine. As investors, it's rare we get to witness the birth of a market this large, with tailwinds this strong—and still so much left to be built. Beyond the blockbuster drugs themselves, we see a wave of innovation building across the ecosystem, with many exciting opportunities to invest.

The State of the GLP-1 Market

Obesity has long been a global health crisis. Today, nearly 1 billion[1] people are classified as obese worldwide, and over 42%[2] of the U.S. population—more than 100 million individuals—meet that criteria, including roughly 10%[3] who are severely obese. Comorbidities like diabetes, cardiovascular disease, and sleep apnea exacerbate the medical and economic burden.

GLP-1 drugs have changed the conversation and are a breakthrough compared to previous obesity interventions. As of Q4 2024, the GLP-1 market was worth nearly $50B annualized globally, with the U.S. accounting for $35B (Figure 1). Eli Lilly's Mounjaro and Novo Nordisk's Wegovy—both injectable formulations—have dominated the market to date. Compounded versions of these drugs, which are custom-made formulations typically prepared by pharmacies when commercial versions are in short supply or unavailable, have captured some market share.

Looking ahead, we expect next-generation oral GLP-1 therapies, which both Lilly and Novo have in development, to increasingly drive market growth.

Growth is robust—60% YoY overall, and ~50% internationally, largely driven by Mounjaro's growth ex-US. This doesn't even account for off-label and compounded drug use, which Novo Nordisk[4] has acknowledged has negatively impacted results. Neither does it account for historical supply constraints, which both Novo and Lilly report to have eased, due to significant manufacturing capacity investments such as Novo's acquisition of Catalent, further clearing the path for growth.

Yet, penetration remains incredibly low—as of Q4 2024 ~0.5%[5] of the global obese population is currently being treated with branded anti-obesity GLP-1s. More mature markets have been the drivers of that adoption.

Figure 1. Novo Nordisk and Eli Lilly Financials as of Q1 2025

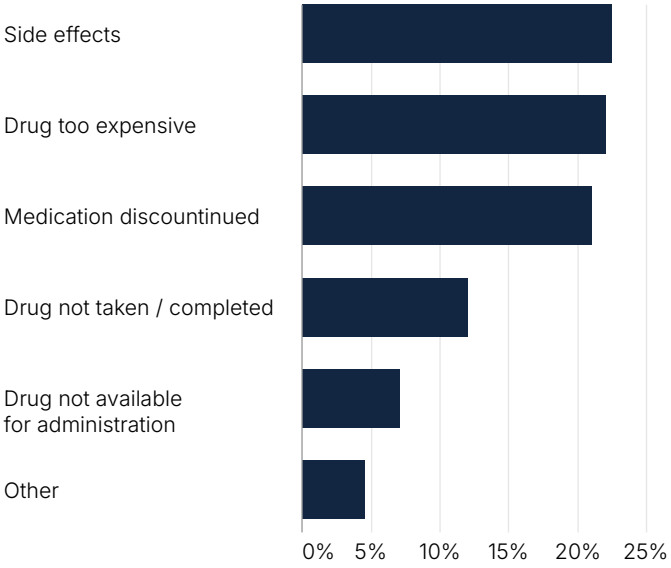
	Lily (GLP-1) Annualized Rev ($M)		Novo (GLP-1) Annualized Rev ($M)		Novo + Lilly Annualized Rev ($M)	
	Q4 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025
US	$8,151	$19,845	$13,481	$15,331	$21,633	$35,176
International	$1,145	$4,770	$7,508	$8,413	$8,653	$13,183
Total	**$9,296**	**$24,615**	**$20,989**	**$23,744**	**$30,285**	**$48,359**
US Growth		143%		14%		63%
International Growth		317%		12%		52%
Total Growth		**165%**		**13%**		**60%**

As more effective and convenient formulations come to market in the near term—such as once-weekly oral options like Lilly's orforglipron and combination therapies with fewer side effects—we expect adherence to improve and new patient segments to open up. On the policy front, the U.K.'s NHS[6] has begun reimbursing GLP-1s, and we envision other countries taking a similar stance given the benefits of the drugs, which will broaden access. All these factors set the stage for sustained long-term market growth.

Where New Value is Emerging: Opportunities in the Ecosystem

While much of the early value will accrue to drug manufacturers, we see compelling opportunity in the surrounding ecosystem. Major bottlenecks still exist in delivery, access, and affordability, creating friction that holds back broader adoption. And even after getting a hand on these drugs and the known positives, many patients discontinue, with key drivers including side effects[7]—in particular gastrointestinal—costs and age,[8] with seniors particularly vulnerable to quit treatment (Figure 2). Solving these challenges isn't just a nice-to-have—it's key to unlocking latent demand and improving health.

Figure 2. Proportion of Patients Without T2D Who had a Clinical Note for GLP-1 Discontinuation Within 365 Days



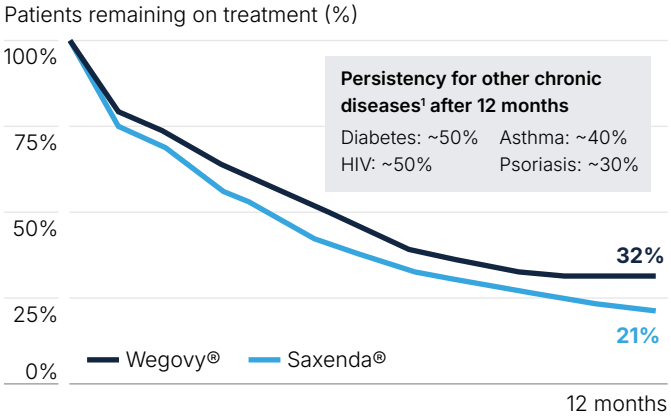
Source: JAMA Study, Truveta

1. Wraparound Services to Unlock the Full Potential of GLP-1s

GLP-1s aren't just weight-loss drugs. They address a range of health issues such as metabolic and cardiovascular disease, fertility challenges, sleep apnea (now approved for Medicare coverage), and more. These are all common obesity comorbidities—over 75%[9] of GLP-1 patients in the U.S. have at least one comorbidity; nearly half have two or more.

However, patients often fail to see these benefits as they discontinue use of the drug at a high rate, both on an absolute level, and relative to other chronic conditions (Figure 3).[10] Many patients struggle with side effects, leading to a high discontinuation rate despite clear efficacy. Proper titration, support, and drug selection can improve persistence, outcomes, and, ultimately, ROI for patients, payers and pharmaceutical companies.

Figure 3: Patient Persistency on Anti-Obesity Medication After 12 Months



Source: Novo Nordisk, Q4 2024 Earnings Call

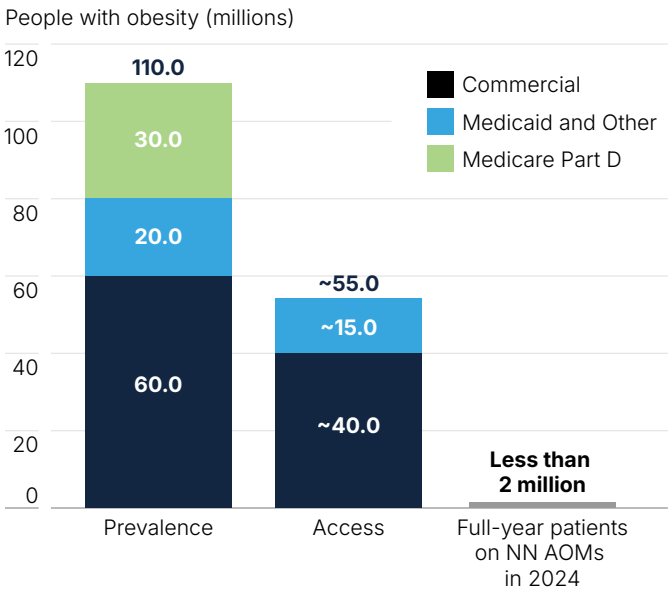
There's clear evidence that layering in coaching, nutritional counseling, regular check-ins, and fitness support meaningfully enhances the results from GLP-1s. For example, Omada Health data[11] shows that patients tapering off GLP-1s and utilizing Omada's [counseling] services maintained their weight loss over 16 weeks, while those not in the program regained 6–7% of their weight. We expect to see continued innovation that unlocks and improves these wraparound services.

2. Driving Access and Affordability to Improve Adoption

GLP-1s remain expensive even though on the surface, coverage, particularly commercial, appears broad.

Novo[12] estimates that of the ~110 million people with obesity in the U.S., ~55 million have insurance coverage for Wegovy, including 2/3 of the commercial population. Lilly[13] even cites 87% formulary access for Zepbound. However, the practical reality is one of more limited coverage. GoodRx[14] data shows relatively limited and restricted coverage (Figure 5), and conversations with employers and brokers consistently reinforce low coverage rates and accompanying restrictions like qualifying criteria, lifestyle changes or dollar maximum. The driver of these restrictions is clear: GLP-1s are now one of the top drivers of healthcare cost inflation—on par with entire categories like oncology.

Figure 4: ~55 million People have Wegovy® Coverage in the US



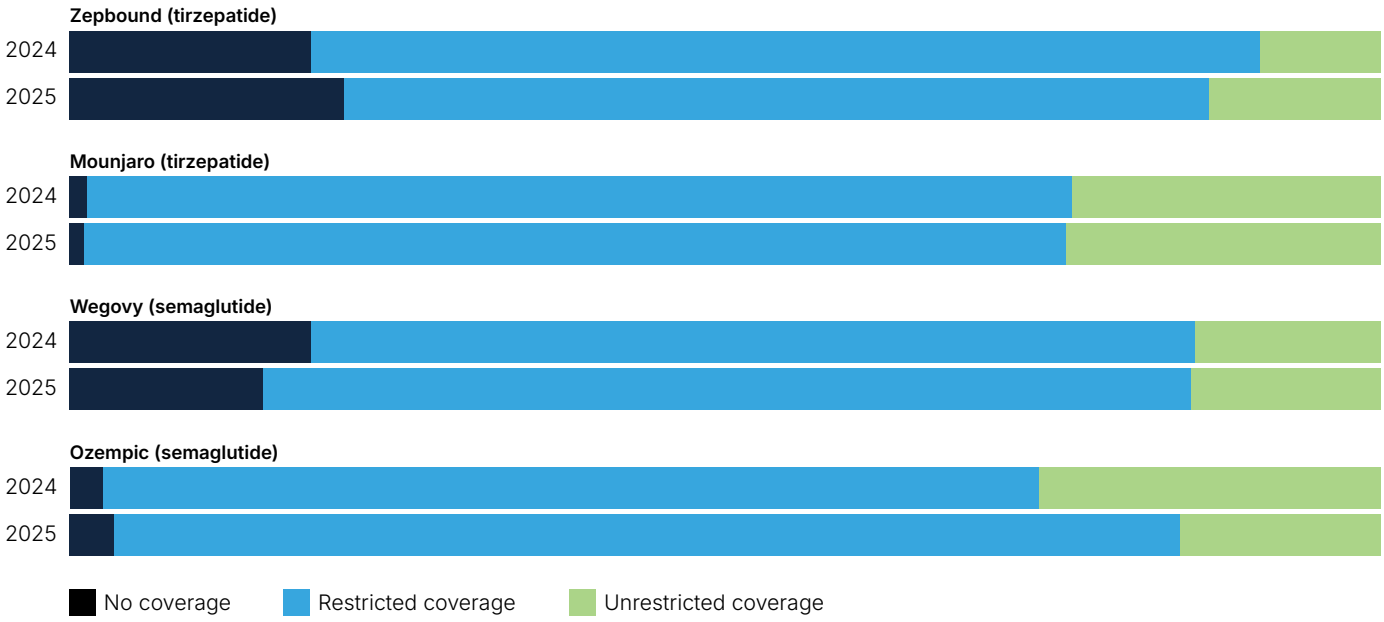
Source: Novo Nordisk, Q4 2024 Earnings Call

Consequently, cash pay remains a large part of the market, even in the US, with Novo[15] estimating ~80% of anti-obesity medication sales are out of pocket. Cash pay costs in the U.S. are significant, with most branded drugs costing nearly $10K annually.[16] This is prohibitive to the average consumer.

The senior population presents another key unlock. Despite high need, CMS[17] has opted not to cover anti-obesity GLP-1s under Medicare. The over 65 population also discontinues at significantly higher rates than other age groups. This population faces unique affordability and access hurdles yet could benefit enormously given the higher incidence of chronic conditions.

Finally, international markets represent a unique opportunity as they face additional challenges: slower regulatory approval, more limited payer coverage, and barriers like the absence of e-prescribing. Still, growth is accelerating as supply chains improve and awareness spreads.

Figure 5. Changes in Commercial Coverage for GIP and GLP-1 Agonists



Source: GoodRx. "Restricted coverage" means insurance coverage requires prior authorization or step therapy.

Business Models We're Watching

We see several interesting business models emerging around the issues of delivery, access, and affordability. And we are ideally looking for companies that combine several of these elements. Here are a few we are focused on:

1. Fullsome Wraparound and Clinical Services

These may take the form of obesity-focused solutions or be integrated into broader clinical models such as primary care. The best models are comprehensive—designed to help patients manage side effects, reinforce lifestyle changes, and improve persistence on therapy. Done right, these services can create win-win-win dynamics: better outcomes for patients, improved ROI for payers, and stronger adherence for pharma. They can be delivered across multiple segments, from employer-facing plans, payer-aligned networks to direct-to-consumer platforms.

Examples of companies building these types of services include: Flyte Health (Employer-focused), 9am Health (Employer-focused), Knownwell (Payer-driven), and Numan (Direct-to-consumer).

2. Tech-First or Tech-Enabled Solutions for Access

We're also watching companies building tech-enabled infrastructure to expand access and affordability. These platforms automate and streamline critical administrative steps and navigate the friction created by payers—like intake, prior authorization, and benefits verification—making it easier for patients to start and stay on therapy. These solutions are typically sold to employers or cash-pay prescribing platforms, but over time, we see potential for them to become essential partners to pharma as new GLP-1 products enter the market. Their ability to reduce friction, improve coverage and increase throughput could make them integral to access strategies going forward.

Examples of companies working in this area include GiftHealth, Phil, AssistRx, and Asembia.

3. Employer-Facing Solutions, Focused on Spend Management

We see opportunities for models that help employers meter utilization through step therapy and lifestyle programs, provide structured off-ramps for patients who no longer need the medication, or deliver comparable outcomes through lower-cost alternatives. For example, we are looking for opportunities that incorporate the use of existing anti-obesity medications in a clinically effective way, an opportunity that may be accelerated by the recent generic release of liraglutide. Importantly, these models must strike a careful balance between clinical integrity and cost containment. When done well, they offer employers a sustainable way to support GLP-1 access while managing long-term spend.

Companies in this category include Omada, Virta, Vida, Form Health, and Waltz Health.

4. Senior-Specific Solutions

There is a clear opportunity for purpose-built solutions supporting senior adoption. On the access side, these should support affordability through navigation of pharma assistance programs or Medicare reimbursement if that emerges, and logistical challenges of the senior population. On the clinical side, these solutions should meet senior where they are and address the unique issues of this population, such as high discontinuation rates. We think these solutions may take the form of standalone virtual care models or be integrated into senior-focused primary care platforms.

We're actively looking for companies innovating in this space.

5. Scaled, Vertically Integrated Distribution Platforms

While pharma may be protective of list pricing, we believe they will support strategic partners who improve adherence, reduce churn, and enable broad population-level access. This model could start with cash-pay D2C, where demand is already proven, and extend to employer-driven purchasing. We already see proof points with PBMs[18] able to negotiate lower pricing with their scale. If these platforms can demonstrate value beyond just scale—such as patient retention or improved outcomes—they may earn preferential pricing over time, reinforcing their competitive edge.

D2C companies leading in this space include Hims & Hers, Manual, Ro, and Eucalyptus.

Final Thoughts

GLP-1s are reshaping the landscape of chronic disease management—and the opportunity extends well beyond the drug itself. For investors, we believe the most exciting models will combine multiple elements: strong patient engagement, payer alignment, affordability solutions, and scalable tech or service layers.

It's still early. But the market is massive, the tailwinds are real, and the infrastructure around GLP-1s is still being built. There's no shortage of whitespace—just a question of who will fill it best.

If you are spending time in this space, whether you are a founder or an investor, please reach out!

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