



US Pharmaceutical Trends, Issues and Outlook for NACDS TSE

Presented by:
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August 2021



Each year at the NACDS Total Store Expo, IQVIA recognizes an industry leader who exemplifies the true meaning of partnership through the extension of the **Bernie Greenberg Pharmacy Partnership Award**. Like the namesake of this award, this recognition is to acknowledge an industry partner who displays and embraces such traits as leadership, collaboration, and giving back to their organizations and others

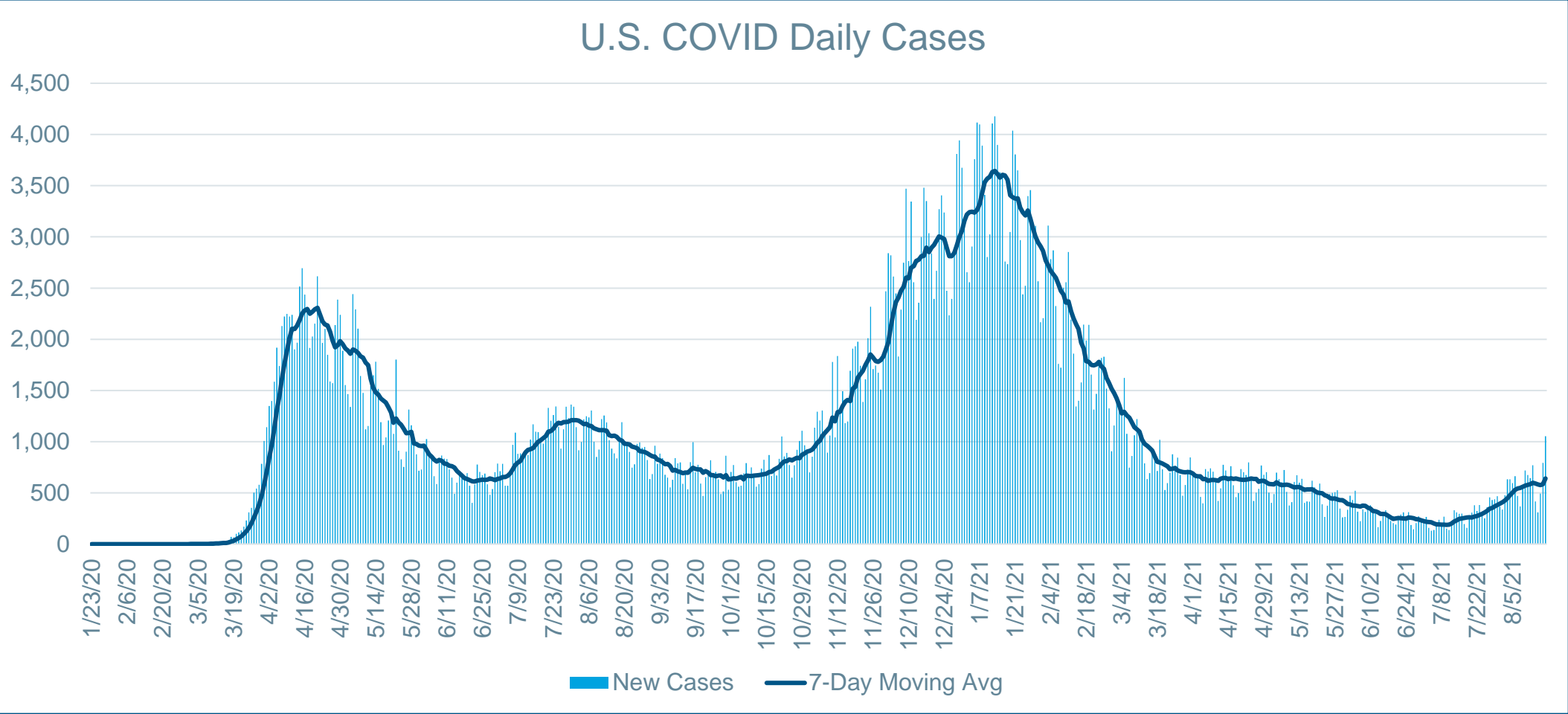


This year, rather than awarding this to an individual or a single industry partner, IQVIA would like to honor **ALL** of the pharmacy leaders, pharmacists, staff, and pharmacies who have focused on caring for their patients and customers during the 2020 and 2021 COVID-19 crisis. You and they **ARE** the heroes. As part of this recognition, IQVIA provides a \$10,000 contribution to the NACDS foundation

Year	Company	Winner(s)
2013	Rite Aid	Robert Thompson
2014	Walgreens	Gerry Gleeson
2015	Walmart, Sam's Club	Darren Townzen John Luebker
2016	Kroger	Phelicia Avery
2017	Walgreens	Rick Gates
2018	Albertsons	Dan Salemi
2019	Wegmans	John Carlo Jack Coultry
2020	All pharmacists, staff and pharmacies	
2021	All pharmacy leaders, pharmacists, staff and pharmacies	

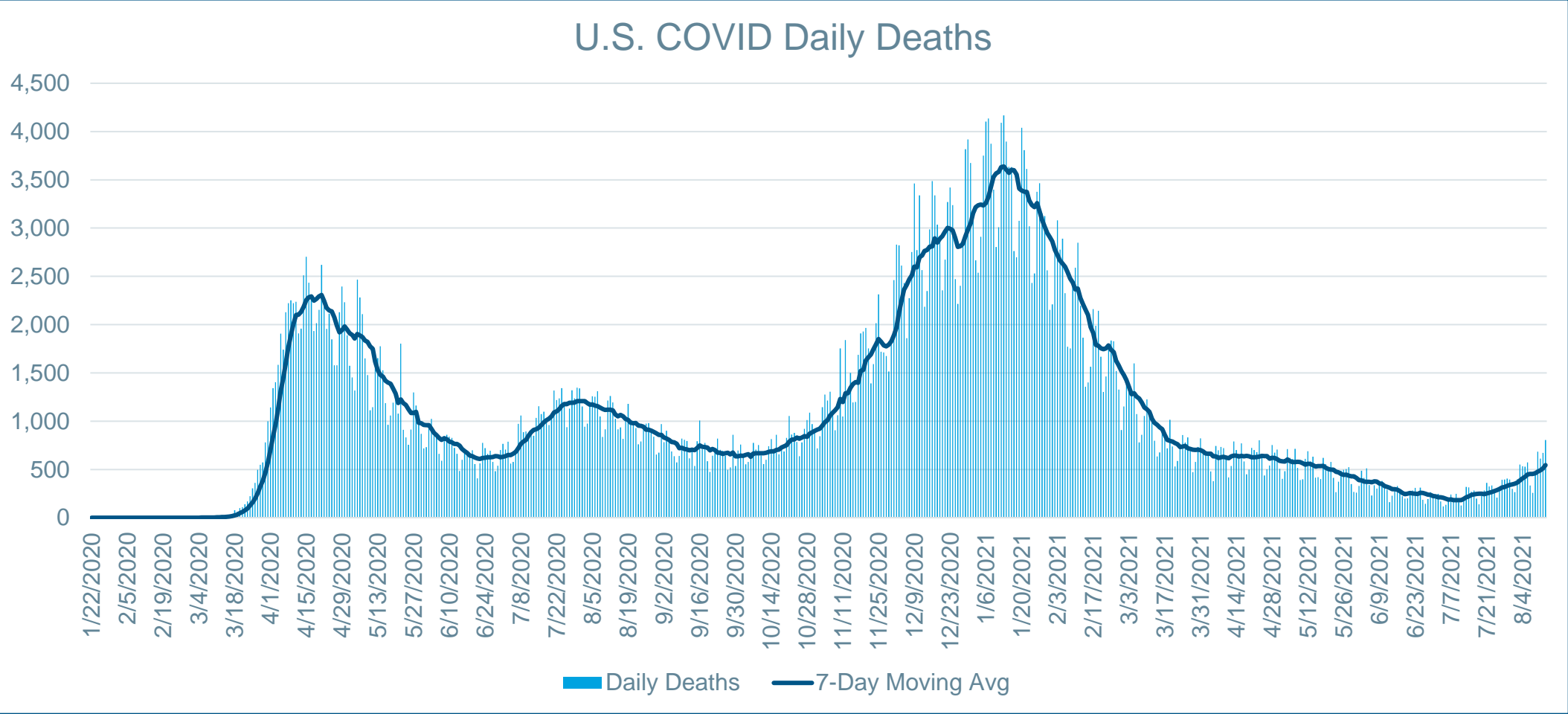
COVID Cases, Deaths and Vaccines

Daily COVID Cases in the U.S. continue to increase in recent weeks



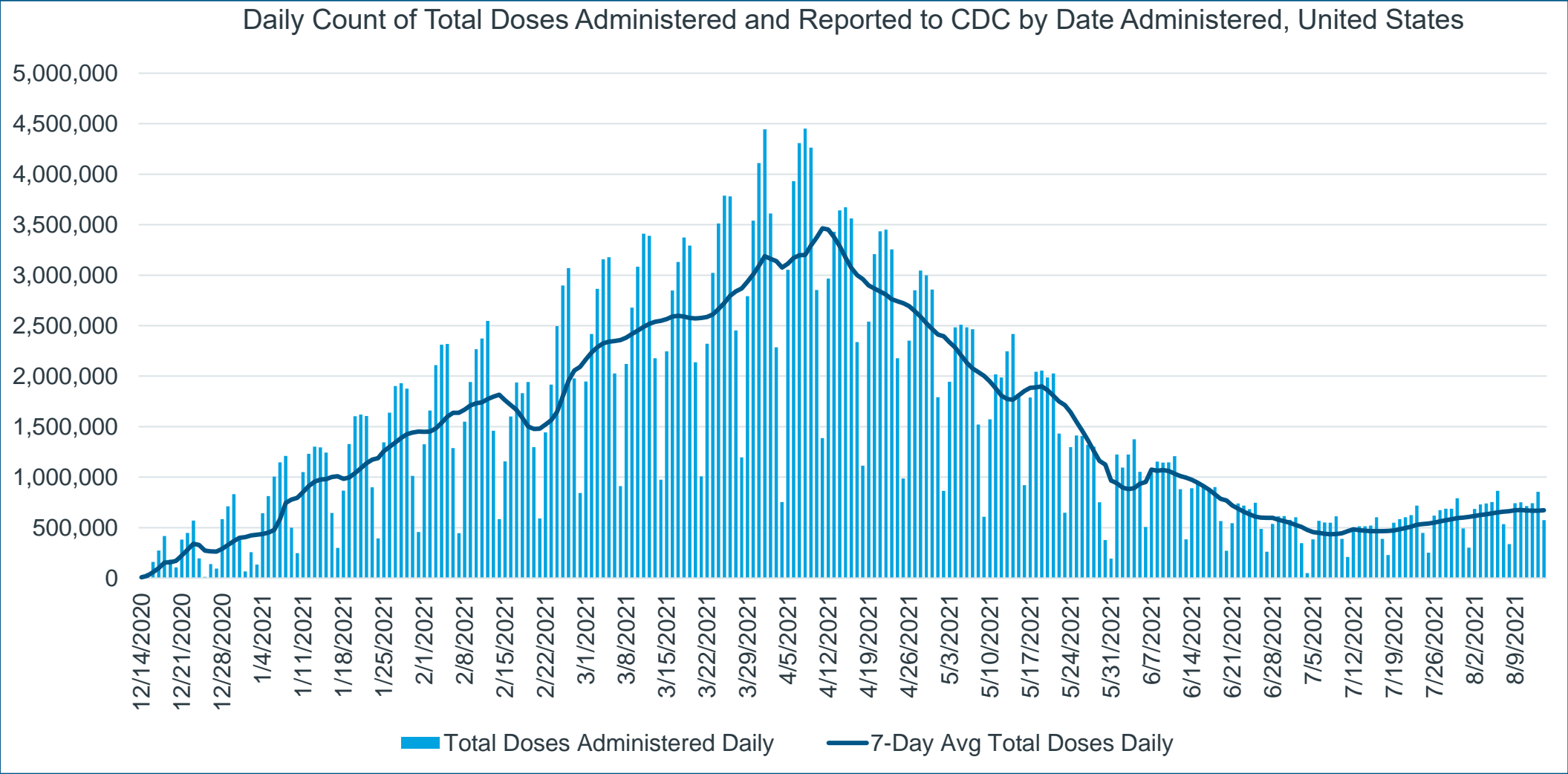
Source: https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases – data as of August 18, 2021

Daily COVID Deaths in the U.S. have also been increasing in recent weeks



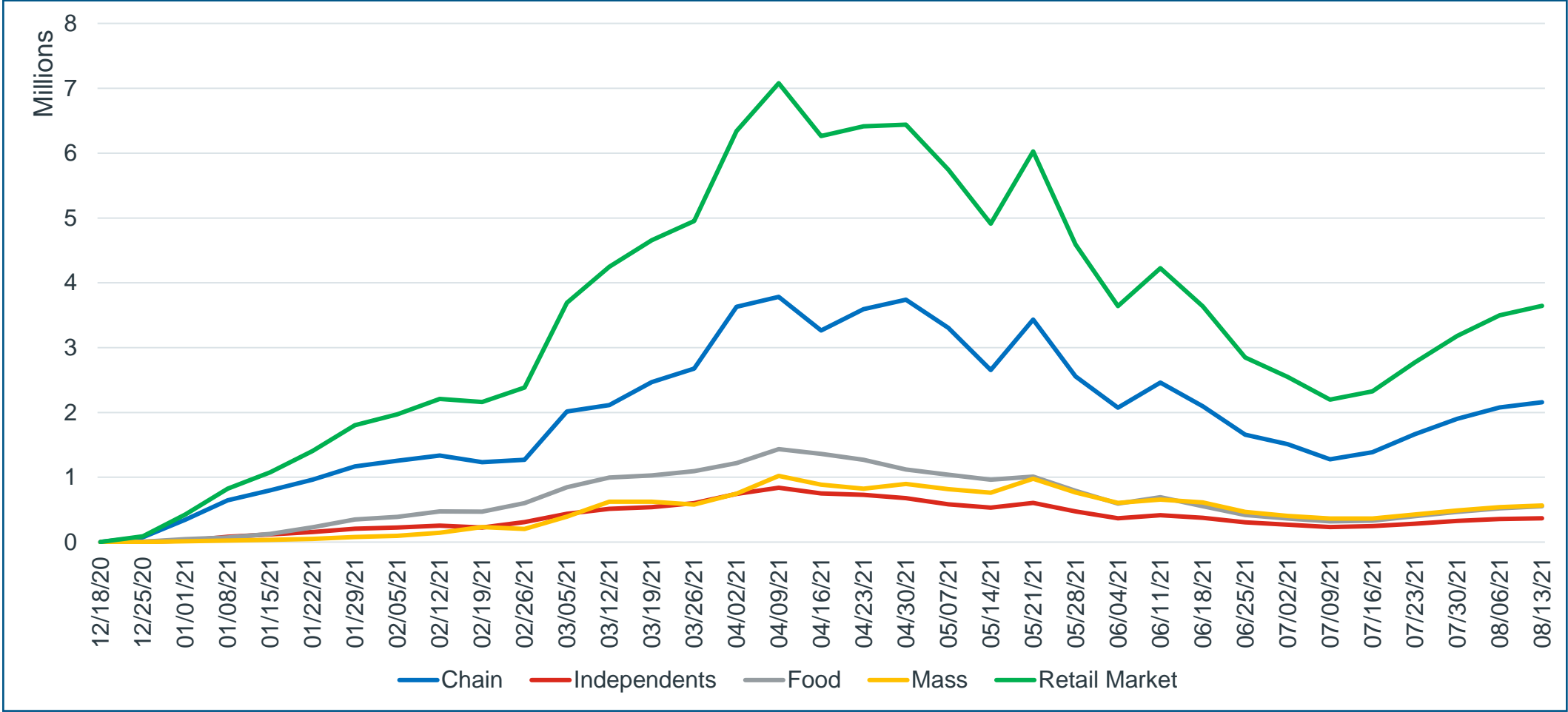
Source: https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases – data as of August 18, 2021

Daily Count of Total Doses Administered and Reported



Data Source: <https://covid.cdc.gov/covid-data-tracker/#vaccination-trends> – as of August 14, 2021

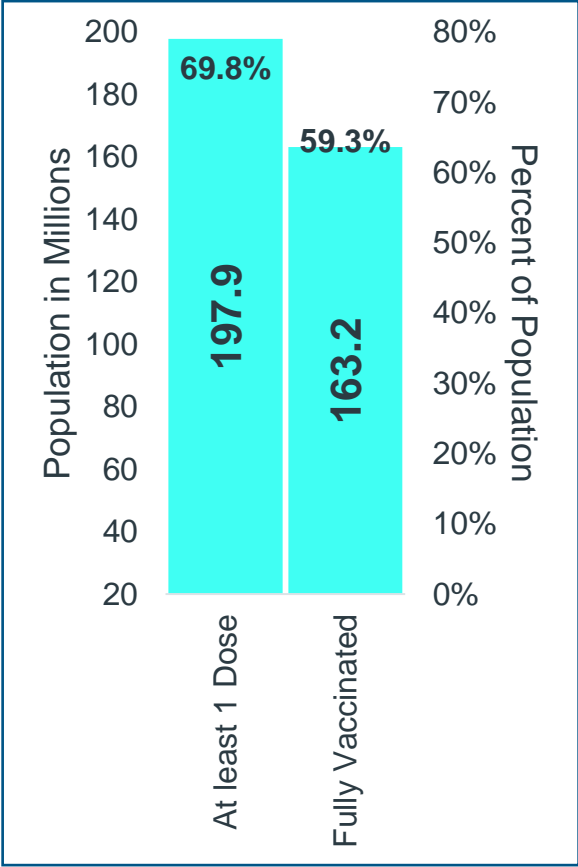
COVID Vaccines in Retail show an uptick starting mid-July



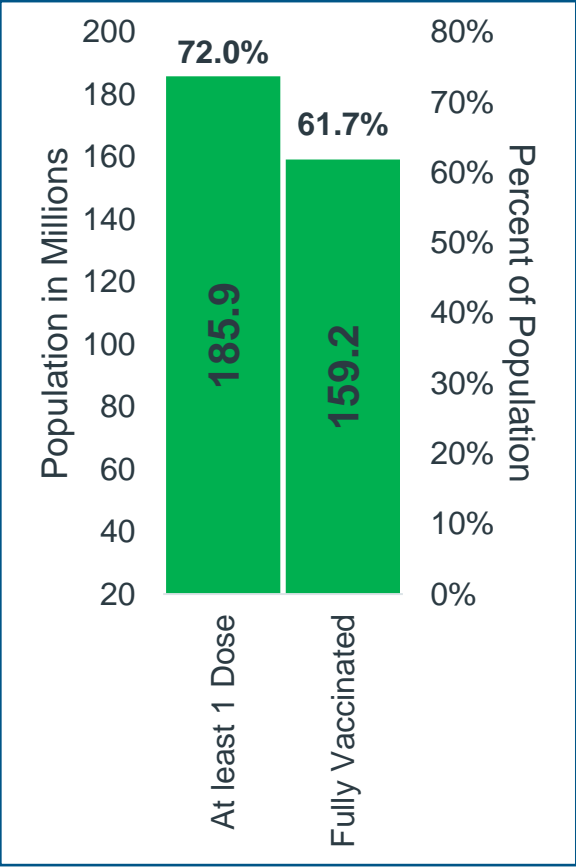
Data Source: IQVIA Xponent®

As of August 15th, almost 51% of the entire population is vaccinated, with over 80% of the 65+ age group vaccinated

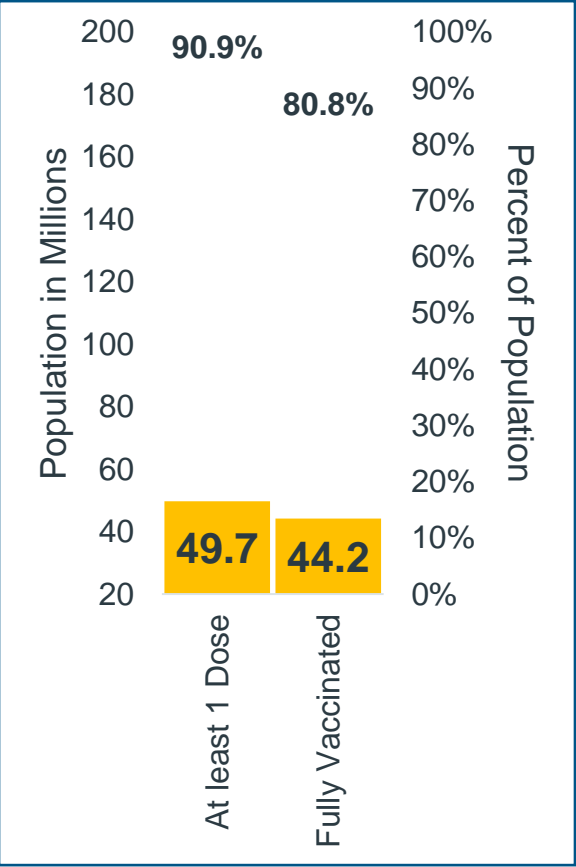
VACCINES ADMINISTERED
≥ 12



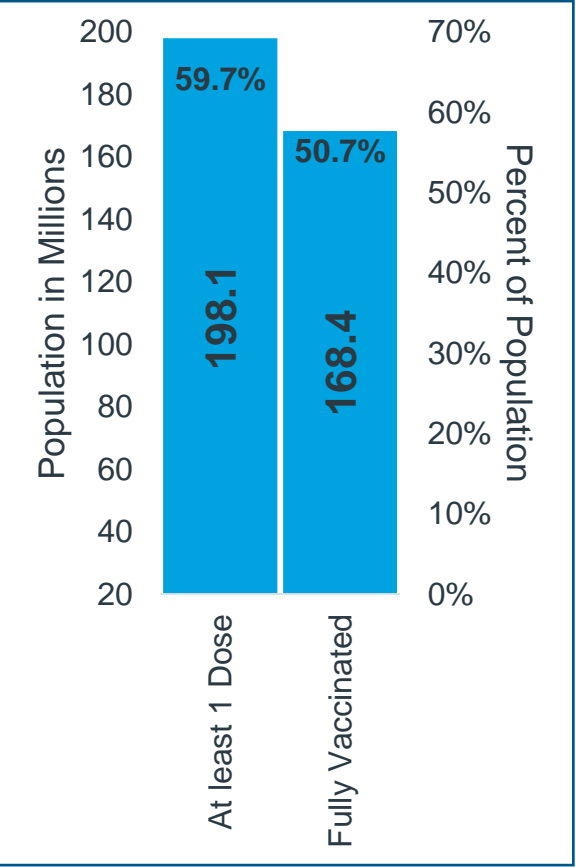
VACCINES ADMINISTERED
≥ 18



VACCINES ADMINISTERED
≥ 65



VACCINES ADMINISTERED



Source: <https://covid.cdc.gov/covid-data-tracker/#vaccinations> – Based on CDC data as of August 15th

Vaccine Hesitancy – Who are the unvaccinated?

According to a Kaiser Family Foundation Poll conducted May 18-25, 2021:



AGE

The highest share of unvaccinated respondents were 30-49 years old (41%), followed by 29% ages 18-29 and 20% ages 50-64, while only 9% of those unvaccinated were 65 and older



SOCIOECONOMIC STATUS

More likely to have lower education levels (46% attended only high school or less) and lower income levels (42% earn less than \$40,000 per year) than their vaccinated counterparts, who are nearly twice as likely to have earned a college degree or more



POLITICAL PARTY AFFILIATION

Nearly half of unvaccinated respondents were Republicans (49% versus 29% Democrats), as opposed to 31% of vaccinated respondents who identified as Republicans and 59% Democrats



RACIAL IDENTITY

Both unvaccinated and vaccinated respondents were disproportionately likely to be white (56% unvaccinated versus 64% vaccinated), based in the suburbs (56% unvaccinated versus 52% vaccinated) and have health insurance (76% unvaccinated versus 88% vaccinated).

[Here Are The Biggest Groups That Are Still Refusing The Covid-19 Vaccine, Poll Finds \(forbes.com\)](#) retrieved on August 10, 2021

Race/Ethnicity of People Receiving a COVID-19 Vaccine in the U.S. as of August 2, 2021

KFF

Based on race/ethnicity data available for 57% of people who have received at least one vaccine dose

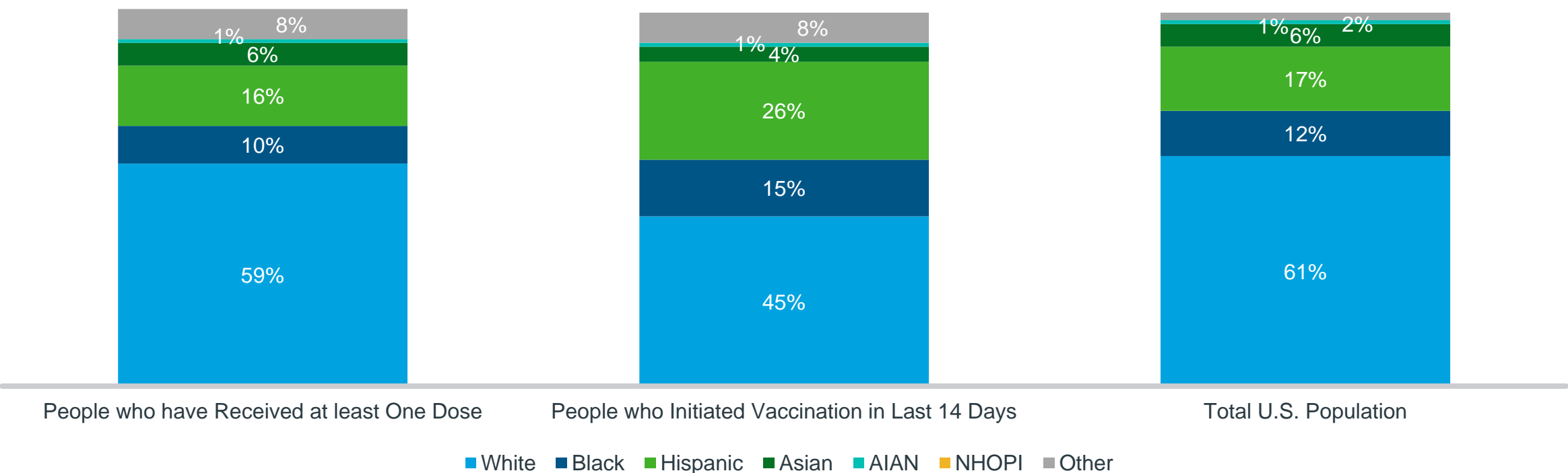


Figure 1: Race/Ethnicity of People Receiving a COVID-19 Vaccine in the U.S. as of August 2, 2021

Note: Totals may not sum to 100 due to rounding, Persons of Hispanic origin may be of any race but are categorized as Hispanic; other groups are non-Hispanic, Other race includes multiple race individuals
Source: Centres for Disease Control and Prevention, Demographic Characteristics of People Receiving COVID-19 Vaccinations in the United States, data as of August 2, 2021, accessed August 3, 2021, <http://covid.cdc.gov/covid-data-tracker/#vaccination-demographic>; [Latest Data on COVID-19 Vaccinations by Race/Ethnicity | KFF](#) Retrieved on August 10, 2021

Percent of Total Population that Has Received at Least One COVID-19 Vaccine Dose by Race/Ethnicity, March 1 to August 2, 2021

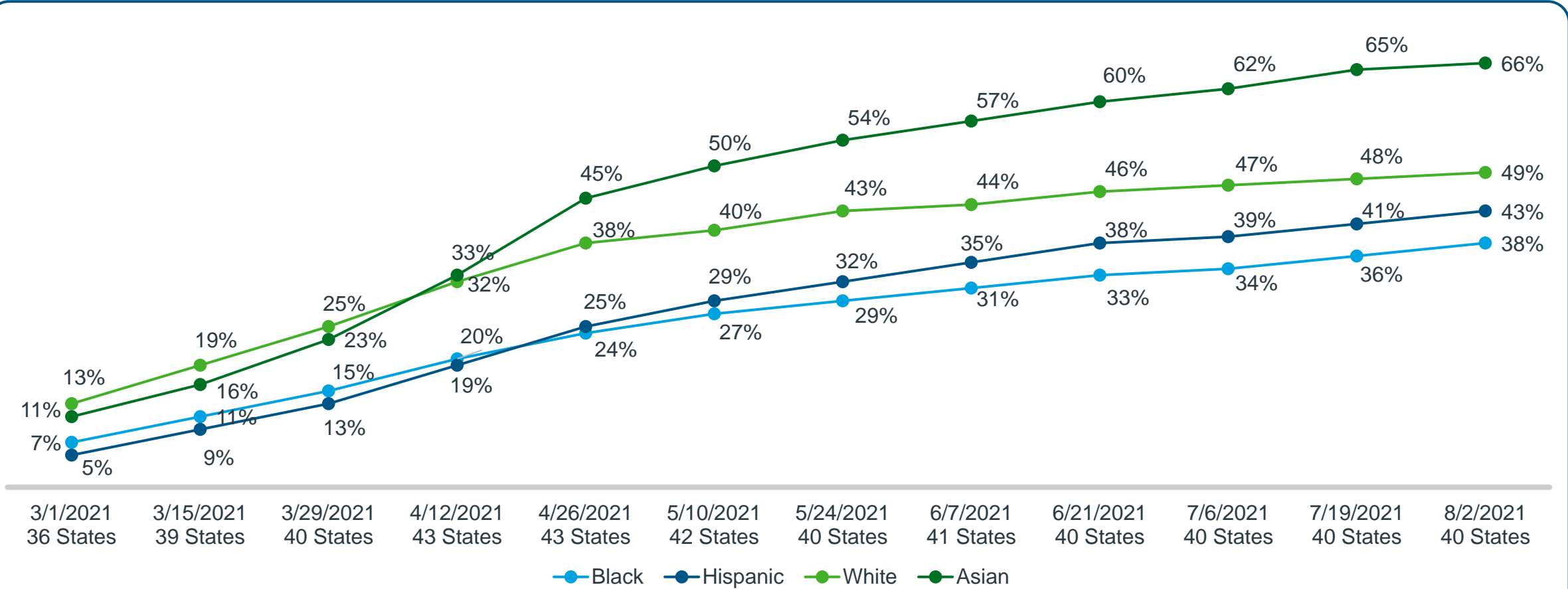
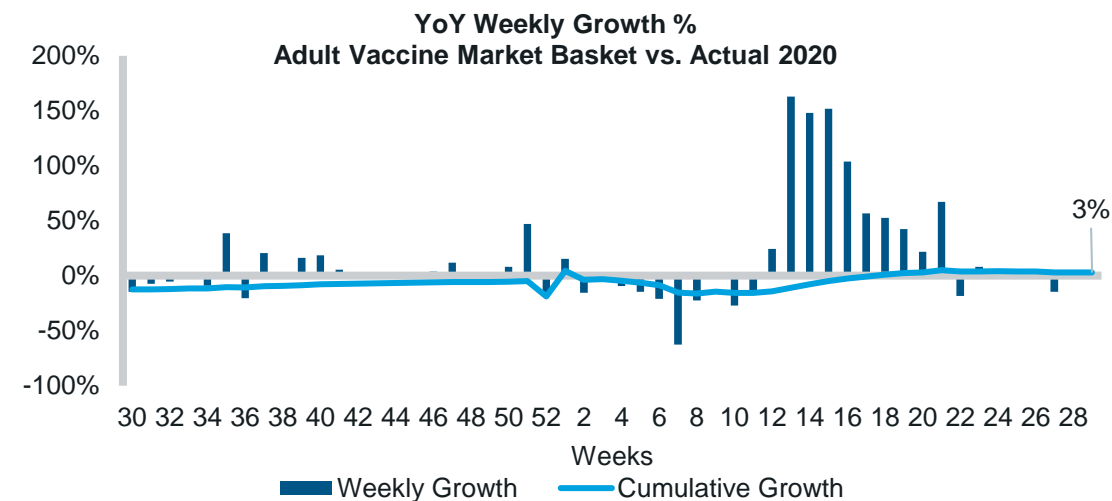
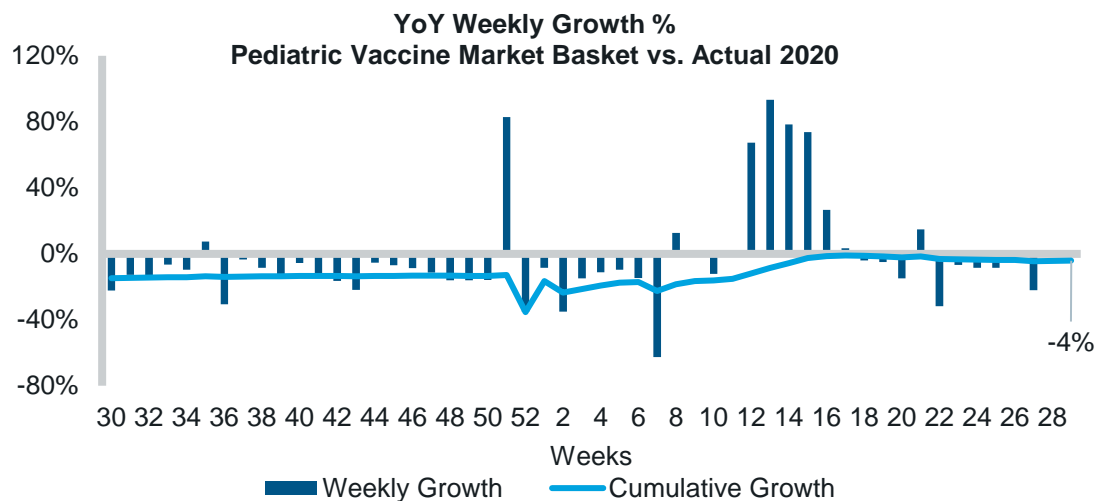
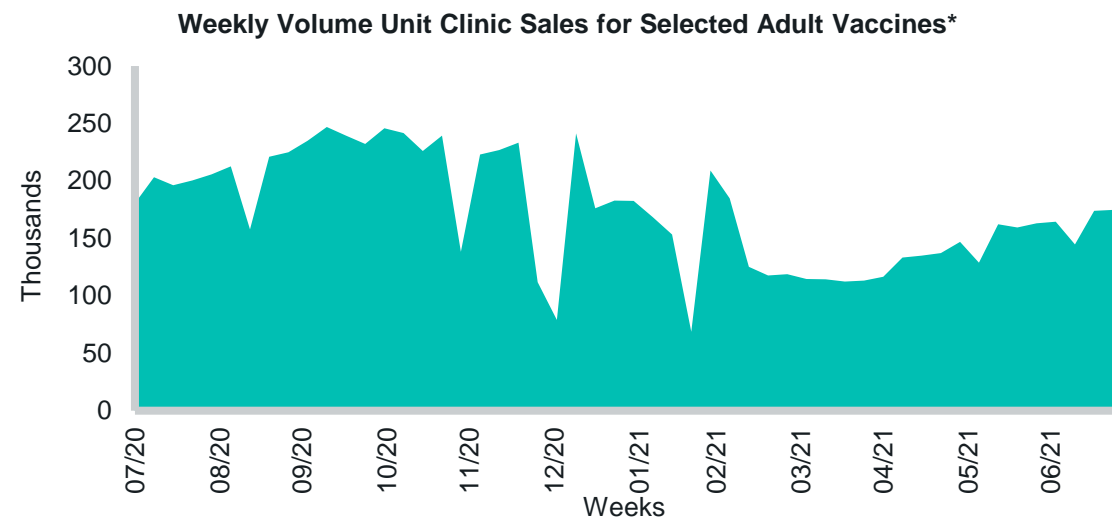
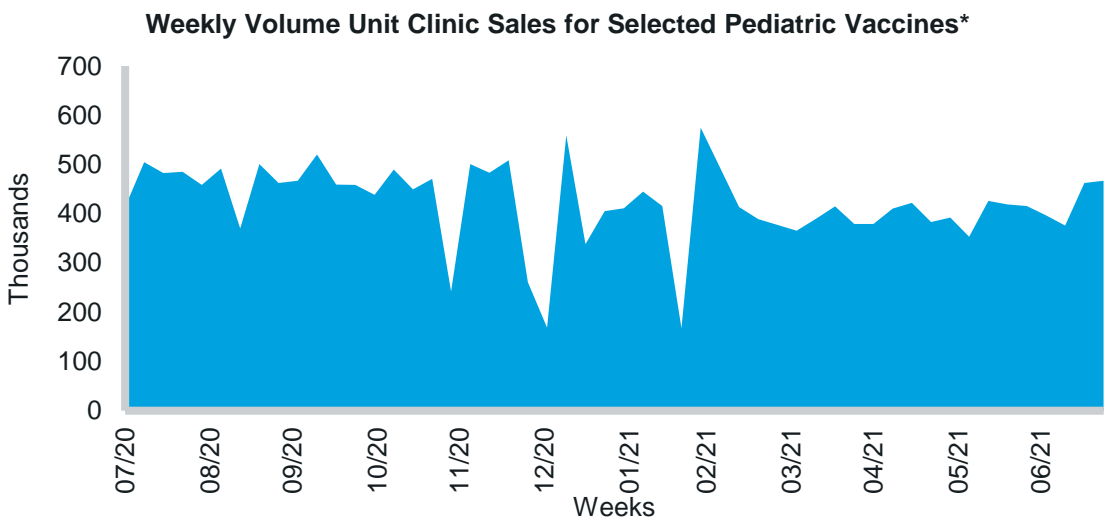


Figure 4: Percent of Total Population that Has received at Least One COVID-19 vaccine Dose by Race/Ethnicity, March 1 to August 2, 2021

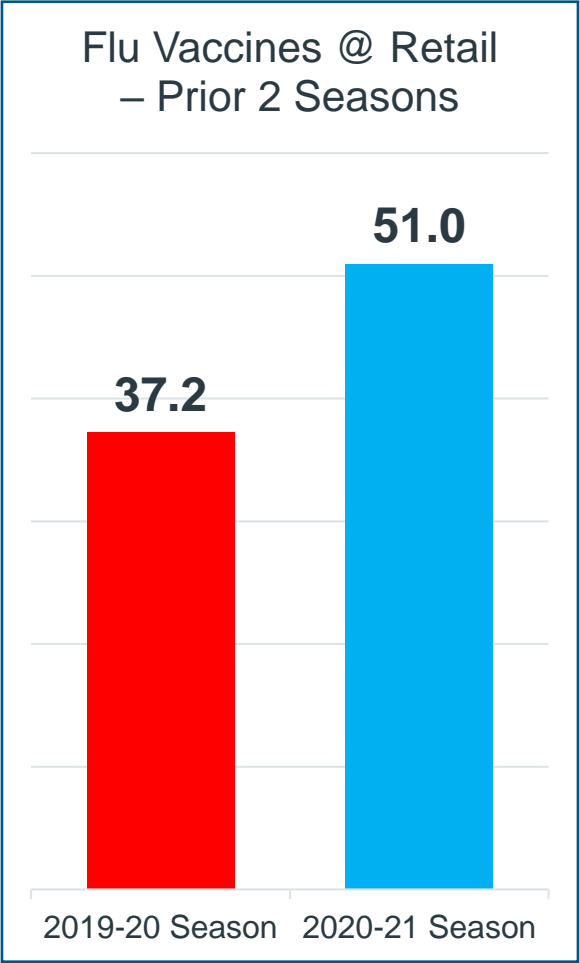
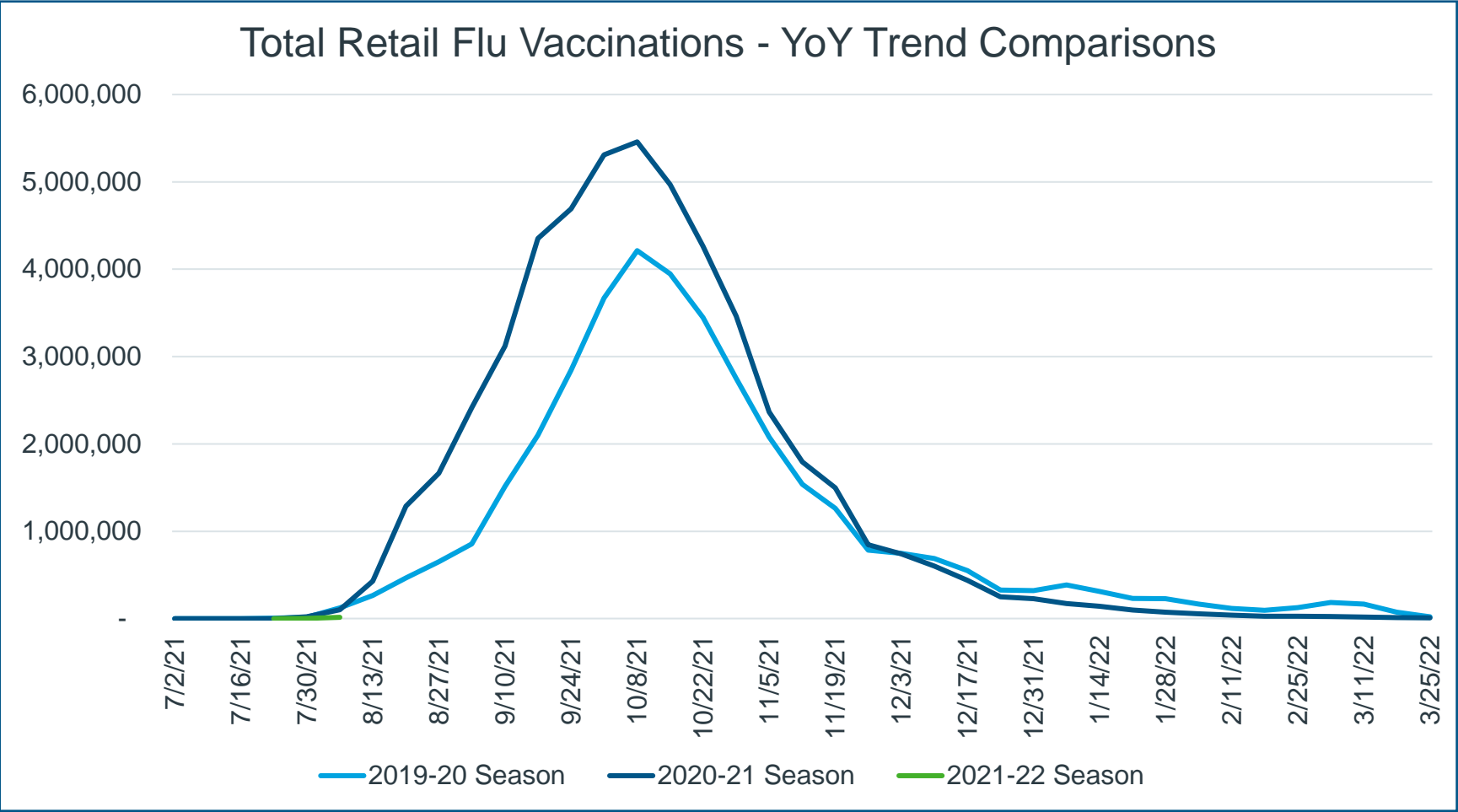
Source: Vaccination data based on KFF analysis of publicly available data on state websites; total population data used to calculate rates based on KFF analysis of 2019 American Community Survey data

Non-COVID weekly vaccine utilization is flat compared to 2020 after a period of accelerated activity that compensated for lockdown dips



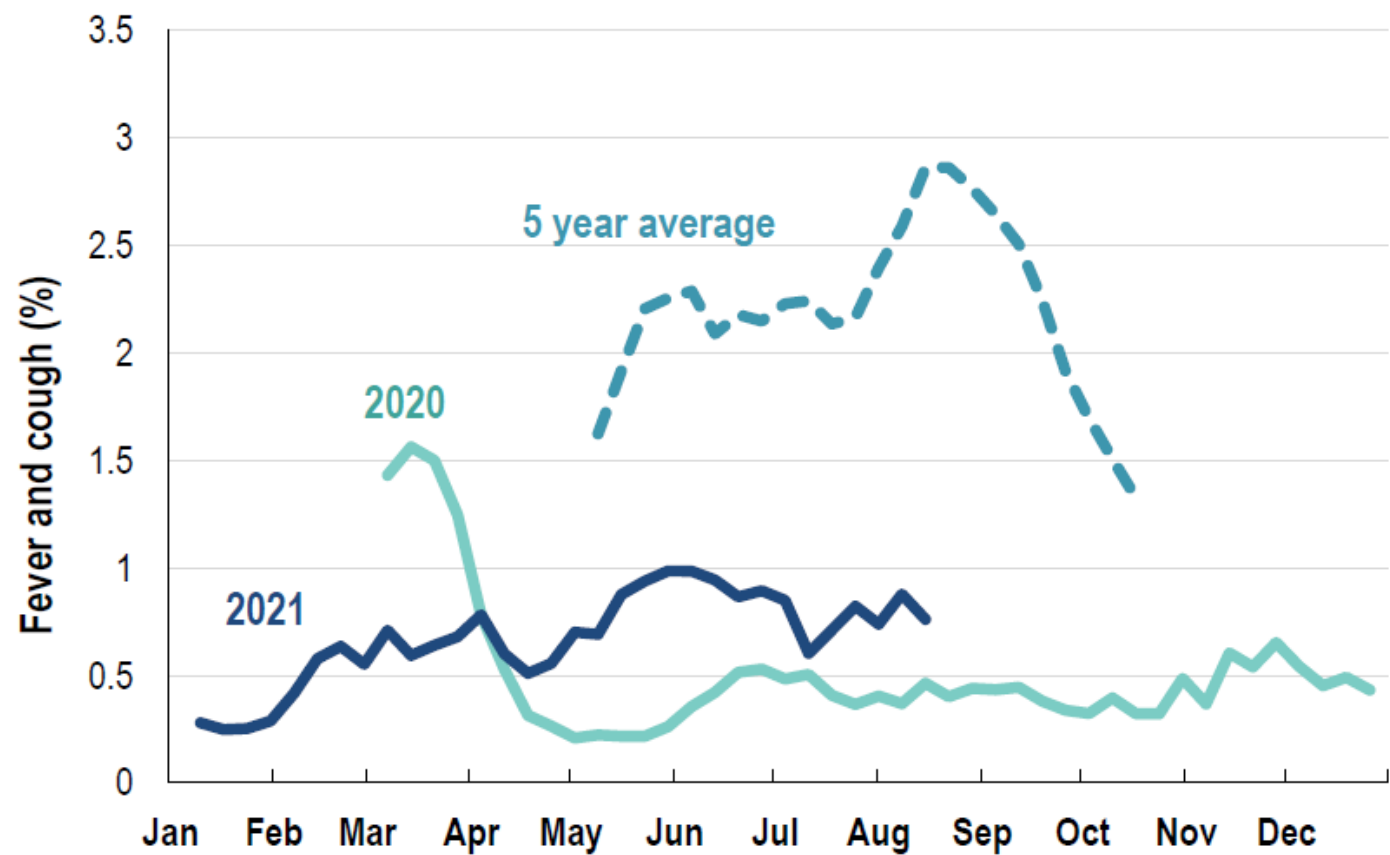
Source: IQVIA Weekly Sales Perspectives (WSP), July 20 – July 21; Note: Data reflects sales to clinic channel as defined by IQVIA – No methodology has been applied to determine VACCINE USE BY AGE

Last season flu vaccinations at Retail were up 37% on a YoY basis, the new flu vaccination season is starting slower so far



Data Source: IQVIA Xponent®

The Flu season in Australia can be an early indicator of our season in the US and current trends are showing a weak season



^{*}5 year average is calculated using 2015, 2016, 2017, 2018 and 2019 data
[^]Data are age standardised in this chart

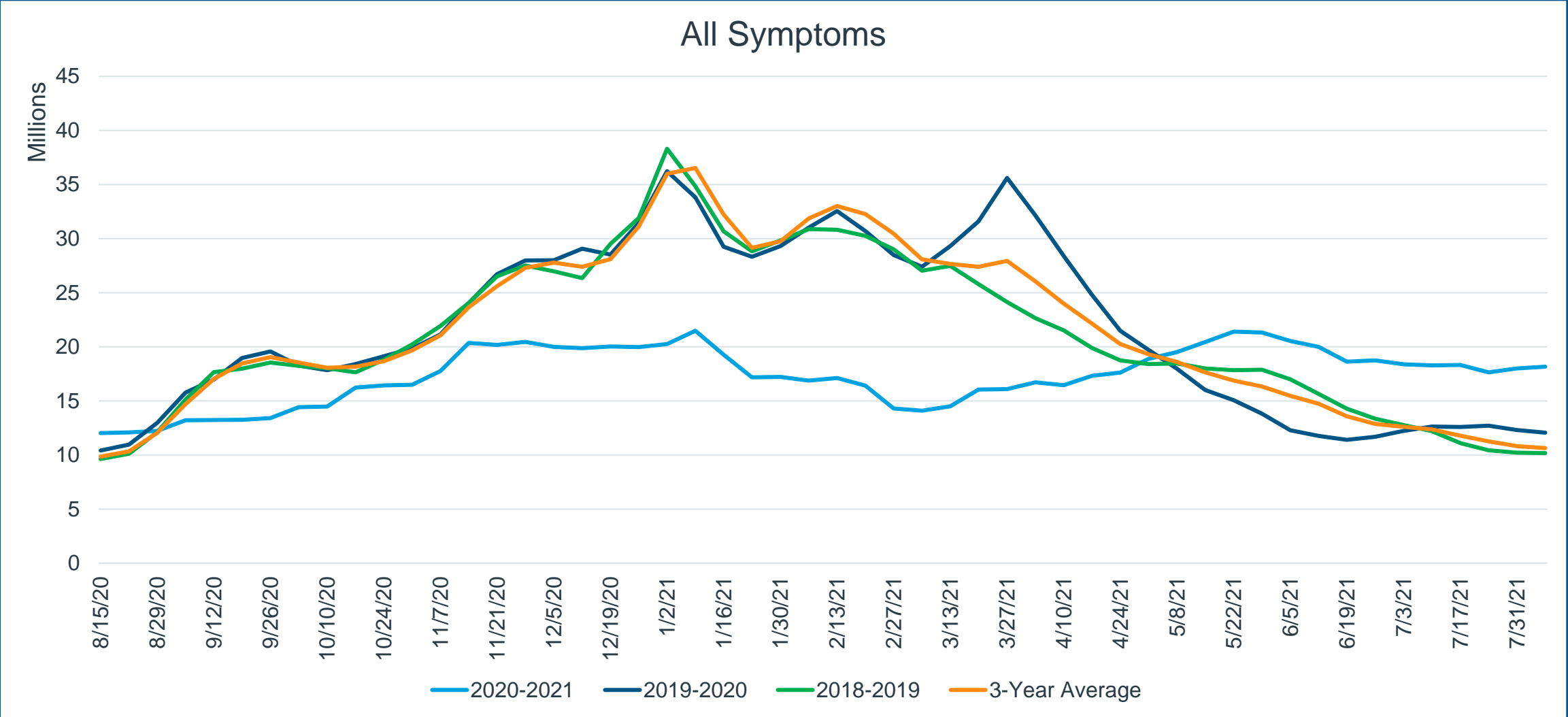
Data Source: <https://info.flutracking.net/reports-2/australia-reports/>

71.5% of
Australians 18-65
have received a flu
vaccine, compared
to **71.8%** at the
same time last
year

90.4% of
Australians 65+
have received a flu
vaccine, compared
to **90%** at the
same time last
year

Data Source: <https://www.9news.com.au/national/influenza-vaccine-warning-as-number-of-aussies-seeking-flu-shot-falls-by-almost-half-from-2020/11e65b73-1283-4ef2-adaa-81bd67eb9ed5>

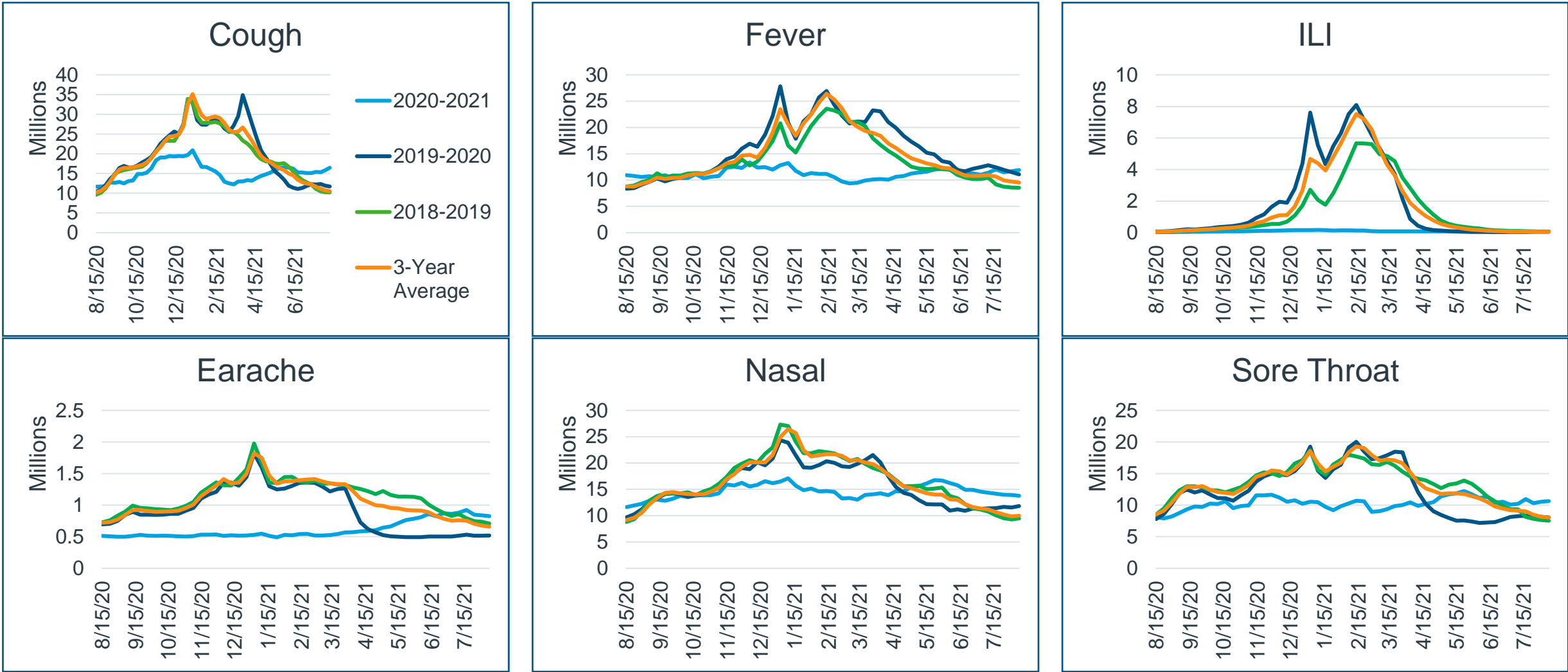
The FAN® report for all symptoms indicates more cases beginning in May in comparison to the the last two years



Data Source: IQVIA FAN® Report

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Across the different symptoms on the FAN® report, Cough, Earache, Nasal and Sore Throat are running ahead of seasonal norms

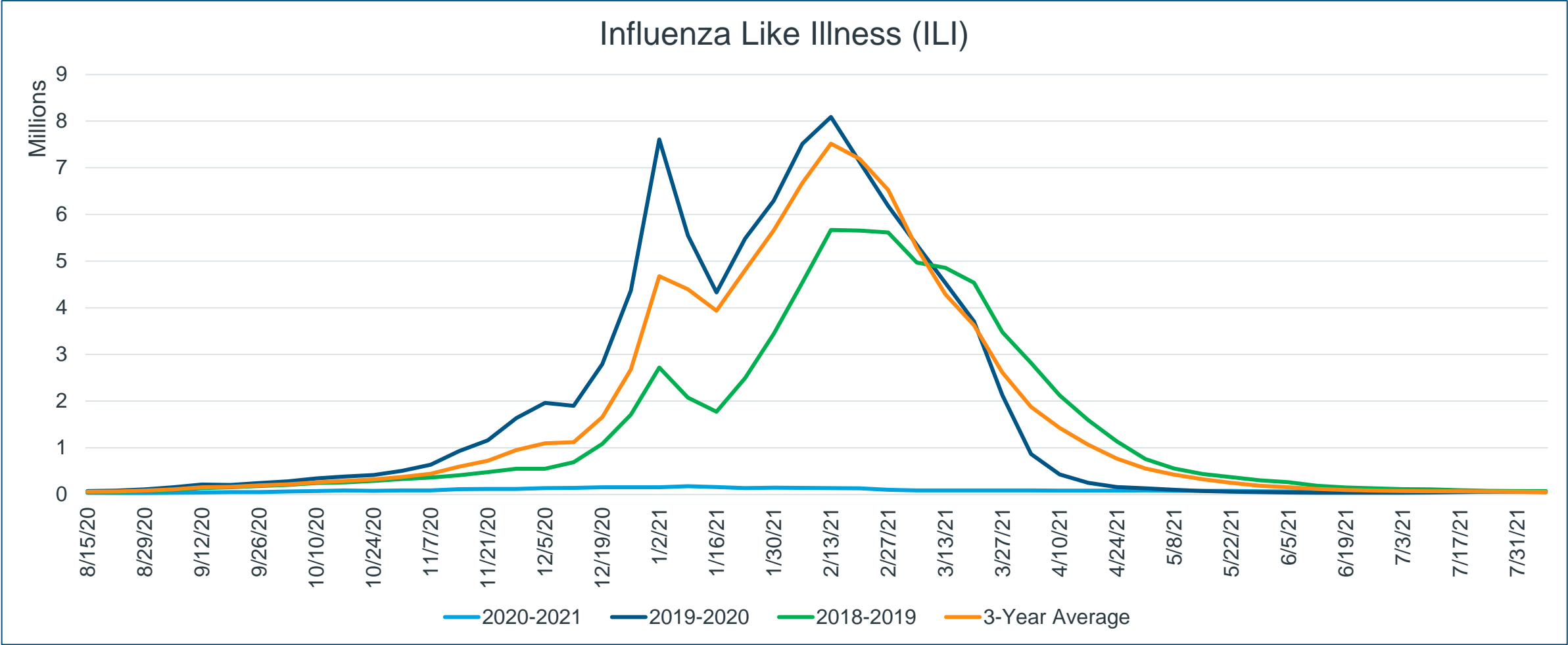


— 2020-2021 — 2019-2020 — 2018-2019 — 3-Year Average

Data Source: IQVIA FAN® Report

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A focus on ILI from the FAN® report shows that instances of flu continue to remain very low as we wrap up the season

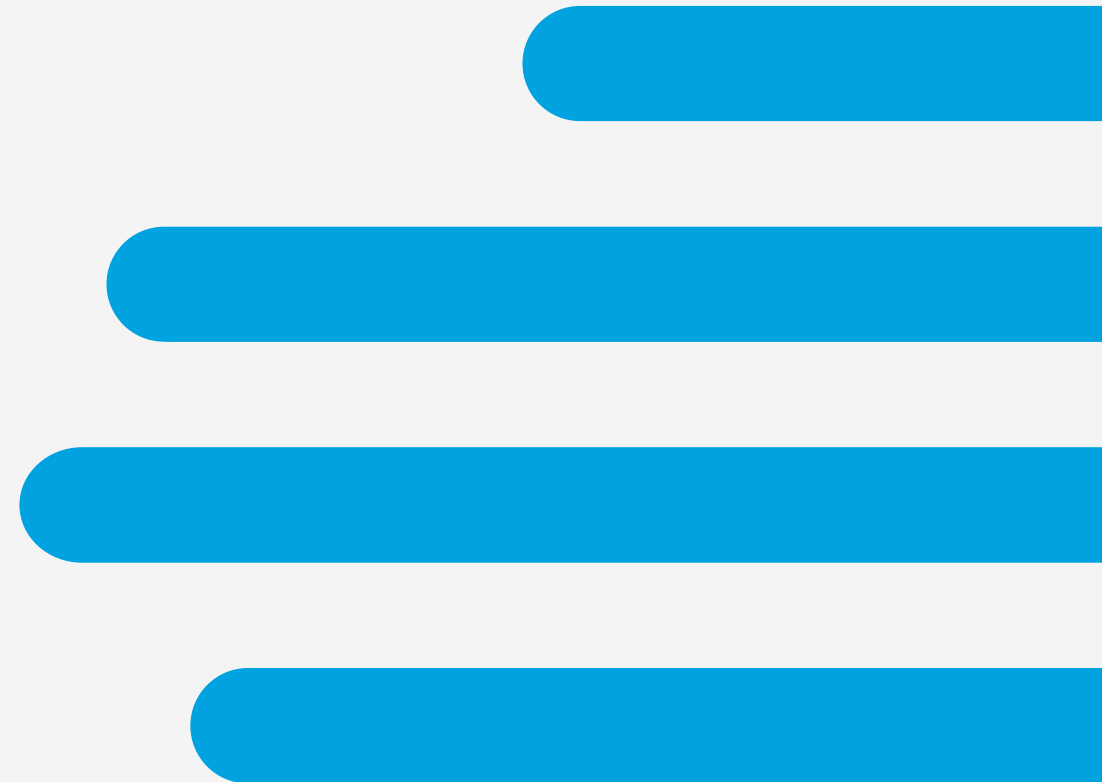


Data Source: IQVIA FAN® Report

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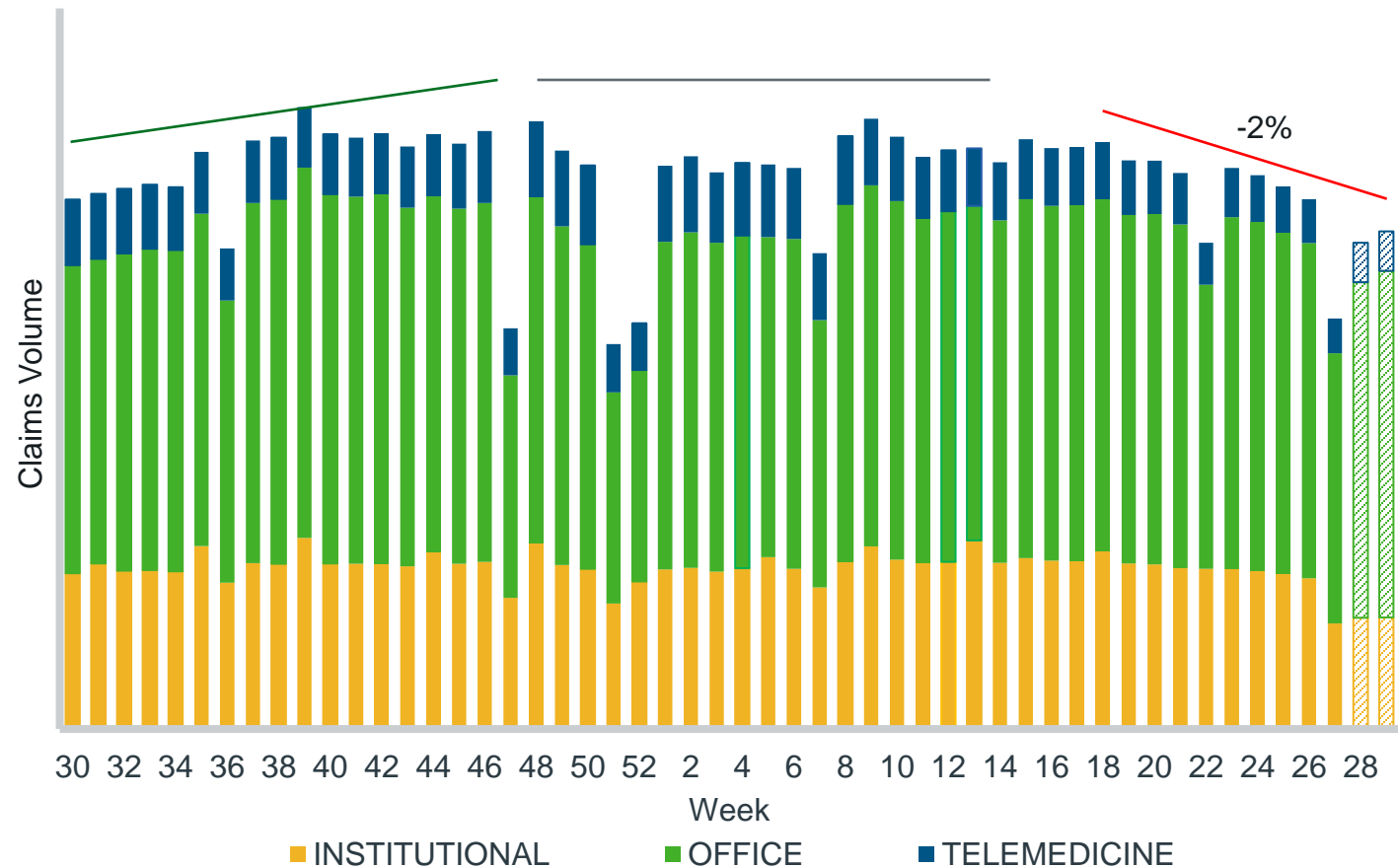
Market Trends: Utilization

Medical claims/activity



Telemedicine contribution to weekly medical claims growth continues to diminish, reaching 7.8% of total claims

Total Claims by Service Type: 52 weeks through W/E 07/23



Potential Implications

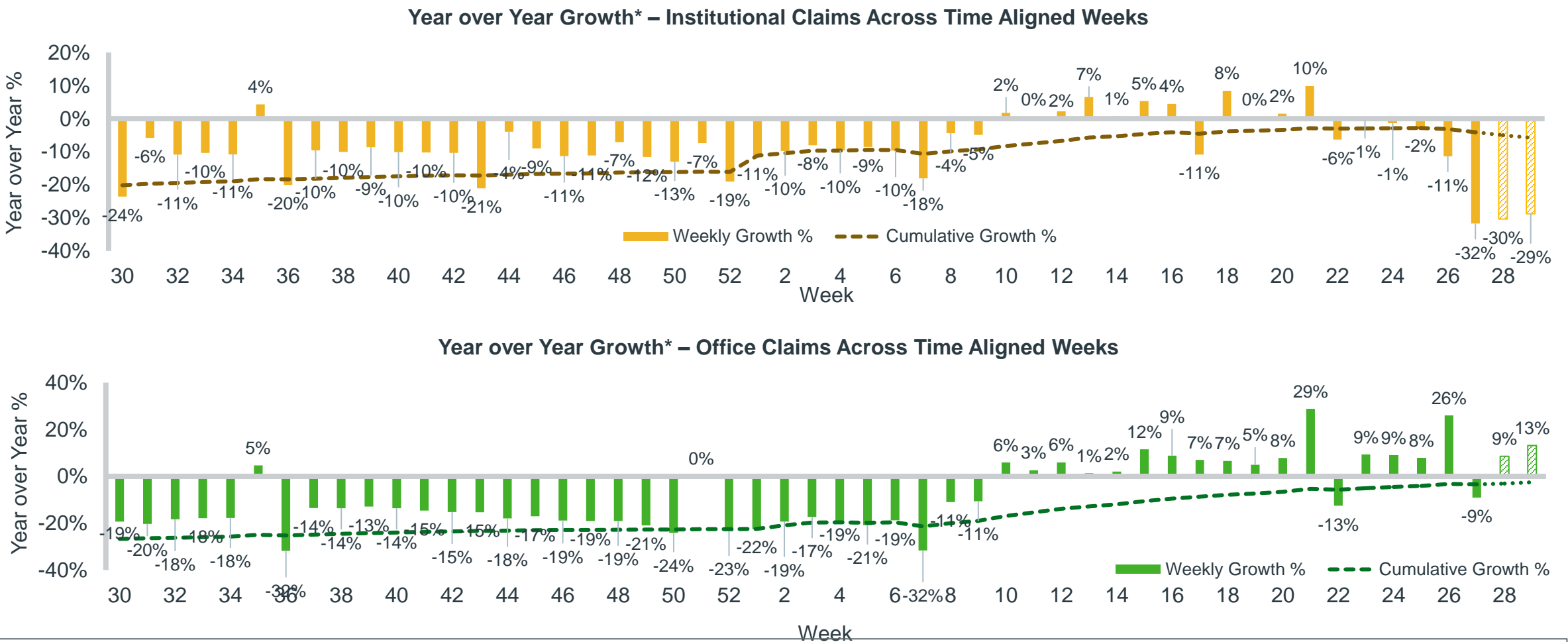


- From 5/7/2021 through 7/23/2021, total claims volume is decreasing nearly 2% per week
- Institutional claims have dropped the most significantly, losing more than 3% per week over the same time period, with telemedicine not far behind at 3%

Data for latest week date controlled against prior periods; estimates have been applied to reflect anticipated late-adjudicated claims based on historical rates

Source: IQVIA: Medical Claims Data Analysis, 2021; Week 30 2019 = 8/2/2019; Week 30 2020 = 7/31/2020; Week 29 2020 = 7/24/2020; Week 29 2021 = 7/23/2021
Estimated amounts for latest weeks applied based on likely claims still to be received due to data latency or claim processing delays; See Appendix for further details

Weekly institutional claims continue to stay below LY. Recent weekly growth in office doesn't yet translate to cumulative growth

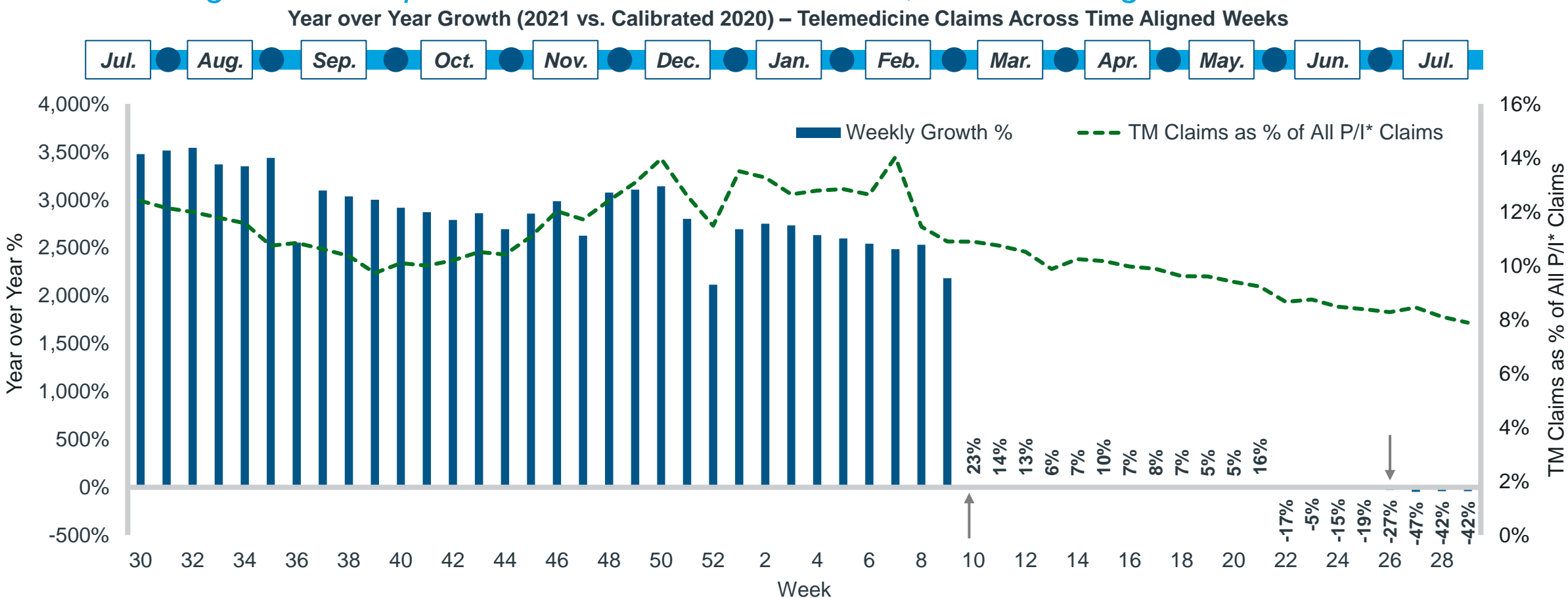


Data for latest week date controlled against prior periods; estimates have been applied to reflect anticipated late-adjudicated claims based on historical rates

Source: IQVIA: Medical Claims Data Analysis, 2021; Week 30 2019 = 8/2/2019; Week 30 2020 = 7/31/2020; Week 29 2020 = 7/24/2020; Week 29 2021 = 7/23/2021
Estimated amounts for latest weeks applied based on likely claims still to be received due to data latency or claim processing delays; See Appendix for further details
*Week 10-25 continue to be evaluated against a "Calibrated" 2020 both for weekly and cumulative growth calculations

Telemedicine continues a decline from pandemic steady state

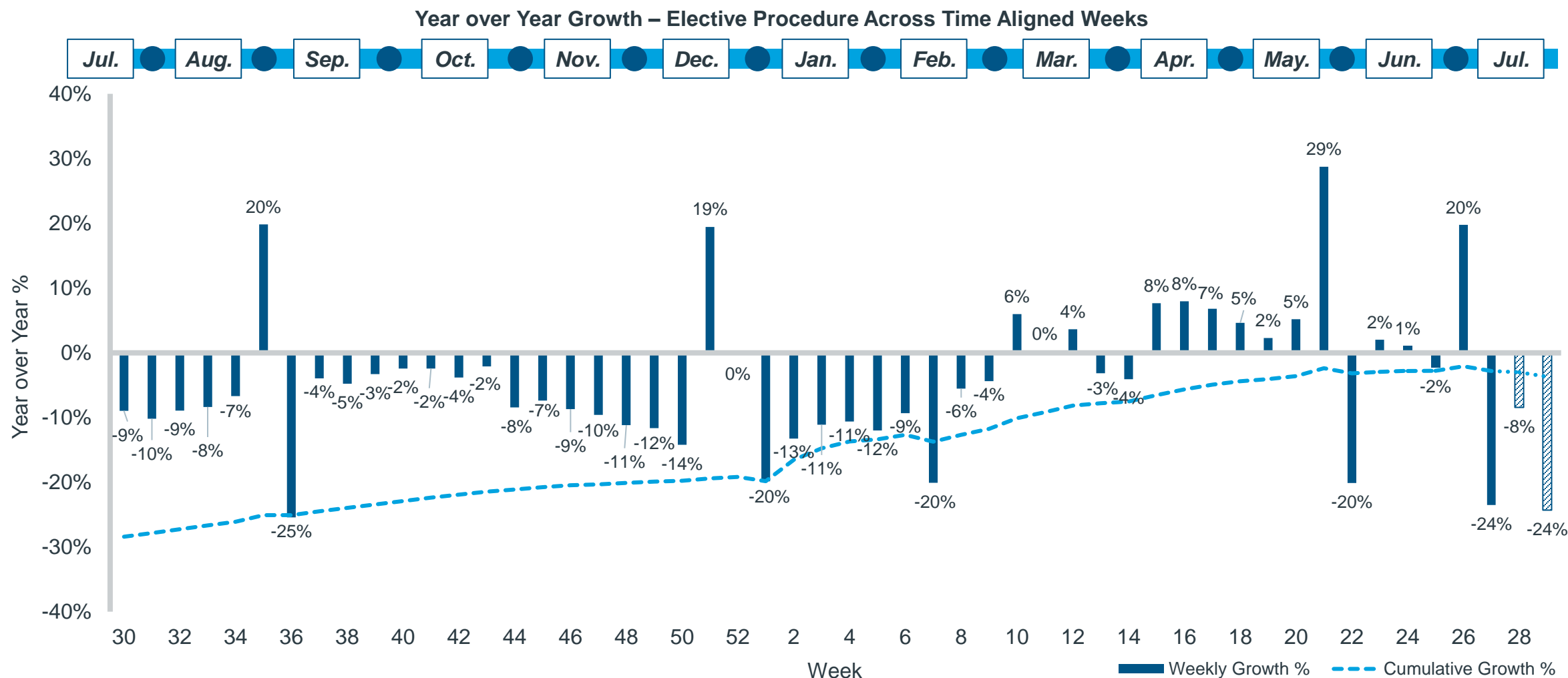
Week 10 begins the comparison to calibrated 2020 levels, then reverting to vs actual in Week 26



Data for latest week date controlled against prior periods; estimates have been applied to reflect anticipated late-adjudicated claims based on historical rates

*All P/I Claims total indicates Telemedicine, Office, and Institutional claims
Source: IQVIA: Medical Claims Data Analysis, 2021; Week 30 2019 = 8/2/2019; Week 30 2020 = 7/31/2020; Week 29 2020 = 7/24/2020; Week 29 2021 = 7/23/2021; Estimated amounts for latest weeks applied based on likely claims still to be received due to data latency or claim processing delays; See Appendix for further details

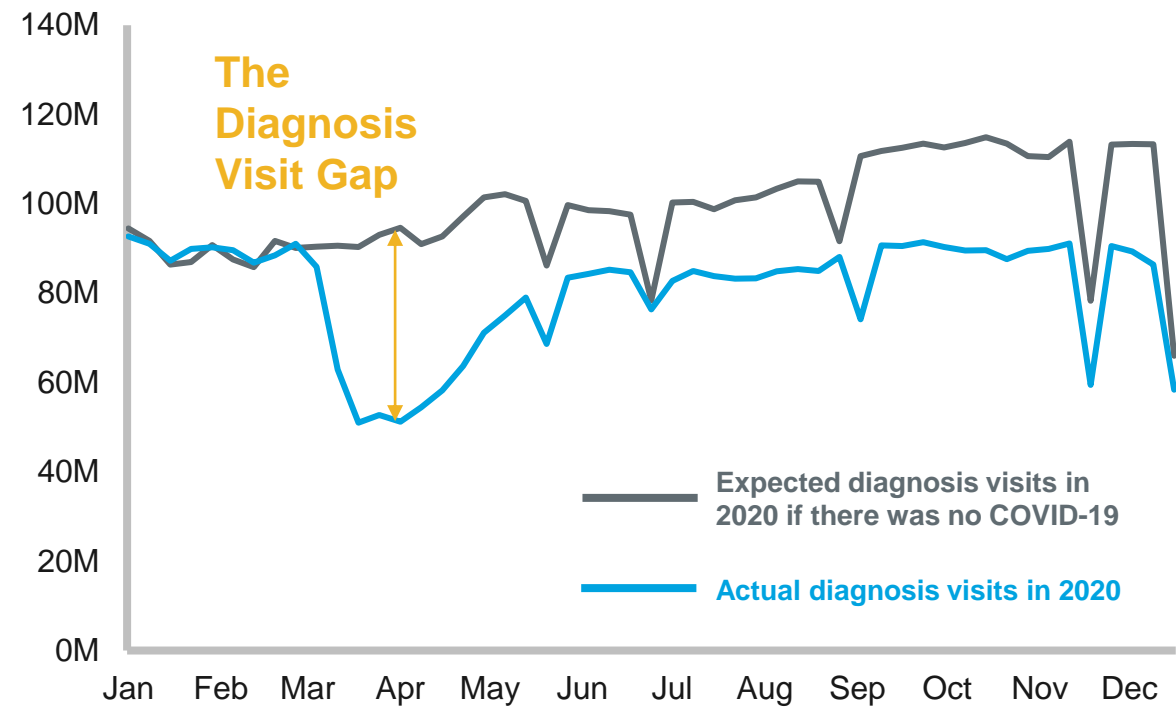
Elective Procedures: Weekly YoY and cumulative growth



Source: IQVIA: Medical Claims Data Analysis, 2021; Week 30 2019 = 8/2/2019; Week 30 2020 = 7/31/2020; Week 29 2020 = 7/24/2020; Week 29 2021 = 7/23/2021; Elective procedures based on IQVIA custom analysis; Data includes claims from inpatient and outpatient sites of care; Latest two weeks are estimates using a recency data factor that is adjusted out as all claims are received; See Appendix for further details
 Week 10-25 continue to be evaluated against a “Calibrated” 2020 both for weekly and cumulative growth calculations

In 2020 there were almost 1 billion diagnosis visits that did not happen

A leading indicator of long-term impact

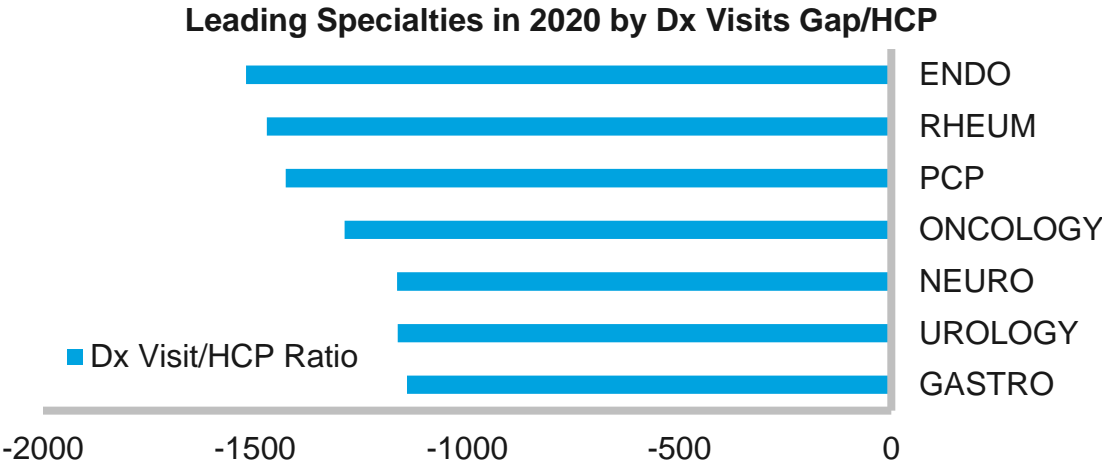


What is the “diagnosis visit gap”?

Difference between diagnosis visits¹ expected during a hypothetical non-COVID scenario and the number of diagnosis visits we actually see

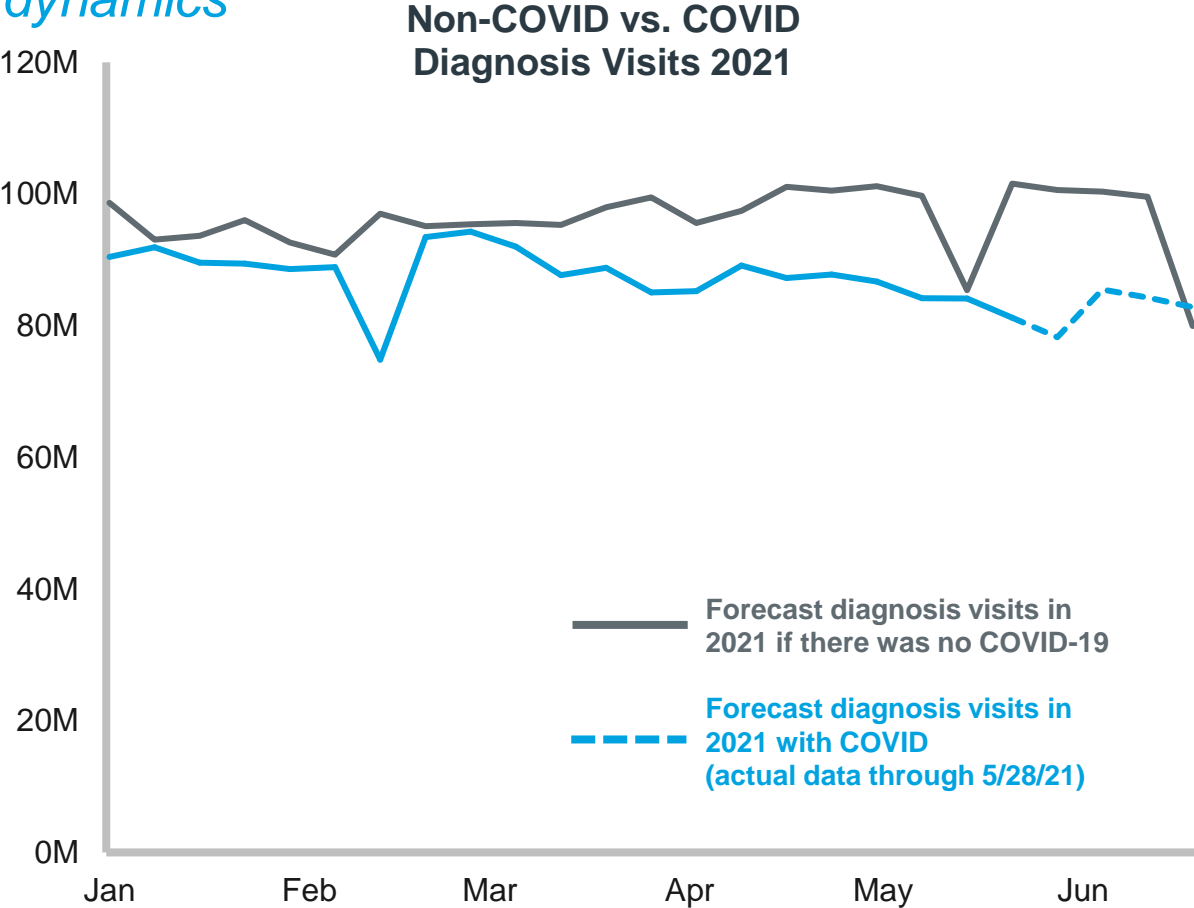
¹IQVIA: Medical Claims Data Analysis, 2021, IQVIA Analysis

¹A diagnosis visit is for one single diagnosis per patient, per HCP; a patient can have more than one diagnosis visit assigned to them, with either more than one diagnosis per doctor or more than one doctor per diagnosis



Post-COVID dynamics continue to have an impact – nearly 300M diagnosis visits have not occurred in the first half of 2021

Lower-than-expected total diagnosis visit volumes in May have created more separation than previously forecast; vaccine deployment and other triggers will continue to influence these dynamics



**Total Forecast
Diagnosis Visit
Gap in 1H 2021**

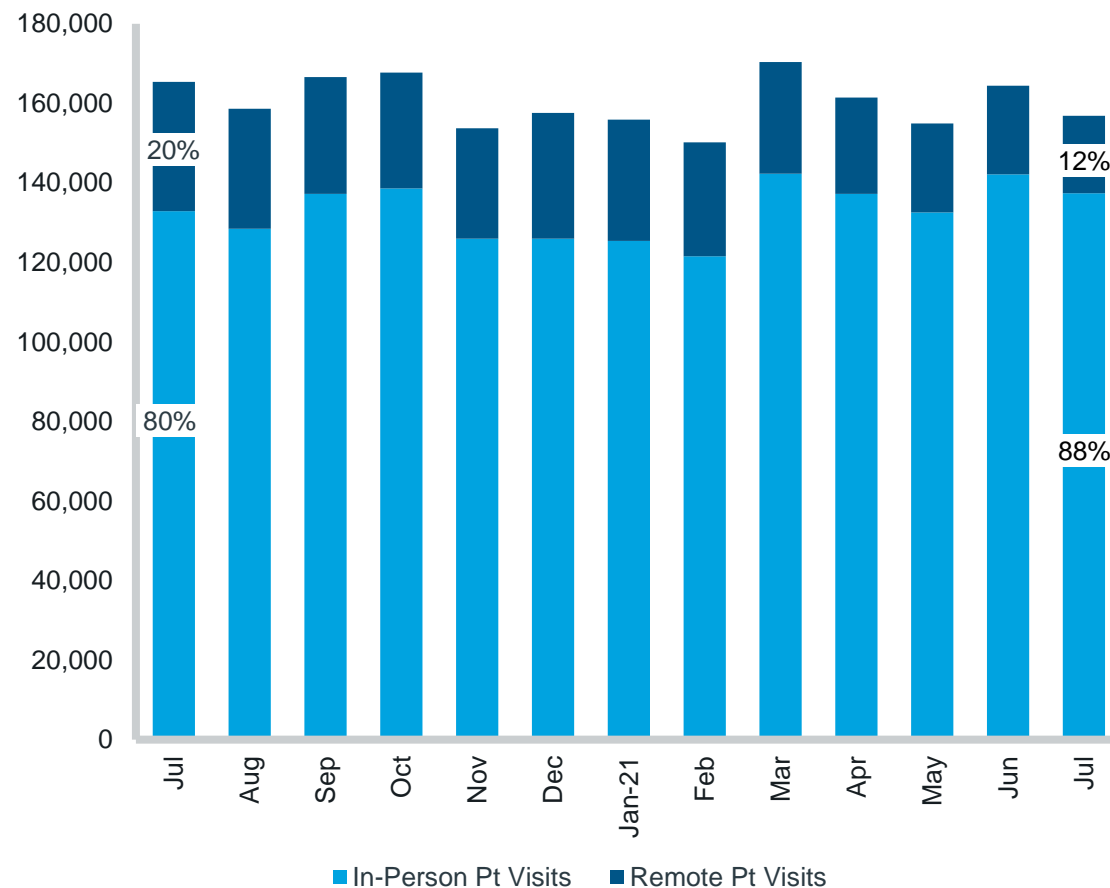
-270.2M

**% of Expected
Diagnosis Visits
in 1H 2021**

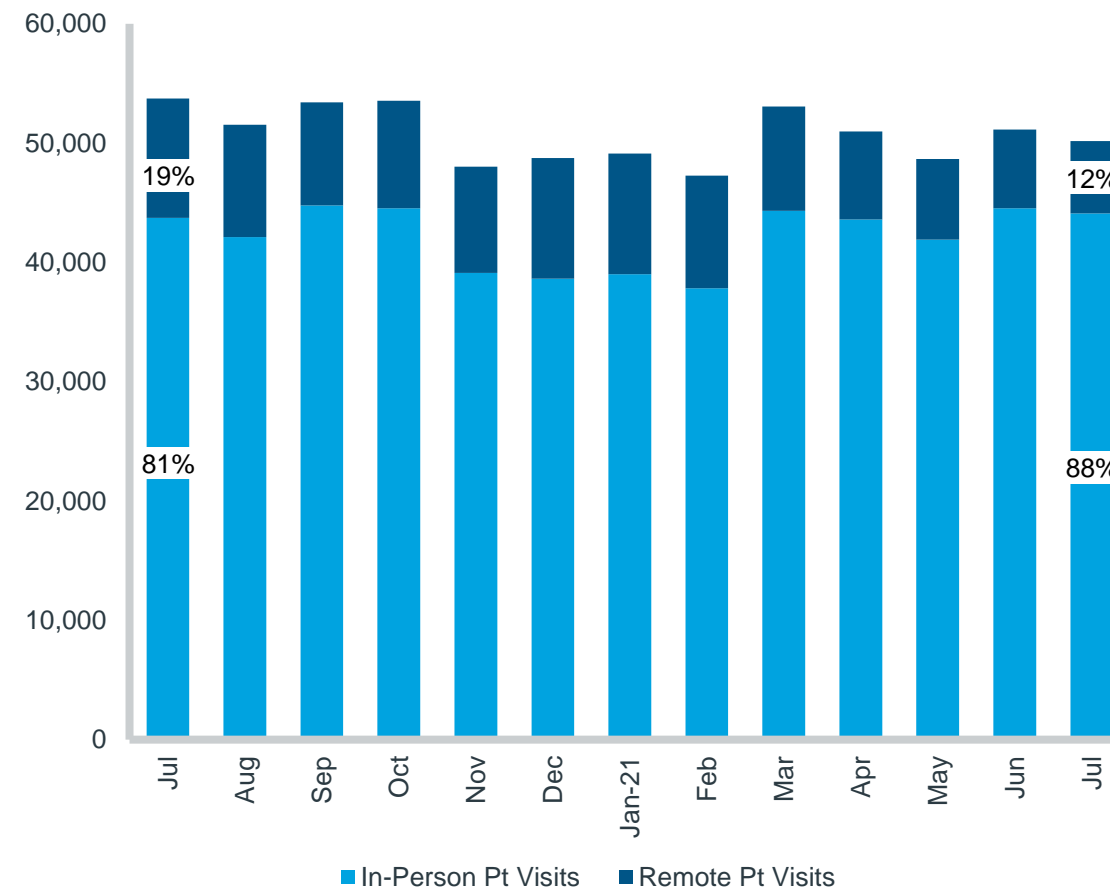
-10.8%

Total patient visits in July for Biopharma and Primary Care were lower than last year due to a decline in remote visits

Total Biopharma Patient Visits by Type

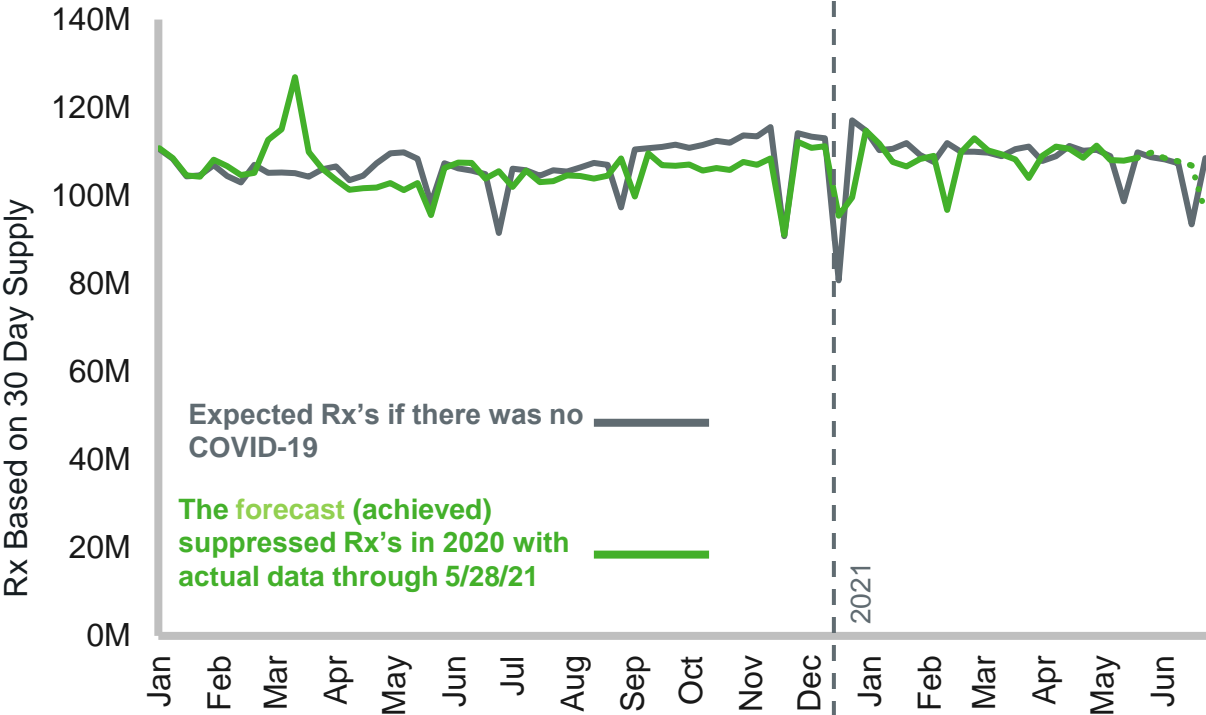


Primary Care Patient Visits by Type



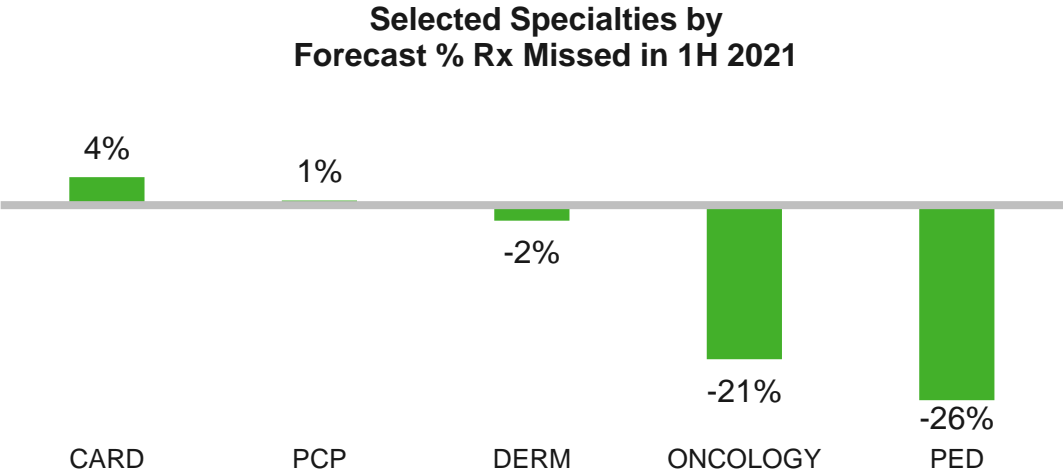
BrandImpact HCP Network = ~3,600 unique HCPs including Oncology, Specialty and Primary Care; Specialty includes, but not limited to, Allergy, Cardiology, Dermatology, Gastroenterology, Endocrinology, Neurology, Pulmonology, Psychiatry, Rheumatology & Urology

Missed diagnosis visits have a direct effect on prescription utilization



What is “prescription suppression”?

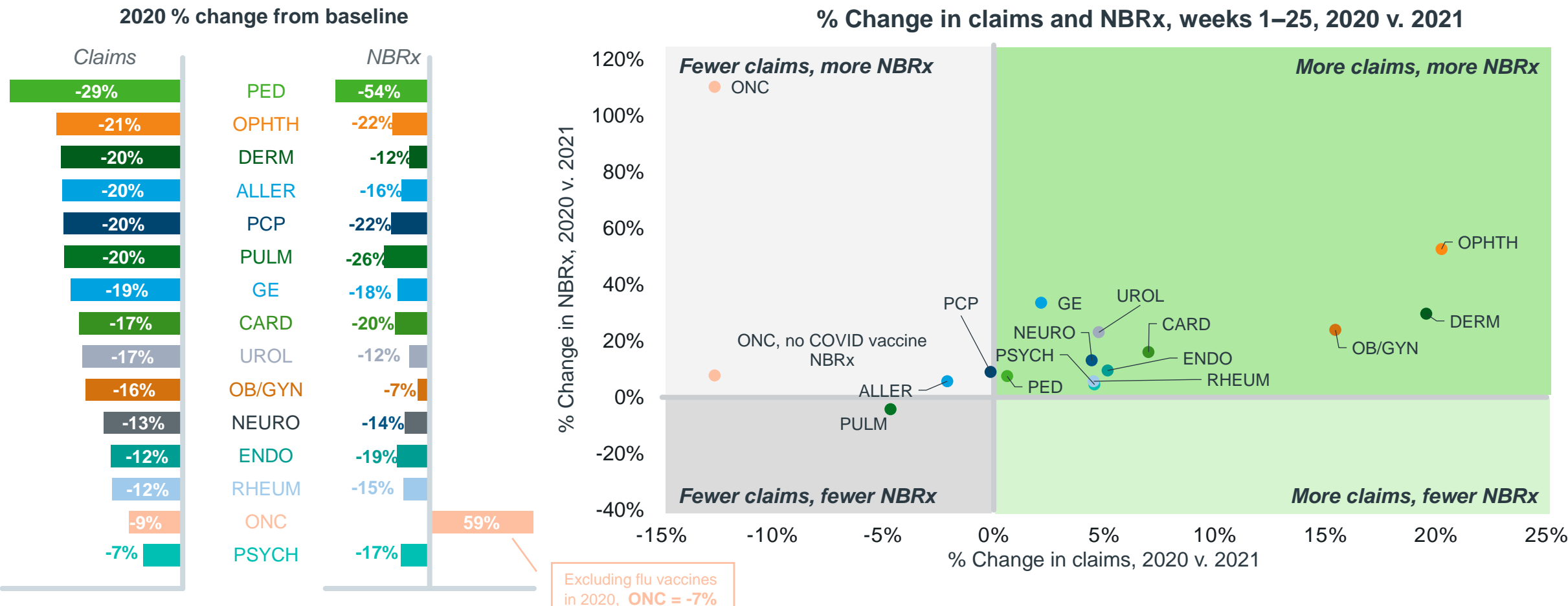
Difference between the number of prescriptions expected during a non-COVID scenario versus the number of prescriptions we actually see



COVID-19 Diagnosis Visit Backlog - w/e May 28, 2021; Source: IQVIA: Medical Claims Data Analysis, 2021, IQVIA Analysis
¹Suppressed monthly prescriptions are calculated by taking the predicted days supply using Dx visits and lever inputs and dividing by 30

Hard hit specialists continue to fill the 2020 diagnosis gap

Specialties with greater gaps in claims in 2020 are working to address the patient backlog – namely ophthalmologists and dermatologists



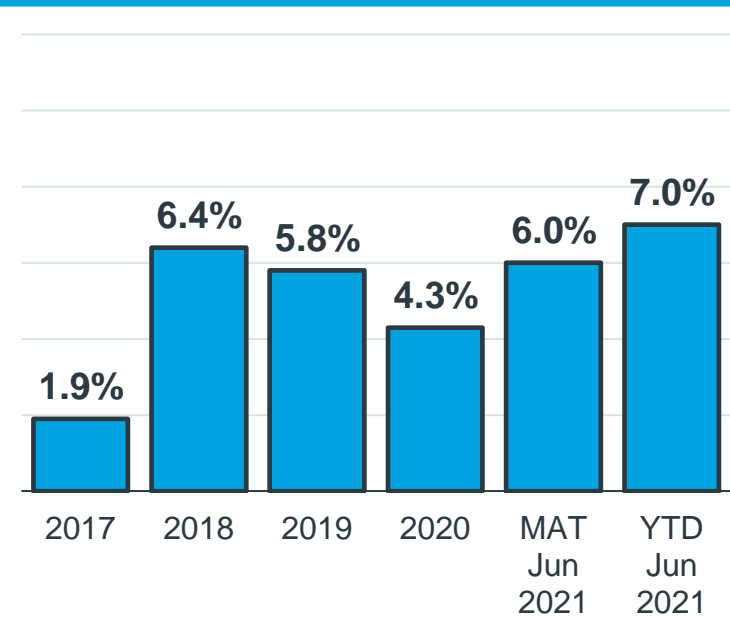
Source: IQVIA: National Prescription Audit; IQVIA: Medical Claims data. Note: Baseline defined as the average of the first full eight weeks of 2020. NBRx are Retail only. NBRx include all prescriptions a HCP writes, not only those specific to the therapy area.
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Where Are We Now?

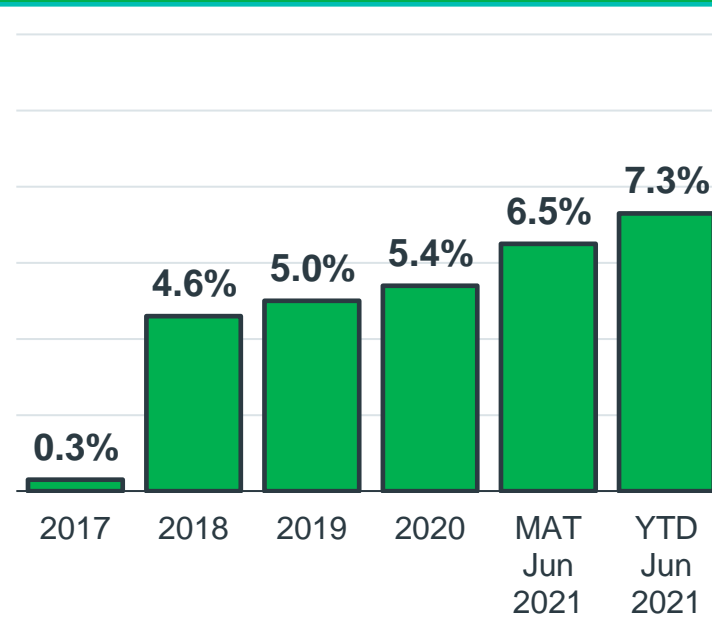
The Non-Retail channel is recovering from effects of COVID-19

Growth (%) of Sales

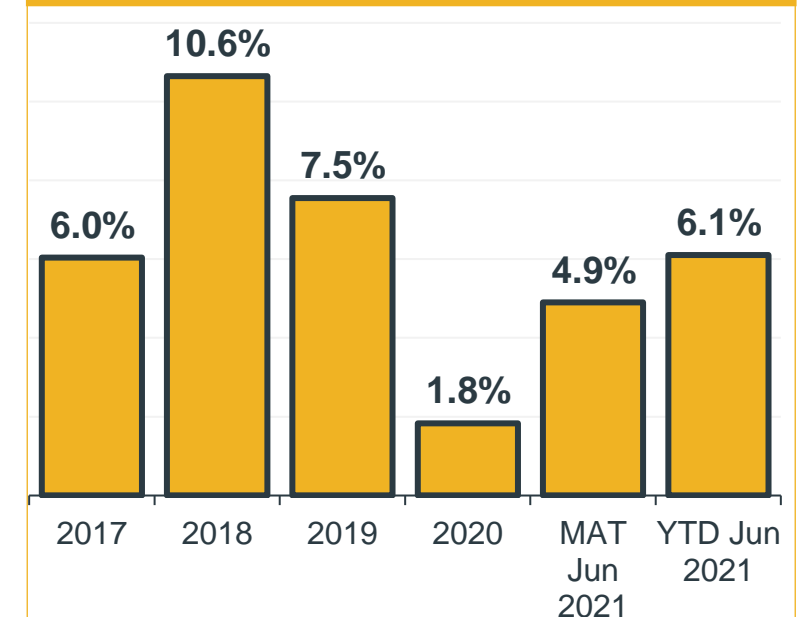
Total Market (Retail, Non-Retail and Mail)



Retail and Mail



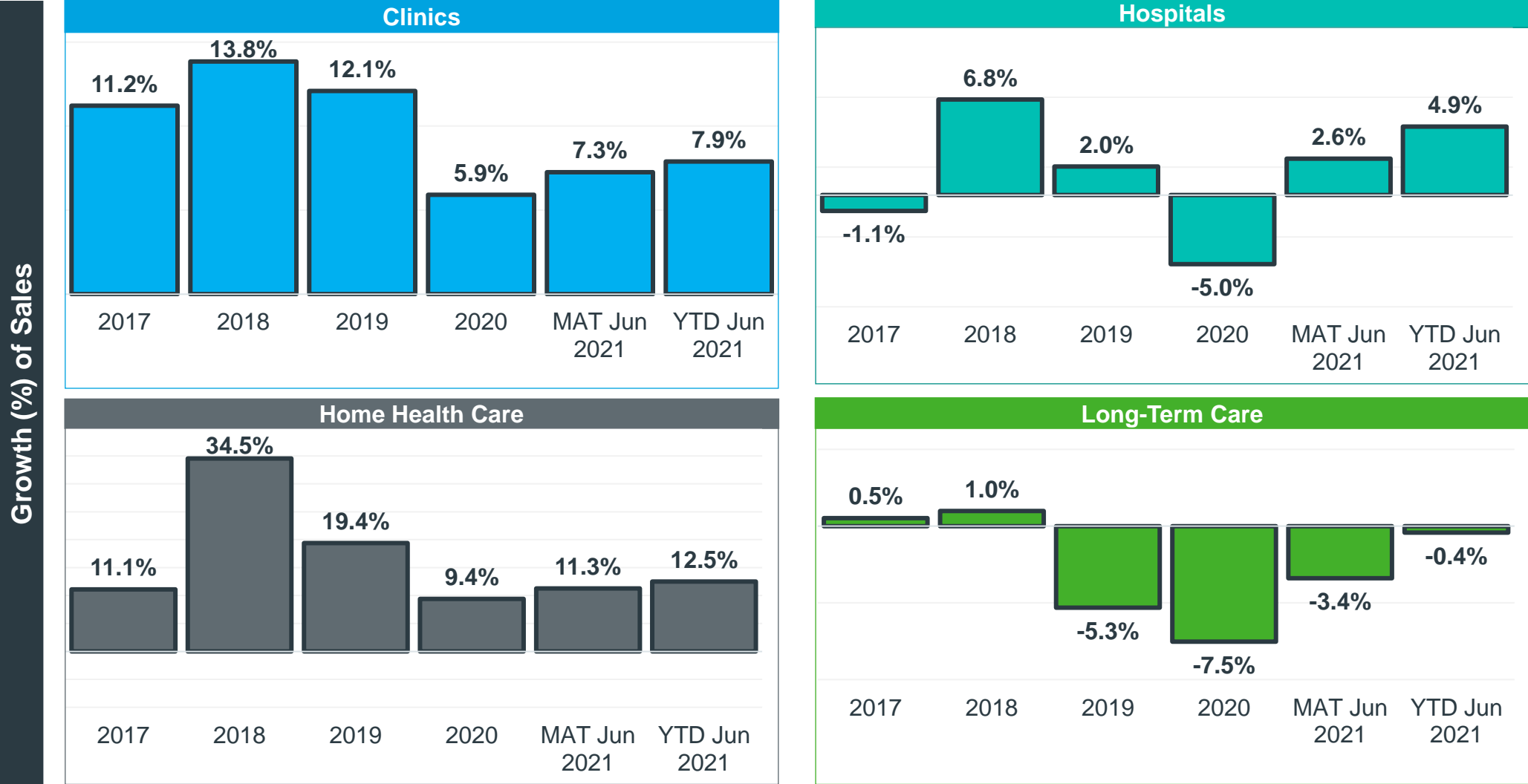
Non-Retail



Source: IQVIA, National Sales Perspectives, Jun 2021

Note: Limited to Rx and OTC Insulins; Includes Retail, Non-Retail and Mail

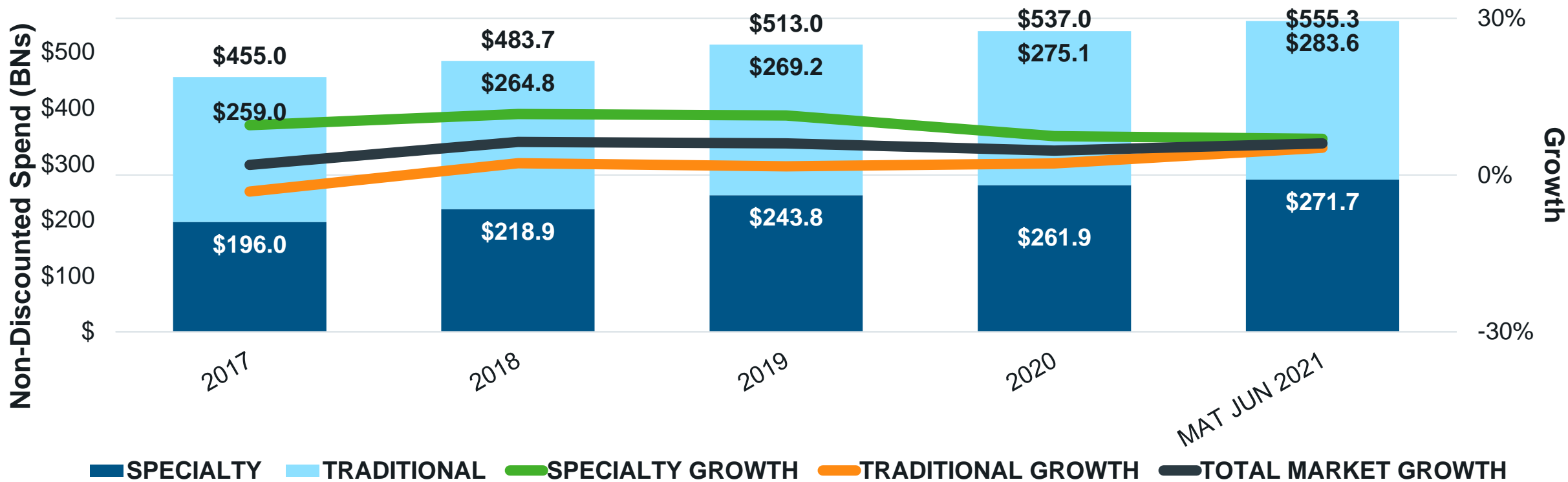
Hospitals and Long-Term Care have been most affected by COVID-19 while Home Health Care is booming!



Source: IQVIA, National Sales Perspectives, August 2021
Note: Limited to Rx and OTC Insulins; Includes Retail, Non-Retail and Mail

For the total market, specialty growth is outpacing traditional growth and now has ~49% share of total non-discounted spend

In MAT June 2021, specialty spend grew by 6.9% while traditional growth grew 5.2%



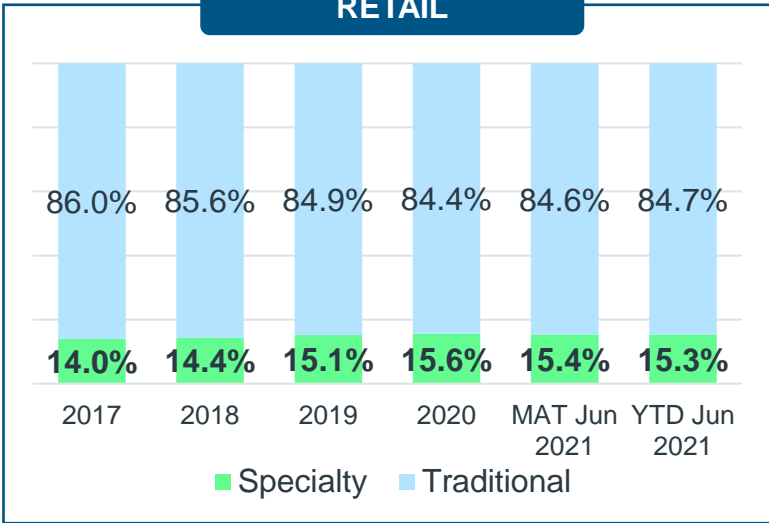
Share of Sales	2017	2018	2019	2020	MAT JUN 2021
SPECIALTY	43.1%	45.3%	47.5%	48.8%	48.9%
TRADITIONAL	56.9%	54.7%	52.5%	51.2%	51.1%

Source: IQVIA, National Sales Perspectives, June 2021

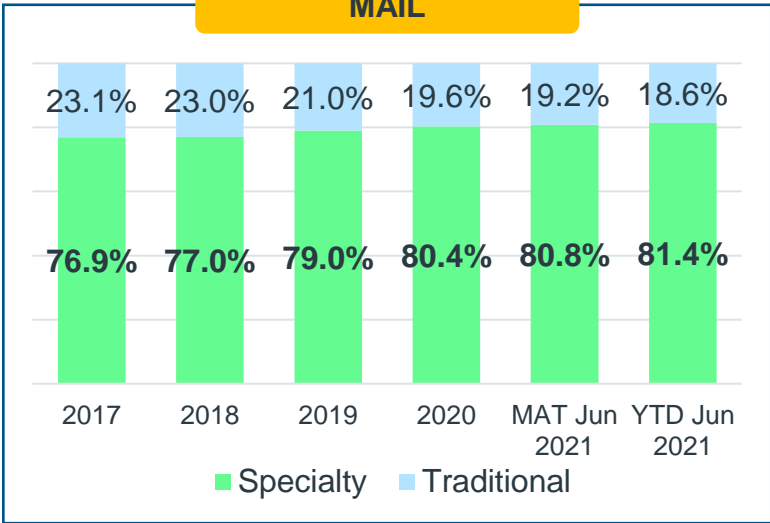
Based on sales dollars, Specialty is increasing at Mail and Non-Retail while slowing at Retail

% OF SALES \$

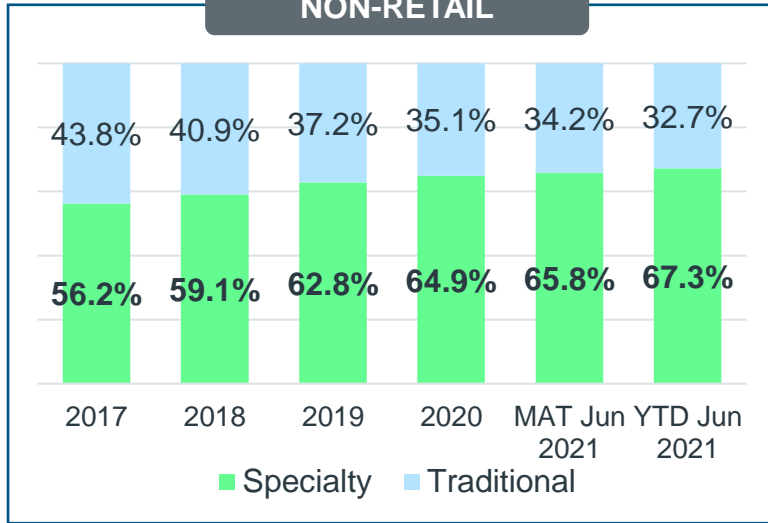
RETAIL



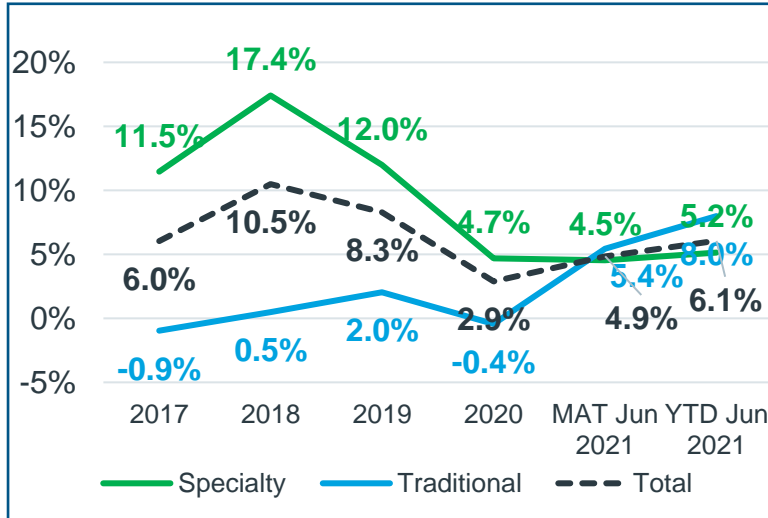
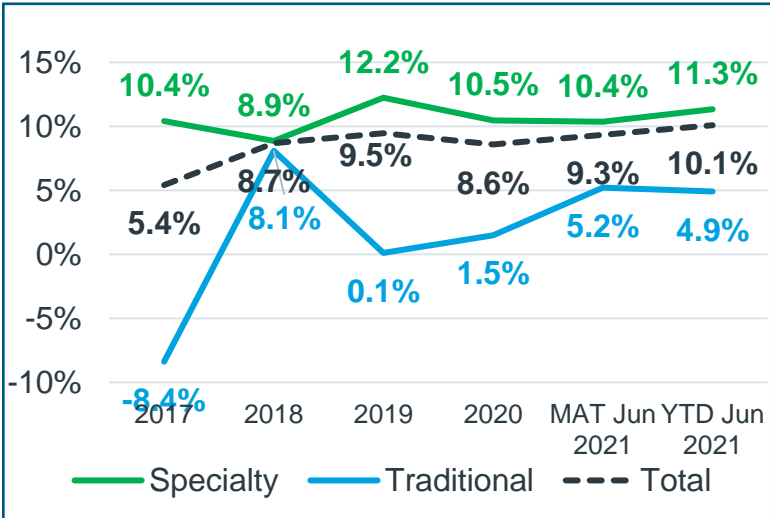
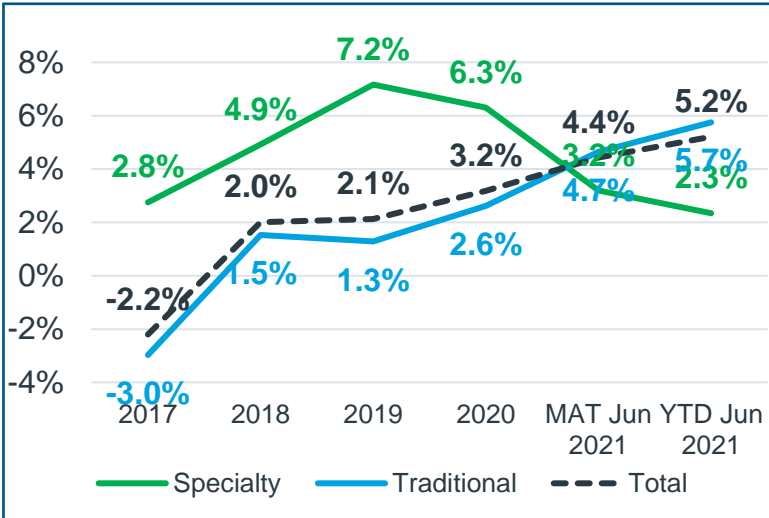
MAIL



NON-RETAIL



YOY SALES \$ GROWTH



Data is based on Rx and OTC Insulins only

Immunology showed greatest Specialty growth on spend in Mail

Top 10 Specialty Therapies for Retail, Mail, and Non-Retail - MAT June 2021 (in \$ billions)

RETAIL			MAIL			NON-RETAIL		
Therapy	MAT June 2021	YoY Growth	Therapy	MAT June 2021	YoY Growth	Therapy	MAT June 2021	YoY Growth
HIV ANTIVIRALS	16.4	1.5%	IMMUNOLOGY	61.0	20.3%	ONCOLOGICS	52.8	7.0%
IMMUNOLOGY	7.7	9.5%	ONCOLOGICS	20.2	9.1%	IMMUNOLOGY	15.6	9.9%
ONCOLOGICS	2.3	-3.0%	MULTIPLE SCLEROSIS	11.3	-10.2%	MULTIPLE SCLEROSIS	5.2	4.0%
MENTAL HEALTH	2.2	6.6%	HIV ANTIVIRALS	5.1	-0.6%	POLYVAL IMMUNOGLOBULINS IV&IM	4.6	5.6%
ANTI-INFLAMMATORY AND DIGESTIVE ENZYMES AND MODULA	2.0	11.3%	ALL OTHER RESPIRATORY	3.8	21.6%	HIV ANTIVIRALS	4.5	2.0%
VIRAL HEPATITIS	1.2	-16.3%	OTHER CARDIOVASCULARS	2.3	13.1%	HEMATOPOIETIC GROWTH FACTORS	3.8	-11.6%
LIPID REGULATORS	1.0	35.9%	GROWTH HORMONES	2.2	0.2%	ERYTHROPOIETINS	2.7	-9.6%
MULTIPLE SCLEROSIS	0.7	-10.5%	RESPIRATORY AGENTS	2.2	13.4%	MENTAL HEALTH	2.1	9.3%
SEX HORMONES (ANDROGENS, OESTROGENS, PROGESTOGENS)	0.6	21.3%	VIRAL HEPATITIS	2.1	-20.9%	OCULAR ANTINEOVASCULARISATION	1.9	-9.5%
IMMUNOSUPPRESSANTS	0.5	-6.3%	BLOOD COAGULATION	1.9	0.5%	RESPIRATORY AGENTS	1.9	14.2%

Source: IQVIA, National Sales Perspectives, June 2021

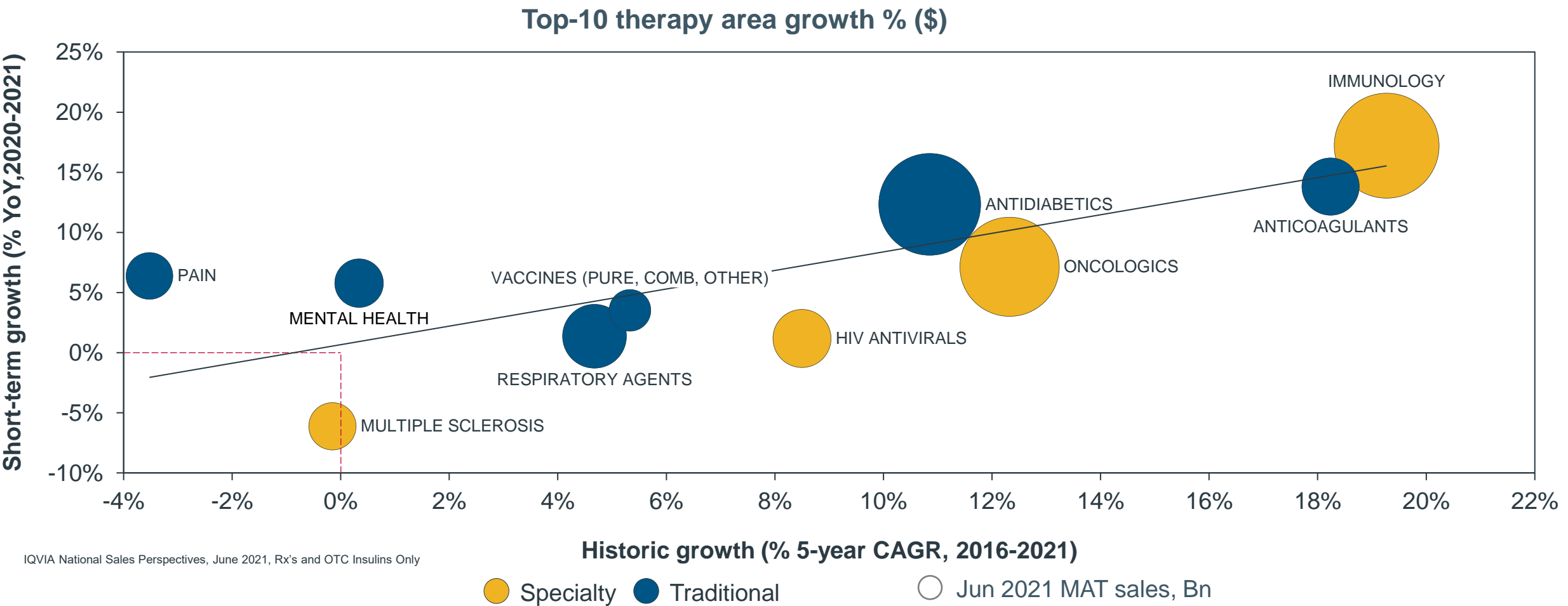
Limited to Rx and OTC Insulins

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All therapies demonstrate short-term growth except MS; Immunology and Anticoagulants show the greatest one- and five-year growth

Slowing growth was occurring prior to COVID-19, and is not the sole contributor



IQVIA National Sales Perspectives, June 2021, Rx's and OTC Insulins Only

Antidiabetics is the top therapy class and Eliquis is a top product in the Retail Market based on sales dollars

Top 10 Therapies and Products for Retail based on Sales - MAT June 2021 (MAT in Billions)

Therapies			
Rank	Therapy	MAT June 2021	YoY Growth
1	ANTIDIABETICS	64.0	13.9%
2	RESPIRATORY AGENTS	21.6	-0.1%
3	ANTICOAGULANTS	18.1	16.2%
4	HIV ANTIVIRALS	16.4	1.5%
5	MENTAL HEALTH	13.3	6.4%
6	PAIN	10.2	8.1%
7	ADHD	8.1	0.1%
8	IMMUNOLOGY	7.7	9.6%
9	GI PRODUCTS	6.8	5.1%
10	NERVOUS SYSTEM DISORDERS	6.5	-6.1%

Products			
Rank	Product	MAT June 2021	YoY Growth
1	ELIQUIS	10.9	25.5%
2	TRULICITY	8.5	37.2%
3	OZEMPIC	5.6	70.9%
4	JARDIANCE	5.6	40.7%
5	XARELTO	5.4	9.1%
6	BIKTARVY	5.2	27.6%
7	JANUVIA	5.0	3.8%
8	LANTUS SOLOSTAR	4.0	17.2%
9	VYVANSE	3.7	2.8%
10	LATUDA	3.3	11.4%

Source: IQVIA, National Sales Perspectives, June 2021
Limited to Rx and OTC Insulins

Farxiga and Trelegy Ellipta show large YoY growth

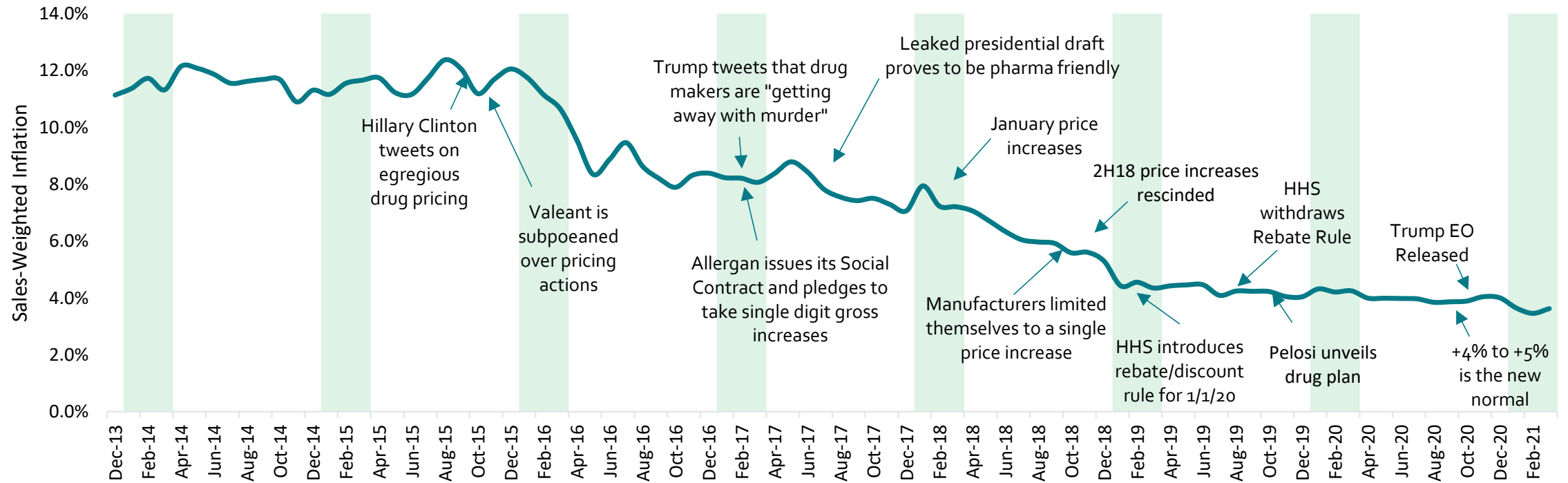
Top 20 Therapies and Products for Retail based on Sales - MAT June 2021 (MAT in Billions)

Therapies			
Rank	Therapy	MAT June 2021	YoY Growth
11	ANTIHYPERTENSIVES, PLAIN & COMBO	5.9	3.5%
12	DERMATOLOGICS	5.3	-9.4%
13	OTHER CNS	4.6	-4.3%
14	OPHTHALMOLOGY, GENERAL	4.1	1.1%
15	VACCINES (PURE, COMB, OTHER)	3.7	10.5%
16	OTHER CARDIOVASCULARS	3.6	9.7%
17	HORMONAL CONTRACEPTION, SYSTEMIC&TOPICAL	3.3	-9.4%
18	SEX HORMONES (ANDROGENS, OESTROGENS, PROGESTOGENS)	3.1	-0.9%
19	LIPID REGULATORS	2.5	5.9%
20	ONCOLOGICS	2.4	-3.5%

Products			
Rank	Product	MAT June 2021	YoY Growth
11	HUMIRA	2.9	3.9%
12	SYMBICORT	2.9	-6.8%
13	VICTOZA 3-PAK	2.6	-7.3%
14	NOVOLOG FLEXPEN	2.6	-8.5%
15	TRESIBA	2.6	1.3%
16	FARXIGA	2.4	48.4%
17	TRELEGY ELLIPTA	2.1	56.3%
18	HUMALOG KWIKPEN	2.0	-4.6%
19	BREO ELLIPTA	2.0	-6.5%
20	GENVOYA	1.9	-11.5%

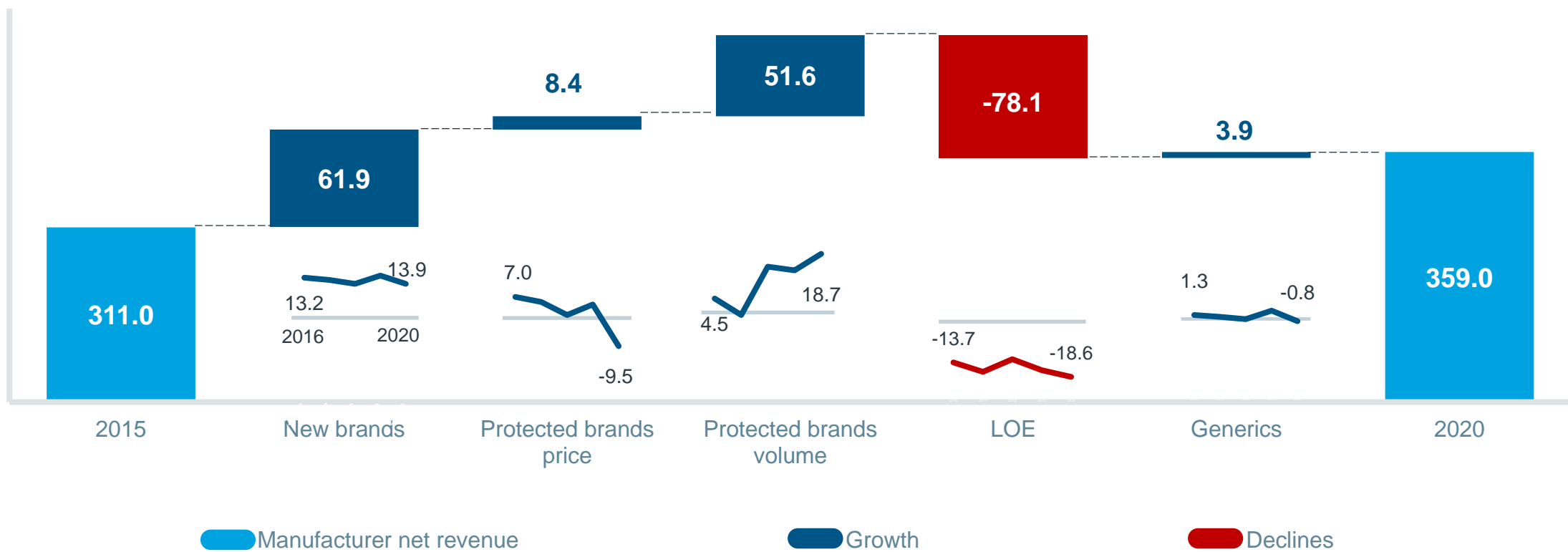
Source: IQVIA, National Sales Perspectives, June 2021
Limited to Rx and OTC Insulins

Brand Inflation has slowed in recent years, currently it is running between 4 and 5% according to Nephron Research



Manufacturer net revenues increased by \$48 billion over the past five years primarily driven by new products and protected brand volume

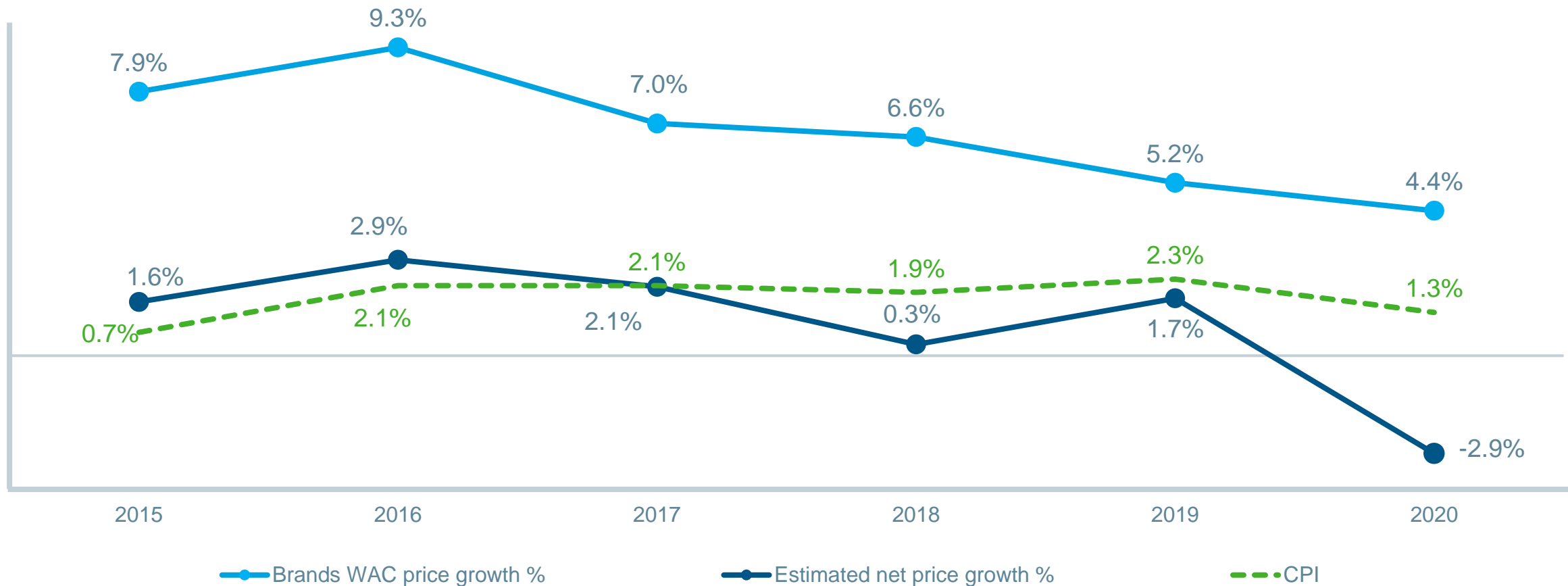
Net Manufacturer Revenues and Growth 2015–2020, All Channels, US\$Bn



Source: IQVIA Institute, May 2021

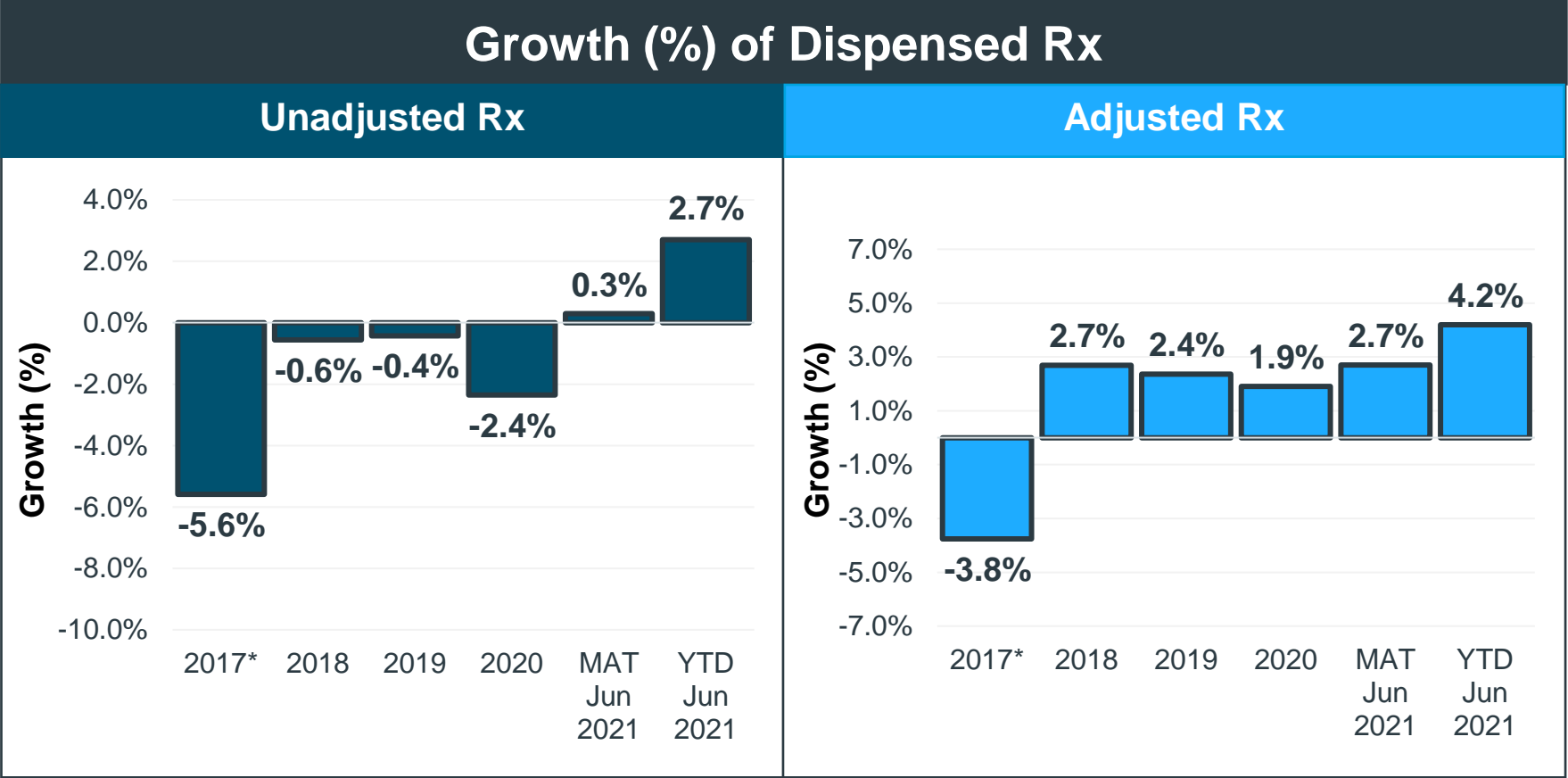
Protected brand list prices increased 4.4% in 2020, while net prices decreased -2.9% - the fourth year at or below the CPI

Wholesaler Acquisition Cost (WAC) Growth and Net Price Growth for Protected Brands



Source: IQVIA Institute, National Sales Perspectives, Dec 2020; Bureau of Labor Statistics, CPI Data, Dec 2015–Dec 2020

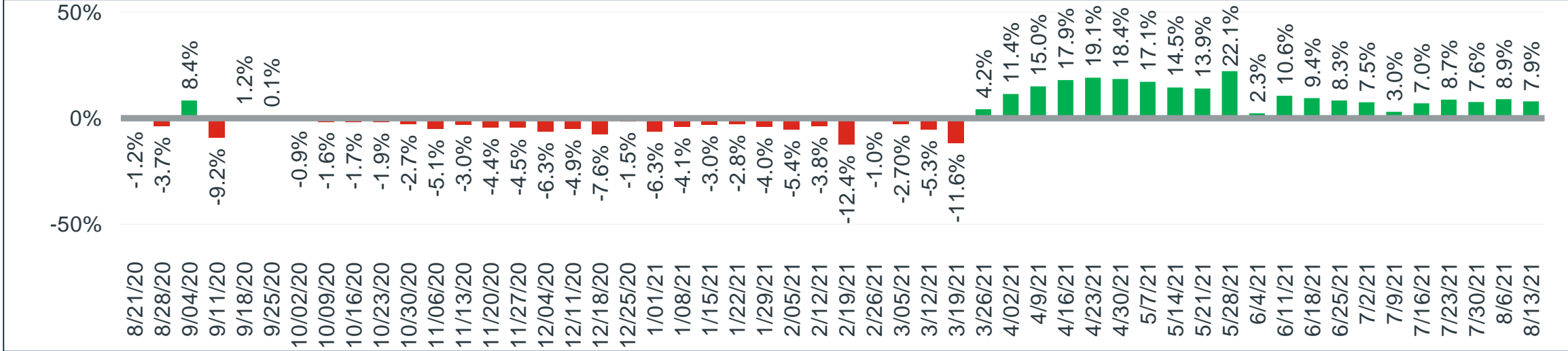
Unadjusted Rx growth for MAT May is negative and YTD May is positive, but adjusted growth is higher, at 2.5% for MAT May and 3.6% year to date



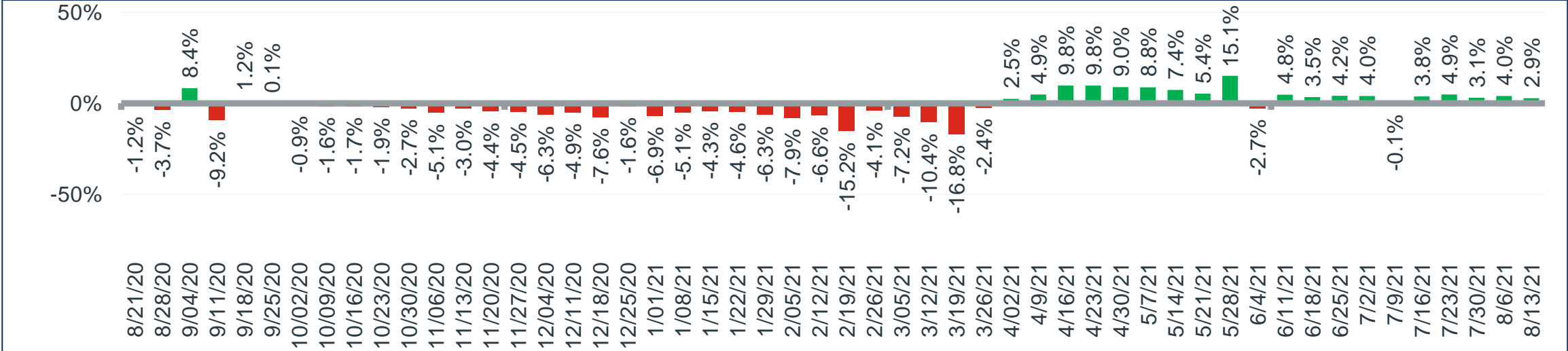
Source: IQVIA, National Prescription Audit & RxInsight, May 2021; Retail, Mail, and LTC limited to Rx and OTC Insulins
*Note: Declines between 2016 and 2017 are due to VRAF enhancement from 2017 onwards

Unadjusted growth trends have been positive for the last several weeks, mainly being driven by COVID vaccinations at Retail

Unadjusted YoY Growth

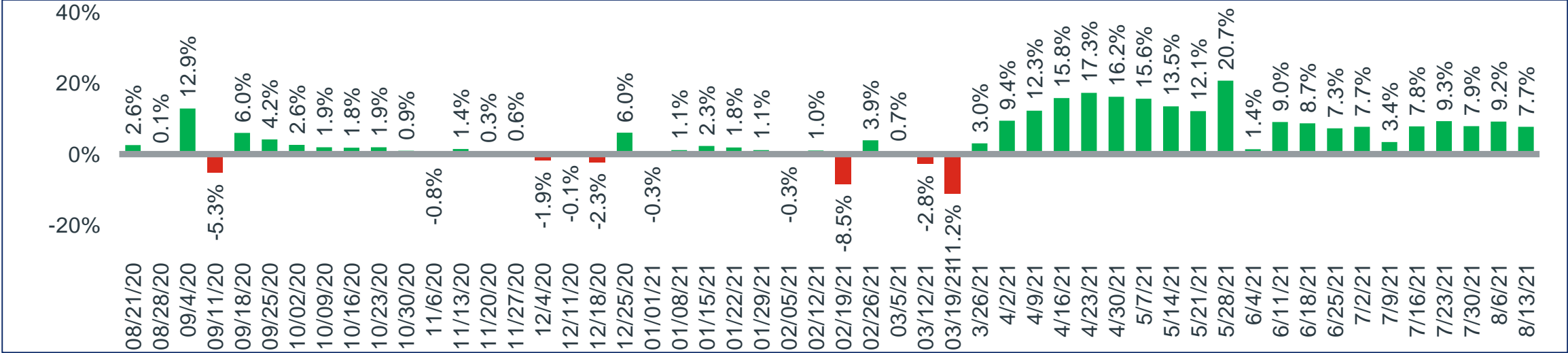


Unadjusted YoY Growth less COVID Vaccines

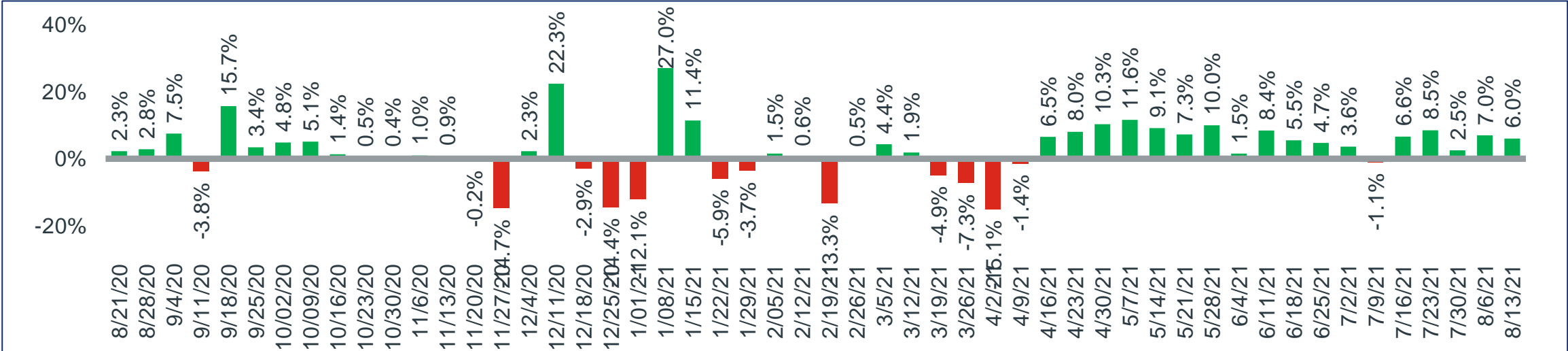


Adjusted growth trends have run positive for the last several weeks driven by COVID vaccines and last spring's weak comparison periods

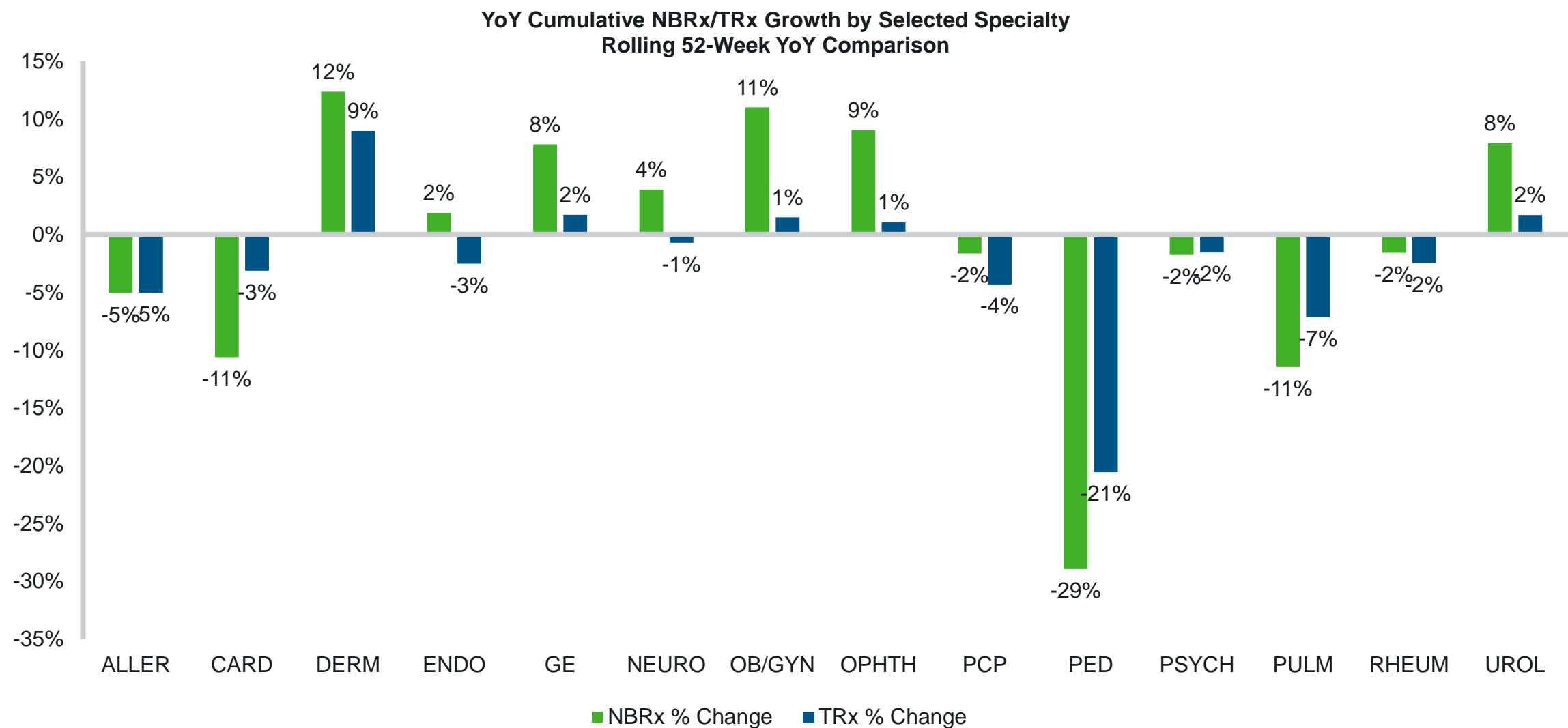
Adjusted YoY Growth



Adjusted YoY Growth less COVID Vaccines

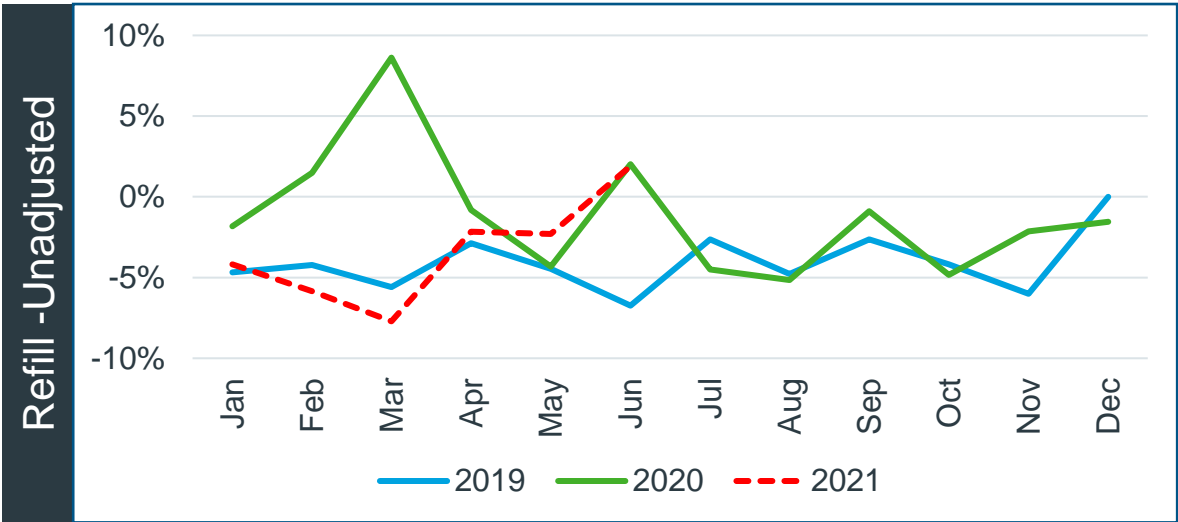
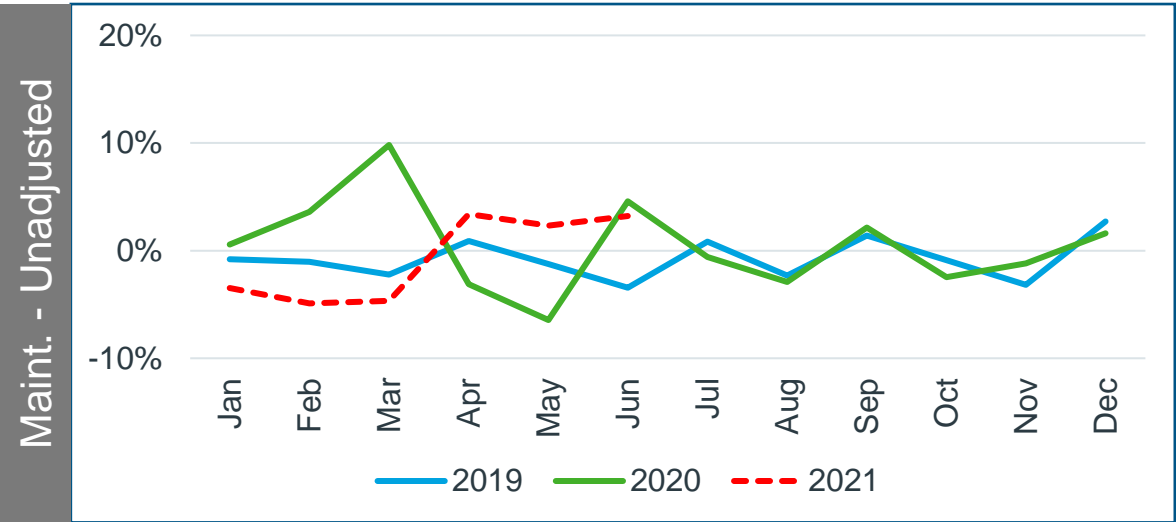
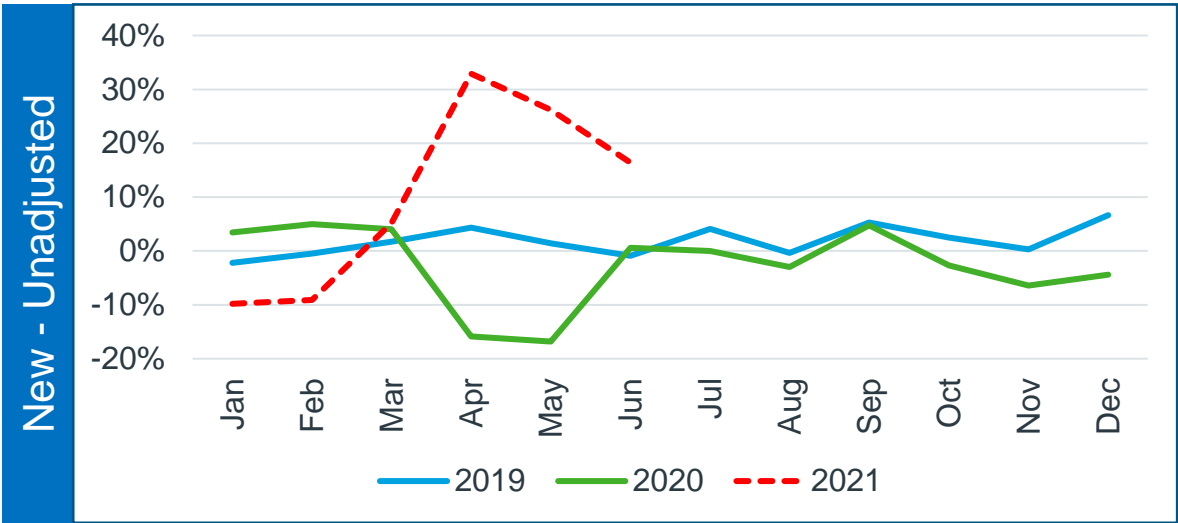
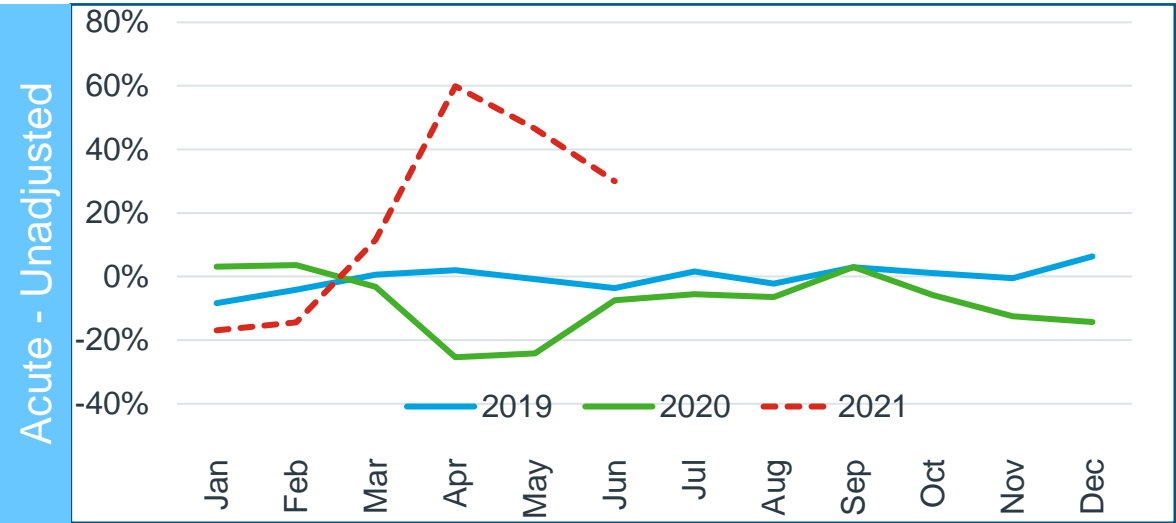


Many specialties show NBRx and TRx recovery over the past 52 weeks, though pediatric volumes continue to lag



Source: IQVIA: National Prescription Audit (NPA), National Prescription Audit: New to Brand (NPA NTB); Time aligned weeks W/E 7/24/20 – 7/23/21

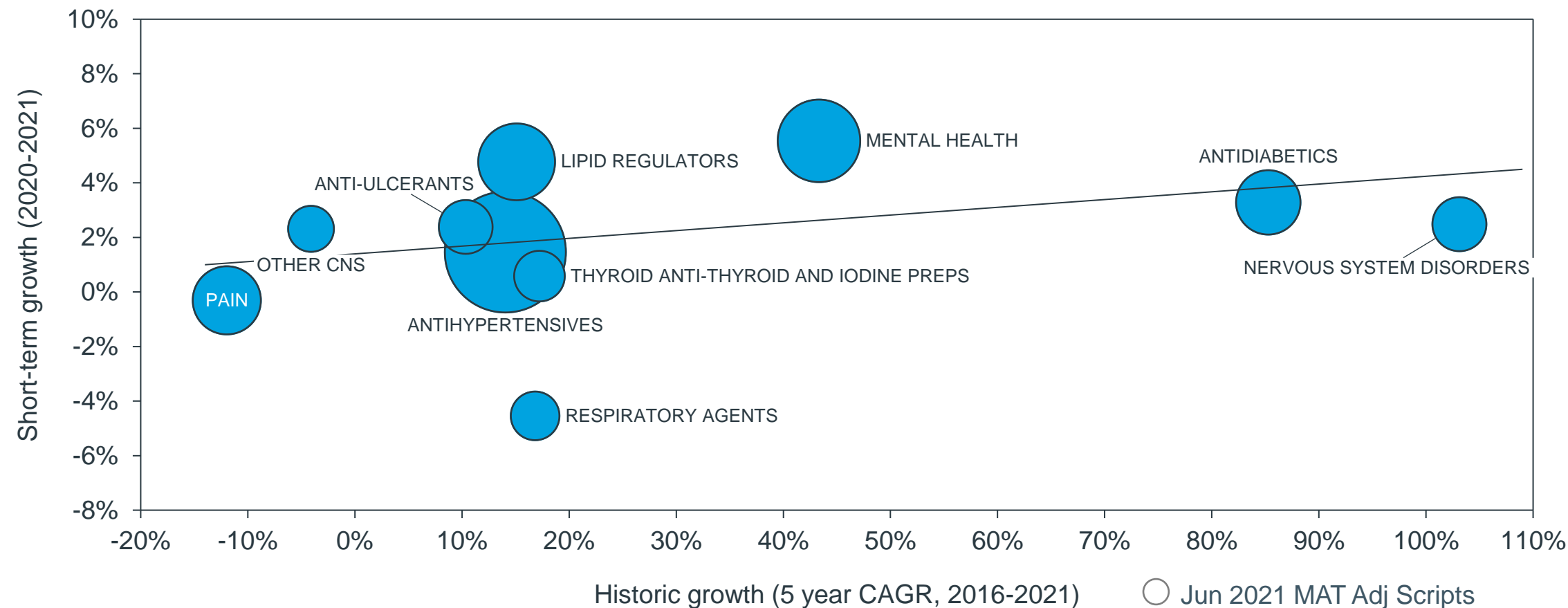
Acute and New Rx growth is slowing down over the last three months; driven by COVID vaccines (% change vs. 1 Year ago)



All Rx's shown in Millions

Nervous system disorders 5-year growth is high, but short-term growth is minimal

Pain shows negative growth for one and five-year growth



IQVIA Xponent® June 2021, Retail, Mail and LTC

Based on adjusted Rx's basis in Retail, Antihypertensives are the leading therapy with Atorvastatin as the top product

Top 10 Therapies and Products for Retail - MAT July 2021 (Adjusted Rx's in Millions)

Therapies			
Rank	Therapy	MAT July 2021	YoY Growth
1	ANTIHYPERTENSIVES, PLAIN & COMBO	1,046.5	2.6%
2	MENTAL HEALTH	492.3	6.5%
3	LIPID REGULATORS	425.1	5.6%
4	PAIN	377.6	0.2%
5	ANTIDIABETICS	352.6	3.5%
6	ANTI-ULCERANTS	214.2	4.5%
7	NERVOUS SYSTEM DISORDERS	210.9	3.4%
8	THYROID ANTI-THYROID AND IODINE PREPS	189.6	1.3%
9	RESPIRATORY AGENTS	182.8	-5.2%
10	VACCINES (PURE, COMB, OTHER)	180.5	232.0%

Products			
Rank	Product	MAT July 2021	YoY Growth
1	ATORVASTATIN CA	208.3	7.6%
2	LISINOPRIL	154.1	0.6%
3	AMLODIPINE BESY	150.9	5.6%
4	LEVOTHYROXINE SOD	141.2	-2.4%
5	LOSARTAN POT	105.0	5.5%
6	METFORMIN HCL	97.1	3.5%
7	METOPROLOL SUCCIN	84.9	7.2%
8	OMEPRAZOLE (RX)	83.8	16.0%
9	HYDROCHLOROTHIAZIDE	81.2	-0.3%
10	GABAPENTIN	78.5	3.8%

Source: IQVIA, National Sales Perspectives, June 2021

Limited to Rx and OTC Insulins

*For Client's internal use only

When looking at Retail on an unadjusted Rx basis there are no changes for the top therapy and top product

Top 10 Therapies and Products for Retail - MAT July 2021 (Unadjusted Rx's in Millions)

Therapies			
Rank	Therapy	MAT July 2021	YoY Growth
1	ANTIHYPERTENSIVES, PLAIN & COMBO	527.8	-2.9%
2	PAIN	350.8	-0.3%
3	MENTAL HEALTH	332.2	2.6%
4	ANTIDIABETICS	208.8	-0.5%
5	LIPID REGULATORS	202.7	0.2%
6	VACCINES (PURE, COMB, OTHER)	178.9	242.5%
7	ANTIBACTERIALS	175.8	-16.9%
8	NERVOUS SYSTEM DISORDERS	159.2	0.9%
9	OTHER CNS	155.6	1.1%
10	RESPIRATORY AGENTS	146.2	-8.6%

Products			
Rank	Product	MAT July 2021	YoY Growth
1	ATORVASTATIN CA	99.6	1.6%
2	LISINOPRIL	75.9	-4.9%
3	AMLODIPINE BESY	74.4	-0.3%
4	LEVOTHYROXINE SOD	69.7	-8.0%
5	PFIZER COVID19 VACC	62.6	
6	GABAPENTIN	59.0	2.6%
7	HYCD/APAP	52.9	-1.1%
8	LOSARTAN POT	50.8	-0.1%
9	METFORMIN HCL	49.7	-1.8%
10	OMEPRAZOLE (RX)	47.6	9.9%

Source: IQVIA, National Sales Perspectives, June 2021

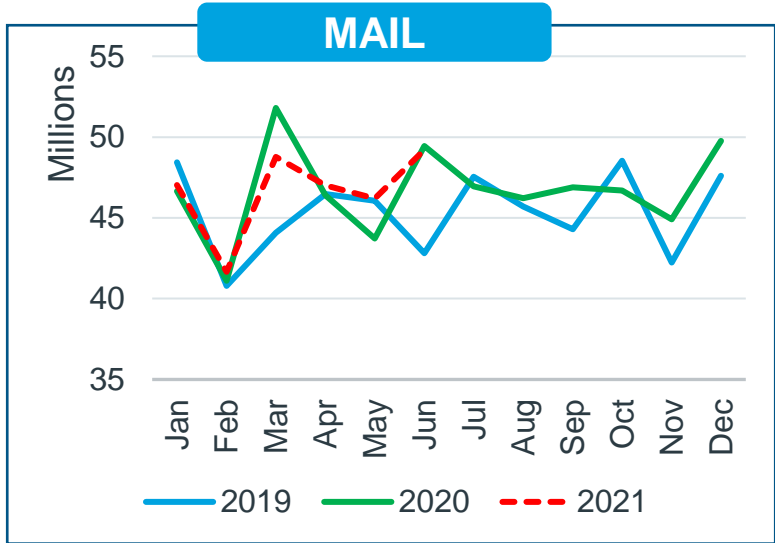
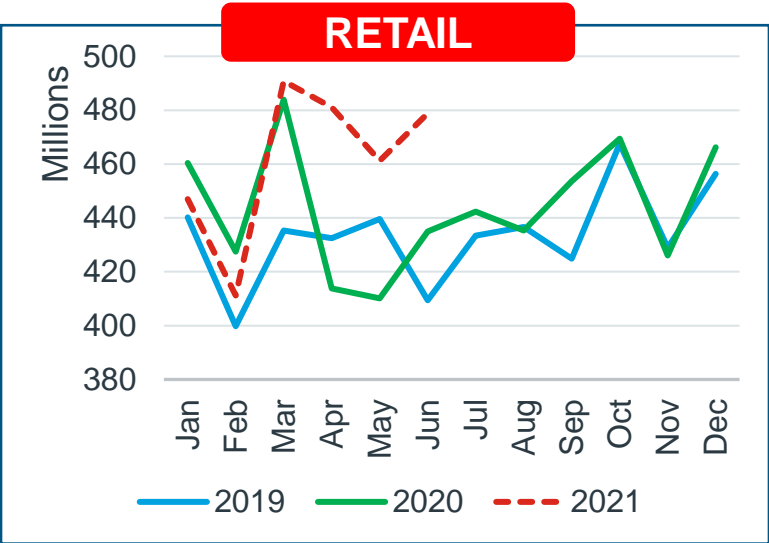
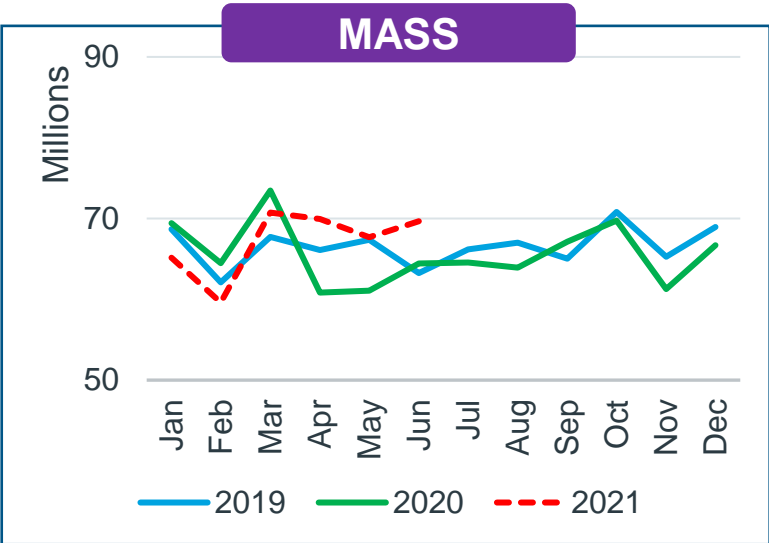
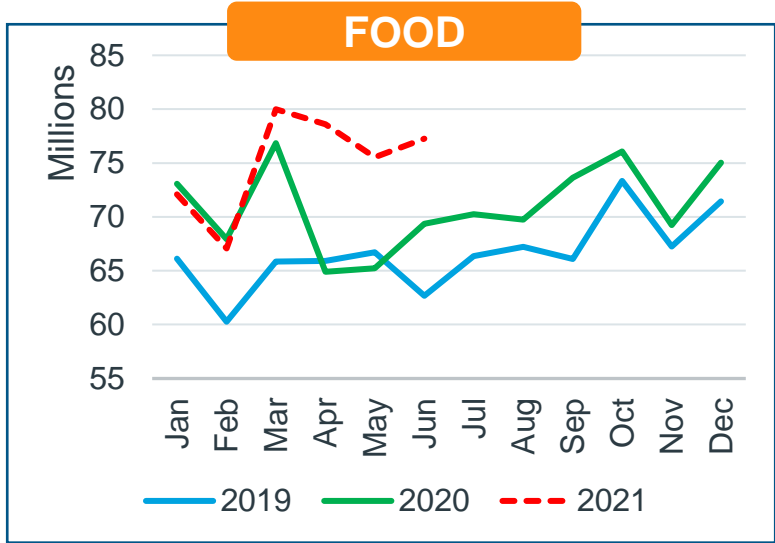
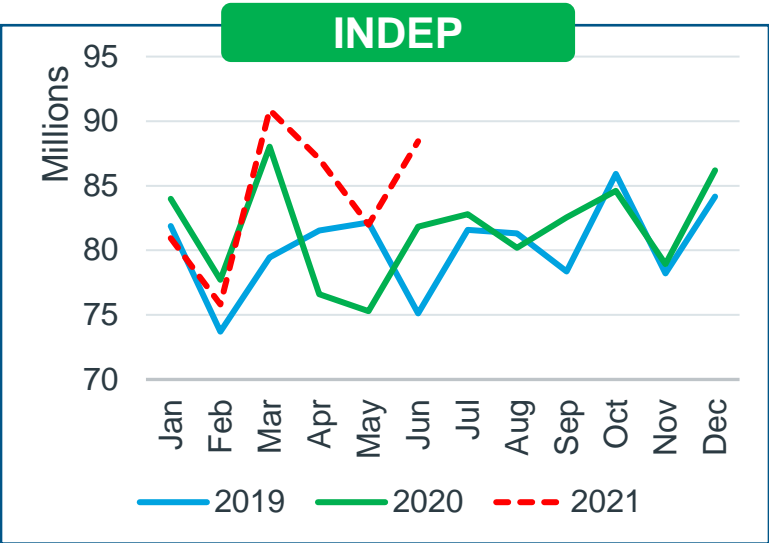
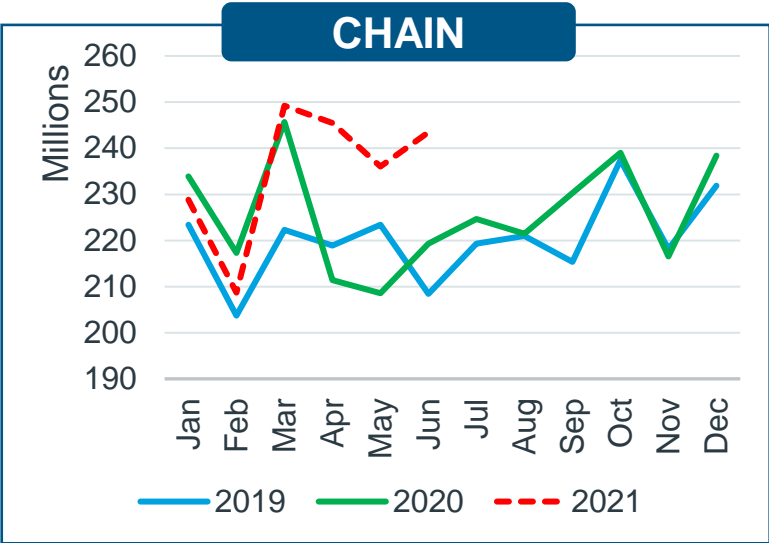
Limited to Rx and OTC Insulins

*For Client's internal use only

Retail Class of Trade and Method of Payment Performance

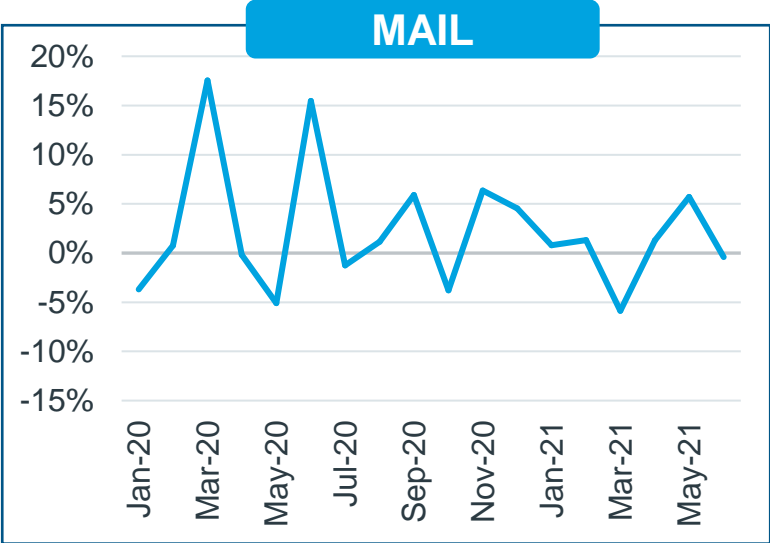
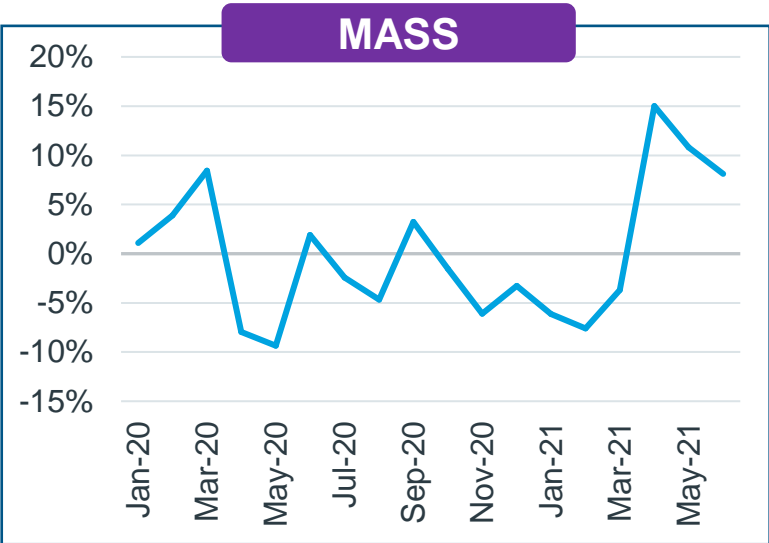
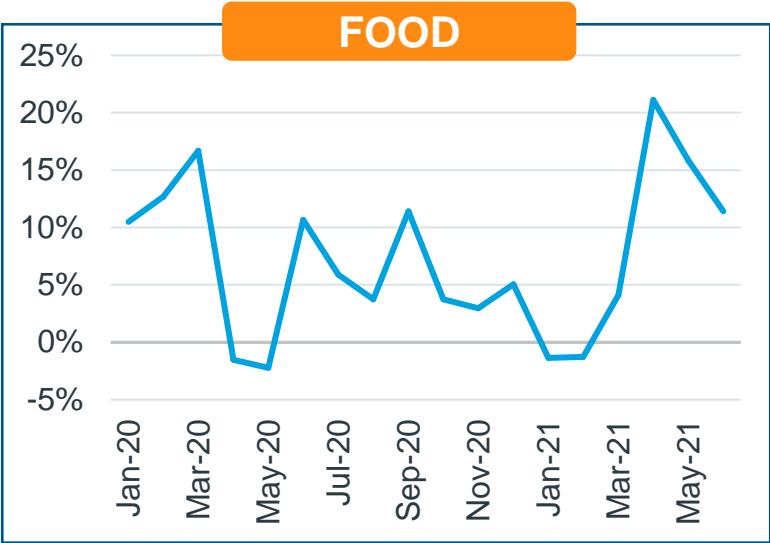
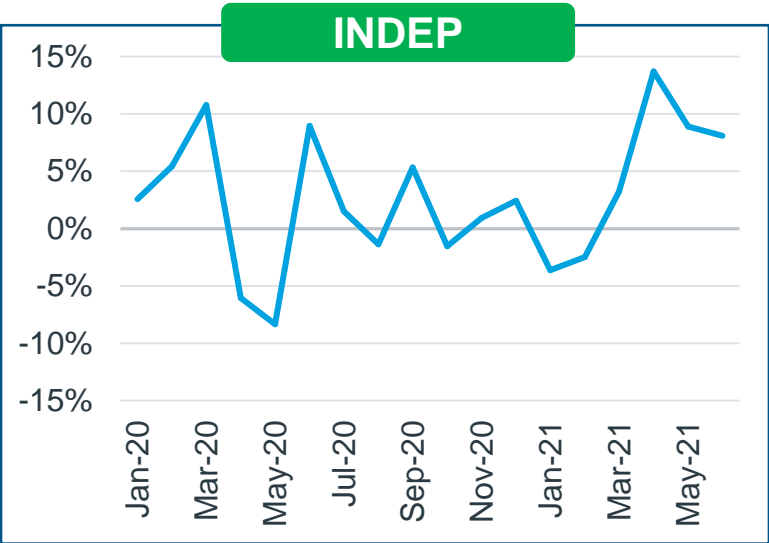
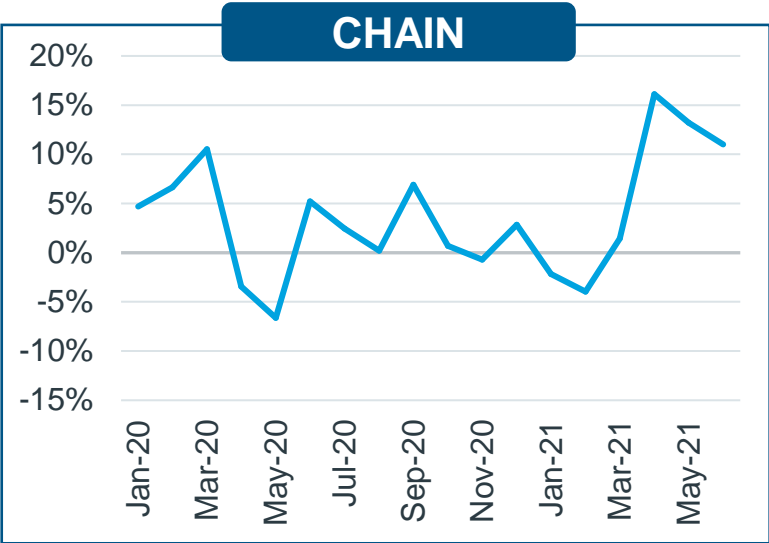
Adjusted volumes in all COTs in June 2021 show an uptick from May 2021 volumes

ADJUSTED RX'S



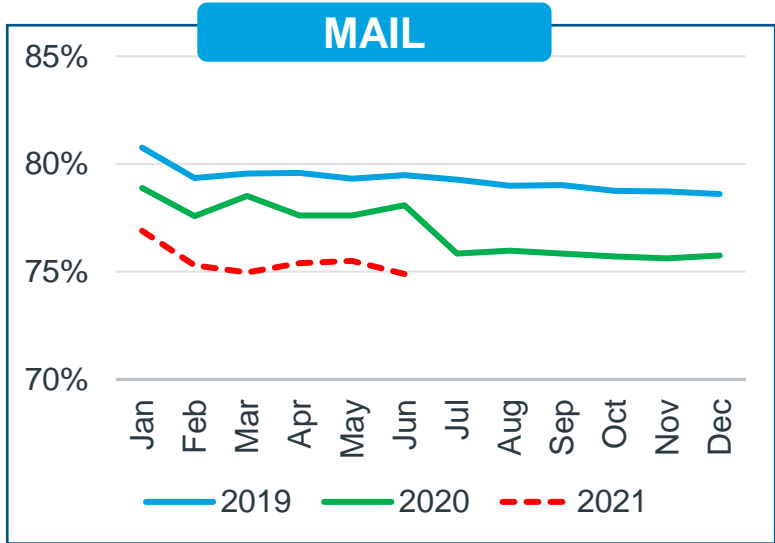
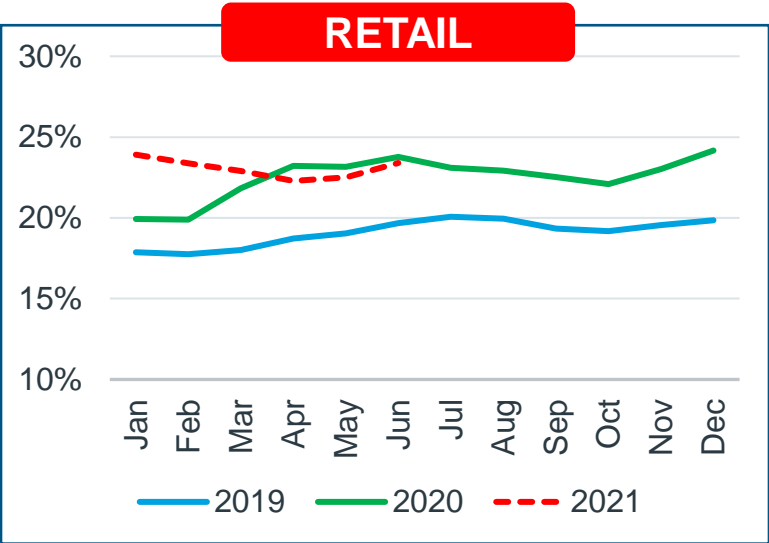
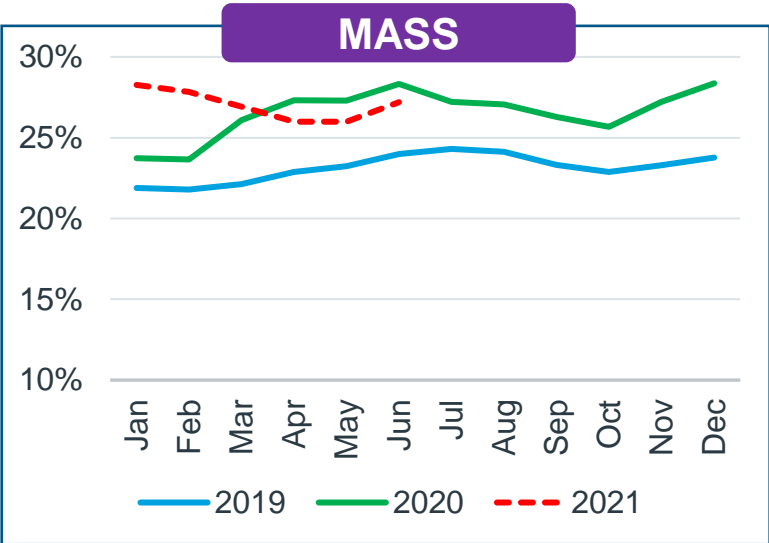
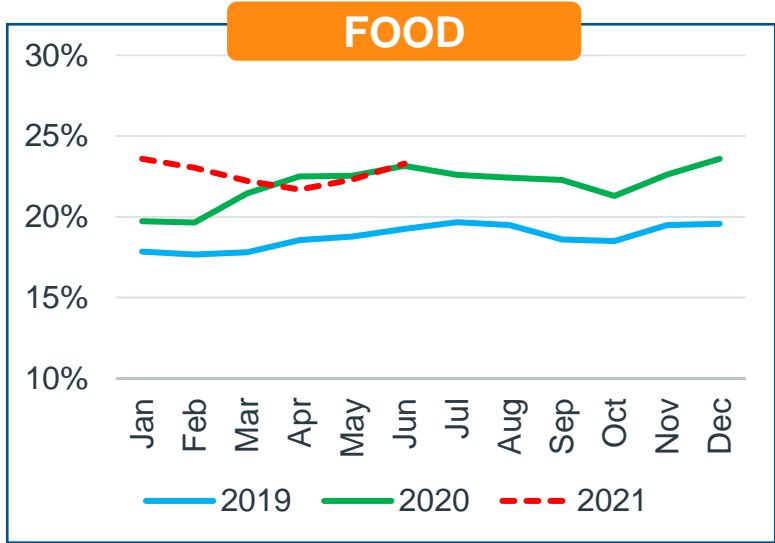
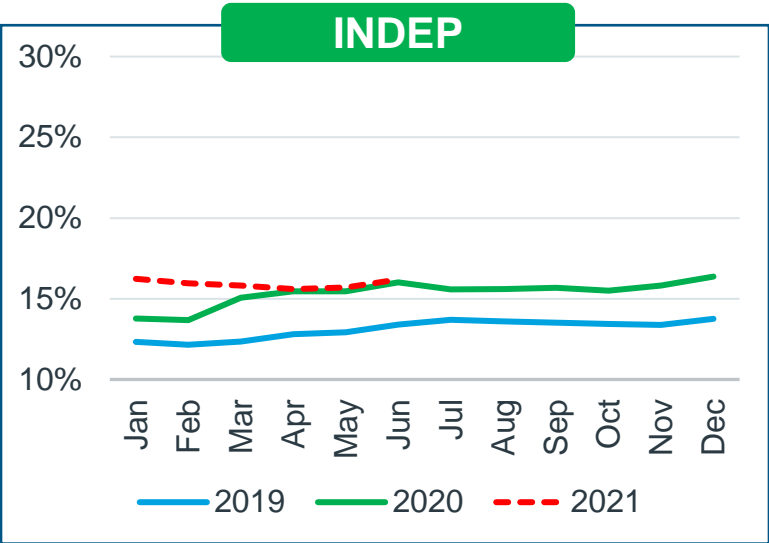
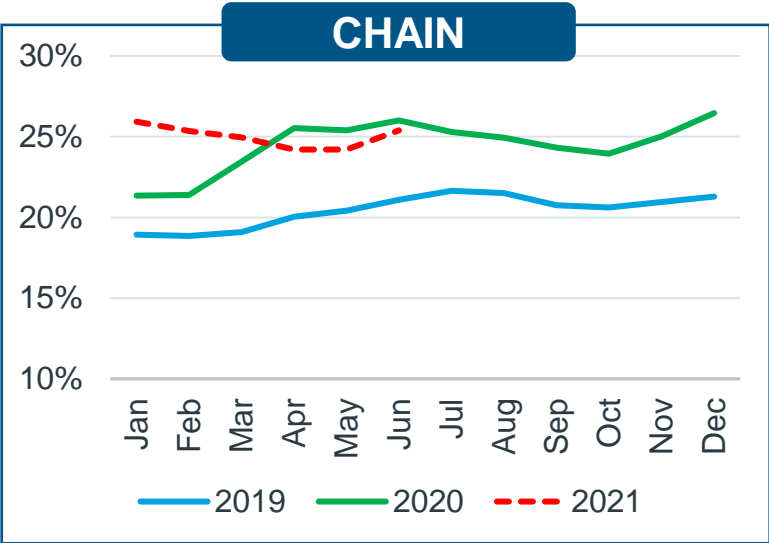
COVID Vaccines are the driver of growth, though it is slowing

ADJUSTED RX GROWTH



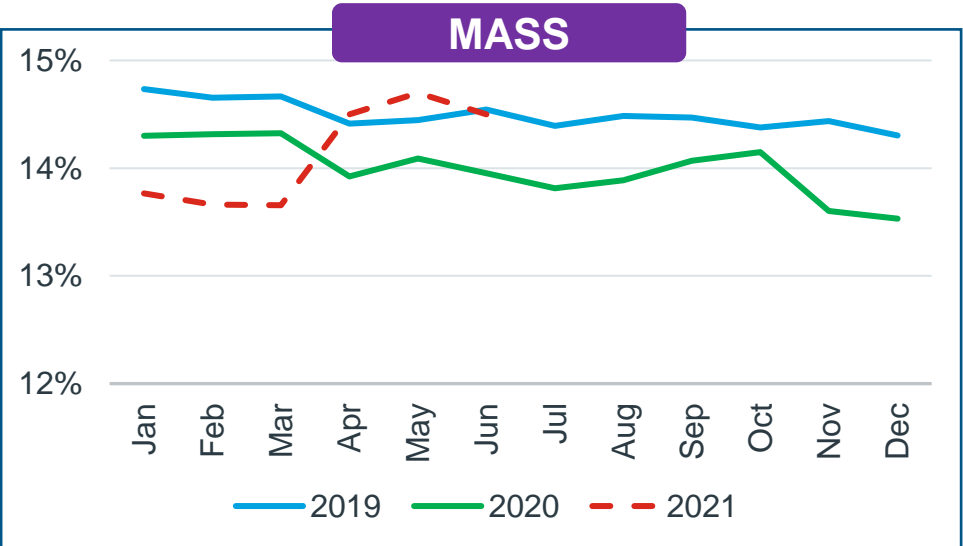
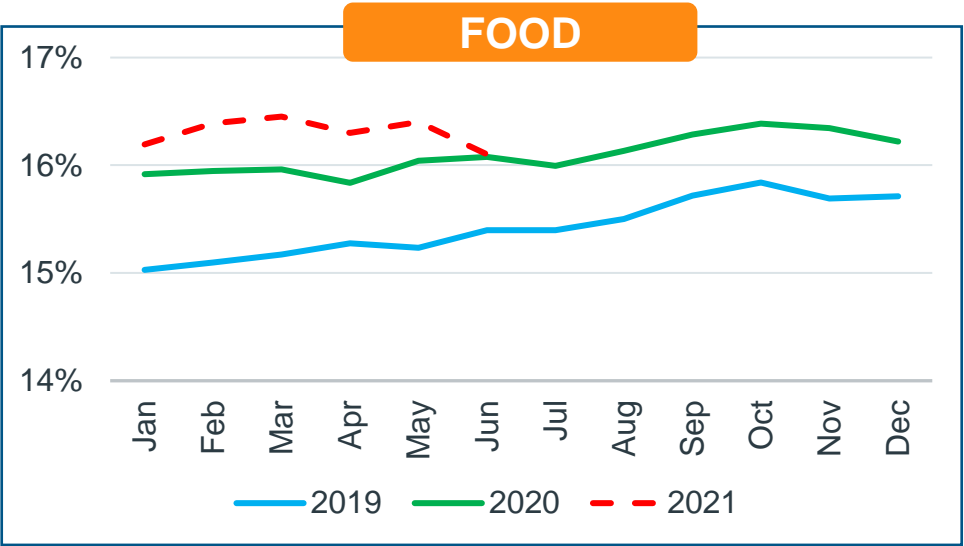
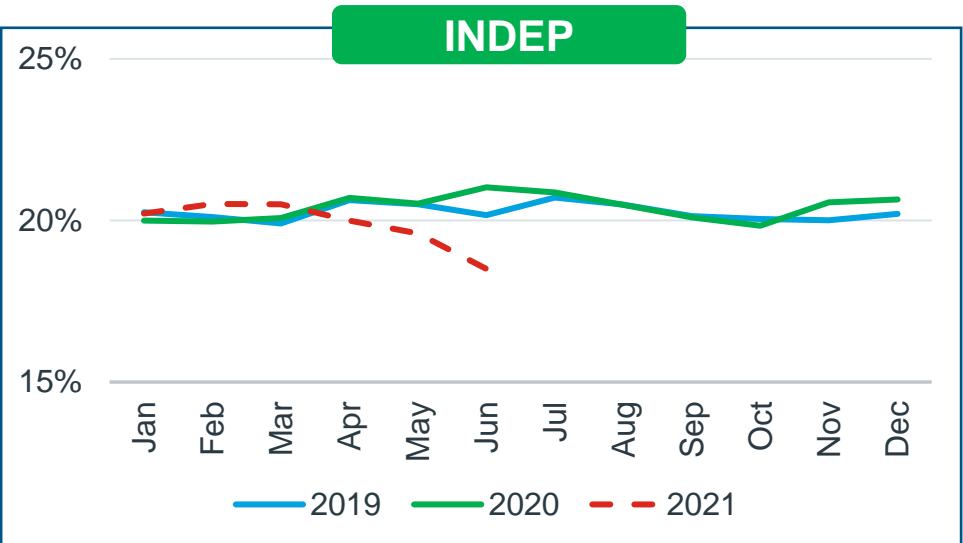
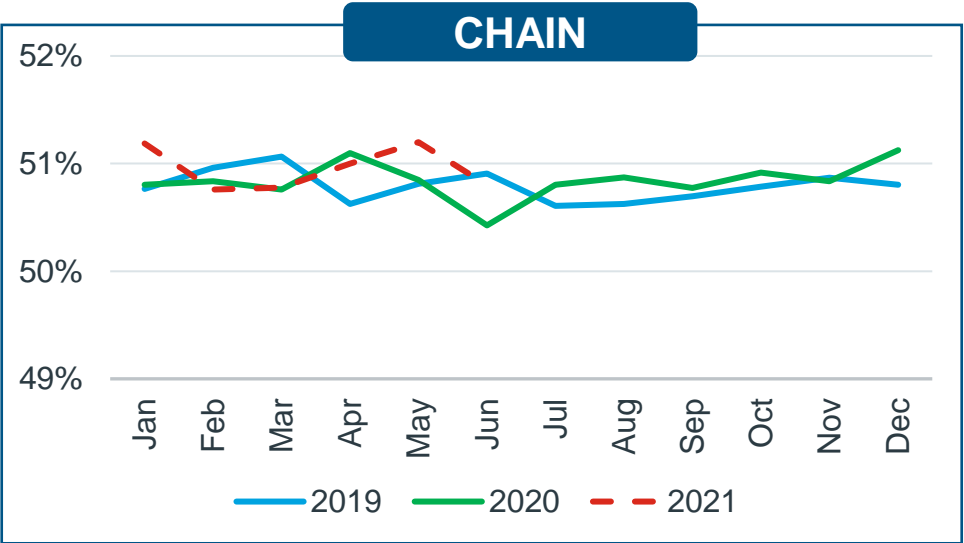
90 Day percentage of Rx's based on Unadjusted Rx's shows a slight increase from May to June, excluding Mail

90 Day Percentage based on Unadj. Rx's



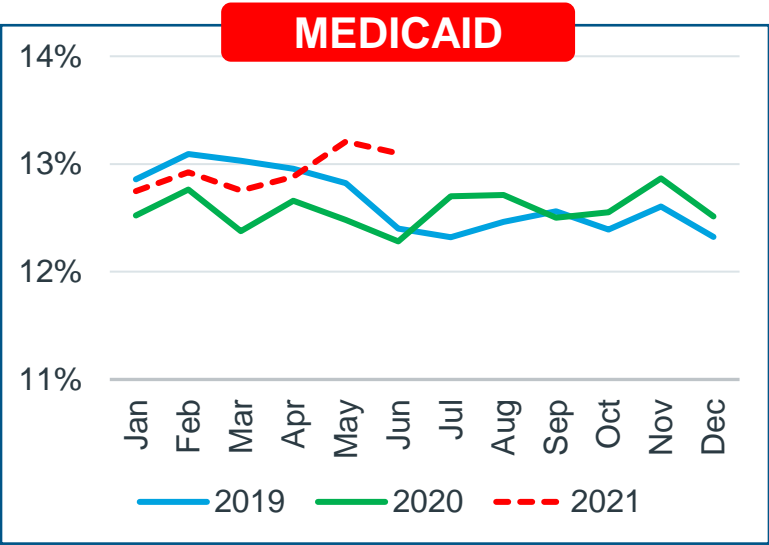
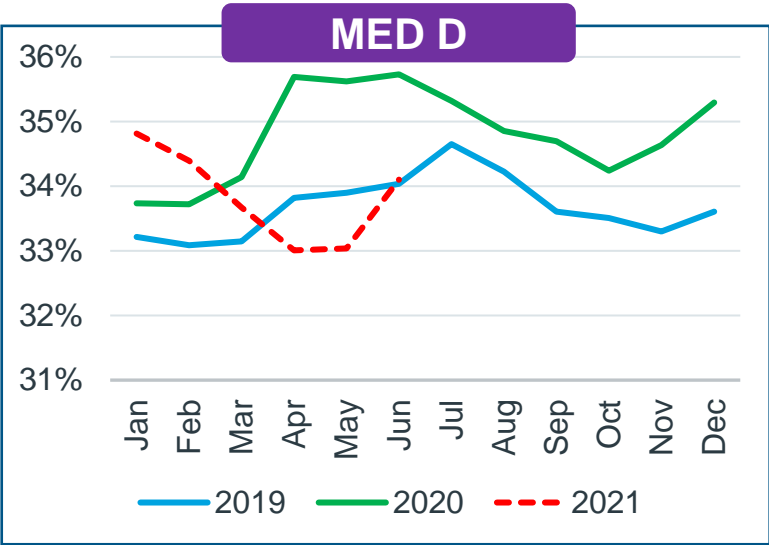
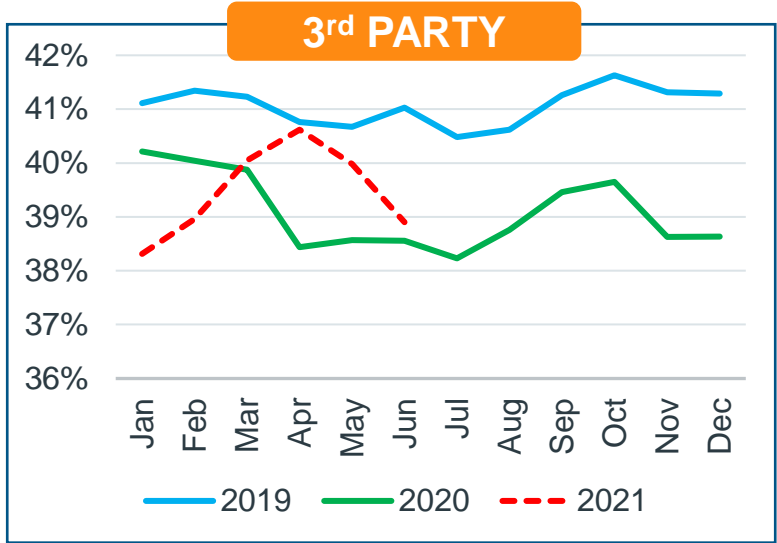
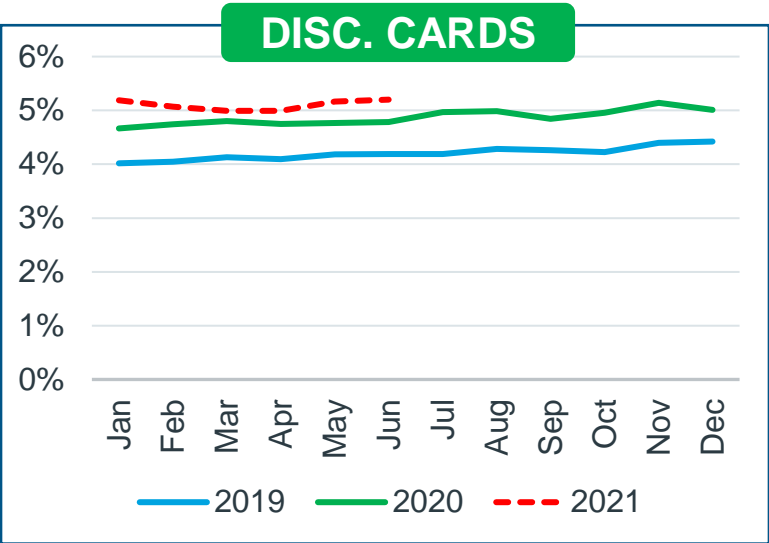
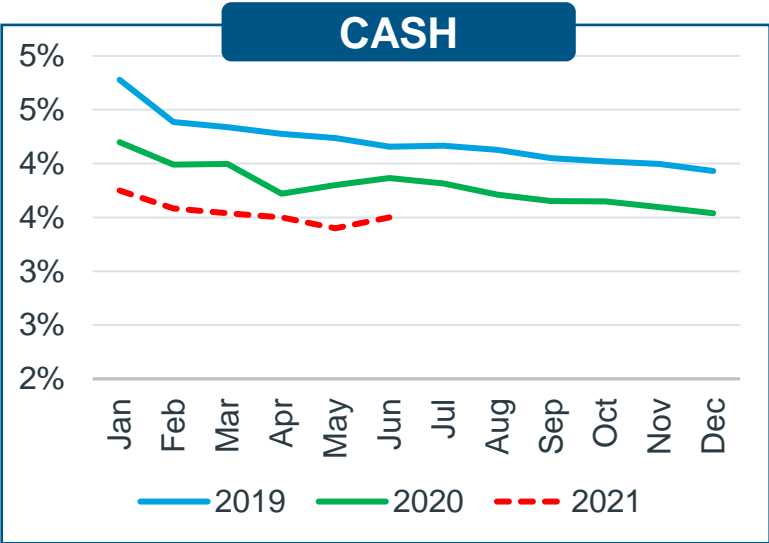
COT market share declines minimally from March 2021

Market Share based on Adjusted Rx's



Cash, Med D, and Discount Cards slightly increase; Third Party and Medicaid decrease

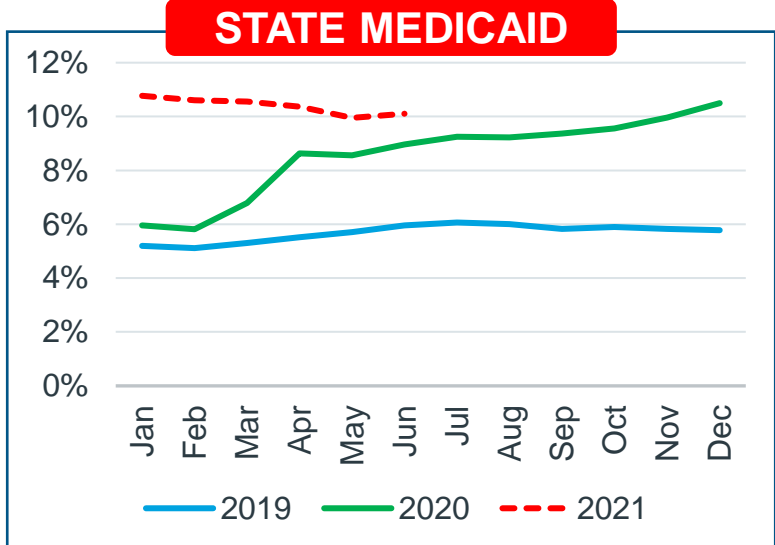
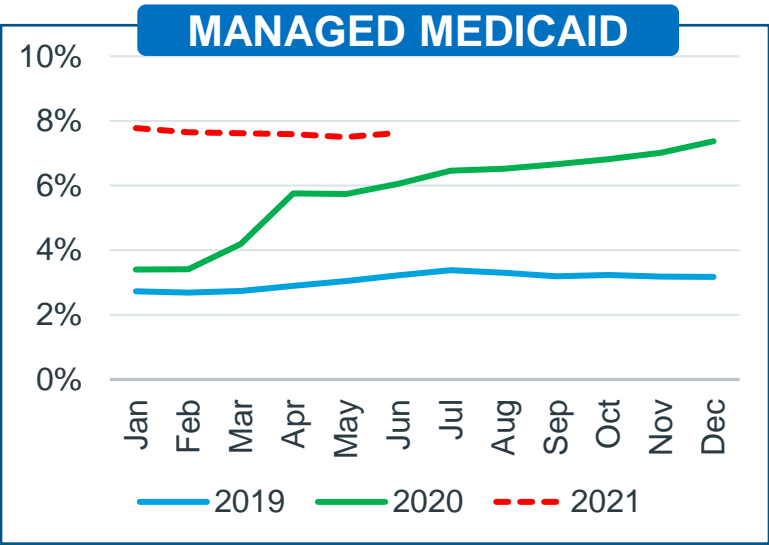
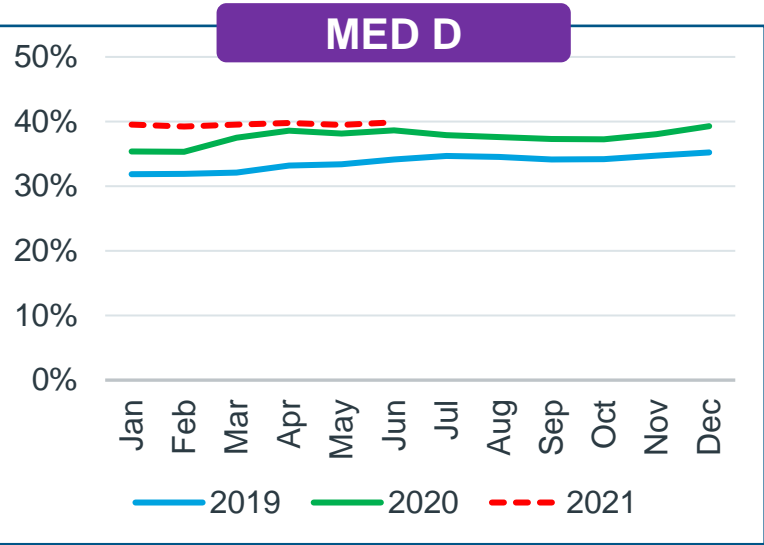
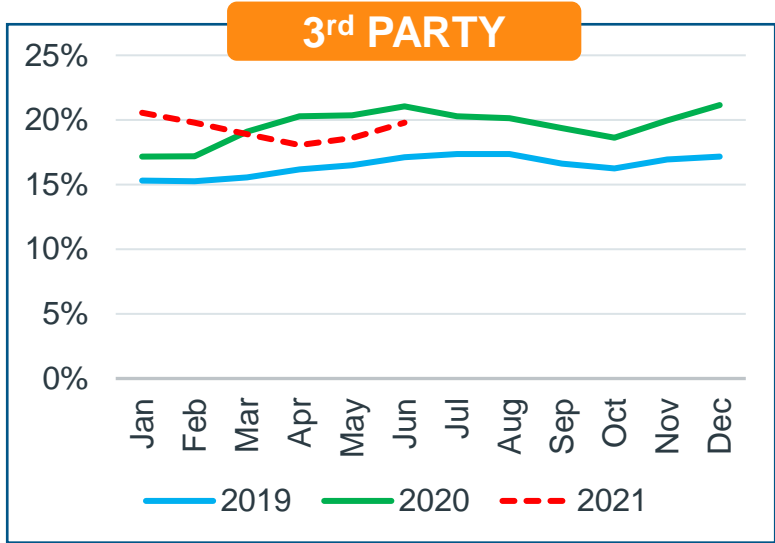
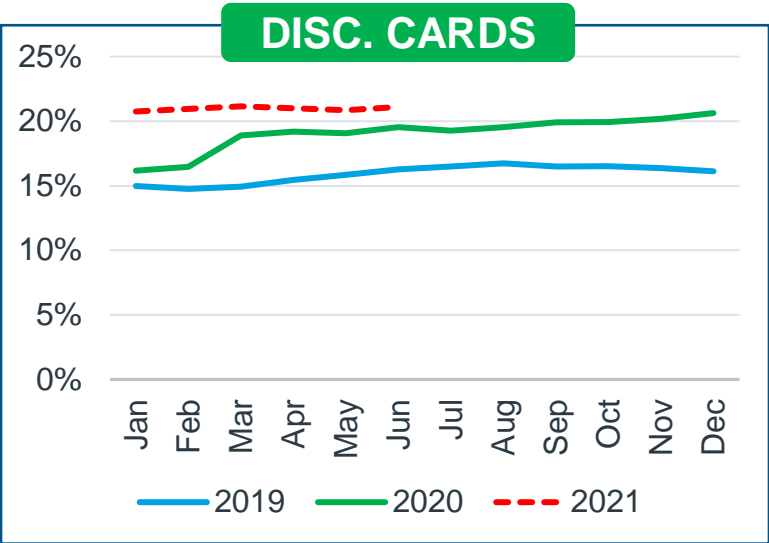
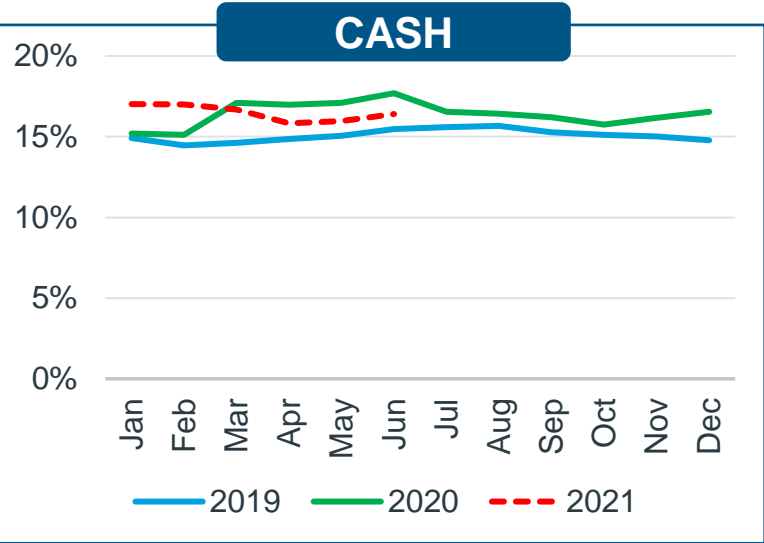
Market Share based on Adjusted Rx's



NOTE: Discount Cards are removed from 3rd Party

90-Day % of unadjusted Rx's show percentages above prior year in all but Cash and Third Party

90-Day % based on Unadjusted Rx's



Patients & Adherence

Retail to Mail Shifts

An important dynamic



To better understand the deeper dynamics of patients leaving retail and going to mail (and then back to retail) during COVID, we studied groups of **Diabetes (18M)**, **RASA (38M)**, and **Statin (39M)** patients



We looked at patients from the 3 therapies who had:

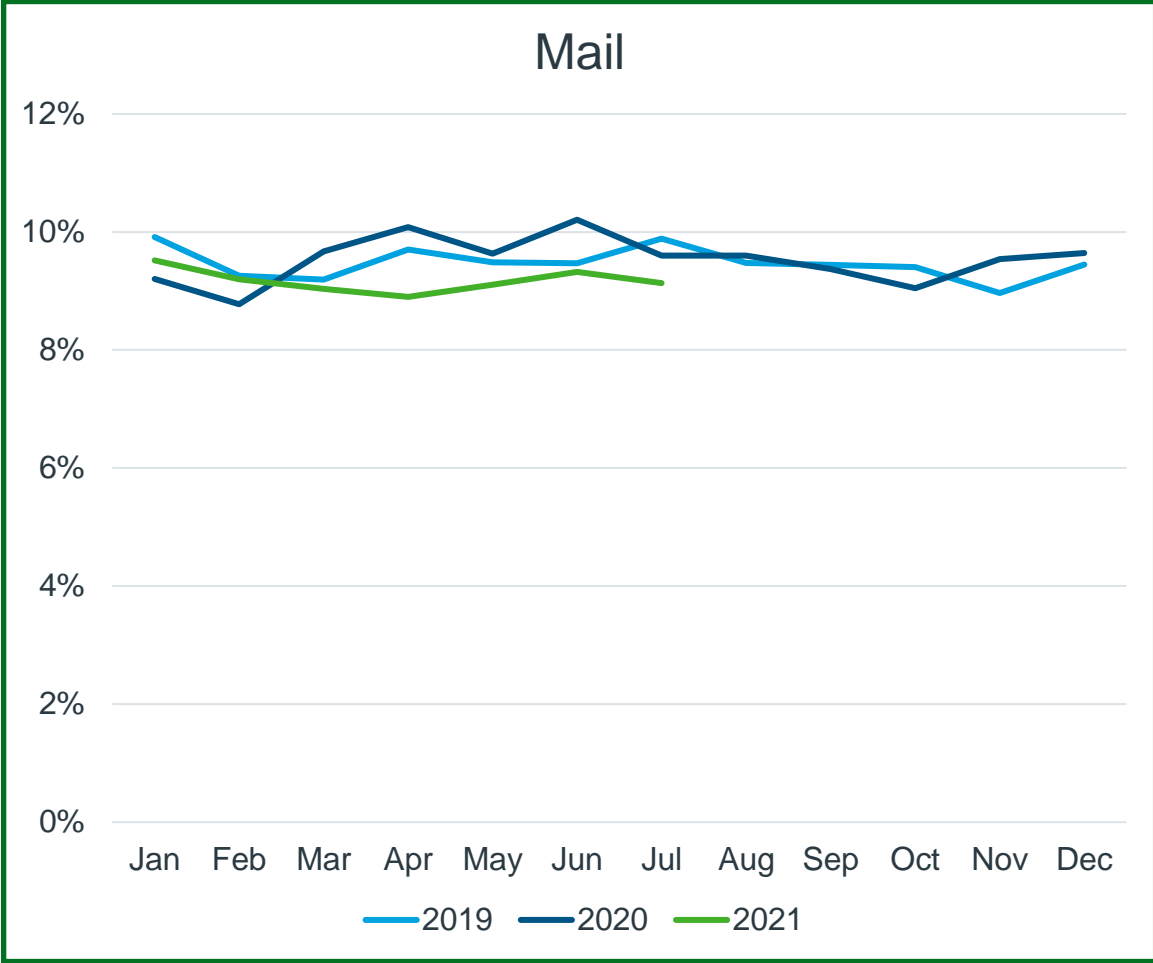
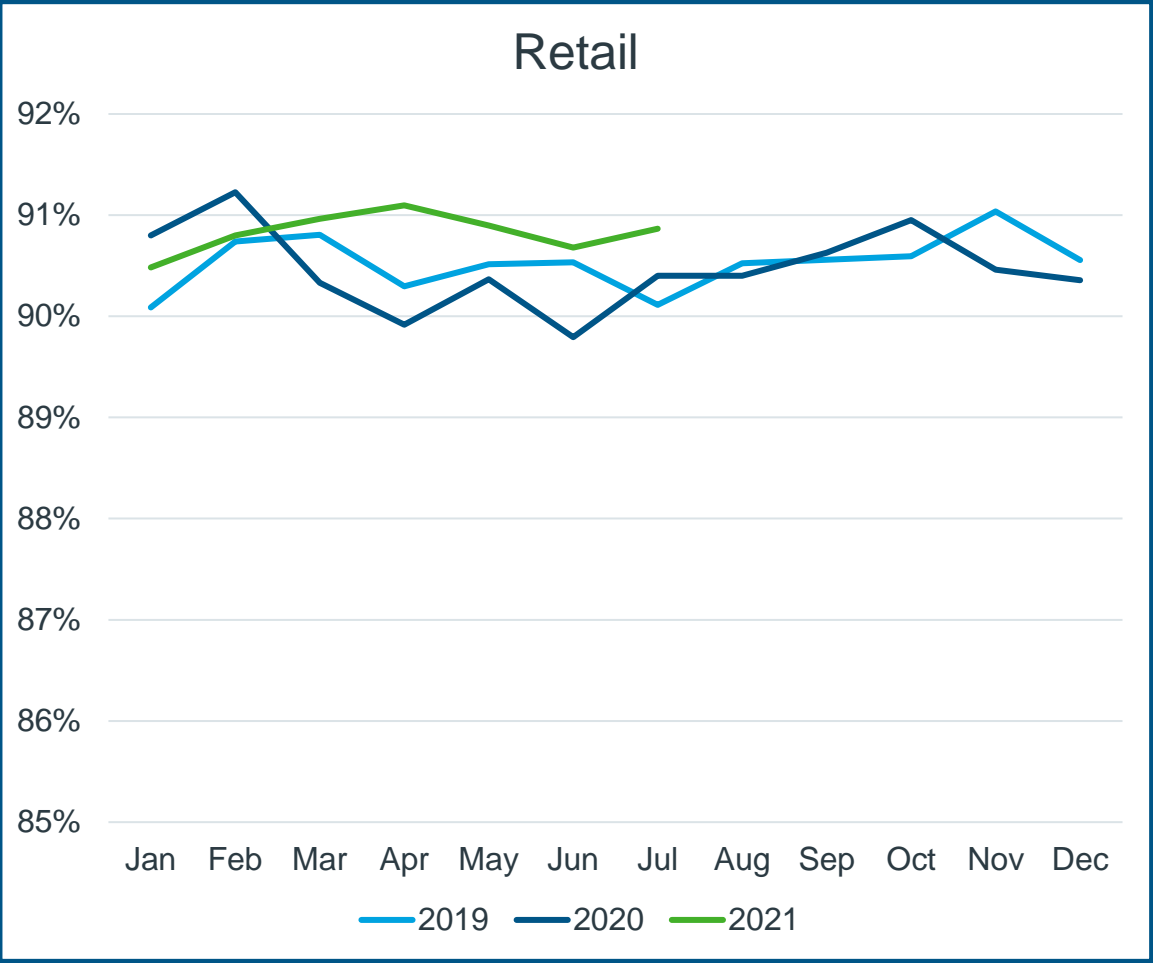
- Retail only prescriptions between March 2019 and Feb 2020
- Then had mail prescriptions between March 2020 - June 2021
- Then had retail prescriptions after the last mail prescription between March 2020 - June 2021



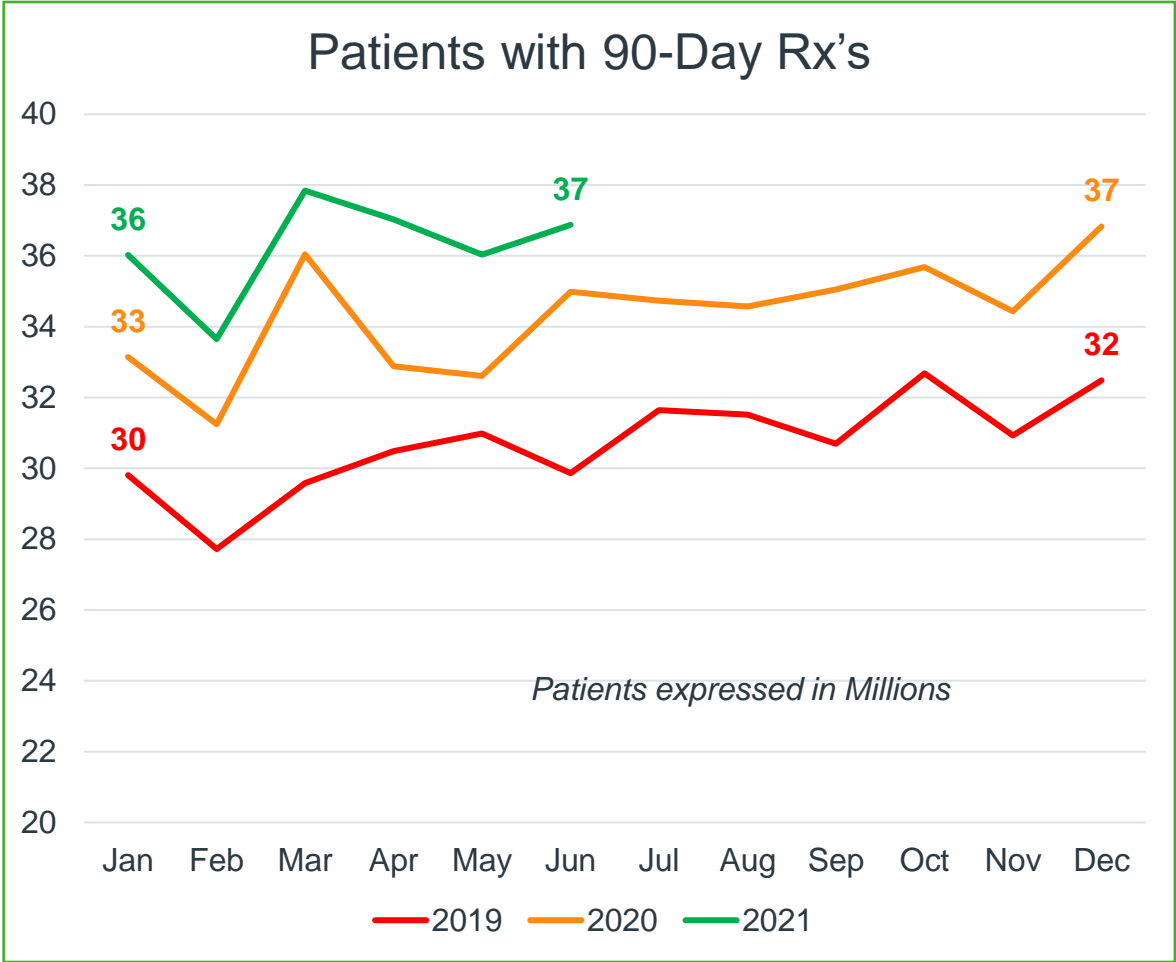
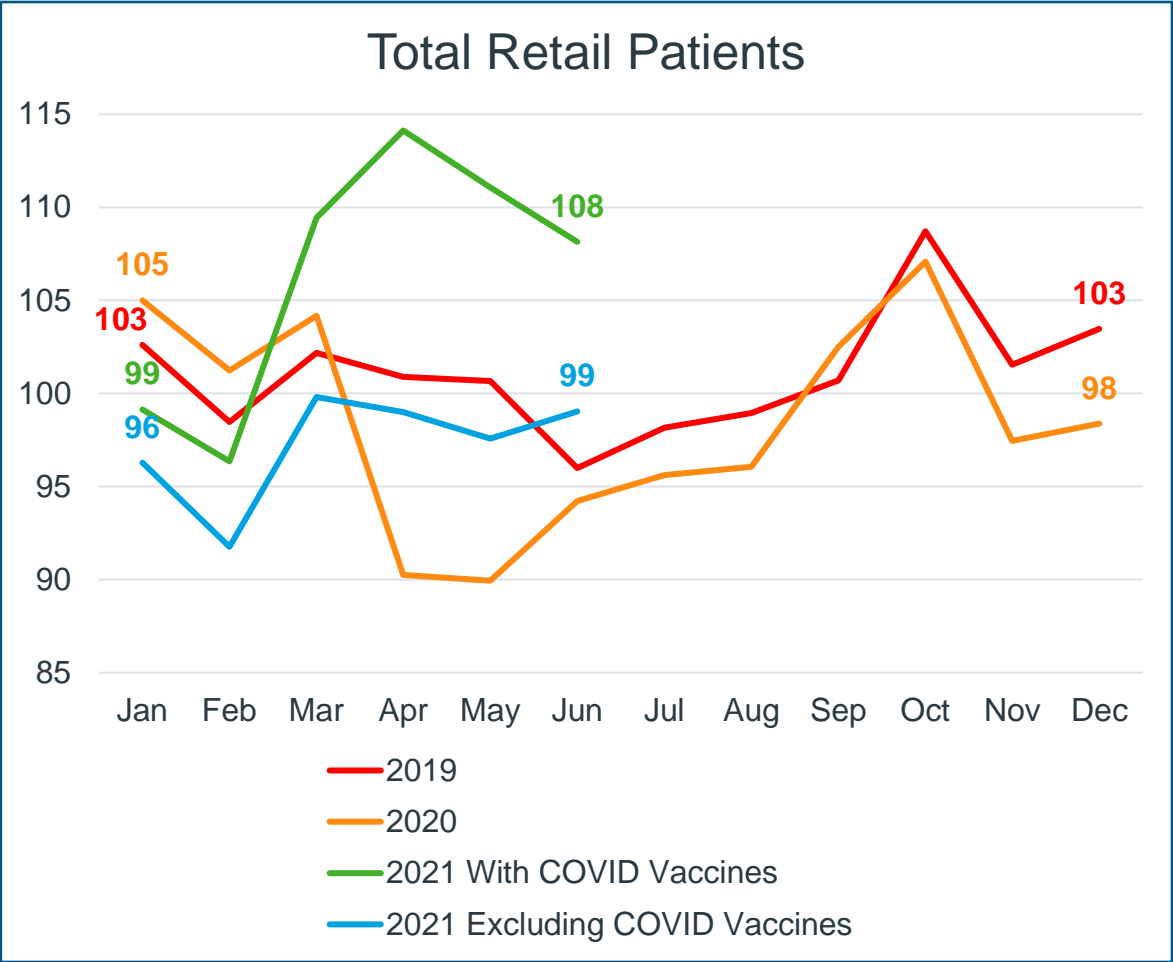
- Retail → Mail → Retail
 - We found that **~2.6% to 3.1%** of retail patients went to mail
 - Of those patients going to mail, **~31% (RASA and Statins) to 48% (Diabetes) returned to retail**

Summary – a small portion of retail only patients from the three therapies shifted to mail, and we are seeing less than half of those patients returning to retail

While there have been some patients lost to Mail during this pandemic their share of the total market is down



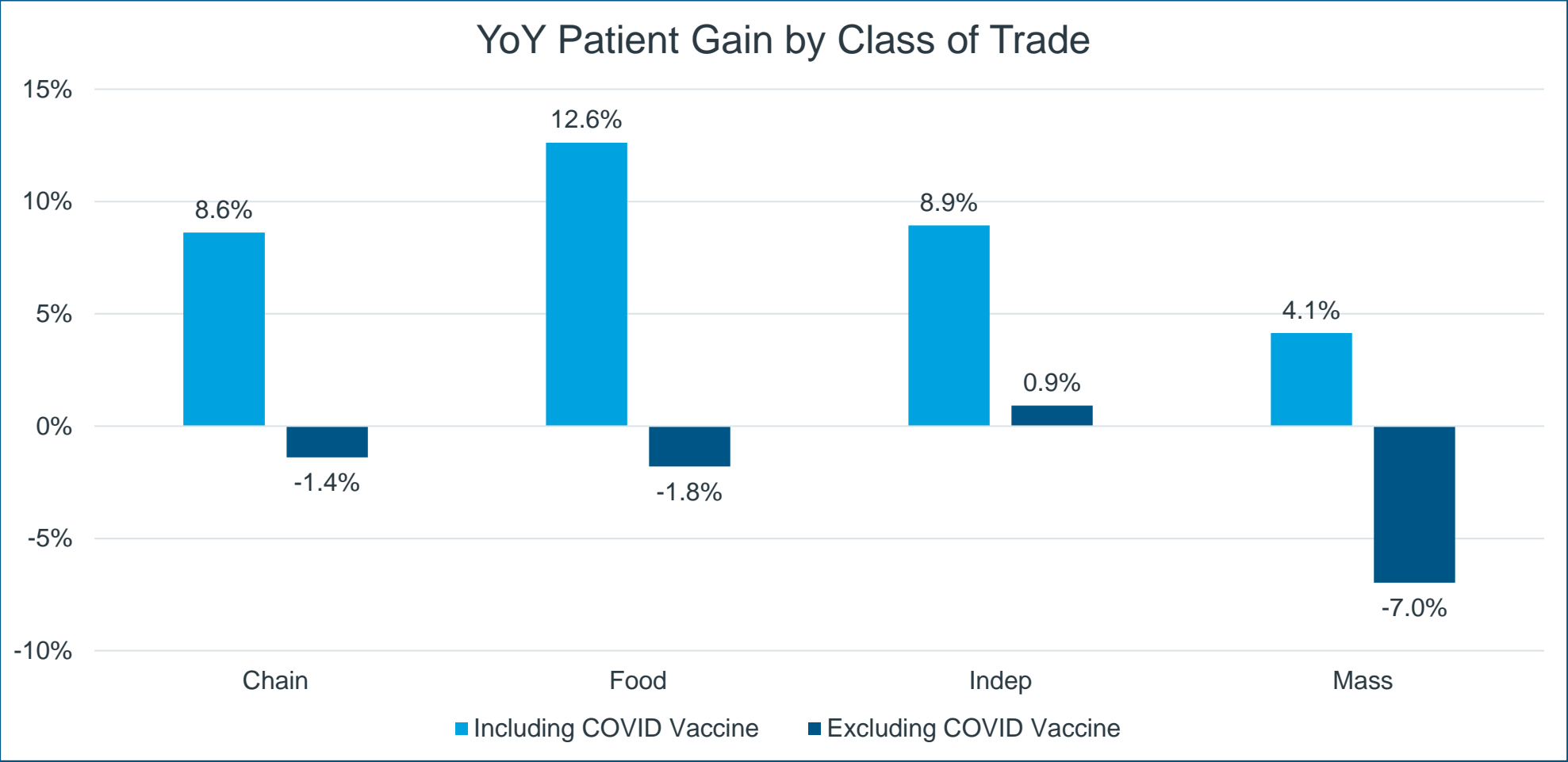
Without COVID vaccines, 2021 Retail patient counts are lower than 2020 and 2019 through May; with COVID vaccines, the retail patient counts are higher than prior years



2021 Retail patients with 90-day prescriptions remains higher than 2020 and 2019

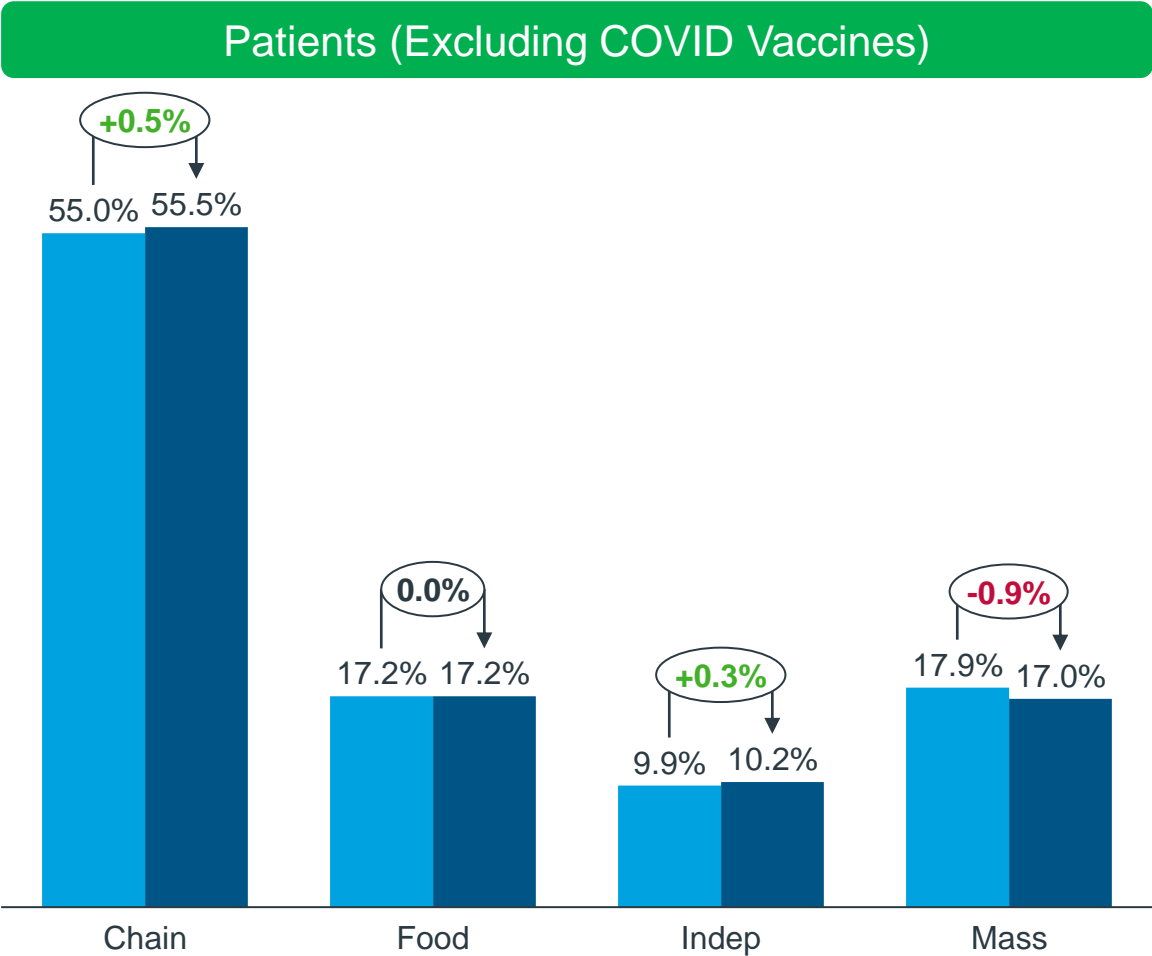
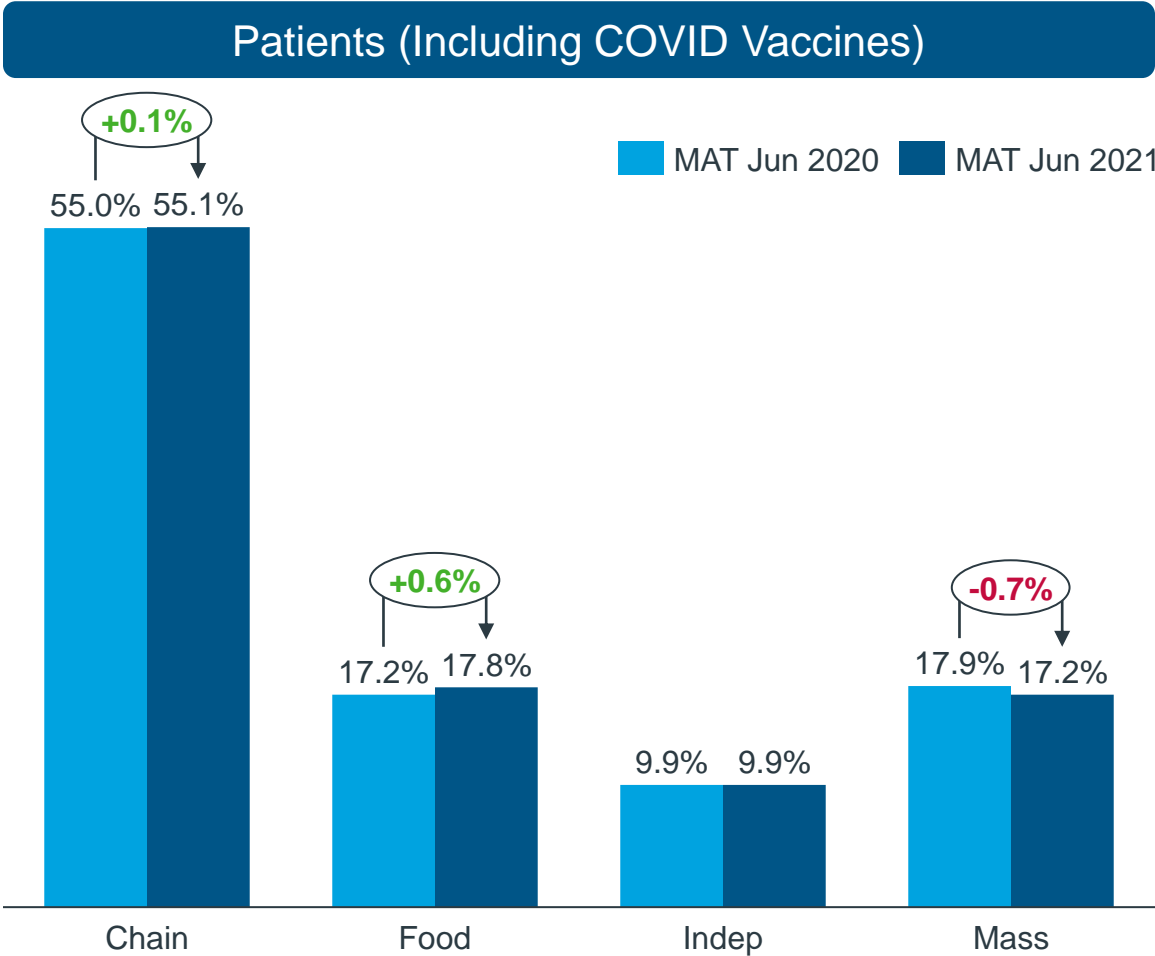
Source: IQVIA, Longitudinal Patient Data, MAT June 2021

COVID Vaccines boosted patient counts across all the classes of trade while Independents were the only class to gain when COVID vaccines were removed



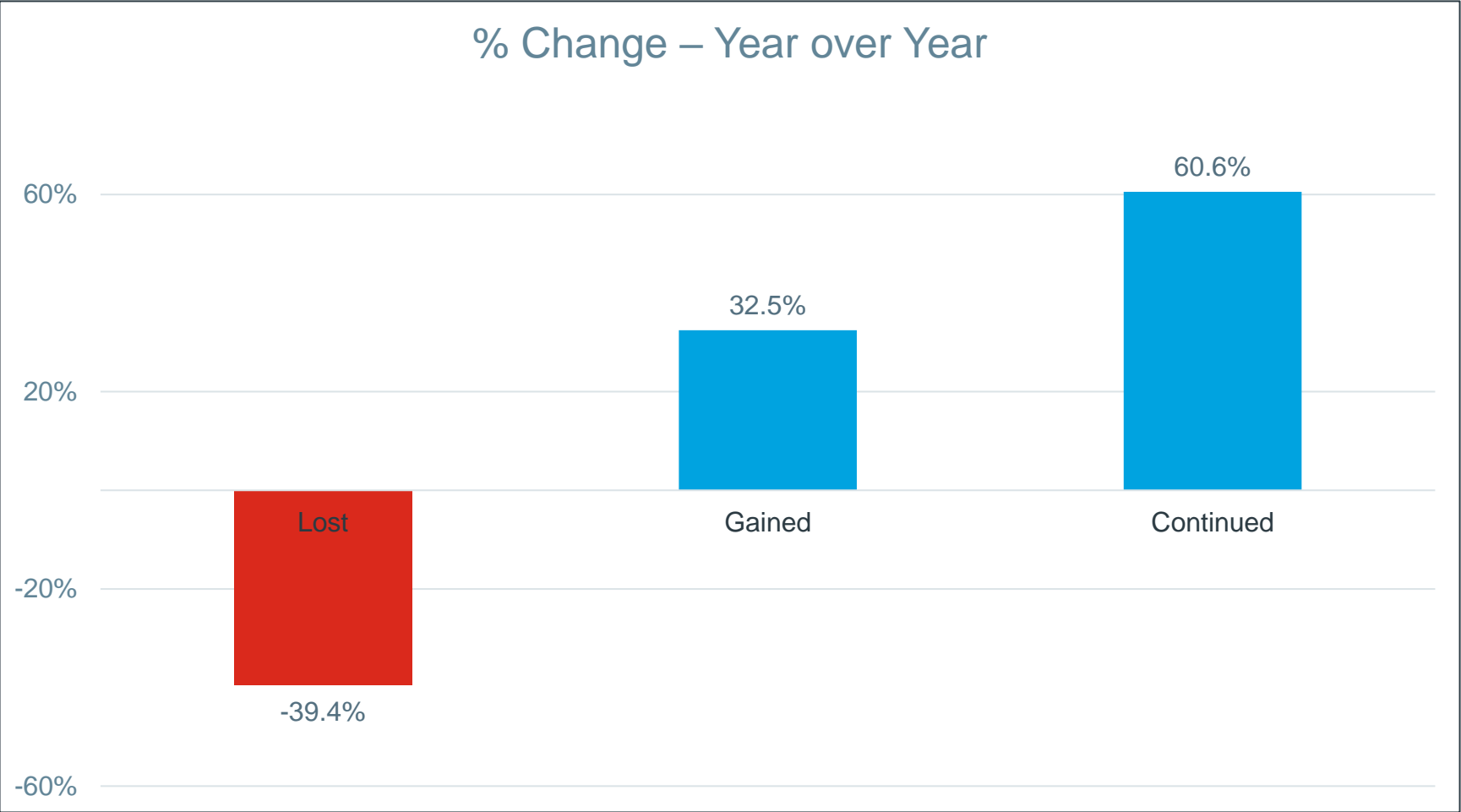
Source: IQVIA, Longitudinal Patient Data, MAT June 2021

COVID vaccines provided a boost to Food's patient share while Mass shows declines with and without COVID vaccines



Patients are counted in each class of trade they visited during the time period
Source: IQVIA, Longitudinal Patient Data, MAT June 2021

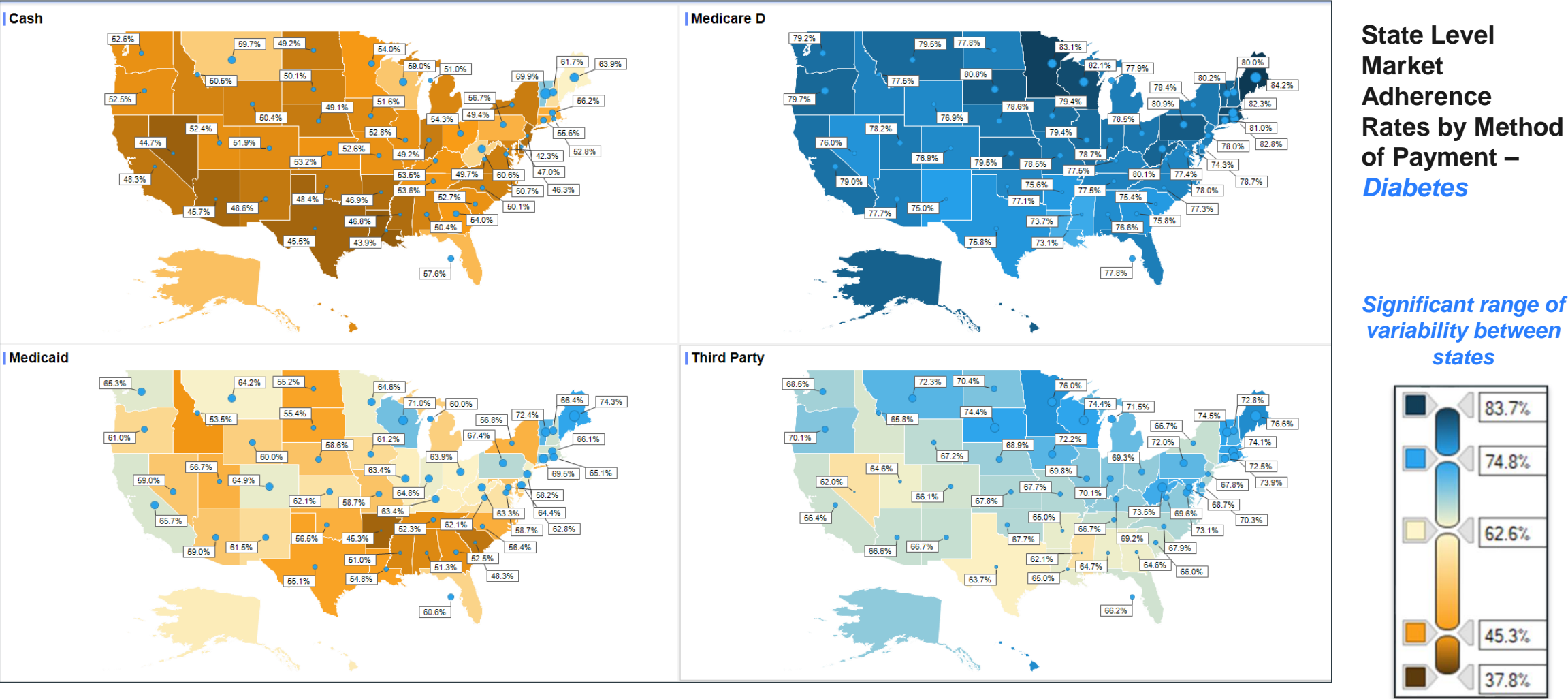
Mass Class of Trade lost 39% of the patients from the prior year and gained 32.5% new patients in the current year



Note: This data excludes COVID Vaccines

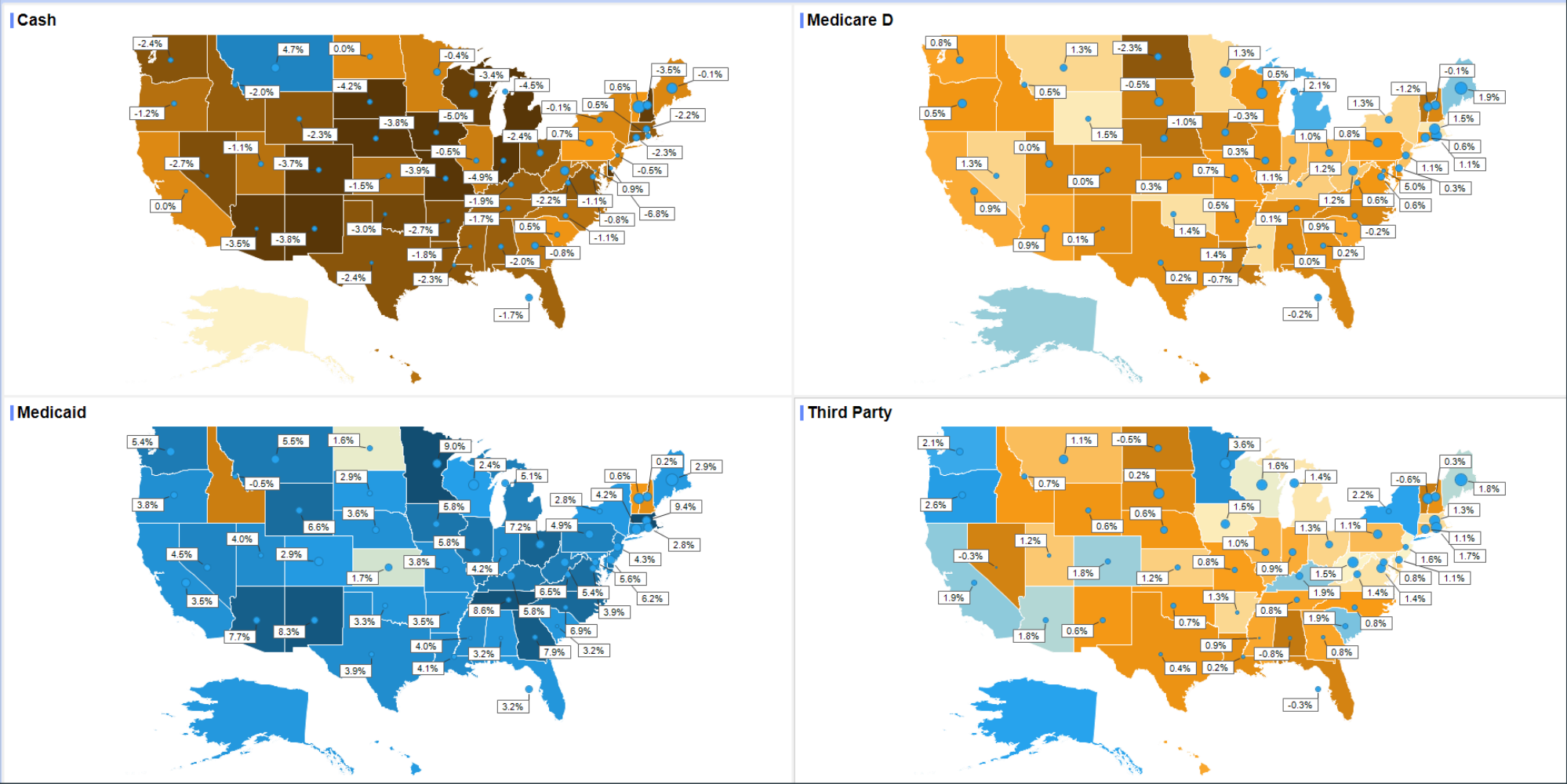
Source: IQVIA, Longitudinal Patient Data, MAT June 2021

Adherence is not uniform regionally and varies by different factors, such as method of payment: Med D is most adherent



Source: IQVIA, State Level Market Adherence Rates by Method of Payment, MAT June 2021

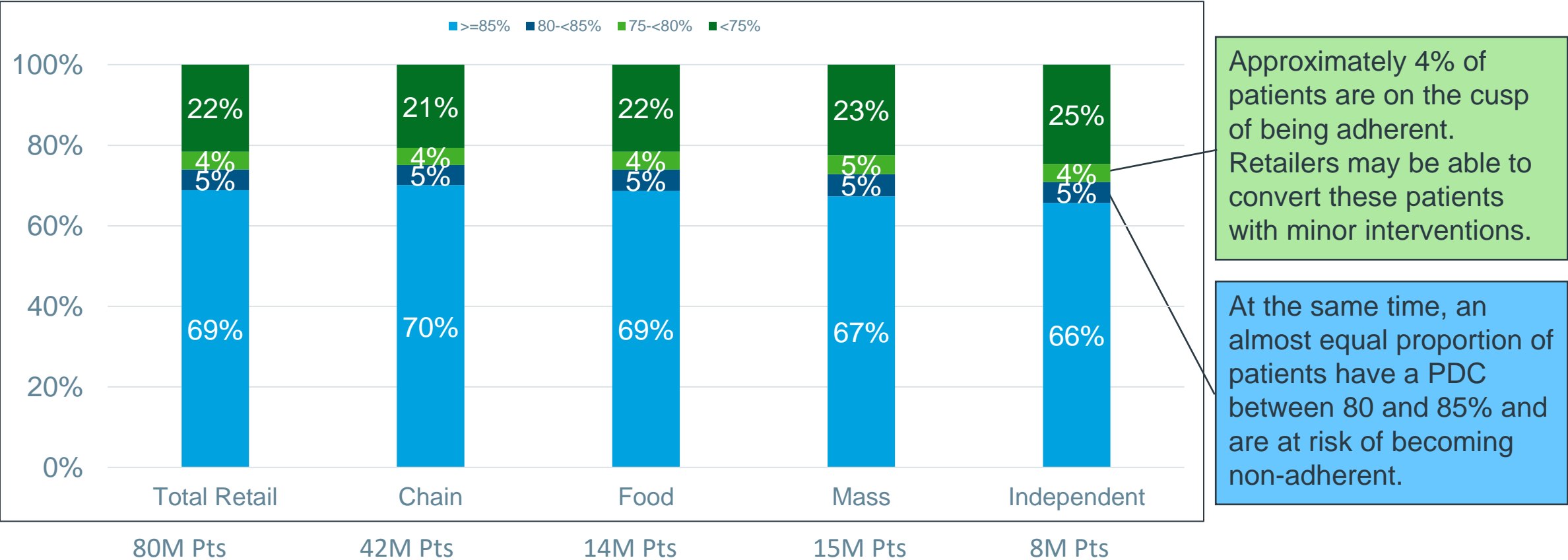
YOY Change continues to demonstrate a focus on the 3 STAR therapies



Source: IQVIA, State Level Market Adherence Rates by Method of Payment, MAT June 2021

Across STAR Therapy categories, ~9% of patients have the greatest influence on retailers' adherence rates

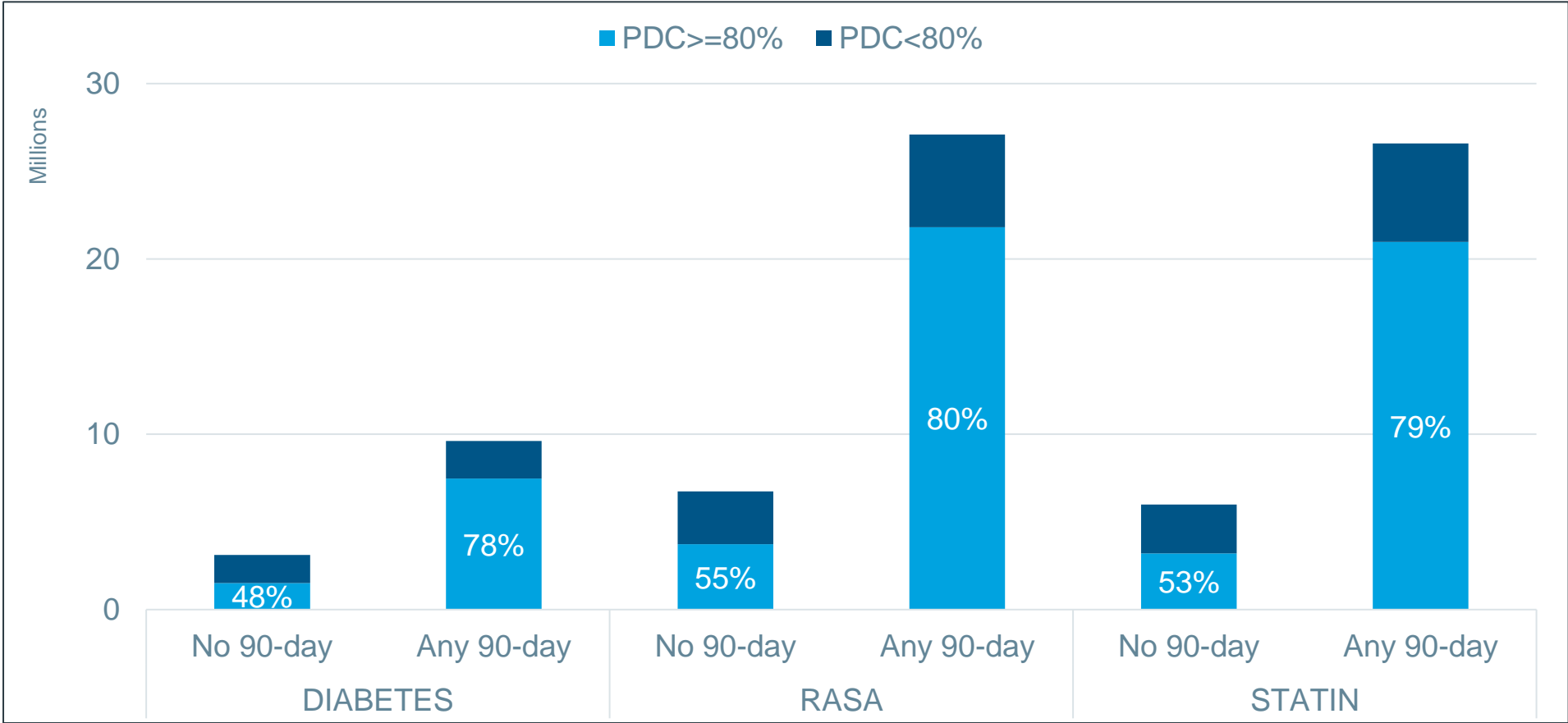
Actual Adherence Rates include patients in the light and dark blue colors combined.



Source: IQVIA, Longitudinal Patient Data, MAT June 2021

90-day Rx's are an effective way to increase adherence rates

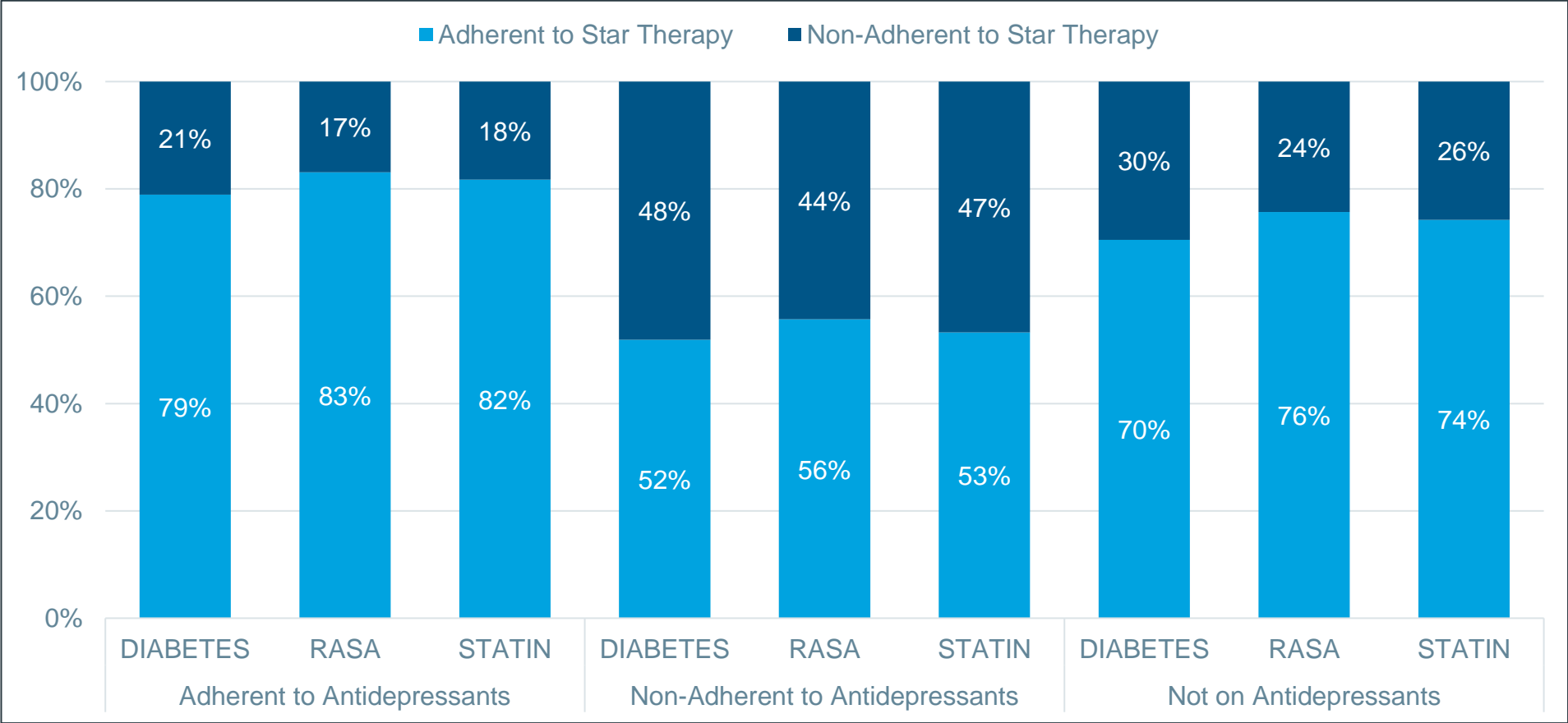
Adherence rates in each market are more than 20 points higher for patients getting 90-day Rx's



Source: IQVIA, Longitudinal Patient Data, MAT June 2021

Patients who are Adherent to Antidepressants are the most adherent to their Star therapies

Non-Adherent Antidepressant Patients are the least adherent to their Star Therapy Meds



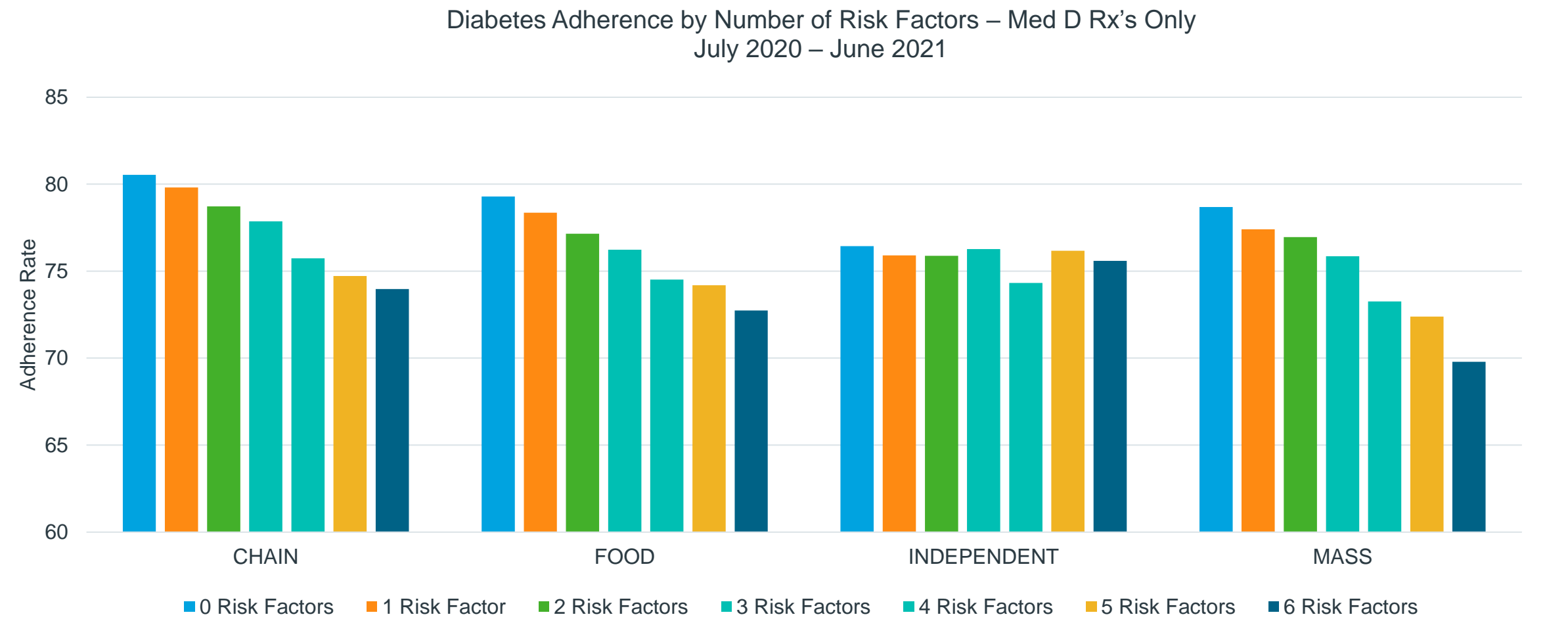
Source: IQVIA, Longitudinal Patient Data, MAT June 2021

Patient behavior for Adherence in STAR therapy requires an understanding of demographic characteristic risk factors

Applying IQVIA’s knowledge of risk factors to standard adherence performance metrics reveals insights to those patients at greatest risk

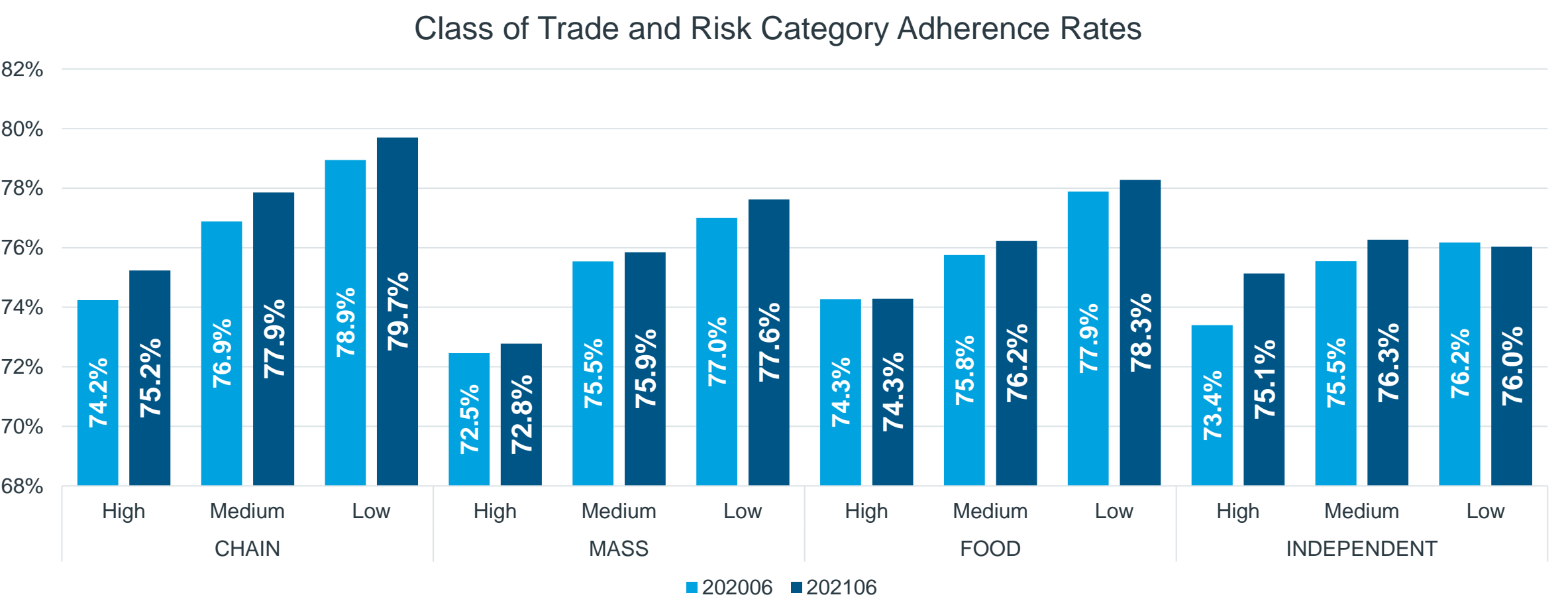
Risk Factor	“High-Risk” Category	Cutpoint
Income	< \$25,000	> 25% of population
Ethnicity	Hispanic	> 15% of population
Race	Black	> 18% of population
Education	< High School Degree	> 14.5% of population
Average Size of Household	Larger Households	> 2.67 persons
Home Value	< \$150,000	> 53% of population

Adherence typically declines with the compounding of multiple risk factors, adherence at Independents behaves a little differently



Source: IQVIA, Longitudinal Patient Data, MAT June 2021

Med D Diabetes adherence increased year-over-year for all groups of risk factors, and on average, Chain stores show the most improvement



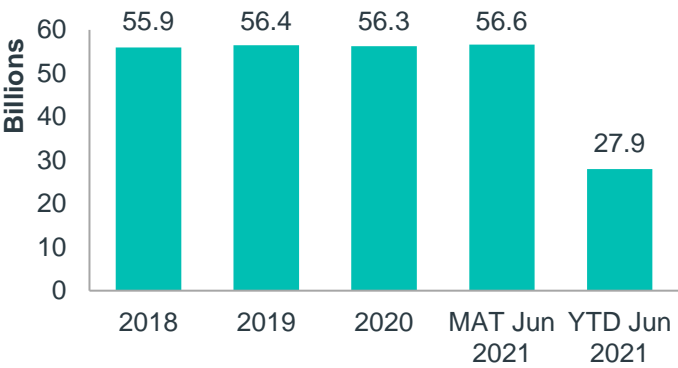
Source: IQVIA, Longitudinal Patient Data, MAT June 2021

Generics & Biosimilars

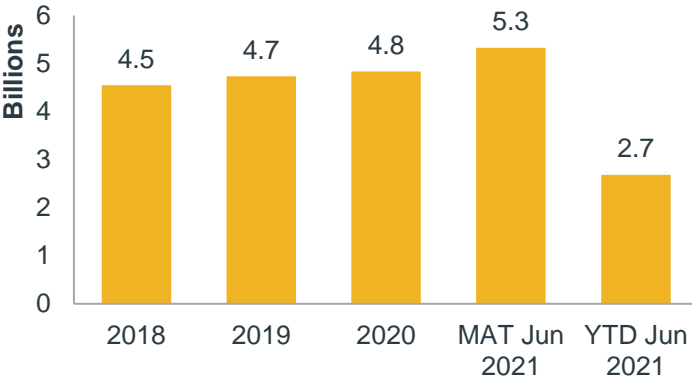
Unbranded generics show negative sales growth and unadjusted volumes

Unbranded Generics

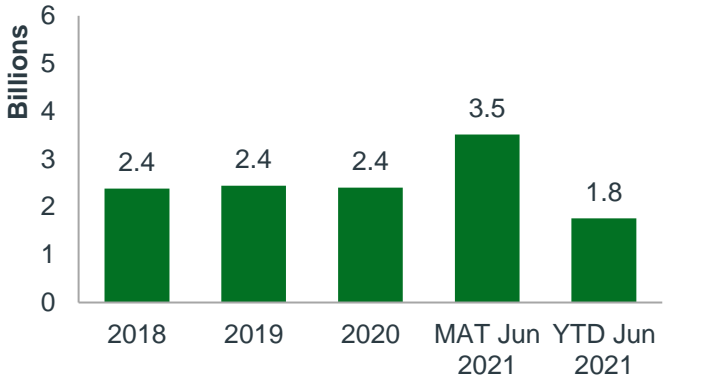
Sales



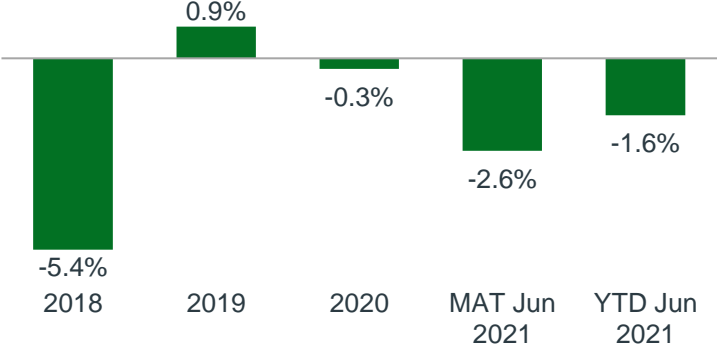
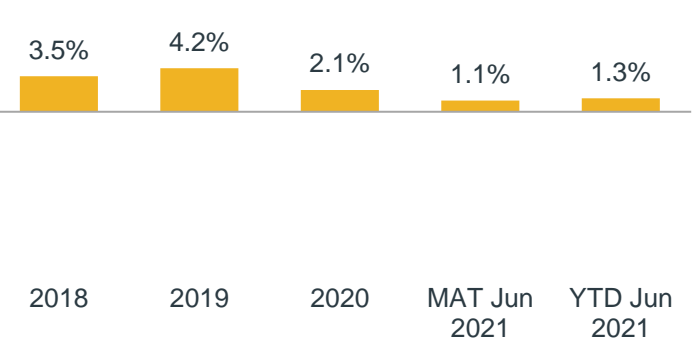
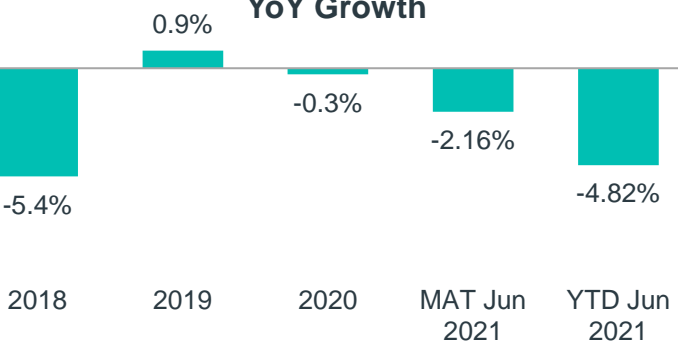
Adjusted Rx's



Unadjusted Rx's



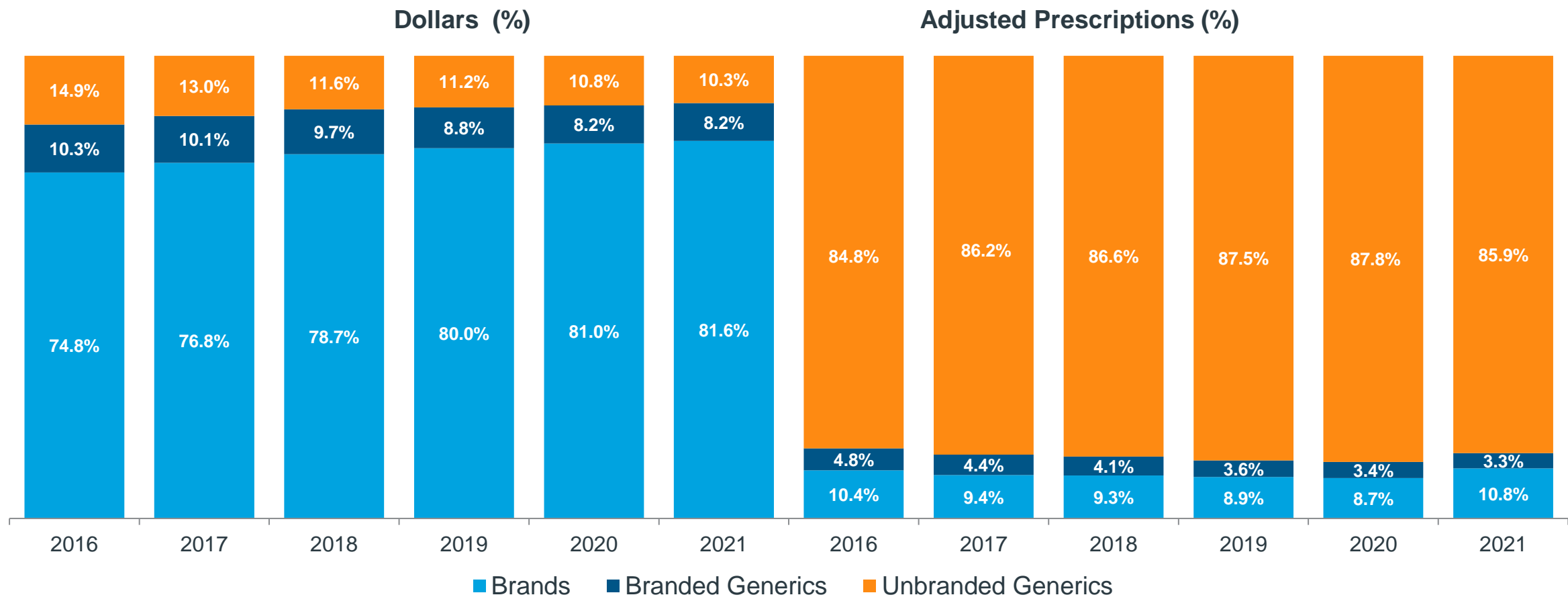
YoY Growth



Source: IQVIA, National Sales Perspectives, August 2021
Note: Limited to Rx and OTC Insulins; Includes Retail, Non-Retail and Mail

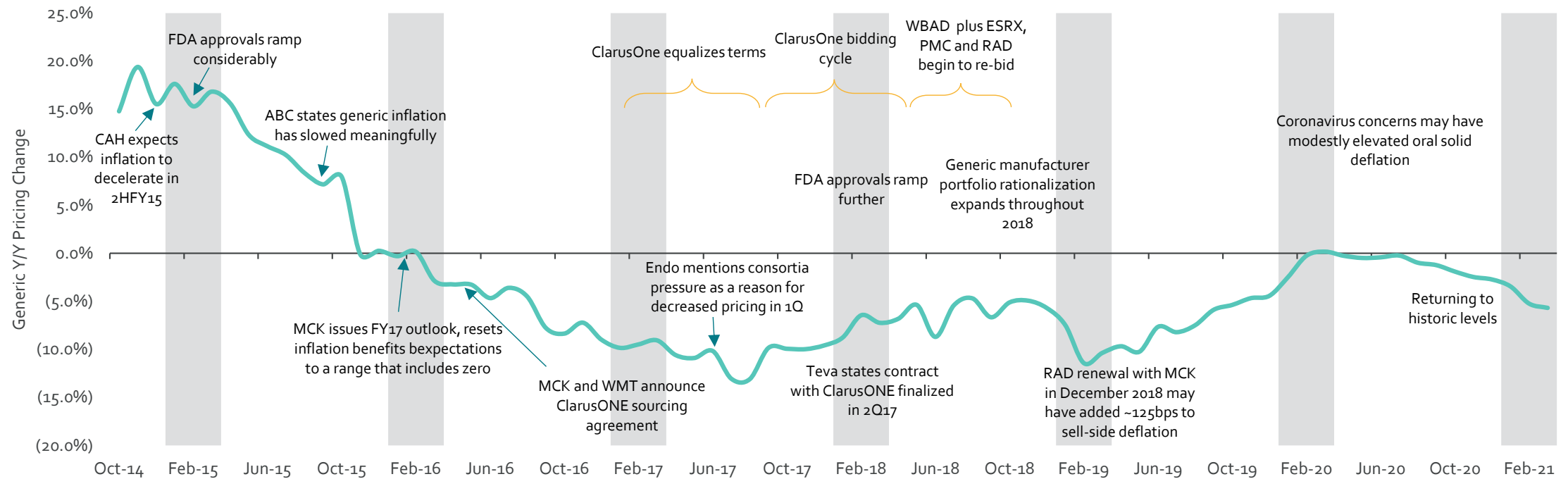
85.9% of prescriptions are dispensed as unbranded generics for 2021 (adjusted)

Unbranded and branded generics account for 18.4% of spending in 2021



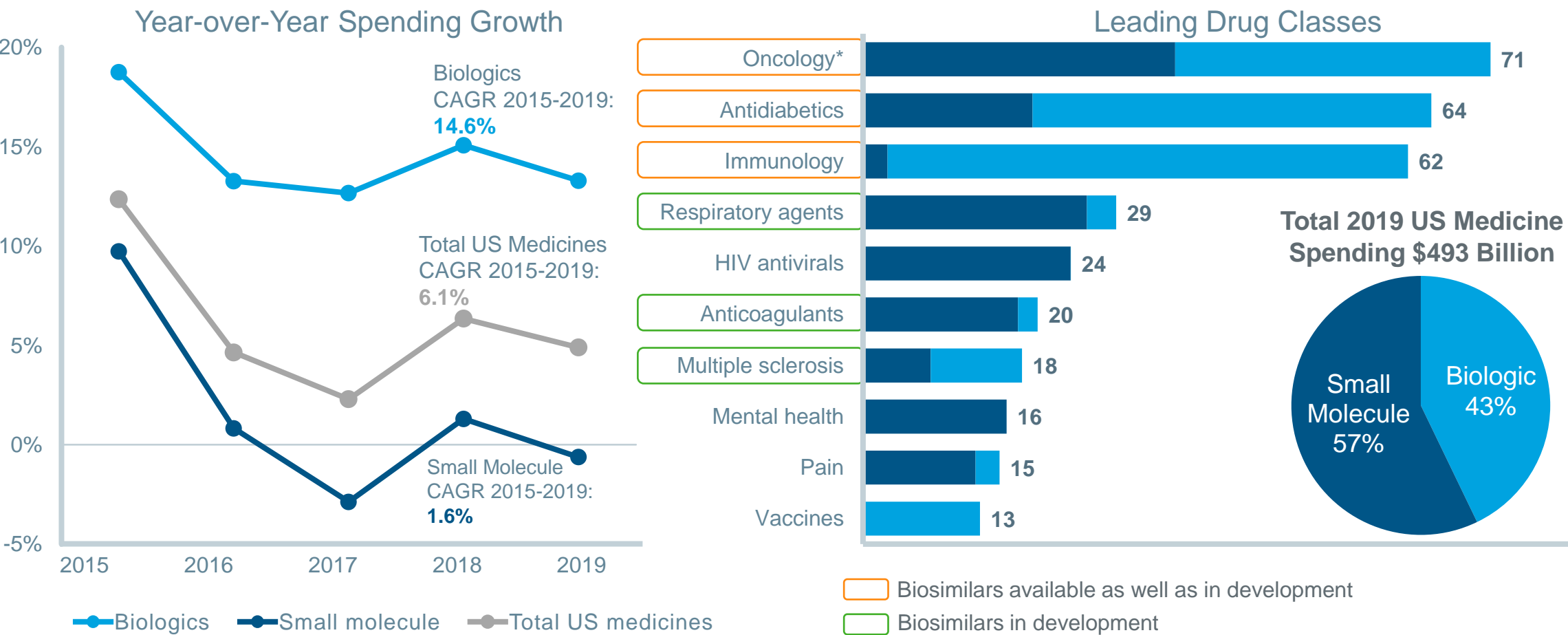
Source: IQVIA, National Sales Perspectives, August 2021
Note: Limited to Rx and OTC Insulins; Includes Retail, Non-Retail and Mail

Generic Deflation is running slightly negative and returning to historic levels according to Nephron Research



The U.S. biologics market continues to grow faster than non-biologics on an invoice-basis, and now comprises 43% of spending

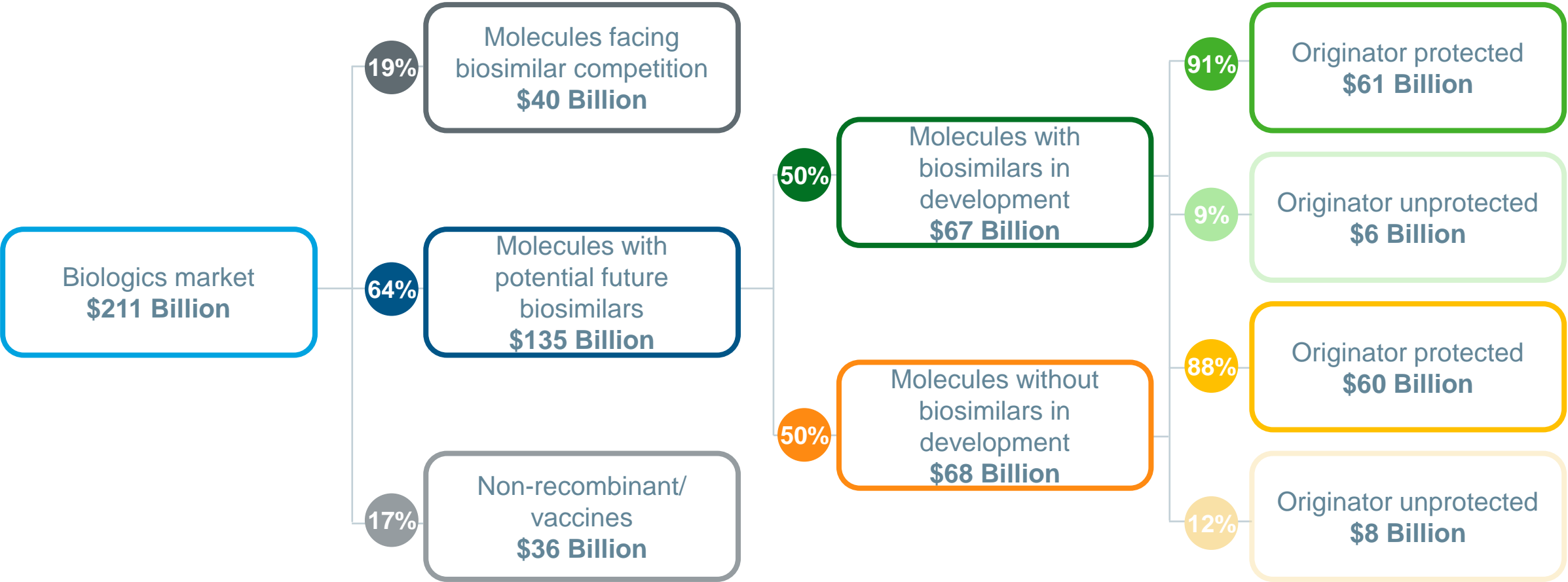
Total U.S. Invoice Spending Growth by Type and Leading Therapy Areas by 2019 Spending, US\$Bn



Source: IQVIA MIDAS®; IQVIA Institute, Jun 2020

Molecules with biosimilars total \$40 billion of invoice spending, while biosimilar development is targeting a further \$67 billion

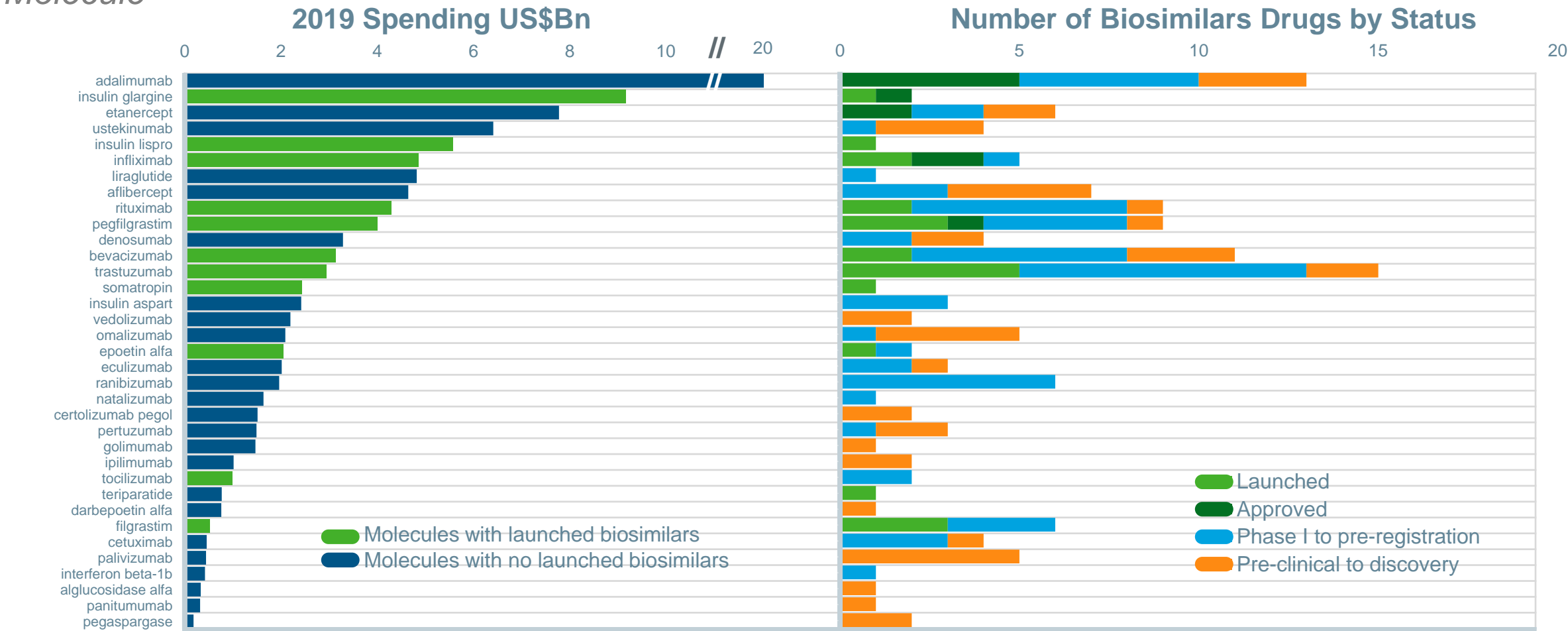
2019 Biologics Market Segmented by Status of Biosimilar Competition, Biosimilar Development and Market Exclusivity



Source: IQVIA MIDAS®; IQVIA Pipeline Intelligence, IQVIA Institute, Jun 2020

There are biosimilars launched, approved, or in development for 35 molecules

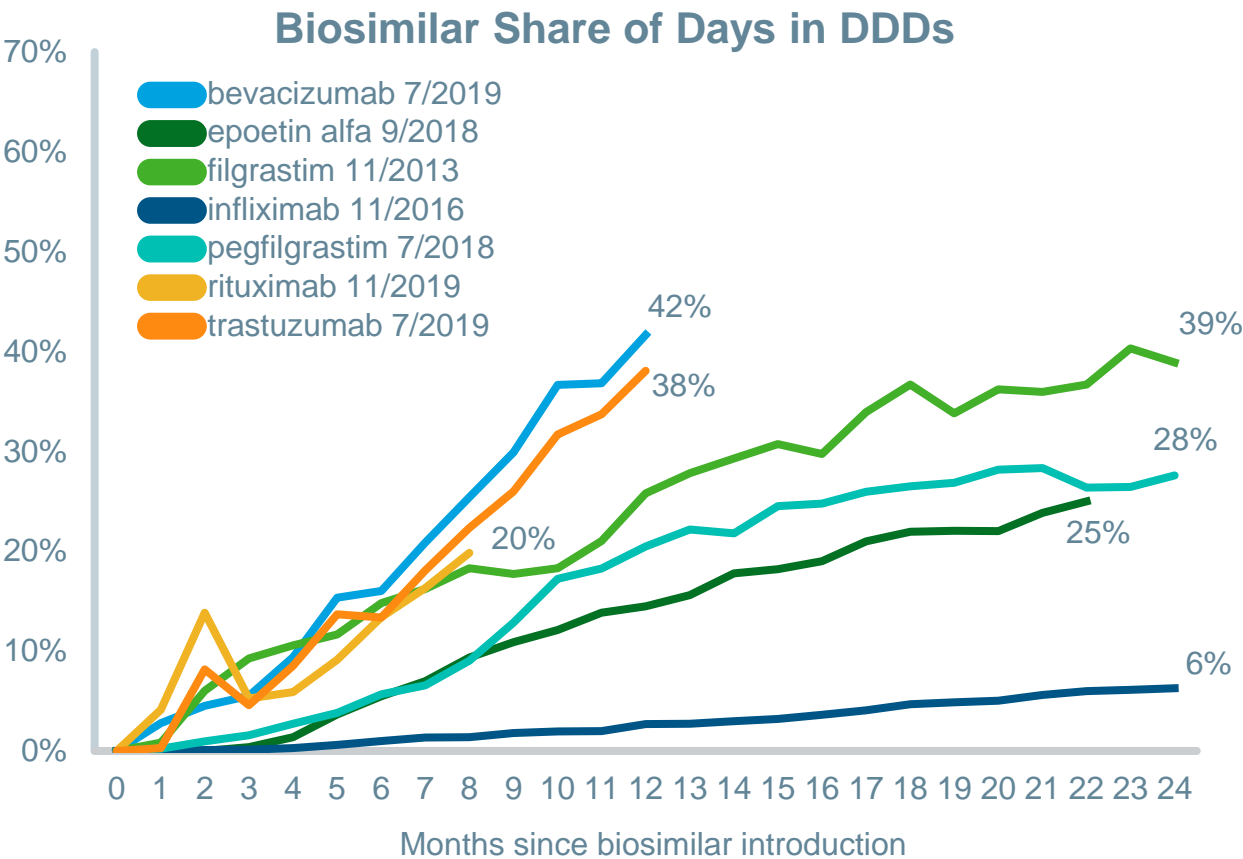
Current Total Molecule Spending and Approved, Launched and Pipeline Biosimilar Products for the Molecule



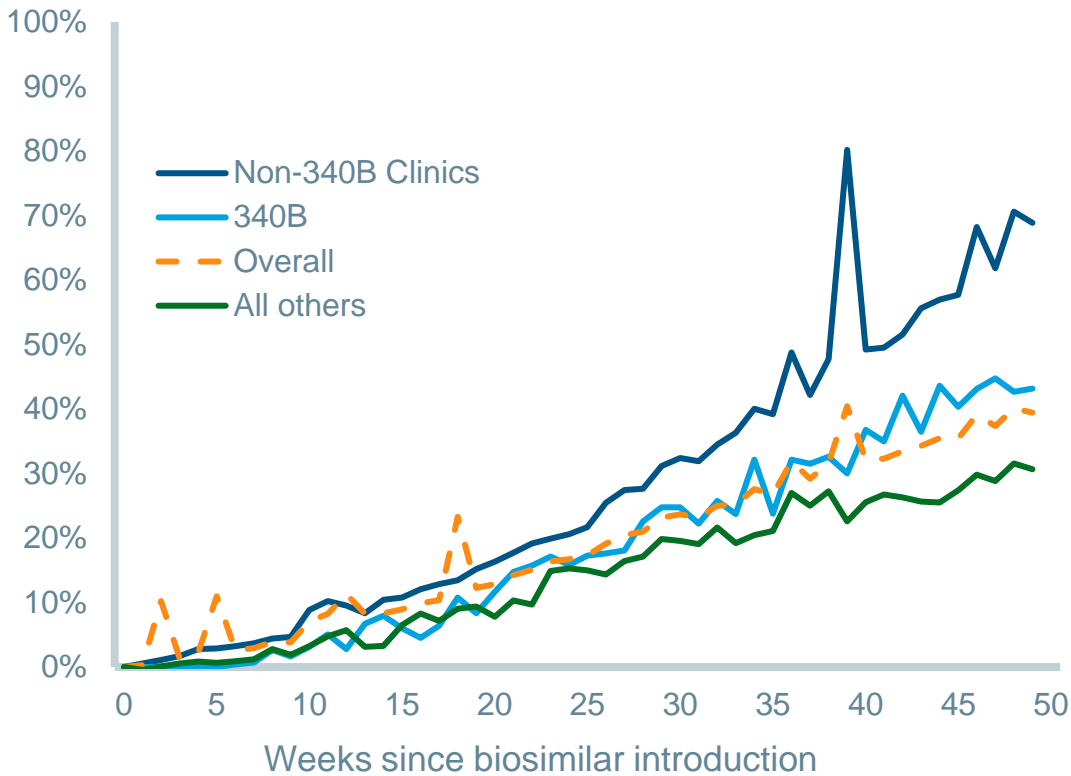
Source: IQVIA Institute, Sep 2020; IQVIA Biosimilar Database, Jun 2020

Recent biosimilars have achieved high volume shares, projected to reach more than 50% within the first two years, varying by channel

Biosimilar Share of Volume Since Biosimilar Launch



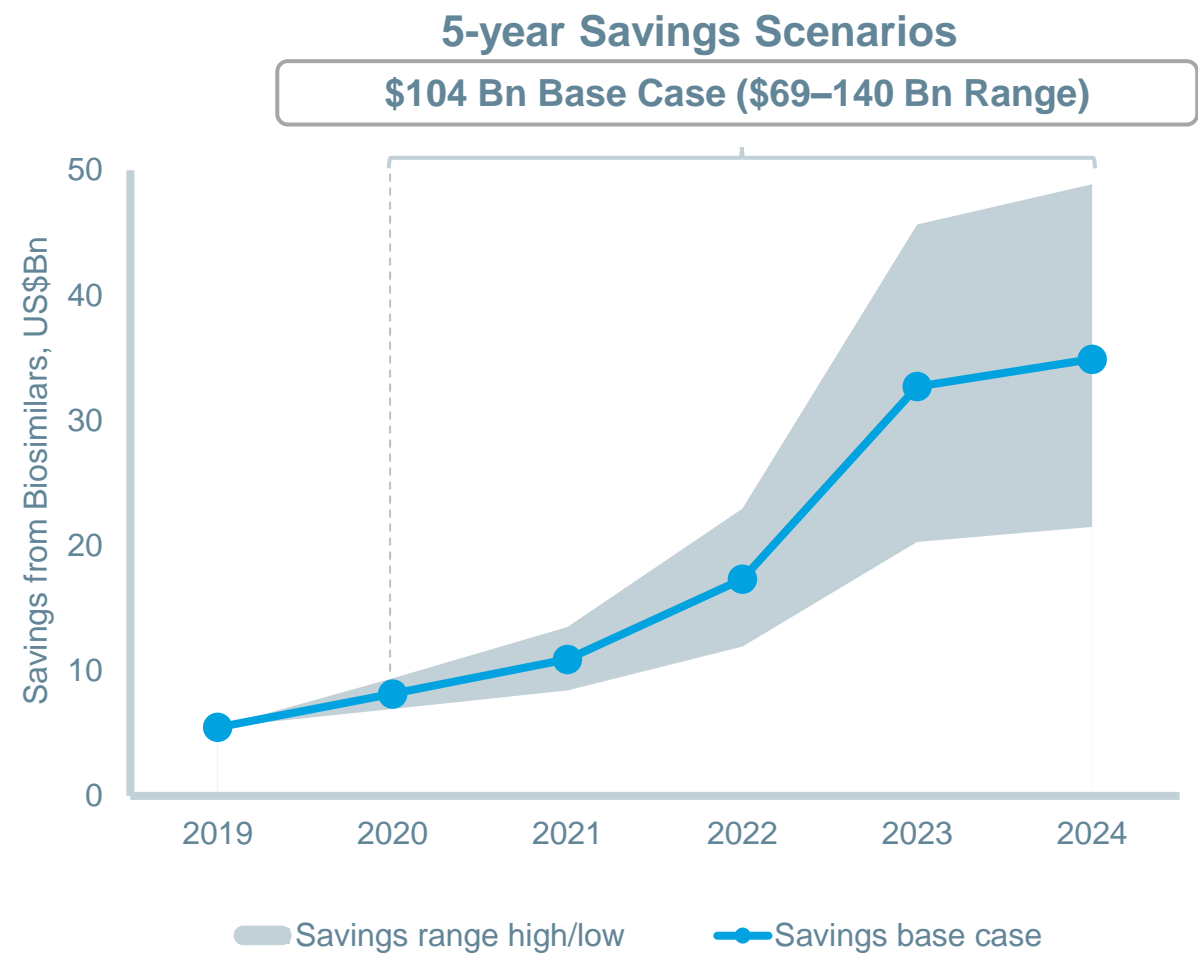
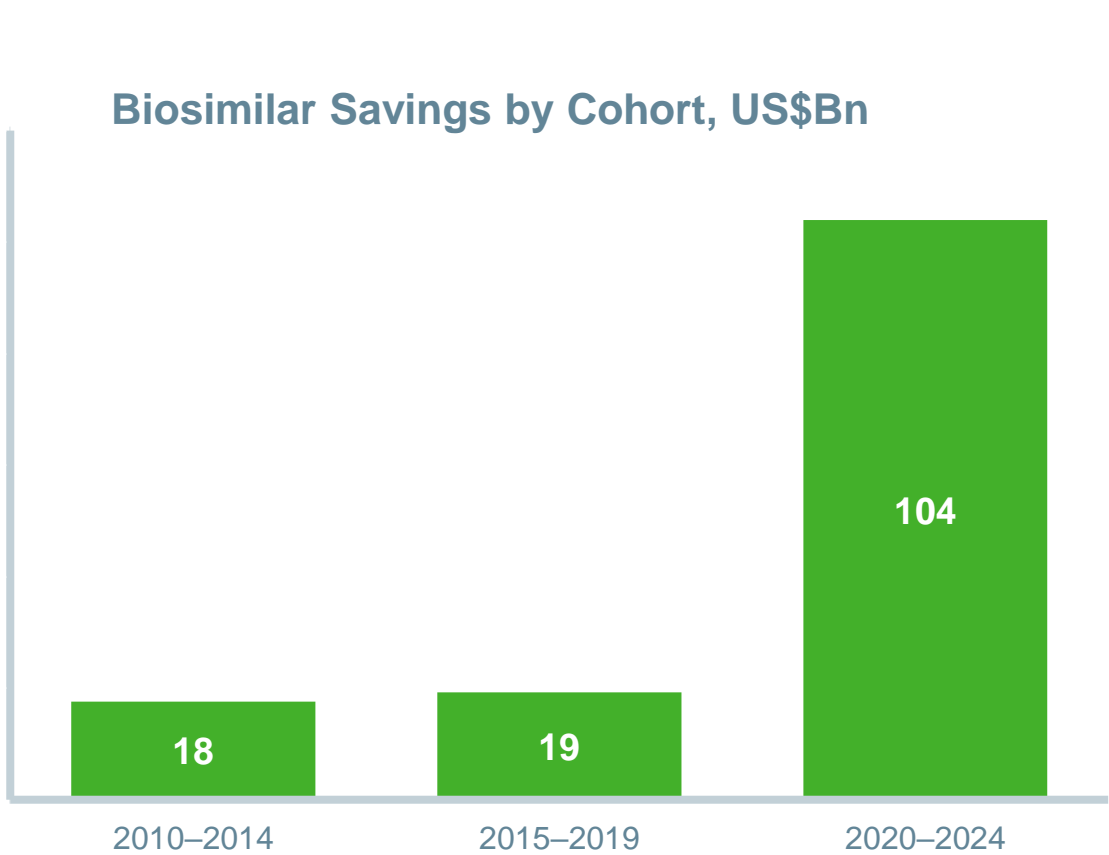
Biosimilar Share of Extended Units Since Bevacizumab Biosimilar Launch



Source: IQVIA MIDAS®, Jun 2020

Savings over the next five years as a result of biosimilars are projected to exceed \$100 billion, though uncertainties remain

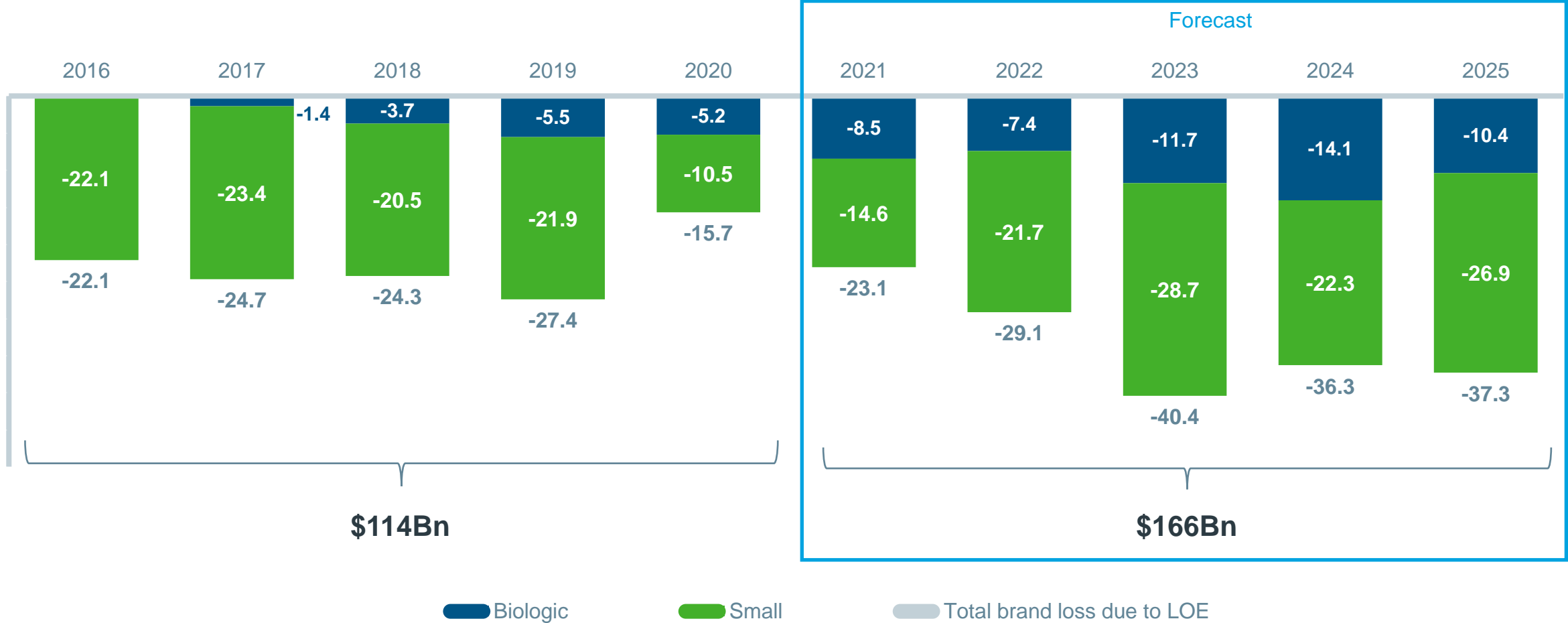
Biologic Estimated Savings from Biosimilars at Invoice Prices



Source: IQVIA National Sales Perspectives, Jun 2020; IQVIA Institute, Sep 2020

The impact of exclusivity losses will increase to \$166 billion over the next 5 years mostly due to the availability of biosimilars

Developed Markets Impact of Brand Losses of Exclusivity 2016–2025, US\$Bn



Source: IQVIA Market Prognosis, Sep 2020; IQVIA Institute, Feb 2021

Product Launches

FDA approvals have not decreased during the COVID-19 pandemic and brand teams are moving forward with commercialization



FDA Approvals

The FDA has not slowed down NME approvals since the start of the pandemic

49 in 2020 and 44 in 2019



Number of Launches

In FY 2020, there have been 63 launches compared to 69 in FY 2019 (NMEs + promoted branded generics)

Launches during COVID
Mar-Dec 2020 had 52 launches compared to 61 launches Mar-Dec 2019



Launches Delayed

Of the 49 products approved, only 3 announced a delay due to COVID but are subsequently launched

Examples of delayed products include Zeposia (MS) and Ongentys & Kynmobi (Parkinson's)



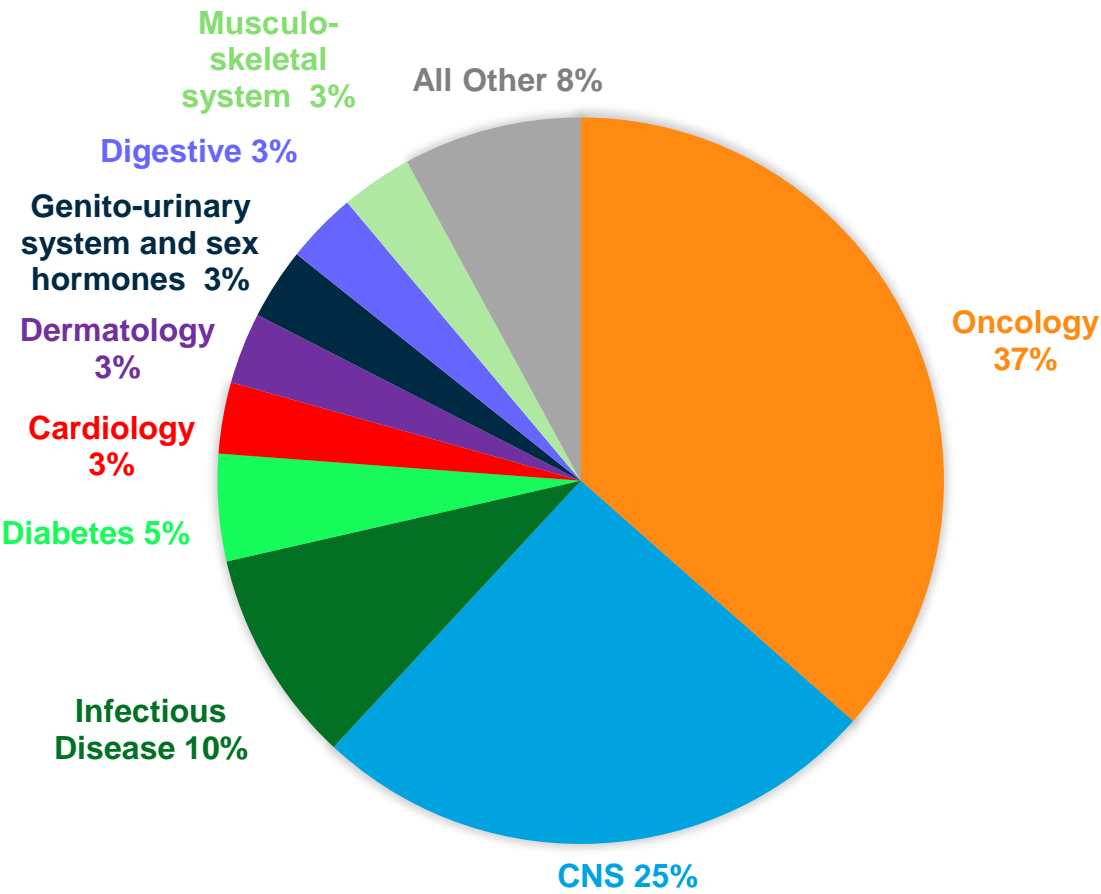
Launch Trajectories feeling the impact of COVID

Ten months into COVID launches during COVID do appear to be impacted

Sales trajectories appear to be impacted by ~60% and EUTRx by ~35%

Gilead's Veklury for COVID-19 leads 2020's launches in sales followed by Horizon's Tepezza (thyroid eye disease) and Allergan's Ubrelvy (acute migraine)

2020 – 63 Launches



2020 – Top 10 Performers

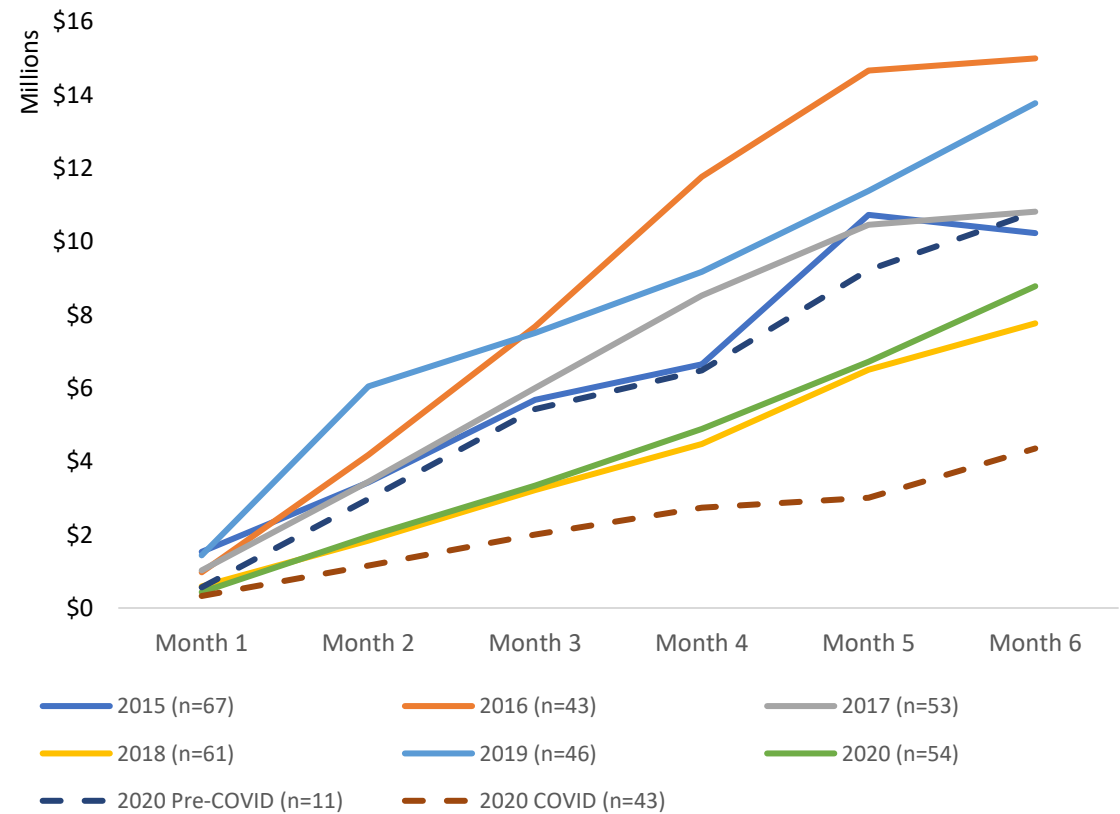
Product	Company	Indication	Launch	Yr 1 Sales to 11/2020	Yr 1 NBRx to 1/1/21
Veklury	Gilead	COVID-19	Oct-20	\$519.5M	NA
Tepezza*	Horizon	Thyroid Eye Disease	Feb-20	\$438.8M	N/A
Ubrelvy	Allergan	Migraine	Jan-20	\$420.2M	178.9k
Nurtec	Biohaven	Migraine	Mar-20	\$236.1M	132.1k
Ruxience	Pfizer	NHL, CLL, MPA	Feb-20	\$173.1M	N/A
Trodelvy	Immuno-medics	Breast Cancer	Apr-20	\$105.8M	N/A
Zirabev	Pfizer	MCRC, NSCLC, rGBM, mRCC, CC	Jan-20	\$68.4M	N/A
Amzeeq	Foamix	Acne	Jan-20	\$37.8M	68.2k
Trazimera	Pfizer	Breast Cancer, gastric or GEJ adenocarcinoma	Mar-20	\$32.9M	N/A
Koselugo	AZ	NF1	Apr-20	\$30.8M	N/A

MCRC – metastatic colorectal cancer; NSCLC Non-squamous non-small cell lung cancer
rGBM – recurrent glioblastoma; mRCC – metastatic renal cell carcinoma; CC- cervical cancer
NHL - non-Hodgkin’s lymphoma; CLL -chronic lymphocytic leukemia; MPA - microscopic polyangiitis;
NF1 - neurofibromatosis type 1; GEJ - gastroesophageal junction

Products launching during the pandemic lag pre-COVID launches by ~50% to ~75%, with long-term implications

Only products with unambiguous and clear value propositions were successful

2020 Launches pre-COVID vs COVID Time Aligned Average Monthly Sales



Year	6M Sales	% Diff
COVID (n=43)	\$13.6M	
2015 (n=67)	\$38.3M	-64.5%
2016 (n=43)	\$54.3M	-74.9%
2017 (n=53)	\$40.3M	-66.2%
2018 (n=61)	\$24.4M	-44.3%
2019 (n=46)	\$49.3M	-72.4%
2020 Pre-COVID (n=11)	\$35.5M	-61.7%

- The few successful launches in 2021 had very specific value propositions:
 - Gilead’s **Veklury** (remdesivir) treats COVID-19
 - **Ubrovelvy** (Allergan) and **Nurtec** (Biohaven) are oral migraine drugs optimally set up for digital channels
 - Horizon’s **Tepezza** treats an ultra-rare eye disorder with no marketable treatments
 - Pfizer’s **Ruxience** is a rituximab biosimilar

Product launch summary

Pharmaceutical companies continue to bring new products to market despite the uncertainty introduced by the COVID-19 pandemic; there were 71 launches through December 2020 in line with 69 launches for the same period in 2019. To date, 2021 has seen a similar rate of product launches compared to 2019 and 2020

38

Launches thru
Jun 2021



Top Therapy Areas of 2021 Launches

Oncology



37%

CNS



16%

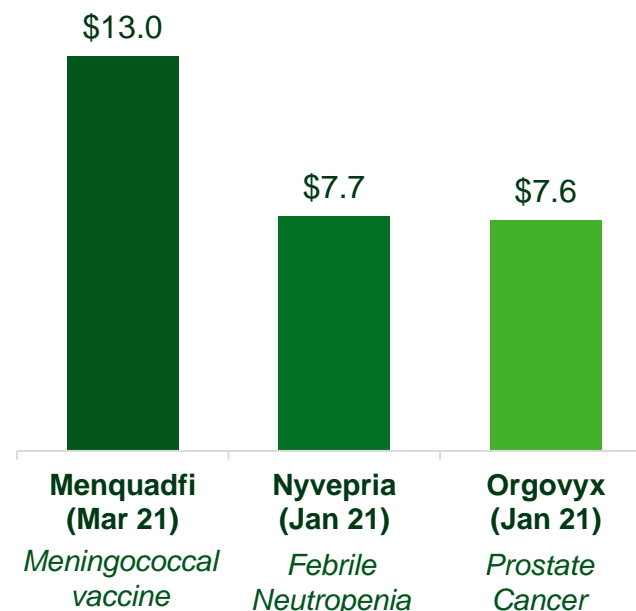
Infectious



13%

\$

Top 2021 Launches by Sales (millions)



23

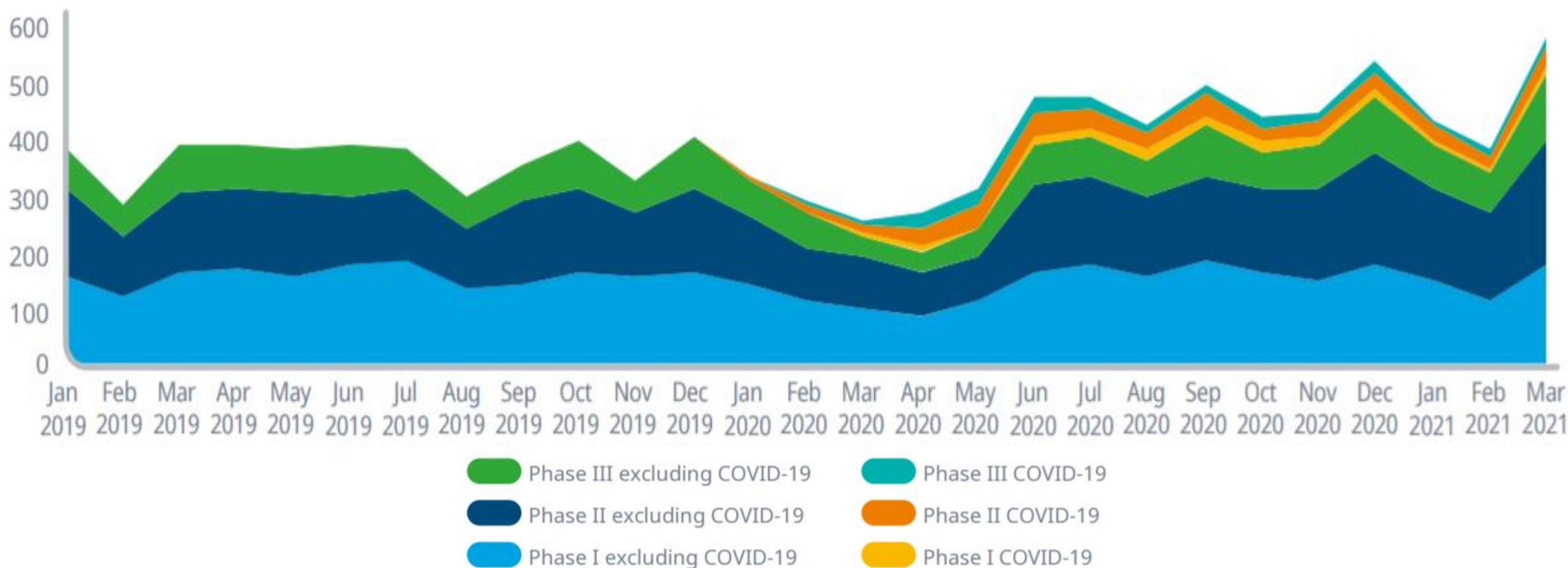


Of the 27 FDA approved New Molecular Entities (NMEs) in 2021 show evidence of launch based on supply in channel or active websites

In 2020, the FDA approved New Molecular Entities (NMEs). Of those 44 out of 49 show evidence of launch.

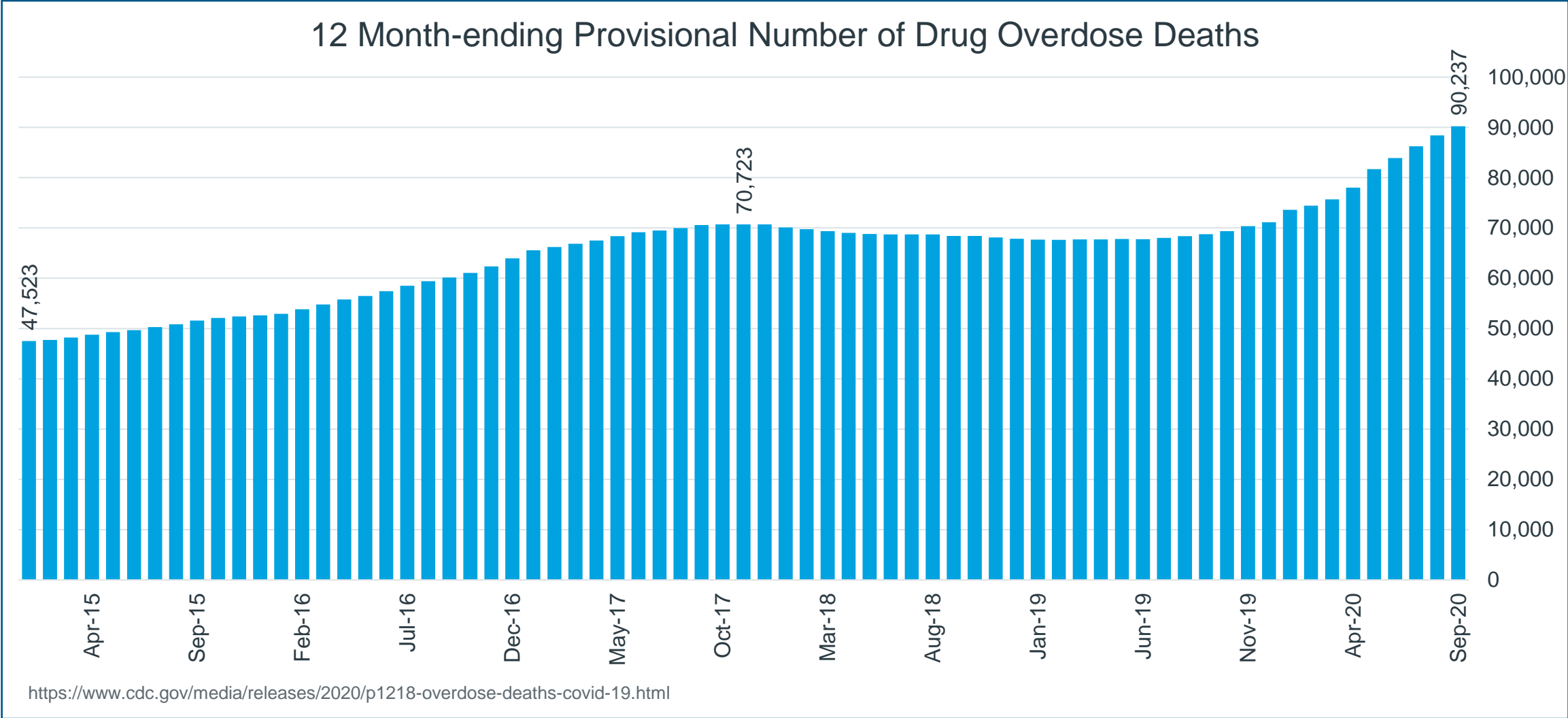
Monthly clinical trial starts declined significantly in early 2020 but recovered from June to higher levels than in 2019

Clinical Trial Starts by Month and Phase Jan 2019–Mar 2021



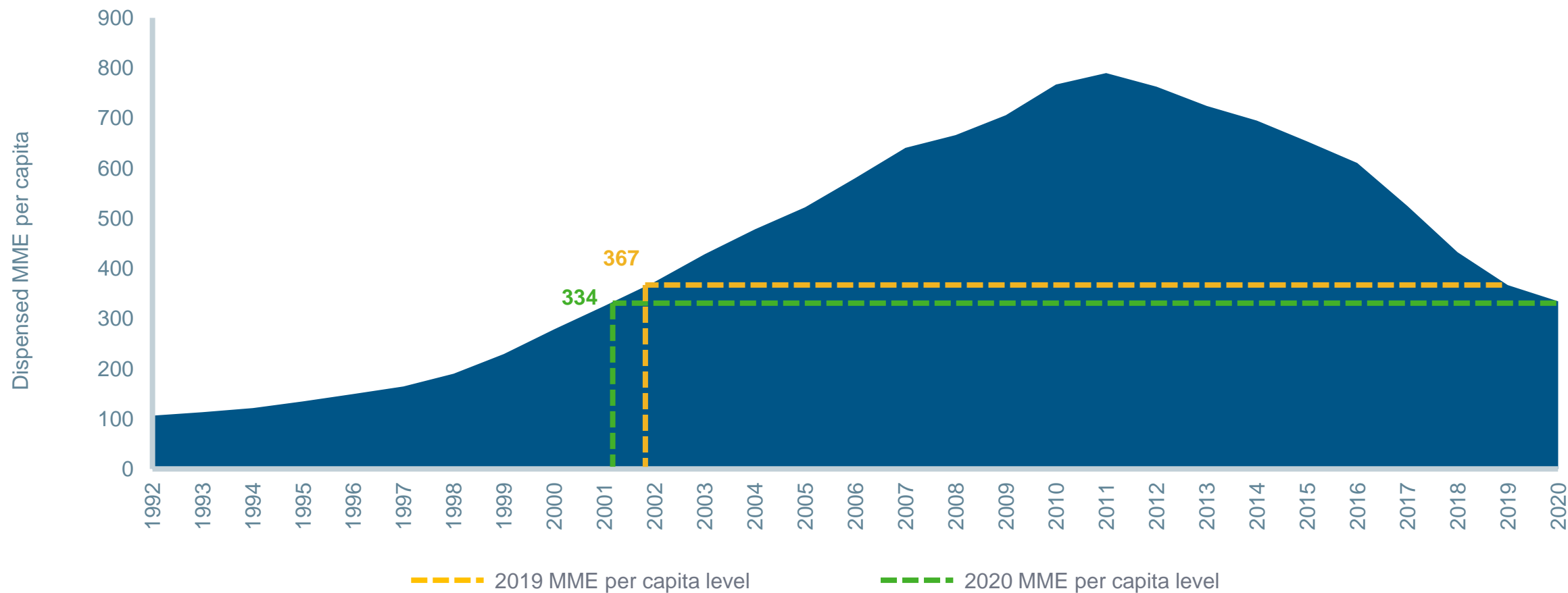
Opioids

Over 90,000 drug overdose deaths occurred in the US in the 12 months ending September 2020



Continued declines have brought normalized per capita prescription opioid use near the 2001 level

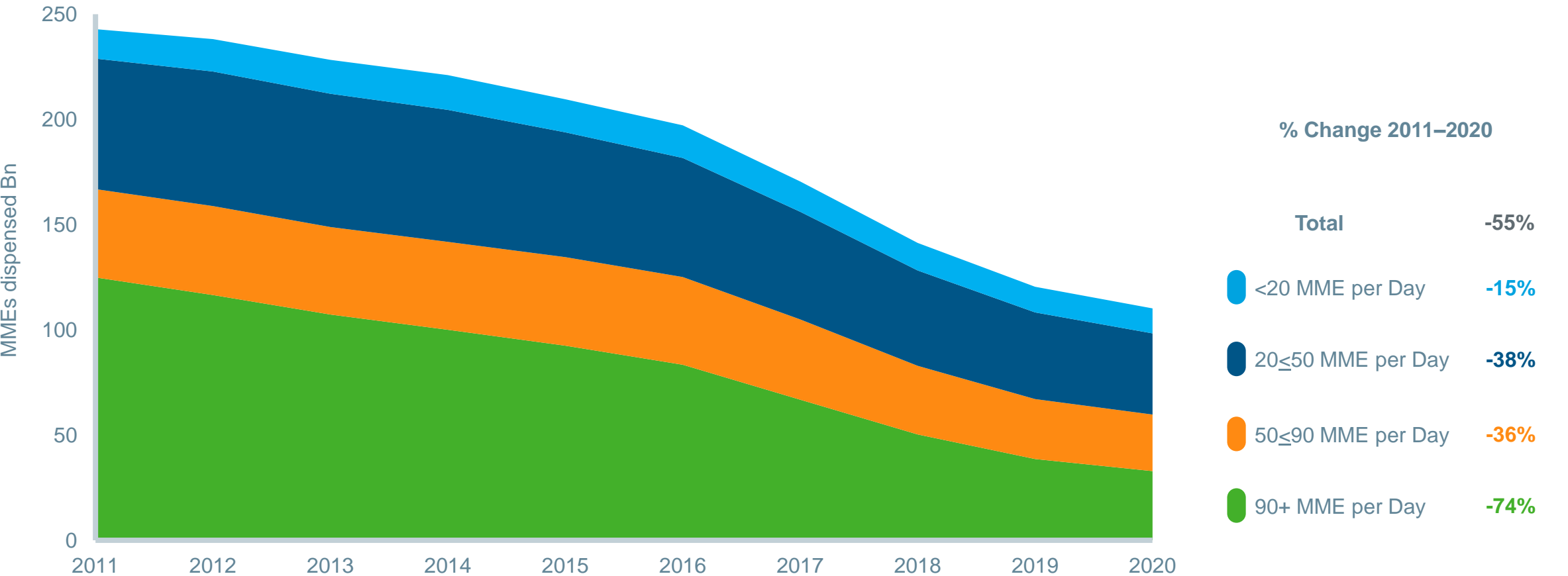
Prescription Opioid Use in Morphine Milligram Equivalents (MME) per Capita, 1992–2020



Source: IQVIA Xponent, Apr 2021; IQVIA National Prescription Audit; IQVIA Institute, Jul 2021

The greatest reduction in prescription opioid use has been in the highest risk segment, which contain more than 90 MMEs per day

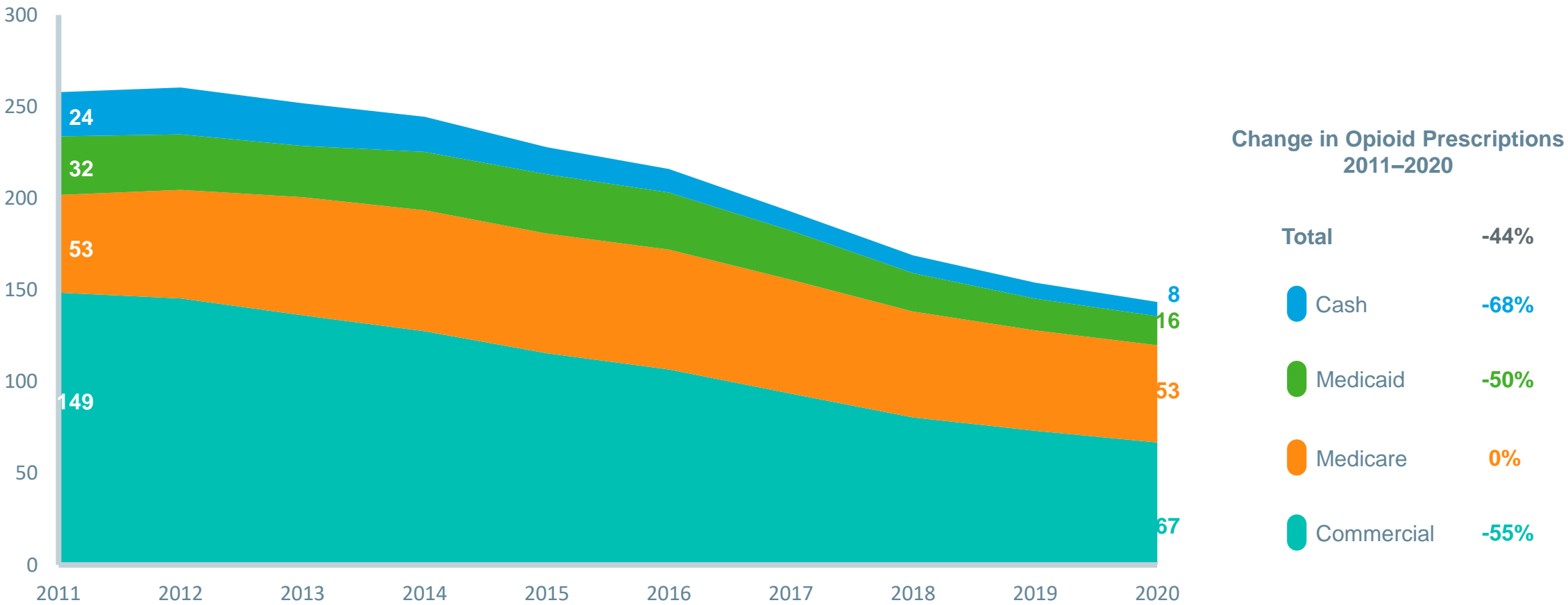
Prescription Opioid Use Segmented by Morphine Milligram Equivalents (MME) per Day, 2011–2020



Source: IQVIA Xponent, Apr 2021; IQVIA Institute, Jul 2021

The number of Medicare opioid prescriptions is unchanged since 2011, while other pay types have declined

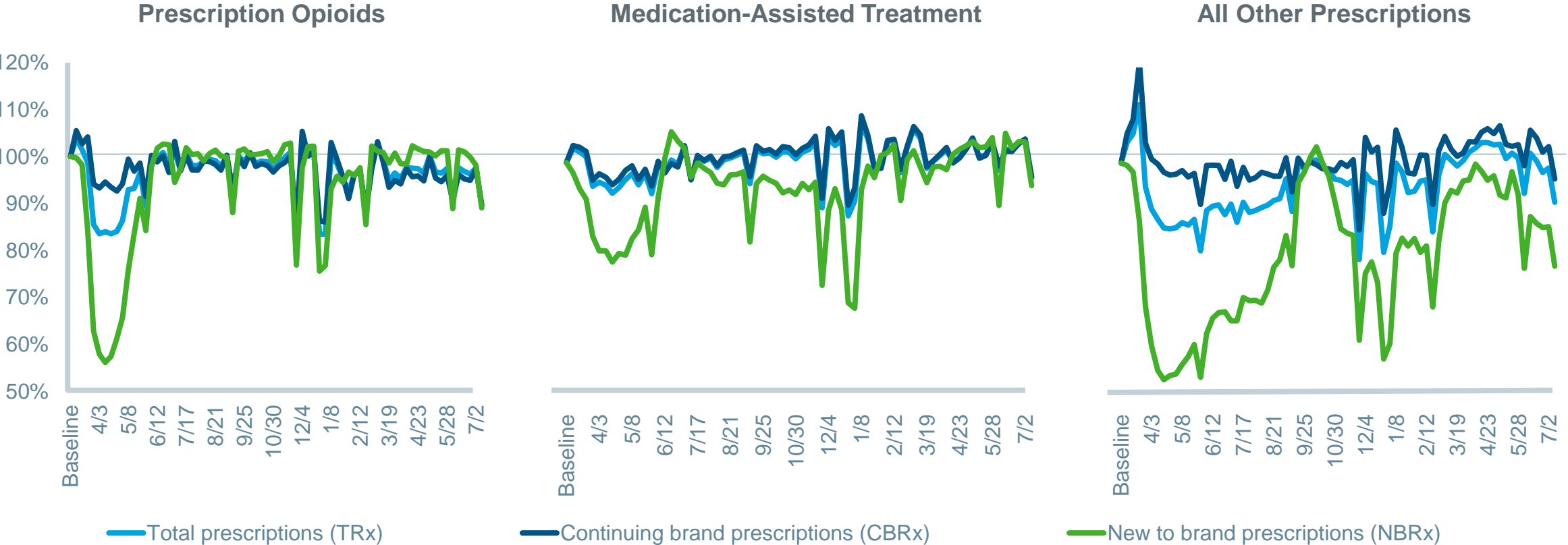
Number of Prescription Opioids Dispensed by Pay Type, Millions, 2011–2020



Source: IQVIA Xponent, Apr 2021; IQVIA Institute, Jul 2021

During the COVID-19 pandemic, as many as 44% fewer new patients received prescription opioids while MAT was less impacted

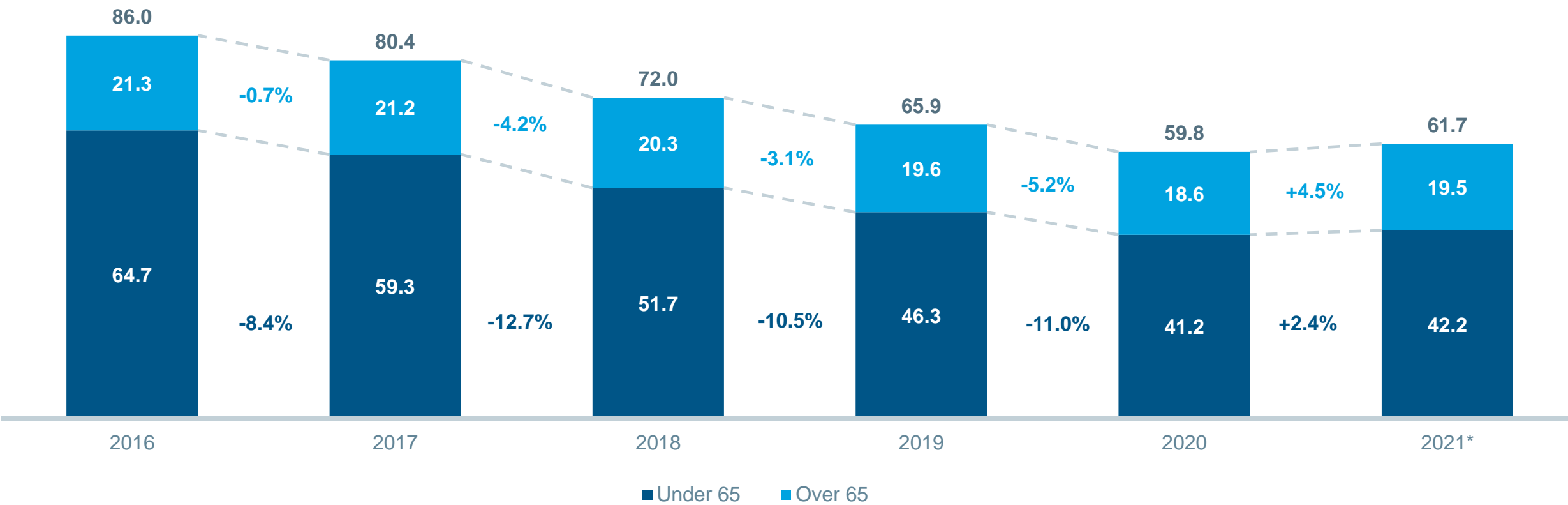
Prescription Levels of Opioid, Medication-Assisted Treatment, and All Other Medications as a Percentage of Baseline (first 8 weeks of 2020), March 2020-July 2021



Source: IQVIA New to Brand Weekly, Jul 2021

Patients taking benzodiazepines, opioids, or a combination of both, have declined from 86 million to 60 million between 2016 and 2020

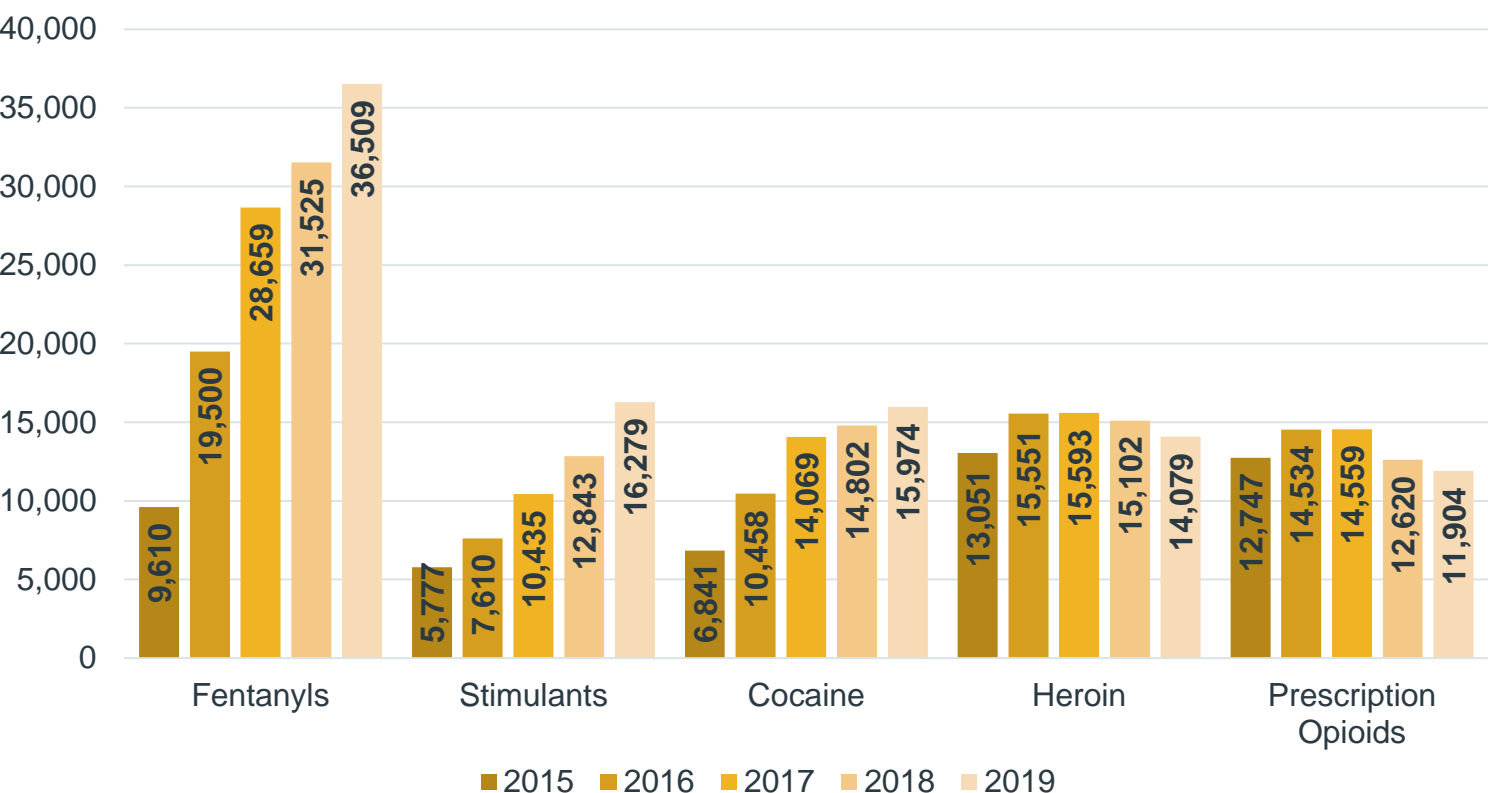
Patients Taking Any Benzodiazepine-Opioid, Benzodiazepine, or Opioid Therapy by Age, Millions



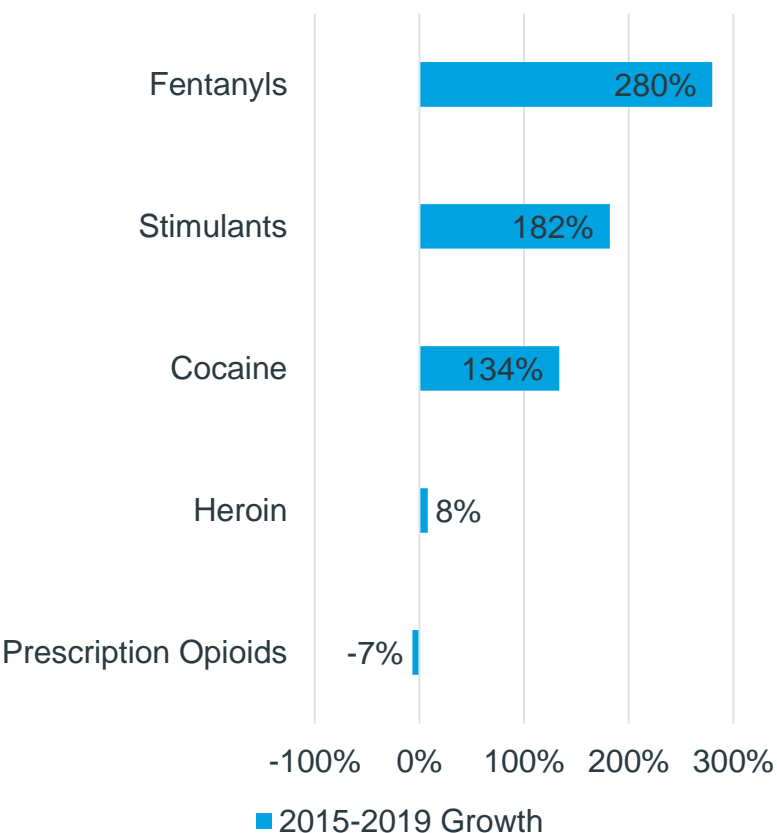
Source: IQVIA U.S. Prescription Claims (LRx), Jul 2021; IQVIA Institute, Nov 2020

“AMA report shows evolving, deadlier overdose epidemic”*

of Deaths by Substance



2015-2019 Growth



Data Source: CDC Provisional Drug Overdose Death Counts, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm>
* <https://www.ama-assn.org/press-center/press-releases/ama-report-shows-evolving-deadlier-overdose-epidemic>

Outlook for 2021

There have been a series of legacy considerations recognized across stakeholders

Pharmacies

- Reimbursement
- Controlled Substances
- Access to Specialty Drugs
- Purchasing Alliances
- Track and Trace
- Amazon, Digital pharmacies and cash customers

Generic Manufacturers

- Purchasing Alliances
- Portfolio Optimization (“Shrink to Grow”) / Market Saturation
- Brand /niche drugs (complex generics)
- Generic Price Deflation
- Which approvals to launch?

Wholesalers

- Contract Negotiations
- Controlled Substances
- Generic Price Deflation / Slow Brand Inflation
- Track and Trace
- Purchasing Alliances

Brand/Specialty Manufacturers

- Price increase backlash
- Becoming more specialized / Oral Specialty
- Declining Hep C and Pain Dollars
- Orphan Drugs
- Copay accumulators

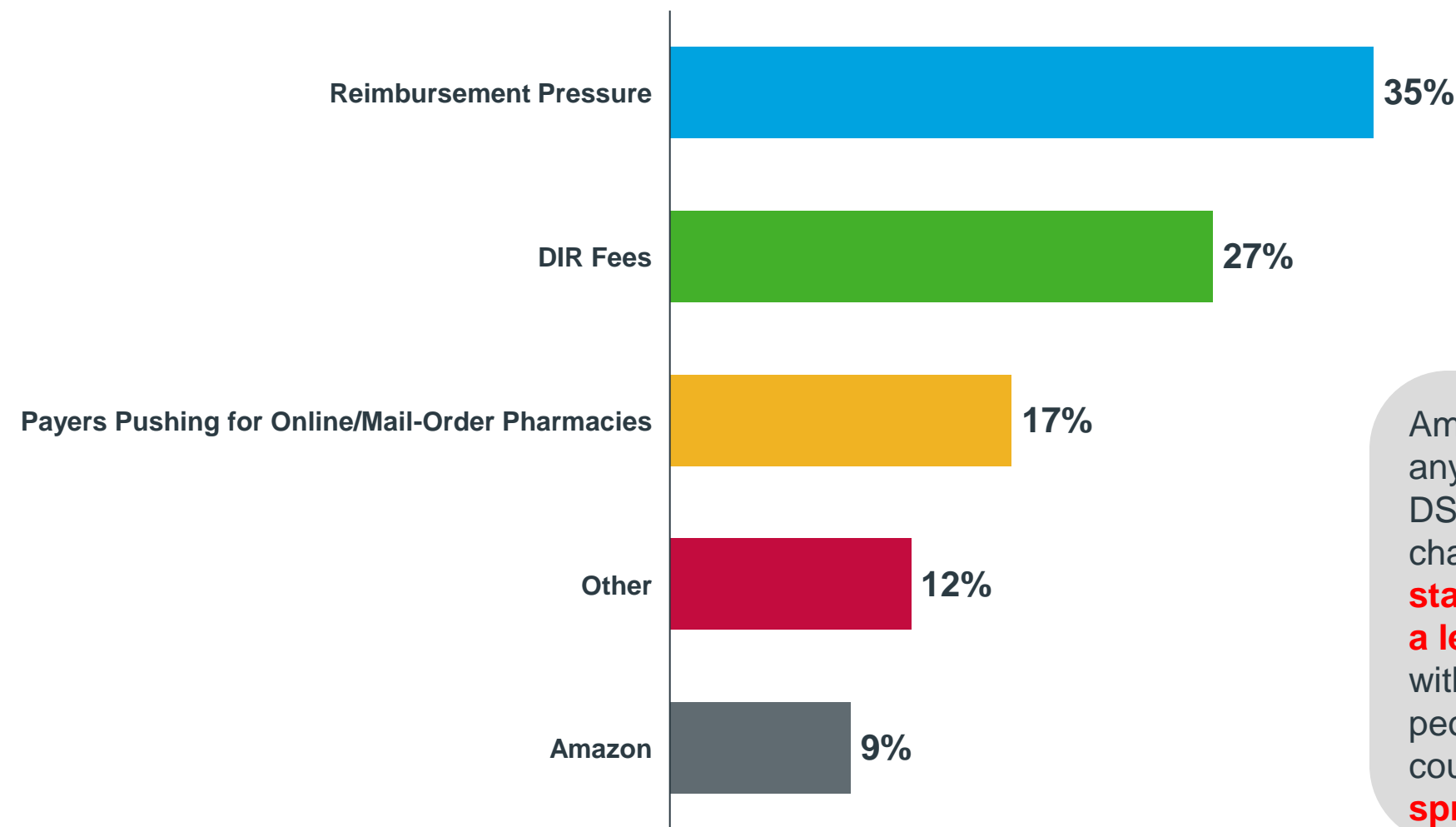
Payers

- Managing Specialty Drug Costs
- Rising Oncology costs
- Formularies blocks and exclusive launches

Consumers

- Rising costs: high out-of-pocket costs / coinsurance / accumulators
- Quality of Insurance Coverage
- Specialty Tiers

Drugstore News recently put the following question out to their readers, “What is pharmacy’s biggest challenge?”



Among the 12% who didn’t think any of the answers supplied by DSN constituted the biggest challenge in the industry, **staffing concerns emerged as a leading area of concern** — with many noting that fewer people staffing the pharmacy counter means **pharmacists are spread too thin.**

<https://drugstorenews.com/poll-results-reimbursement-top-mind>, 8/4/2021

What factors will influence the rebound of the 86 million acute Rx's lost between 2019 and 2020?



Positive Impacts – Increases in Rx's*

- **Testing options** – better identification of cases = improvement in quarantine practices = reduction in overall COVID cases = increases in non-COVID Rx's
- **More elective surgeries** – increase in non-COVID Rx's (pain, anti-infectives)
- **More routine office visits** – increase in non-COVID Rx's (> Avg Rx per visit than telehealth)
- **Mask mandates lifted** – increases in cough/cold flu Rx's
- **Improved access to vaccine** – decrease in cases = return to normal life = overall increase in non-COVID Rx's
- **LTC** – shifting back to pre-COVID levels – increase in LTC (chronic and acute) Rx's



Unknown Impacts – not certain how this will impact Rx's

- **Hand washing & hand sanitizer** – ingrained in daily lives = decrease in cough/cold/flu = decrease in Rx's *but* potentially leading to fewer COVID cases = increase in overall non-COVID Rx's
- **Return to school/work/travel/conventions/dining/entertainment** – could result in increases in cough/cold/flu cases and associated Rx's but could also increase COVID cases which could decrease non-COVID Rx's

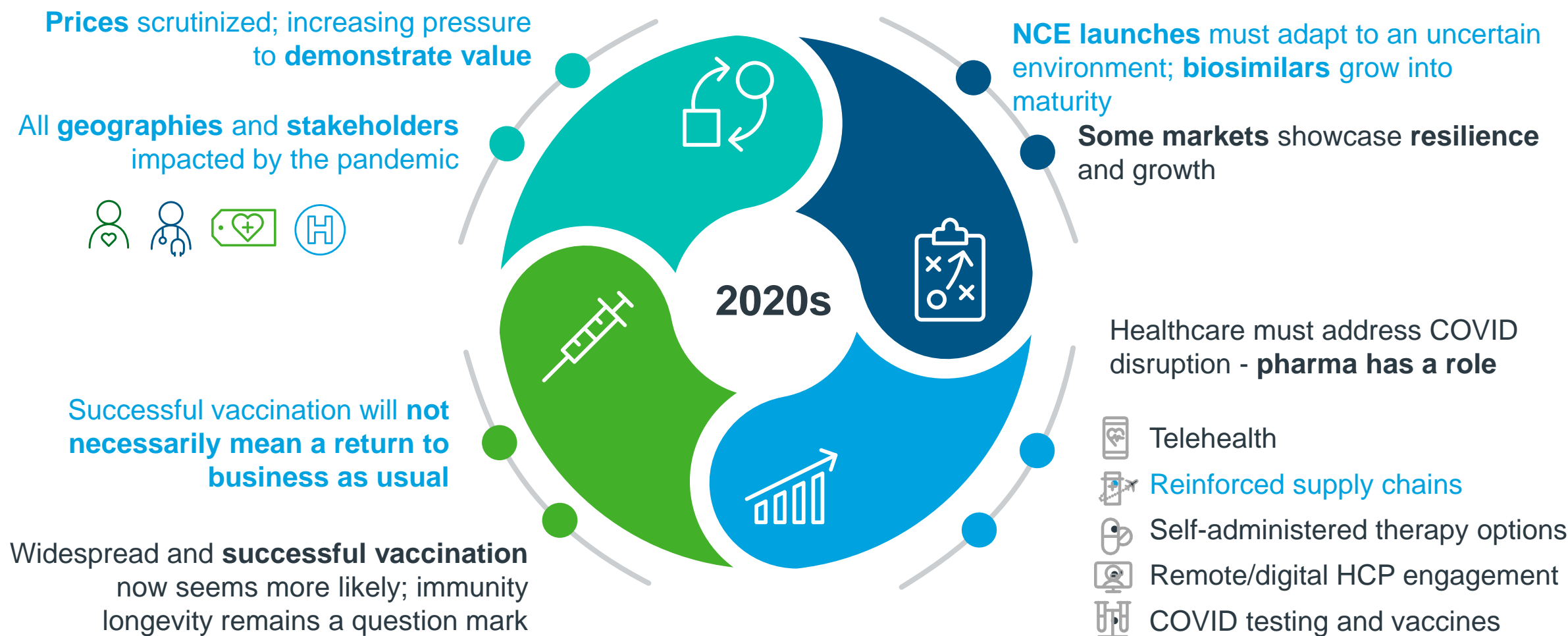


Negative Impacts – Decreases in Rx's

- **Telemedicine** – plateauing but likely here to stay = fewer Rx's per visit than traditional in person visit
- **Flu vaccines** – will they match the historic numbers from last season? If so, could result in decreases in non-COVID/Cough/Cold Rx's

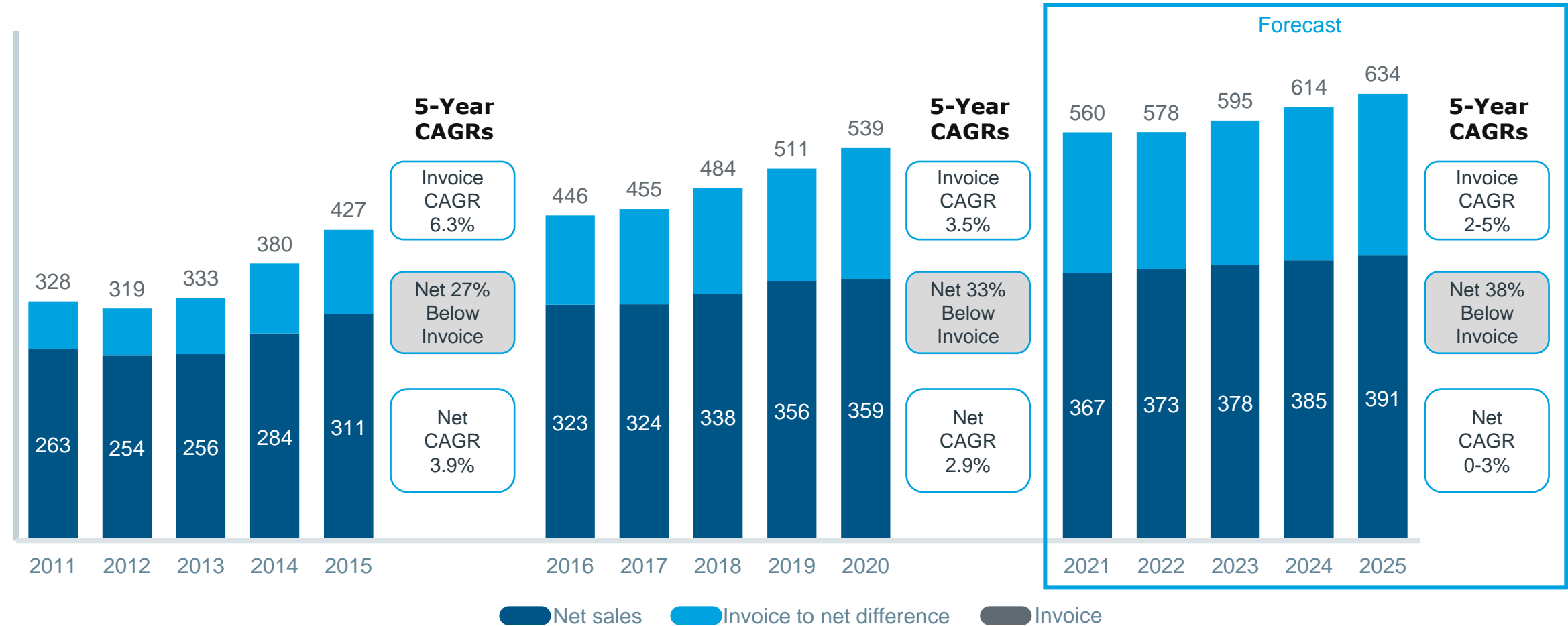
*Assumption is that lower COVID cases = higher non-COVID/Cough/Cold Rx's (increased MD visits, more exposure to other illnesses).
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However, with the pandemic, new trends may define 2021—and beyond



The U.S. spending forecast reflects an increasing gap between invoice level spending and manufacturer net revenues

U.S. Medicine Spending and Growth at Invoice-level and Estimated Net 2011–2025



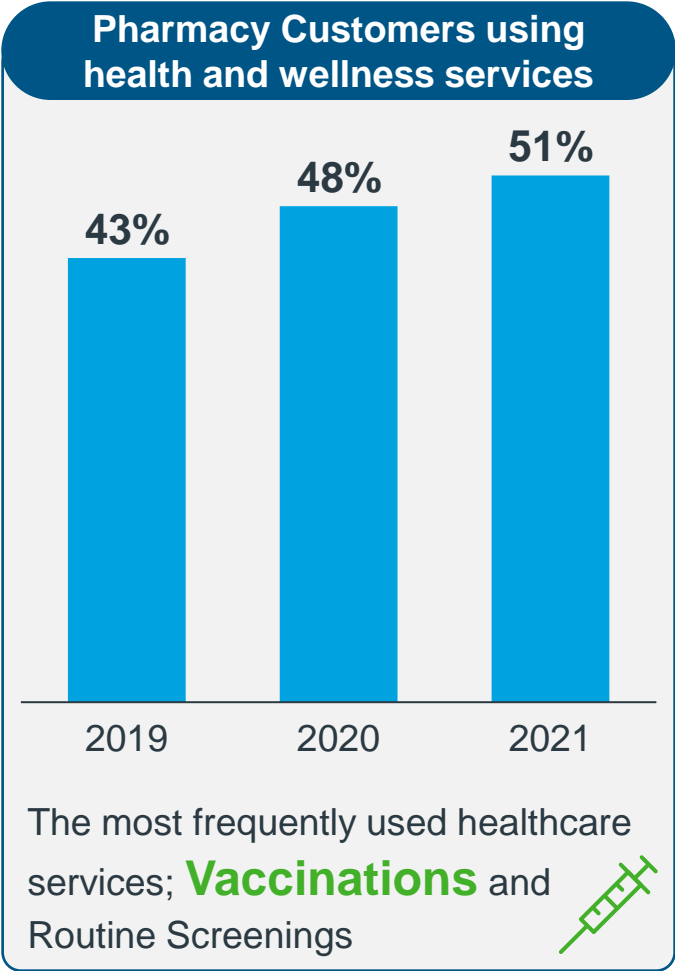
Source: IQVIA Institute, Feb 2021

Patients visit pharmacies 10x more frequently than they see other healthcare providers¹




¹ Hemberg N, Huggins D, et al. Innovative Community Pharmacy Practice Models in North Carolina. North Carolina Medical Journal. June 2017. <http://www.ncmedicaljournal.com/content/78/3/198.full>
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51% of pharmacy customers have used health and wellness services over the last year according to J.D. Powers




Other key findings

Customers who use at least **1** health and wellness-oriented service spend an average of **\$5** more than those who do not use these services




Overall satisfaction and brand advocacy scores also increased **24** points when customers utilized wellness services




Mobile app integration in pharmacies is becoming **increasingly vital**:

- 26** percent of brick-and-mortar customers
- 27** percent of small order customers accessed their pharmacy's mobile app



Satisfaction with brick-and-mortar mobile apps landed at **848**, and overall satisfaction with mail-order mobile apps was **868**

Researchers noted that both of these scores are higher than the average mobile app or text message satisfaction score of **826** seen in the J.D. Power 2021 Commercial Member Health Plan Study



Source: J.D. Powers 2021 US Pharmacy Study

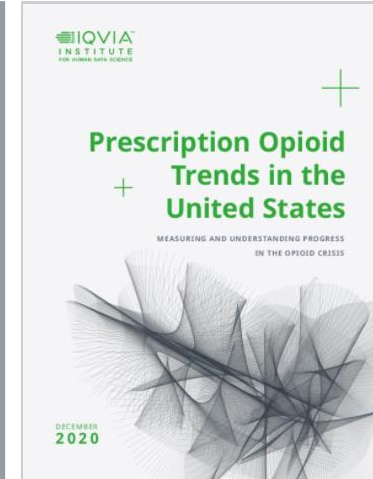
The IQVIA Institute produces a number of reports on a regular basis that you might find useful, check them out



Despite the COVID-19 pandemic having a substantial impact on patient care during 2020, the scientific advances in clinical trial activity, the pipeline of new treatments, and the increased use of available therapeutics, continued largely unaffected and reflect the commitment to advancing care for patients by oncologists, other care providers, governments and payers, and life sciences companies.



This report examines the trends in pharmaceutical research and development through the end of 2020. It provides an analysis of initiated clinical trials, including the impact of the pandemic and COVID-19-specific research. Research on clinical development productivity is also presented, as well as profiles of the R&D pipeline, R&D funding trends, and characteristics of new drug approvals and launches.



The opioid epidemic has captivated the country for a decade, although it lost attention this year in the face of the COVID-19 pandemic, which affected the life and healthcare of patients with chronic pain and addiction and so many others.



The future level of global spending on medicines has implications for healthcare systems and policymakers across developed and emerging economies, and these issues are even more important in light of the ongoing global COVID-19 pandemic.



The U.S. health system demonstrated resilience and flexibility during 2020, recovering toward its pre-pandemic levels of activity and progressing into 2021, even as the backlog of missed or delayed activity remains substantial. Medicine supply was largely maintained and spending on medicines increased by less than 1% on a net price basis.



Innovation in digital health tools, including mobile health apps and wearable sensors, bring new approaches to the management of health conditions. Digital therapeutics to treat human disease are being approved by regulatory agencies around the world and routes to reimbursement are being established as developers generate and submit high-quality data on effectiveness to payers and employers.

All these reports and others can be found at: <https://www.iqvia.com/insights/the-iqvia-institute/reports>

Thank you

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Doug Long is Vice President of Industry Relations at IQVIA (formerly QuintilesIMS), the world's largest pharmaceutical information company. IQVIA offers services to the pharmaceutical industry in over 100 countries around the globe. Doug has been with IQVIA since 1989.

His fundamental task is to help secure data for all existing and new databases supported by IQVIA, manage supplier, manufacturer & association relationships, and develop information for data partners. As direct consequence of his involvement in these areas, Doug has considerable experience with, and a unique perspective on, the changing U.S. and global healthcare marketplace and pharmaceutical distribution.

Doug is a frequent industry speaker and the recipient of many awards from trade groups. Before joining IQVIA Doug held positions at Nielsen Market Research for 16 years in various sales and marketing capacities. A native of Illinois, Doug received a BA from DePauw University and holds an MBA in management from Fairleigh Dickinson University.

doug.long@iqvia.com



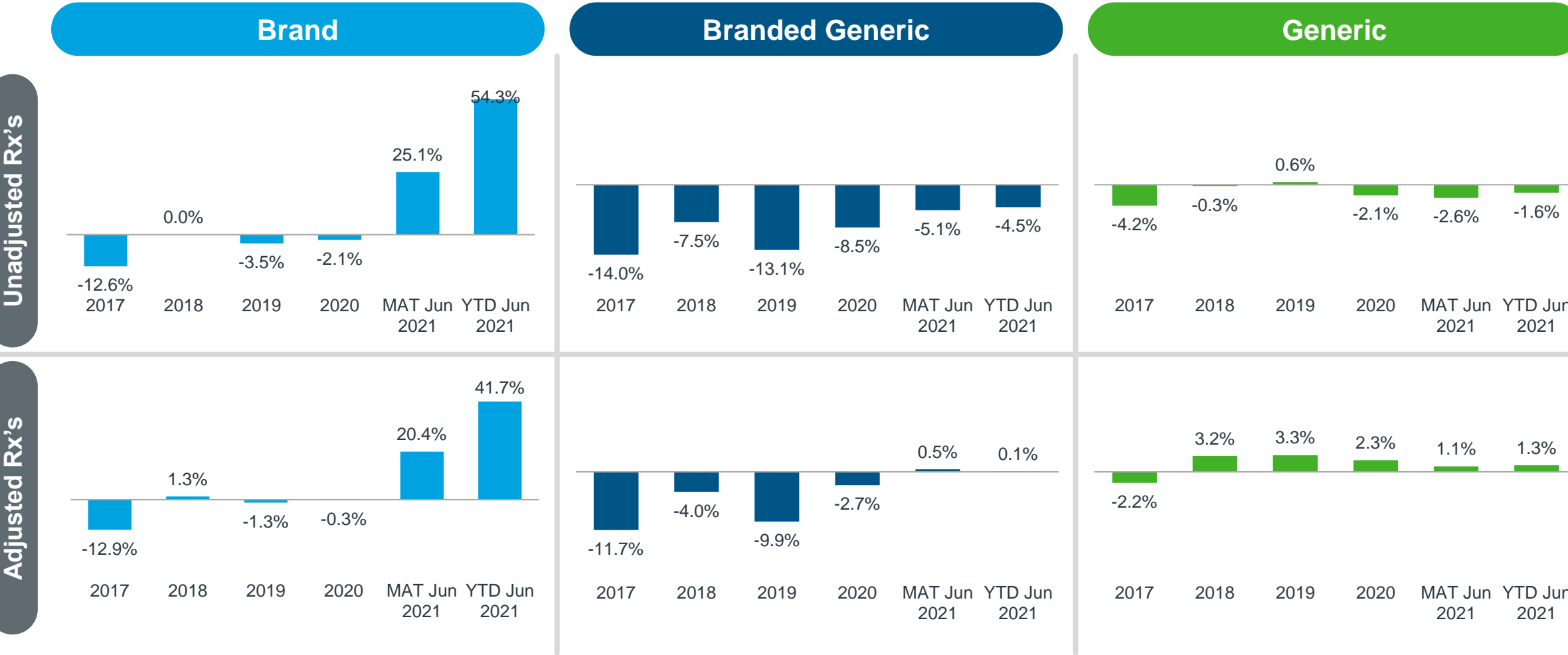
Scott Biggs, *Director, Supplier Services*

Scott Biggs is Director of Supplier Services at IQVIA (previously known as QuintilesIMS), the world's largest pharmaceutical information company, serving over 101 countries. He has been with IQVIA since 2011.

Prior to IQVIA Scott worked for other pharmaceutical information companies for several years and worked at Rite Aid Corporation in multiple roles for over 10 years. Scott received a BS degree from Penn State University in Accounting and has been working with pharmacy data for almost 25 years.

In his role at IQVIA Scott has worked with retailers, software vendors and other data suppliers where he has helped them to understand their performance in the market place through business reviews and market analysis.

Brand Adjusted and Unadjusted Rx growth has exploded due to COVID vaccines

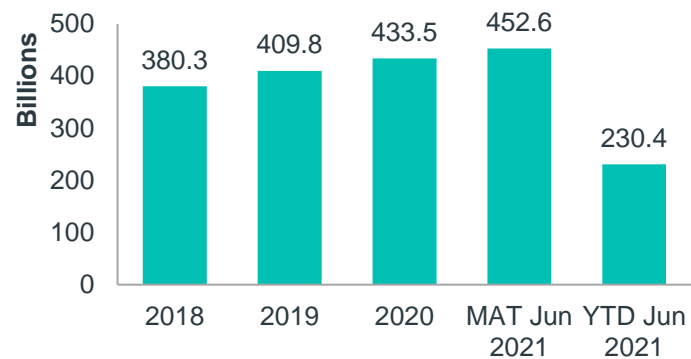


Source: IQVIA, Xponent®, April 2021
Note: Limited to Rx and OTC Insulins; Includes Retail and Mail

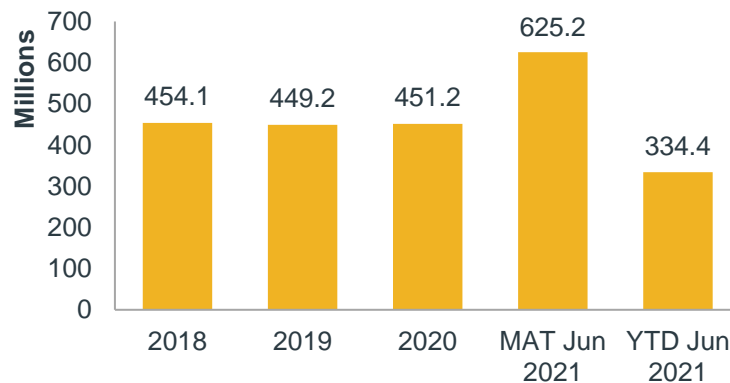
COVID Vaccines drive Brand Rx volumes

Brand

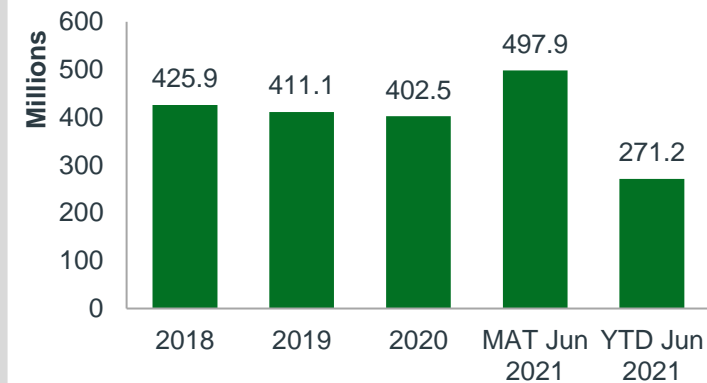
Sales



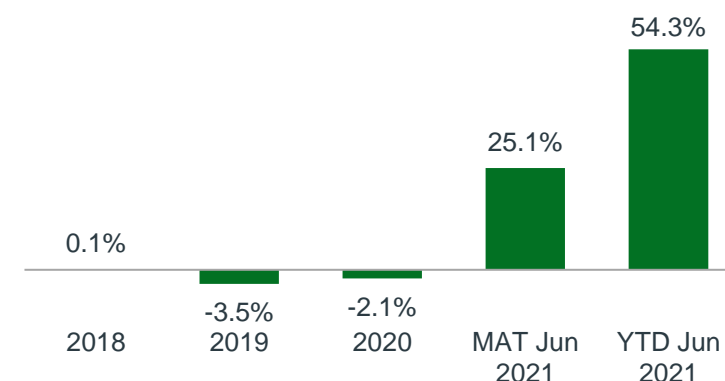
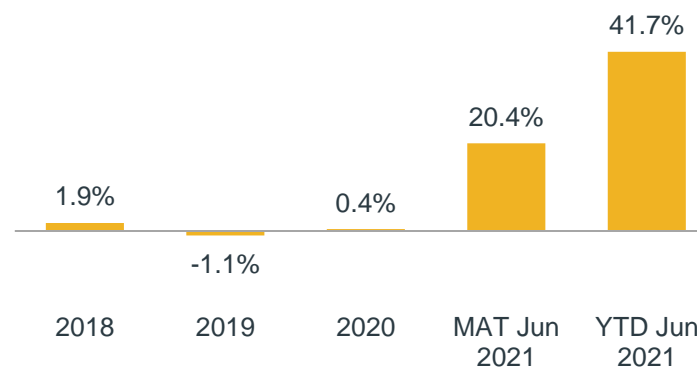
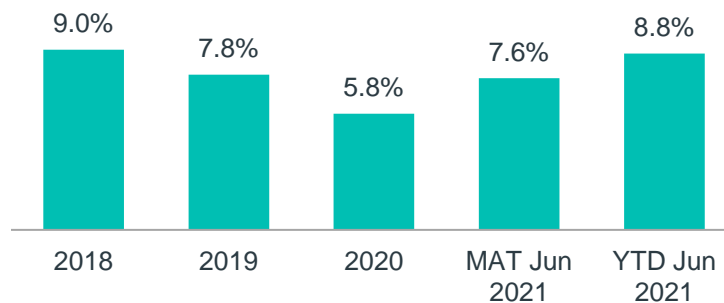
Adjusted Rx's



Unadjusted Rx's



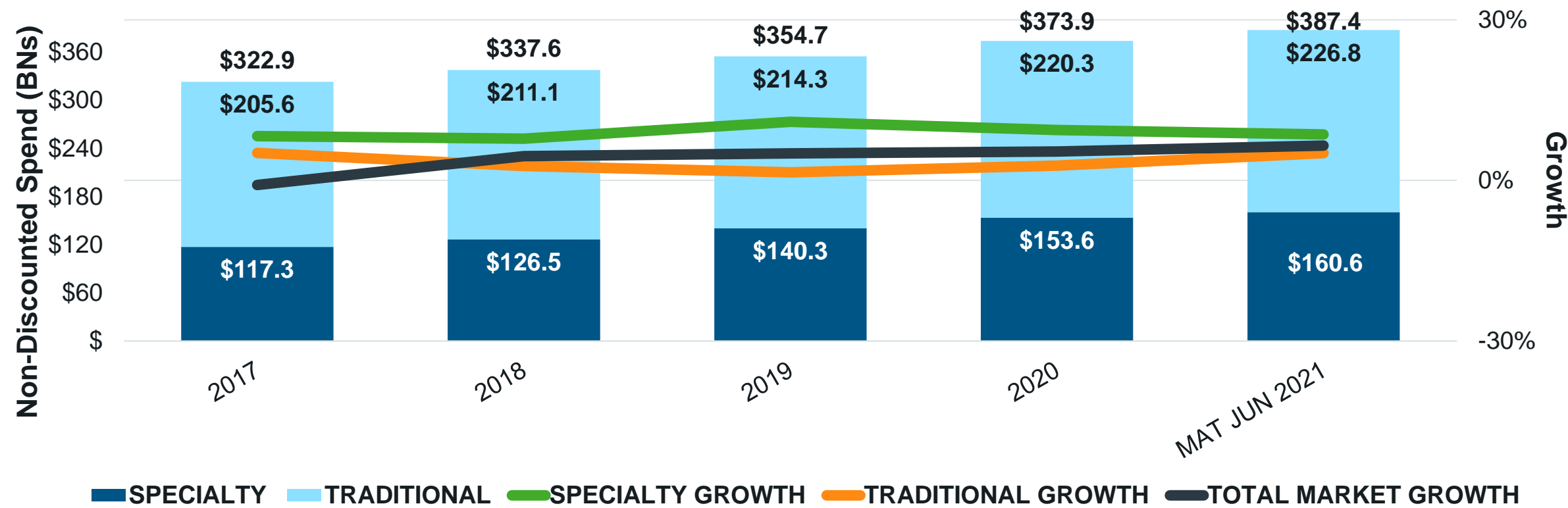
YoY Growth



Source: IQVIA, National Sales Perspectives, August 2021, Xponent®
Note: Limited to Rx and OTC Insulins; Includes Retail, Non-Retail and Mail

For retail and mail channels (combined), specialty growth is outpacing traditional growth and now has ~41% share of total non-discounted spend

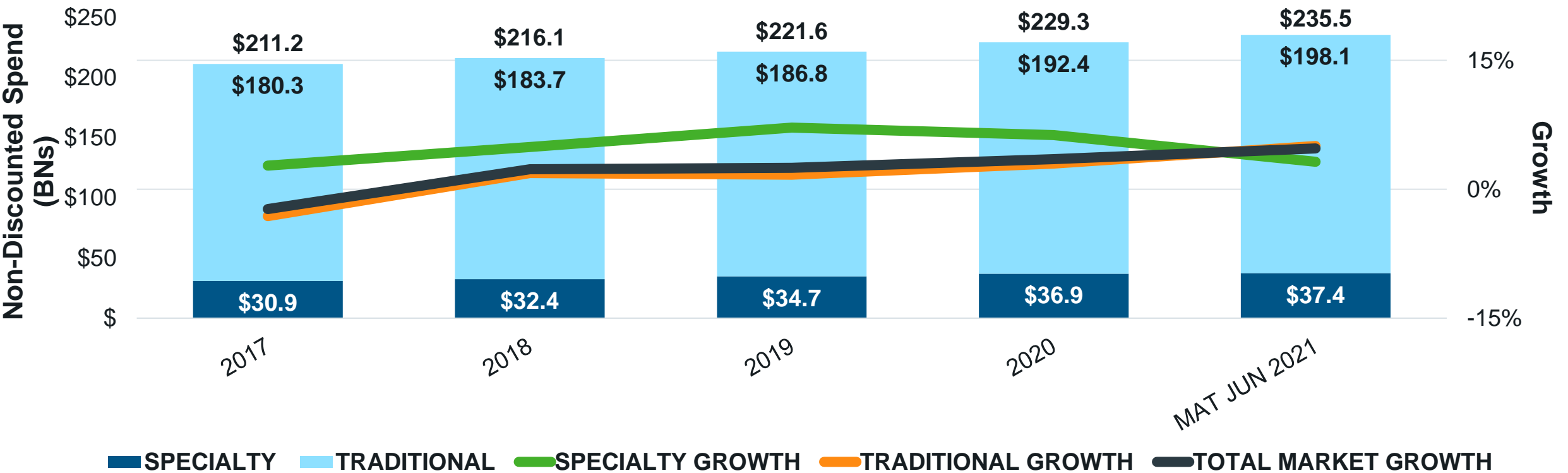
In MAT June 2021, specialty spend increased 8.6% while traditional products grew 5.1%



Share of Sales	2017	2018	2019	2020	MAT JUN 2021
SPECIALTY	36.3%	37.5%	39.6%	41.1%	41.4%
TRADITIONAL	63.7%	62.5%	60.4%	58.9%	58.6%

For the retail channel, traditional growth is outpacing specialty growth and now has ~84% share of total non-discounted spend

In MAT June 2021, specialty spend increased 3.2% while traditional grew 5.0%



Share of Sales	2017	2018	2019	2020	MAT JUN 2021
SPECIALTY	14.6%	15.0%	15.7%	16.1%	15.9%
TRADITIONAL	85.4%	85.0%	84.3%	83.9%	84.1%

Source: IQVIA, National Sales Perspectives Restricted to Retail Only, June 2021

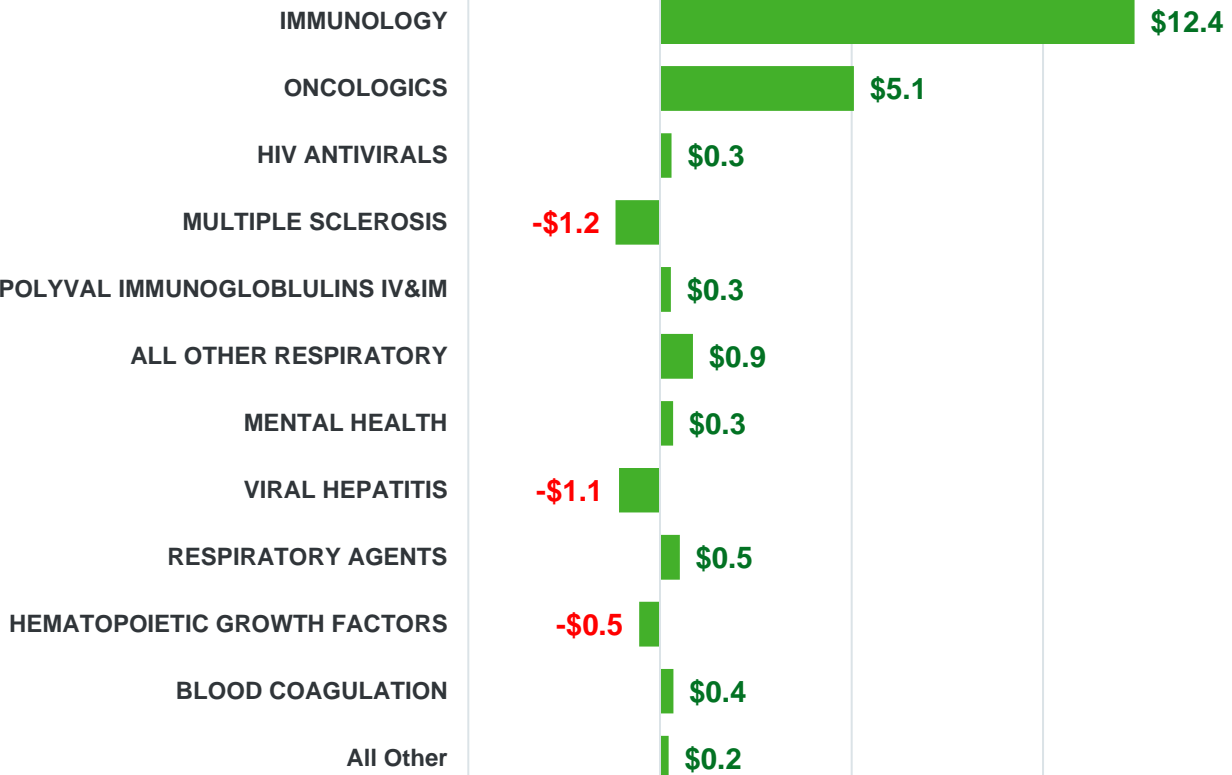
In 2021, Immunology, Oncologics, All other respiratory Specialty absolute value growth while Multiple Sclerosis, Viral Hepatitis and Hematopoietic Growth factors vaccine contributed most to value decline

Absolute Value Growth for Top Specialty Therapy Areas

ΔChange from MAT JUN 2020 to MAT JUN 2021

Absolute Value Growth (US\$ BNs)

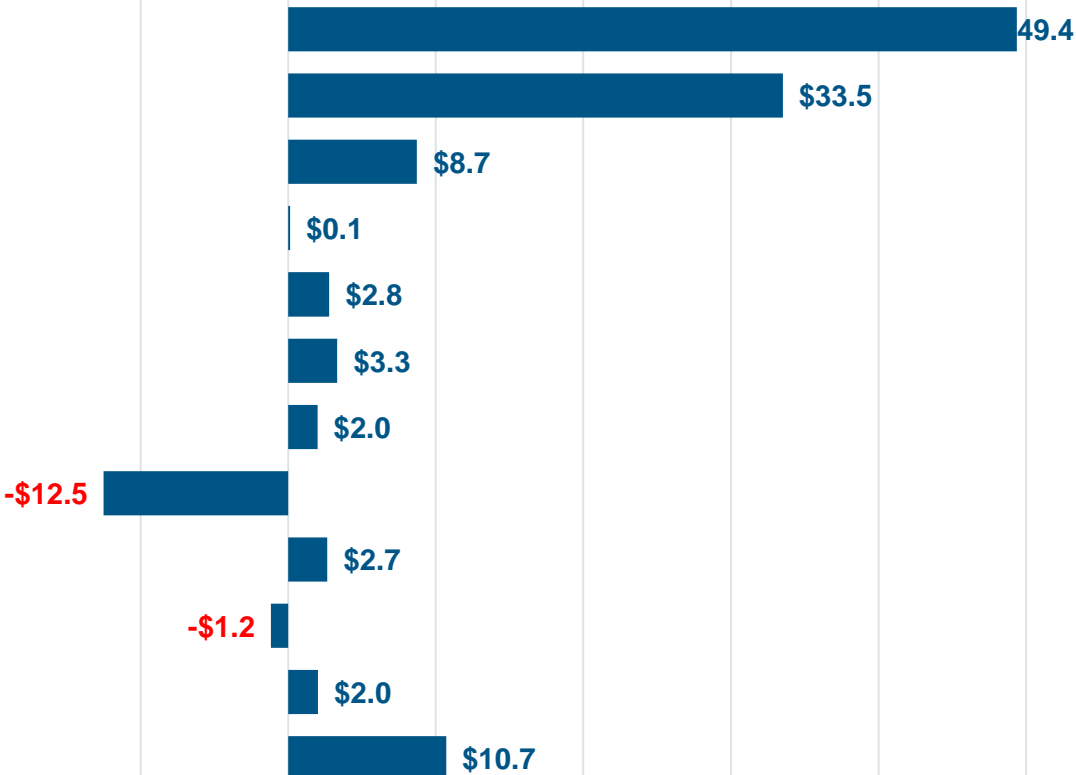
-\$5 \$0 \$5 \$10 \$15



ΔChange from 2016 to MAT JUN 2021

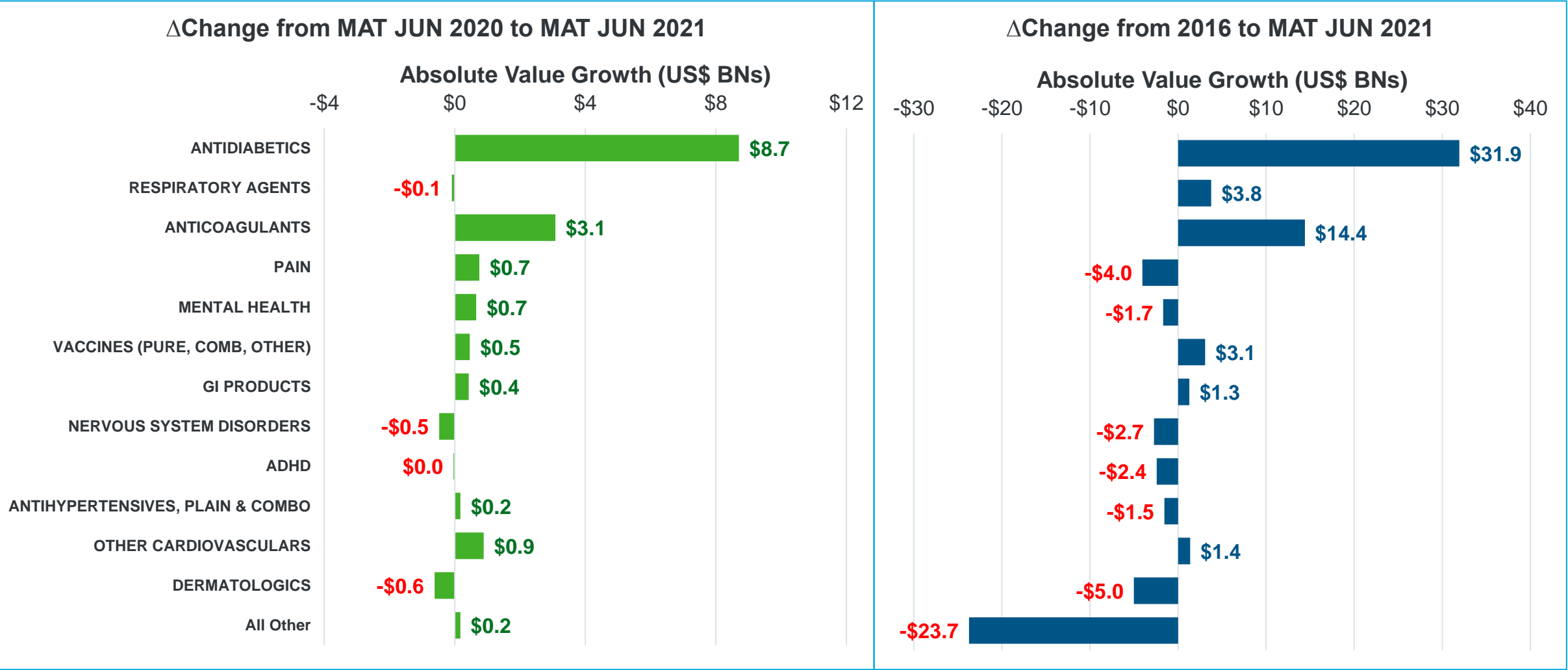
Absolute Value Growth (US\$ BNs)

-\$20 -\$10 \$0 \$10 \$20 \$30 \$40 \$50



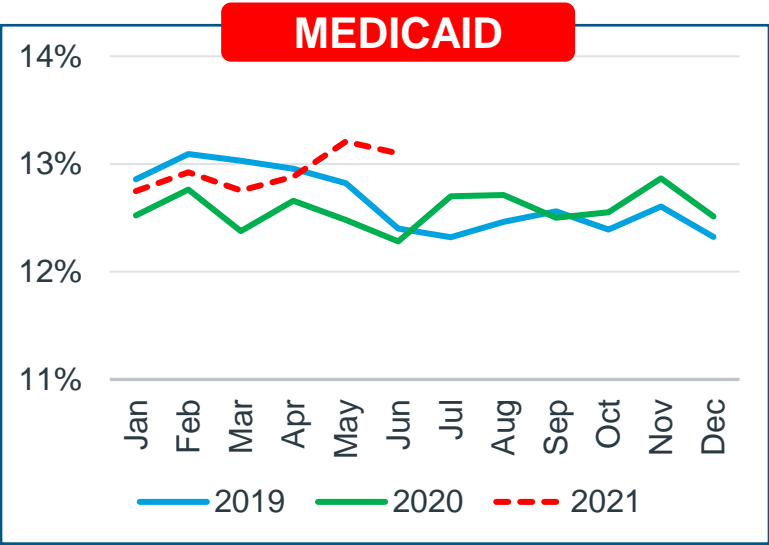
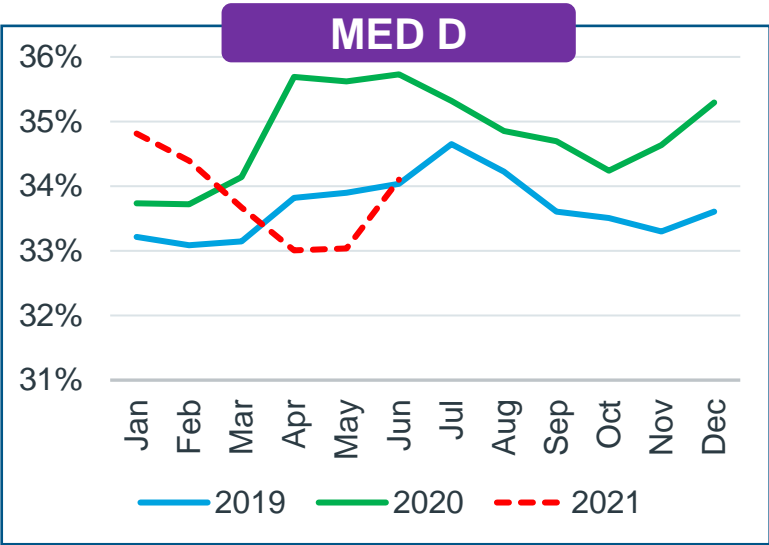
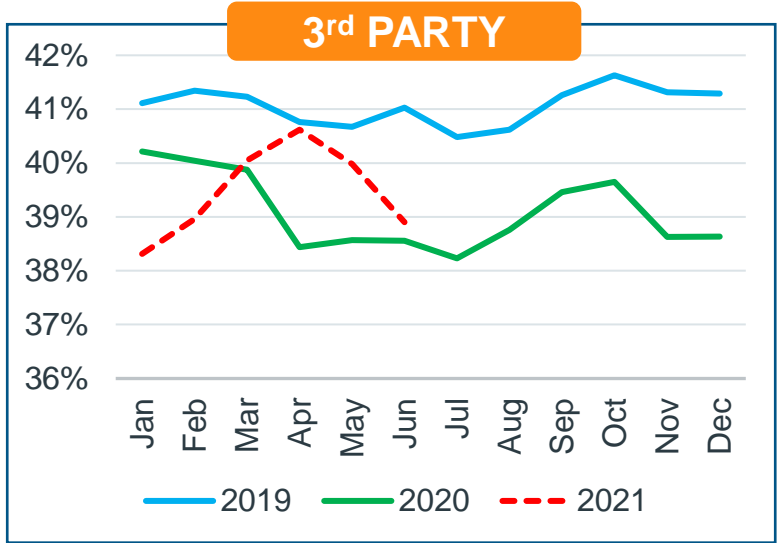
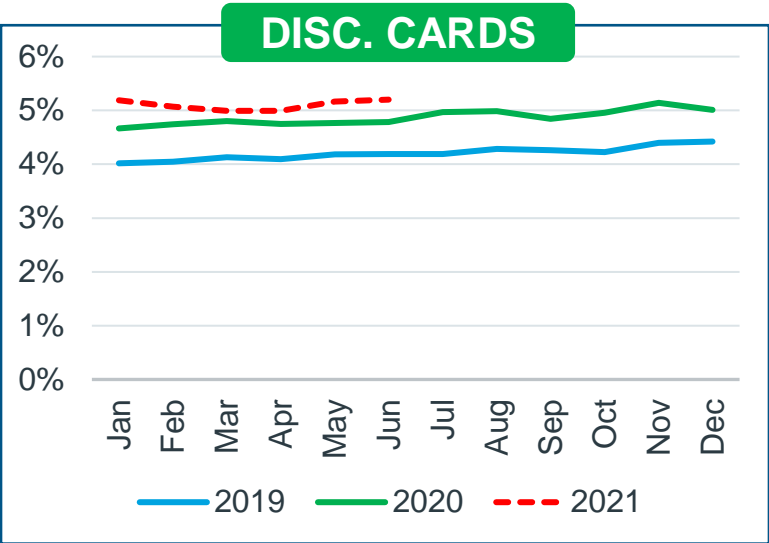
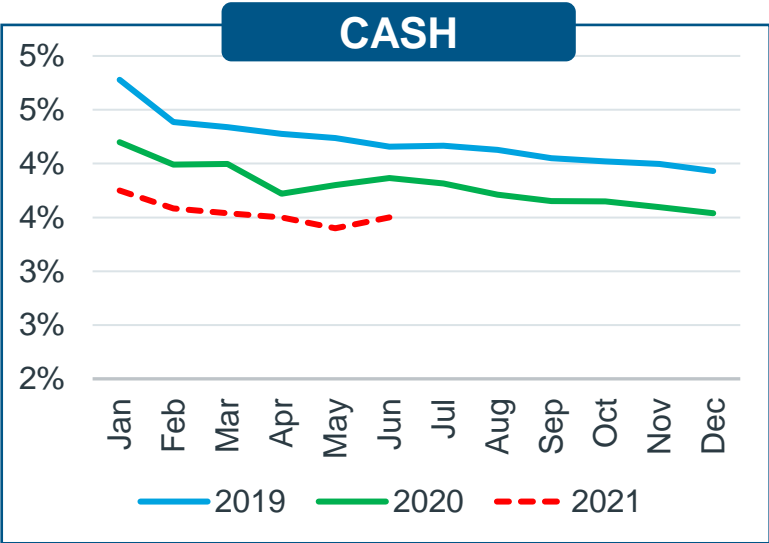
Antidiabetics, Anticoagulants and Other Cardiovasculars lead traditional products absolute value growth

Absolute Value Growth for Top Traditional Therapy Areas



Cash, Med D, and Discount Cards slightly increase; Third Party and Medicaid decrease

Market Share based on Adjusted Rx's



NOTE: Discount Cards are removed from 3rd Party