

# Novo Nordisk's parent invests in India's Manipal hospital chain

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Novo Holdings, the controlling shareholder of Danish obesity drugmaker Novo Nordisk, said on Tuesday, 6 February 2024, it was investing in Indian private hospital chain Manipal Hospitals, as it seeks to tap into growing market potential in Asia.



Source: Reuters.

"It (the investment) represents our commitment towards filling the gap between the enormous demand and underserved healthcare infrastructure in India," Novo Holdings said in a statement.

The Danish holding company bought a minority stake with Abu Dhabi sovereign investor Mubadala and California's top public pension system, the California Public Employees' Retirement System (CalPERS), according to a Manipal statement dated 2 February.

The three firms bought the stake from Singapore state investment firm Temasek, which will continue to hold a majority stake, the statement said.

For Novo Holdings, which invests in life science companies and had assets of €108bn (\$115.86bn) at end-2022, it was its largest investment in Asia to date.

Its key markets in the region are India, South-East Asia and China, where it opened an office in Shanghai last year.

Manipal Hospitals has 33 hospitals across India, the world's most populous country, with around 6 million patients annually, Novo Holdings said.

"A rising middle class, paired with an increased appreciation for advanced medical facilities and quality healthcare services, has driven an uptick in demand for private hospital care in the country," it said.

"Other factors include the expansion of health insurance coverage and the sophistication of medical technology adopted at private institutions."

## India healthcare boom

The Indian healthcare market is expected to grow near three-fold over eight years to \$458bn by 2030, according to forecasts by global consulting firms Boston Consulting Group and B Capital.

Prabhudas Lilladher analyst Param Desai said he expects to see more foreign investment.

“ [#PRESS](#) Novo Nordisk's sales increased by 31% in Danish kroner and by 36% at constant exchange rates to DKK 232.3 billion in 2023— Novo Nordisk (@novonordisk) [January 31, 2024](#) ”

"There is a genuine need for more healthcare infrastructure in India be it in terms of beds, hospitals, doctors, so all of these are attracting investments," he said.

Novo Holdings, which is owned by Novo Nordisk Foundation, has 77% of voting shares in Novo Nordisk, the maker of blockbuster obesity drug Wegovy and diabetes treatment Ozempic.

A top official at Novo Nordisk announced in September the drugmaker aims to bring Wegovy to India, where obesity rates are high especially among women, in 2026, after securing regulatory approvals and ensuring it has enough supply to meet demand.

On Monday, 5 February 2024, it announced it was buying Catalent, a manufacturing subcontractor for the weight-loss drug, for \$16.5bn to help Novo Nordisk meet soaring demand. The drugmaker expects the deal to boost Wegovy output from 2026.

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