



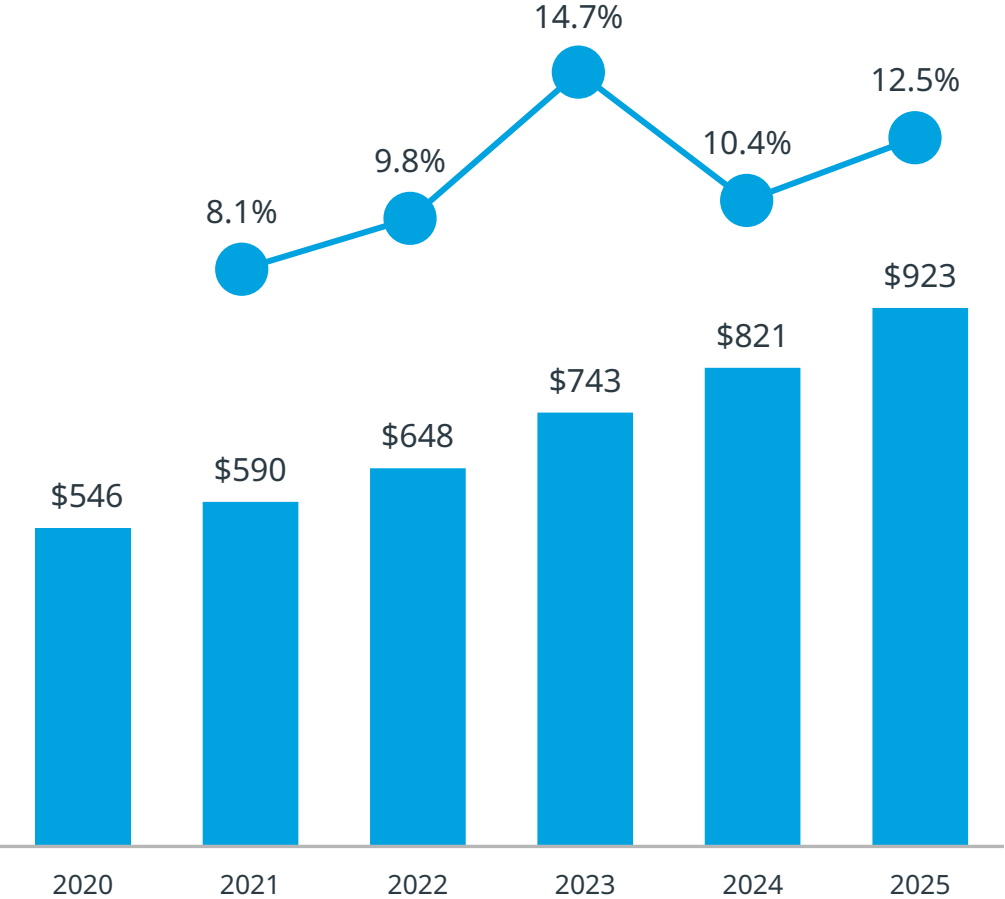
U.S. Market Overview

2025 U.S. Market Performance



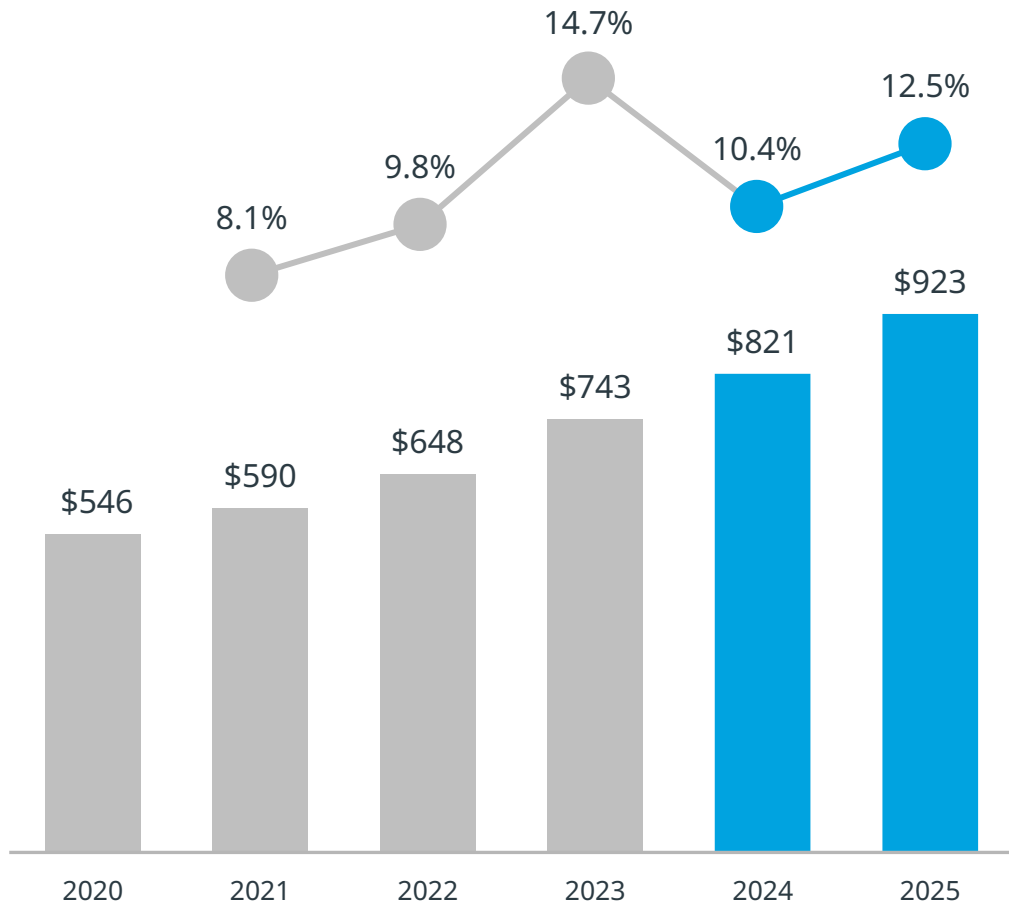
The overall market has experienced sales expansion

Total Market Sales \$ (in Billions) and Growth

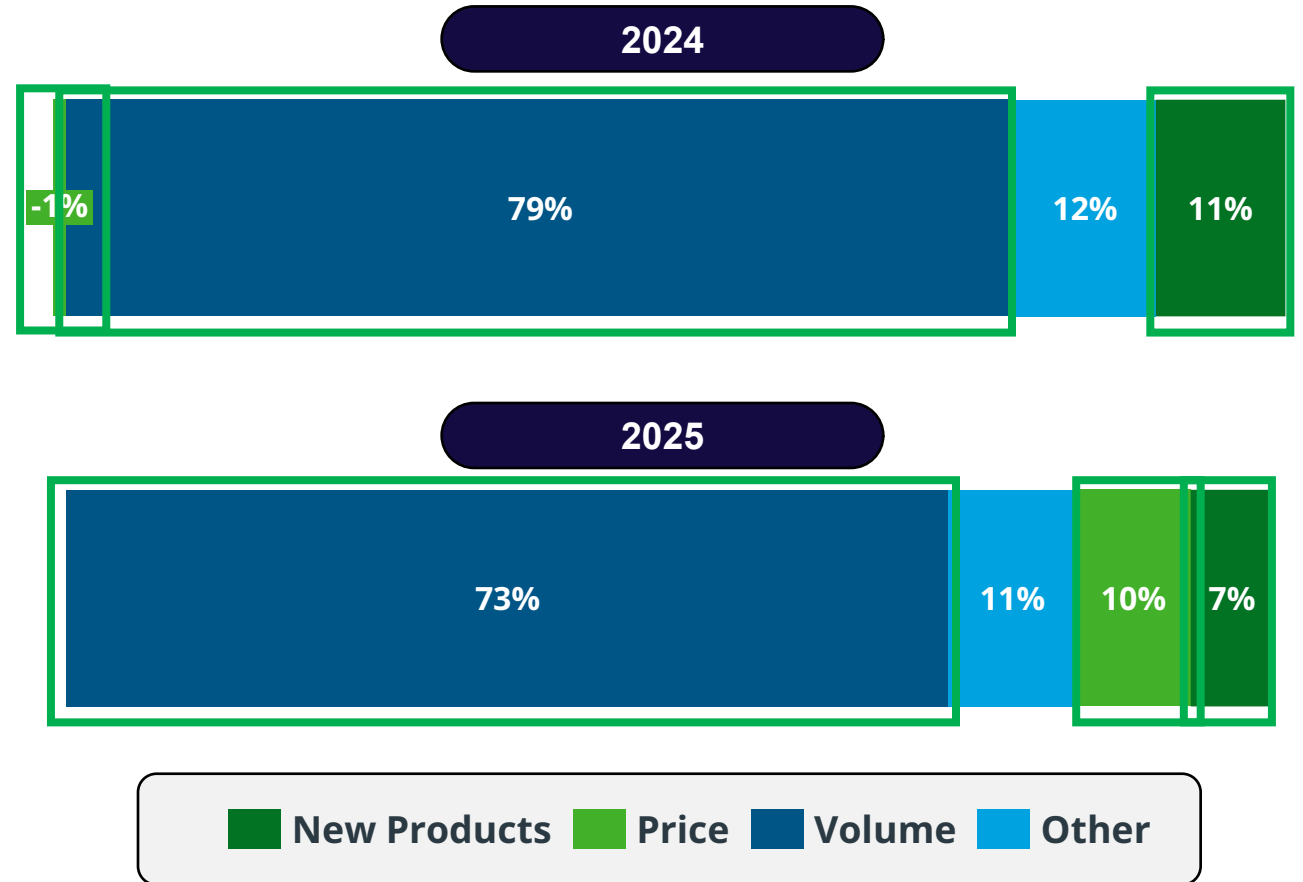


The overall market has experienced sales expansion

Total Market Sales \$ (in Billions) and Growth



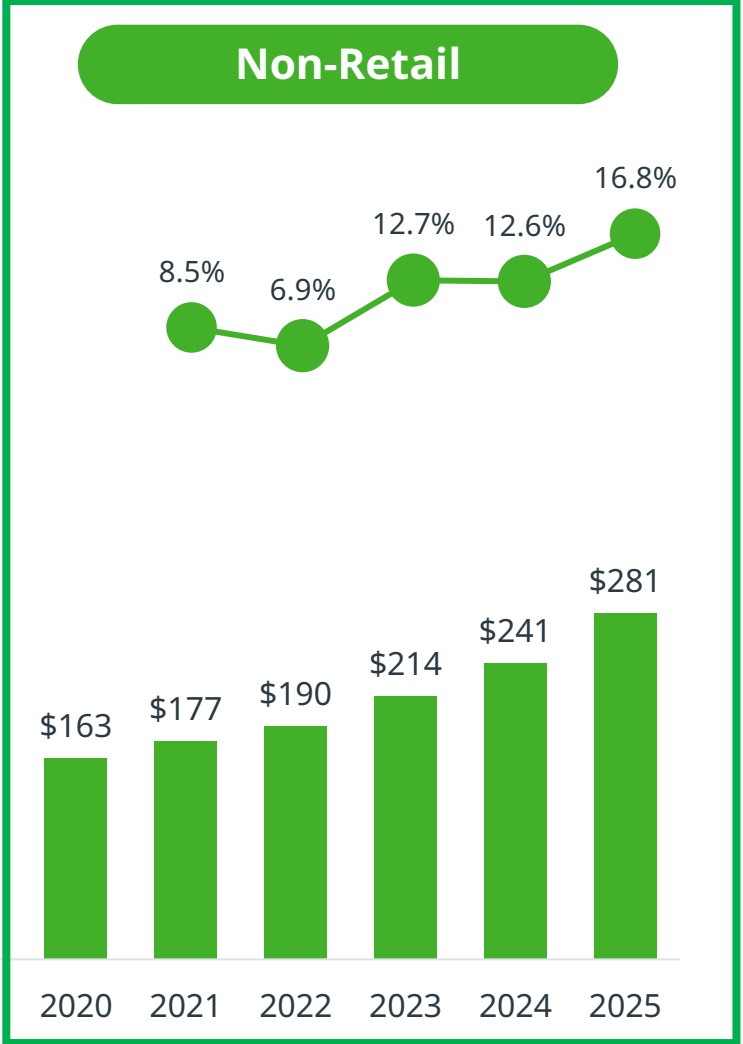
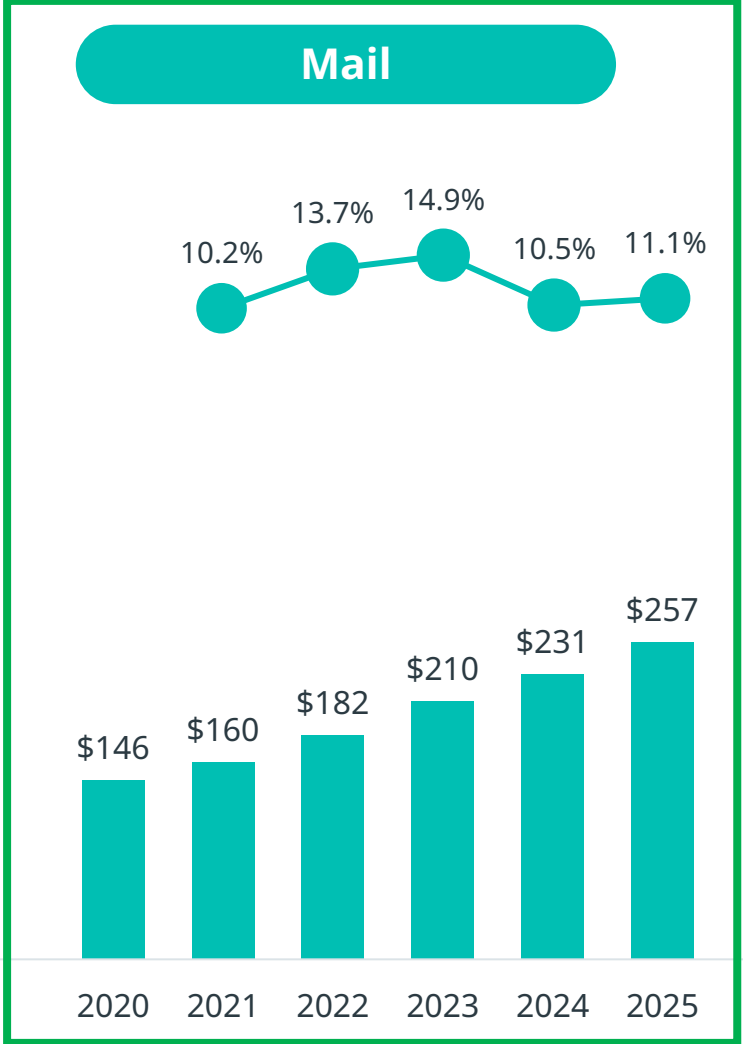
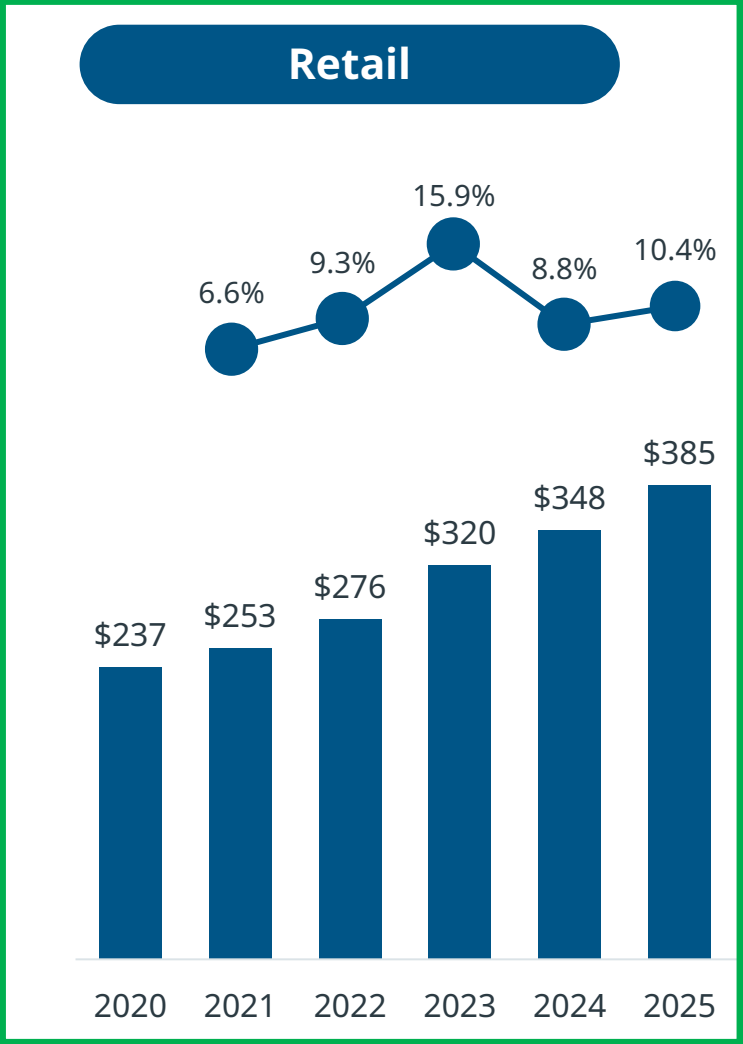
Total Market Sales \$ Growth Contribution



Retail, Mail, and Non-Retail sales all show strong year-over-year growth

Sales Growth

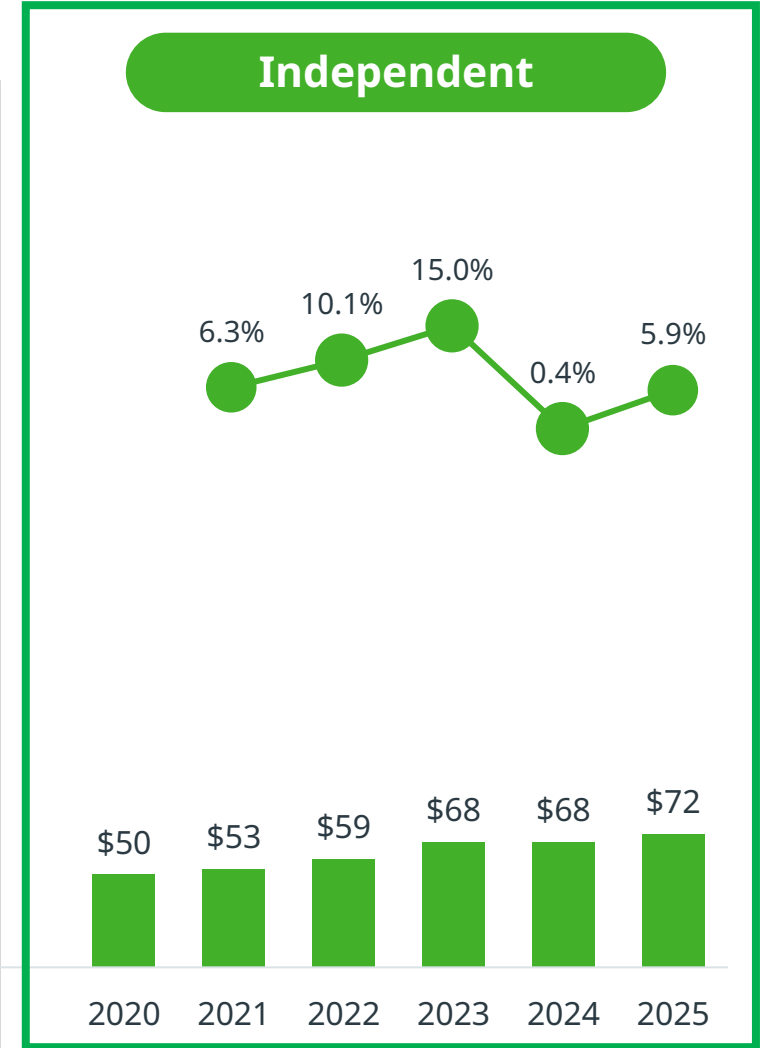
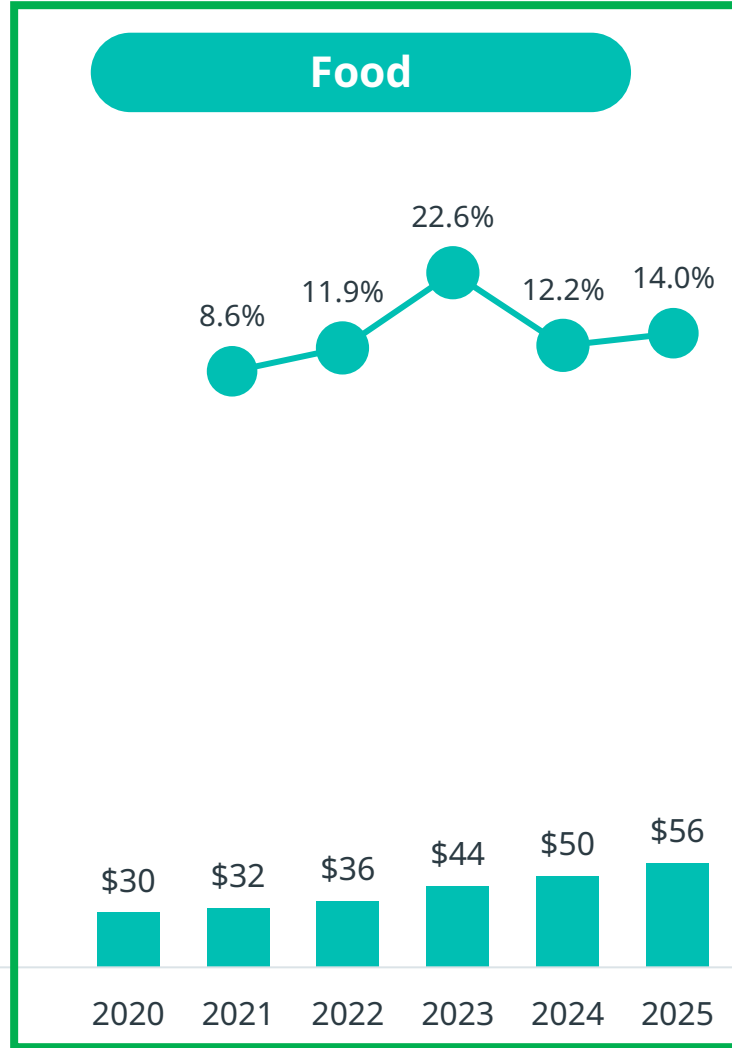
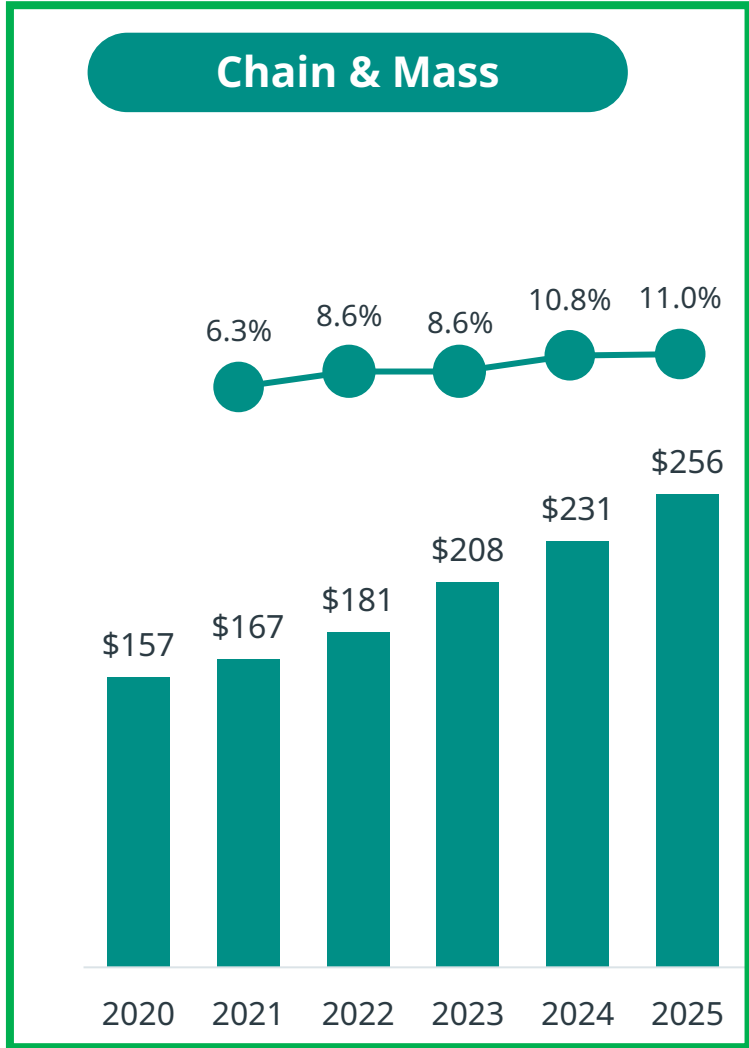
Sales \$ in Billions



Retail channels all show accelerating year-to-date growth

Sales Growth

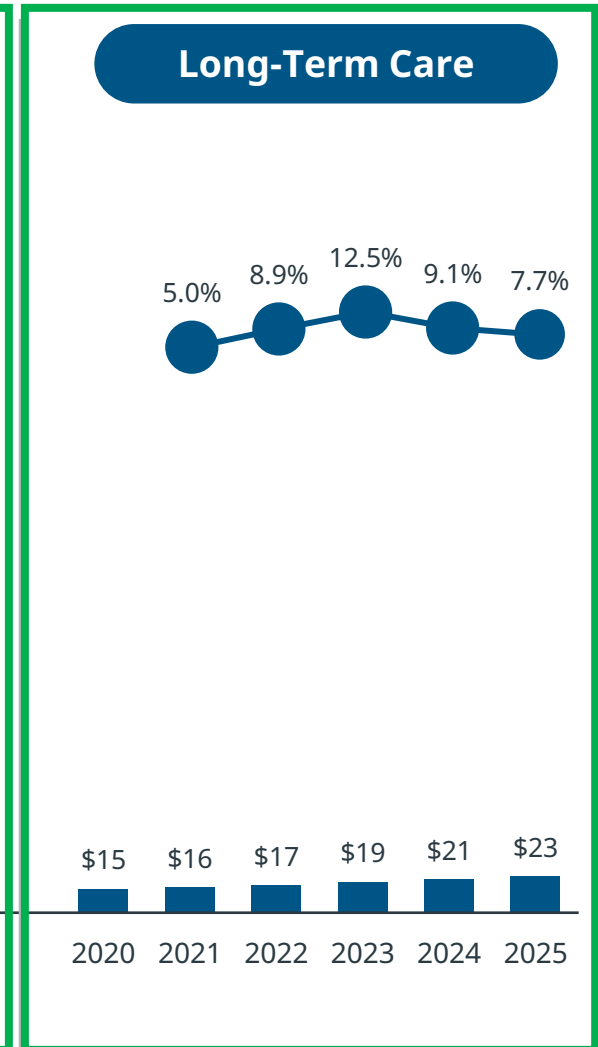
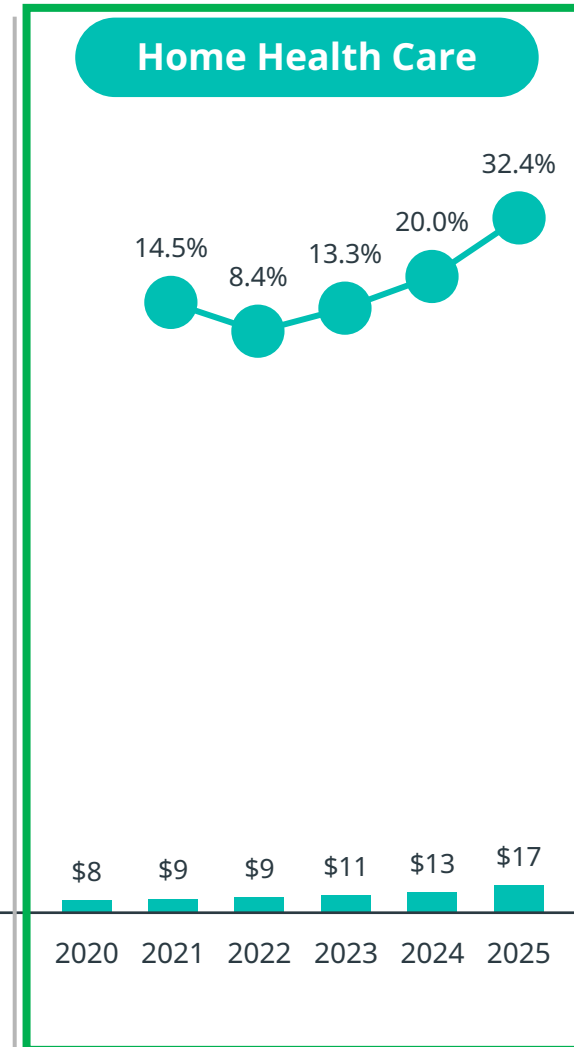
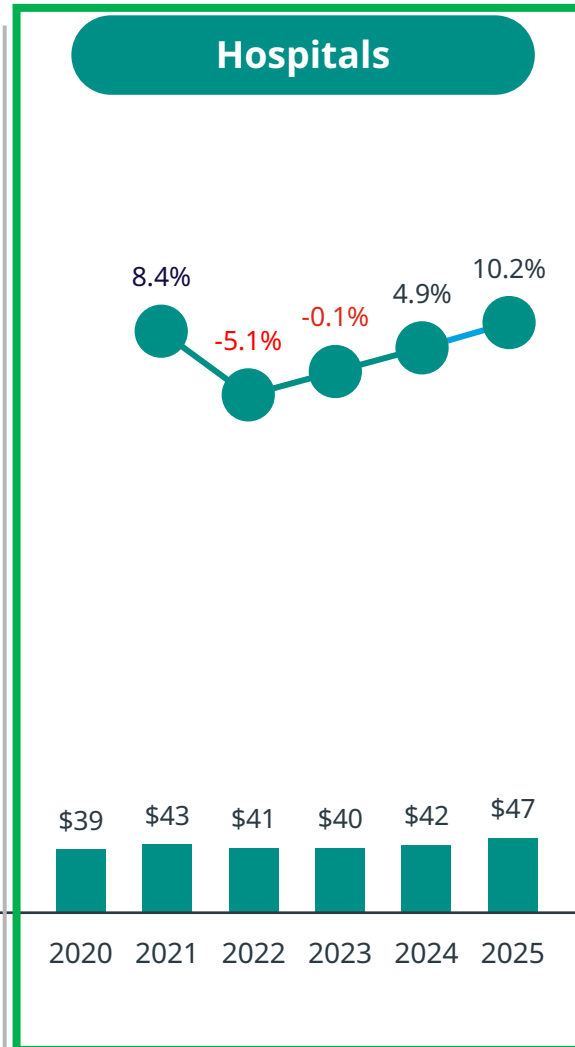
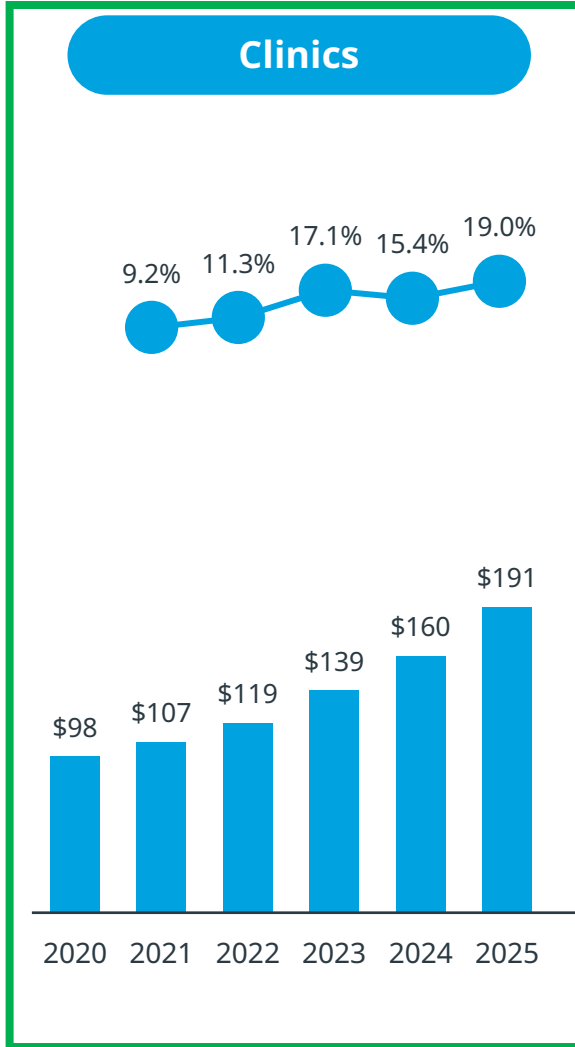
Sales \$ in Billions



Non-Retail channels also show accelerating growth, especially Home Health Care

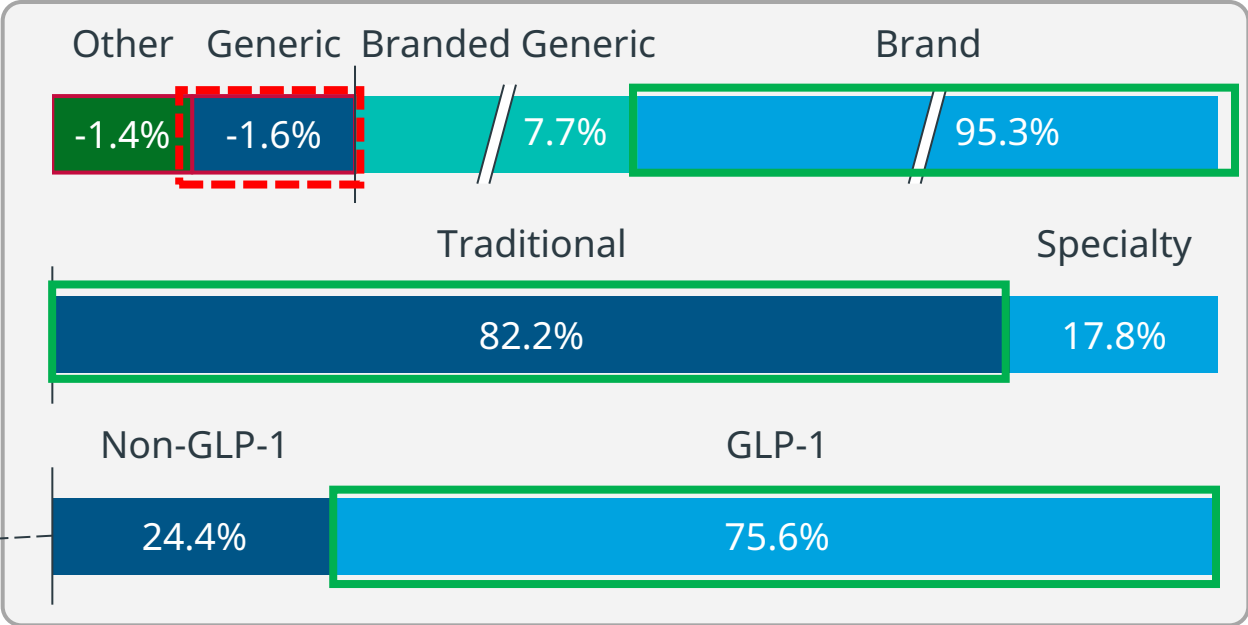
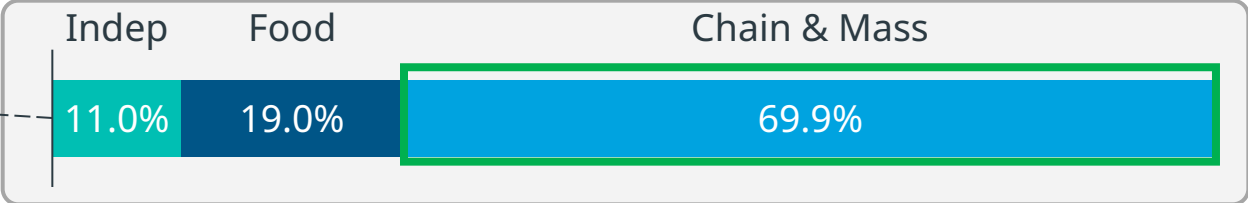
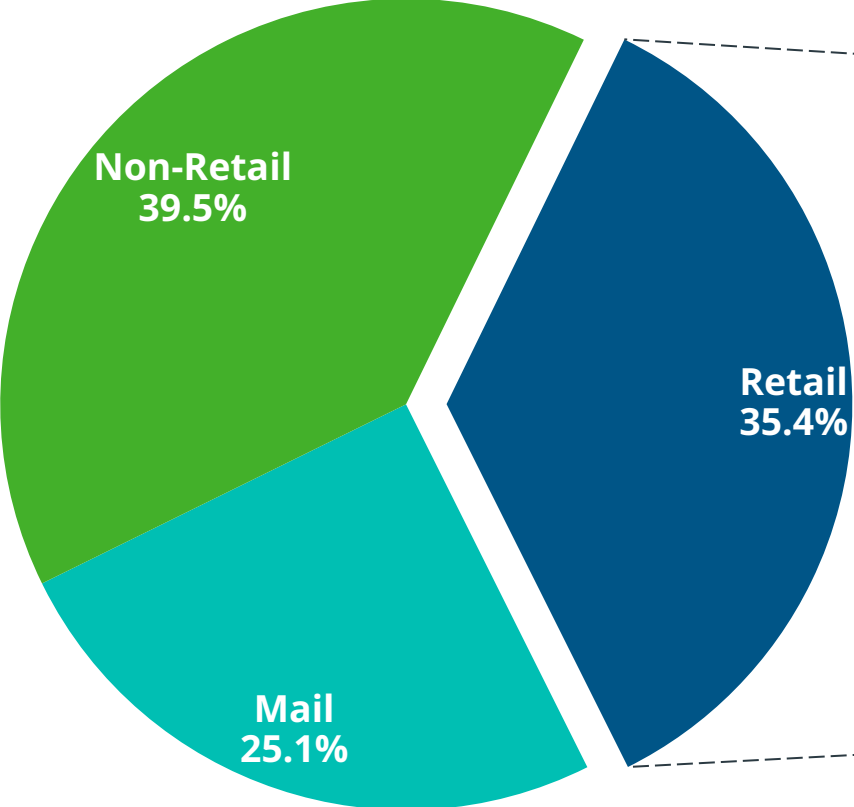
Sales Growth

Sales \$ in Billions



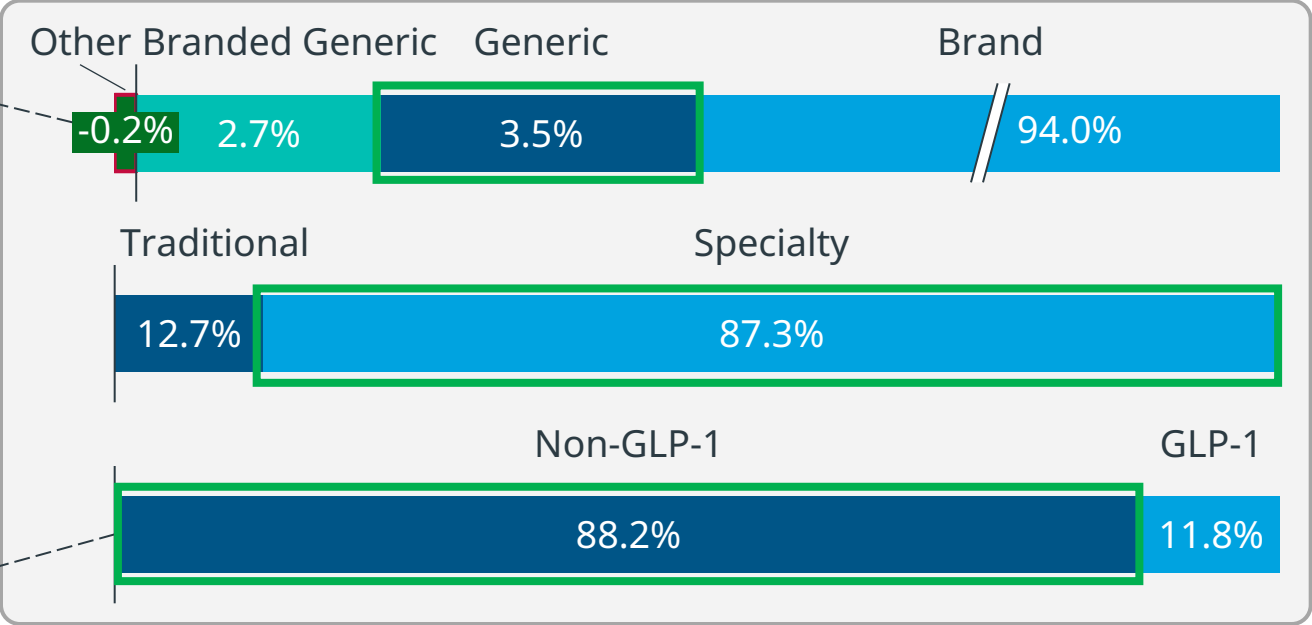
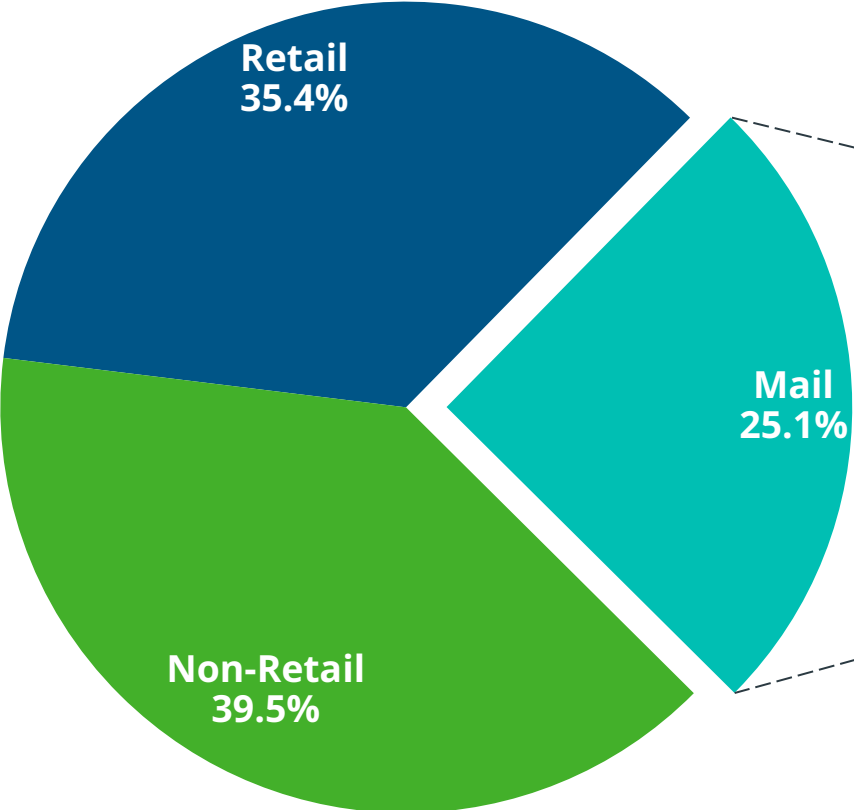
35.4% of the Market's growth is coming from Retail; Retail's growth is heavily weighted by GLP-1s and other traditional brands

 Sales Growth Contribution Retail Market 2024 vs. 2025



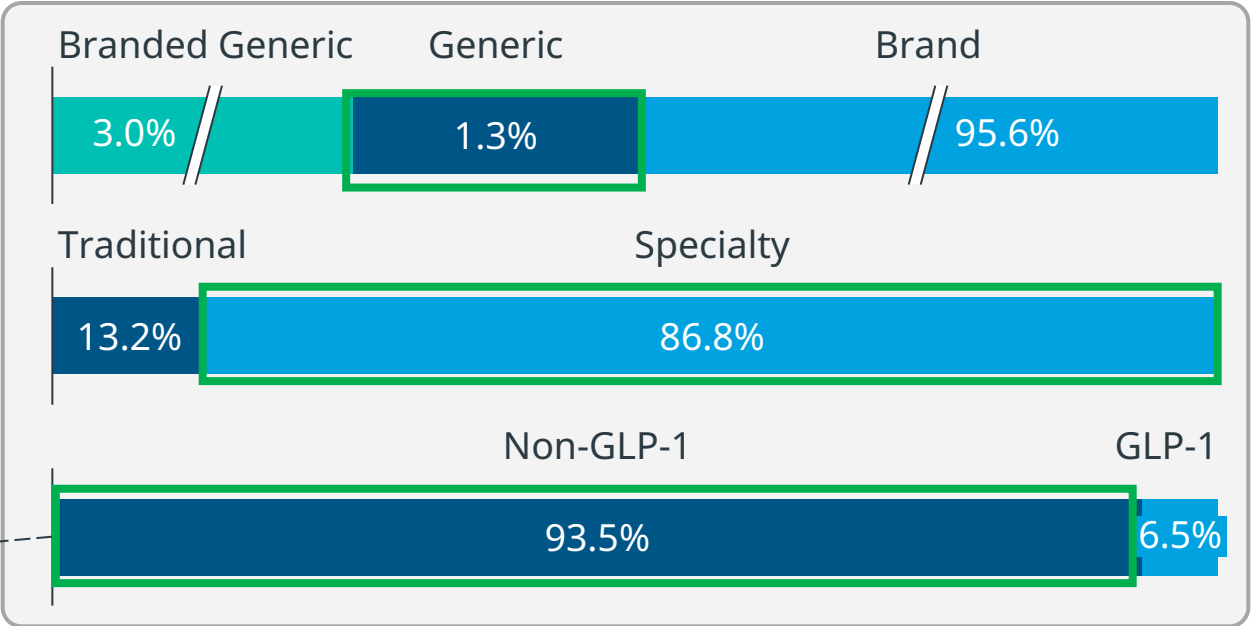
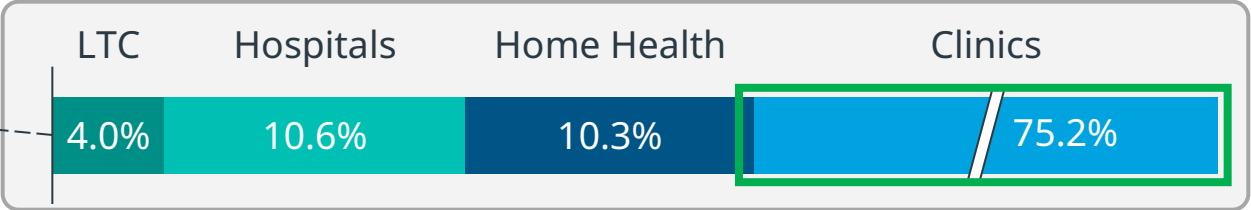
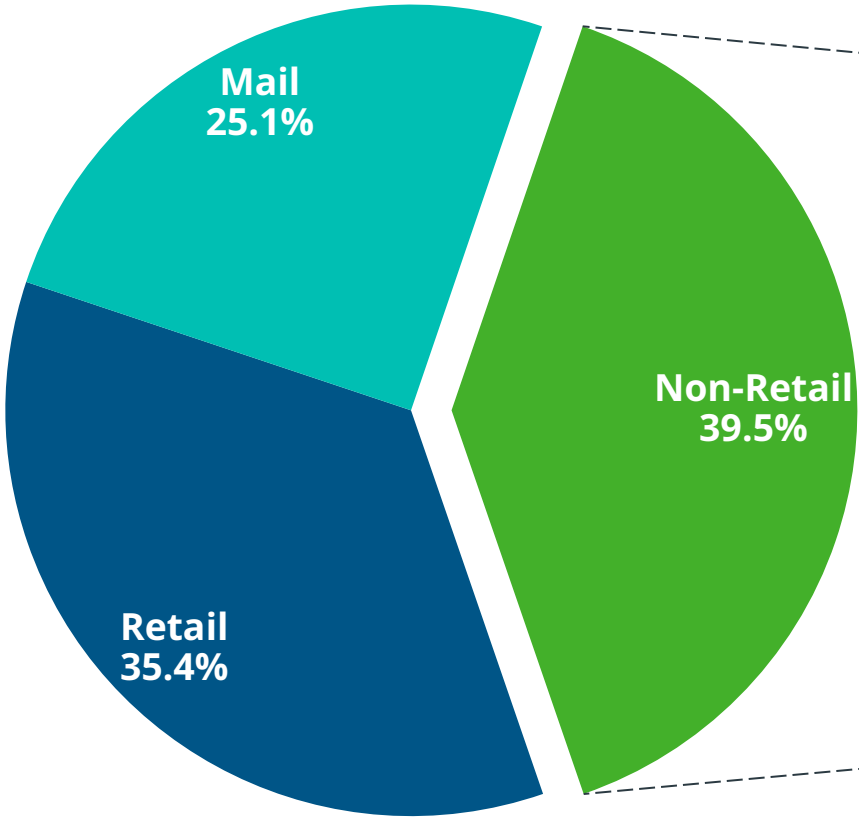
25.1% of the Market's growth is coming from Mail; Mail's growth is heavily weighted by specialty brands

 Sales Growth Contribution Mail Market 2024 vs. 2025



39.5% of the Market's growth is coming from Non-Retail; Non-Retail's growth is heavily weighted by specialty brands and Clinics

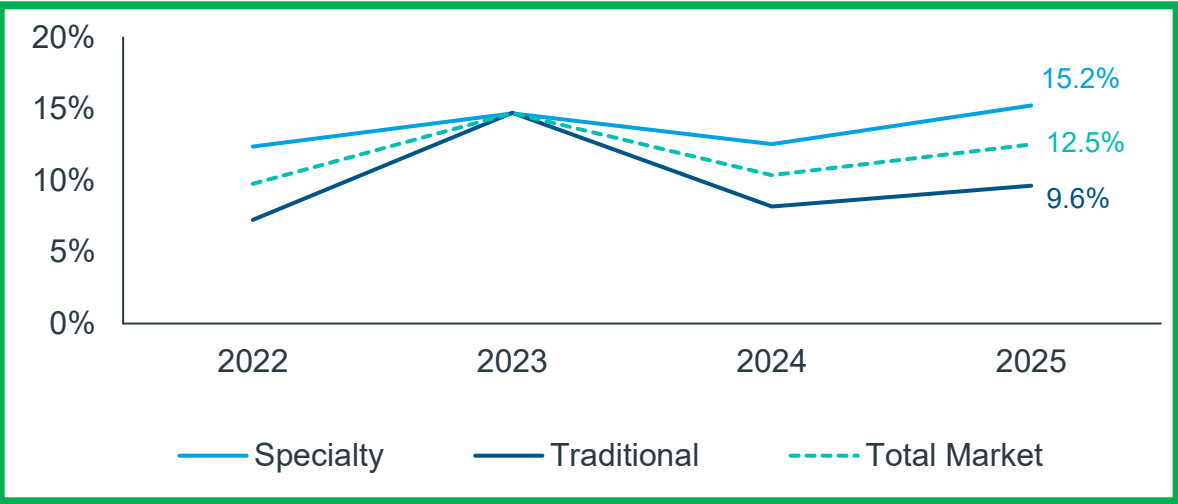
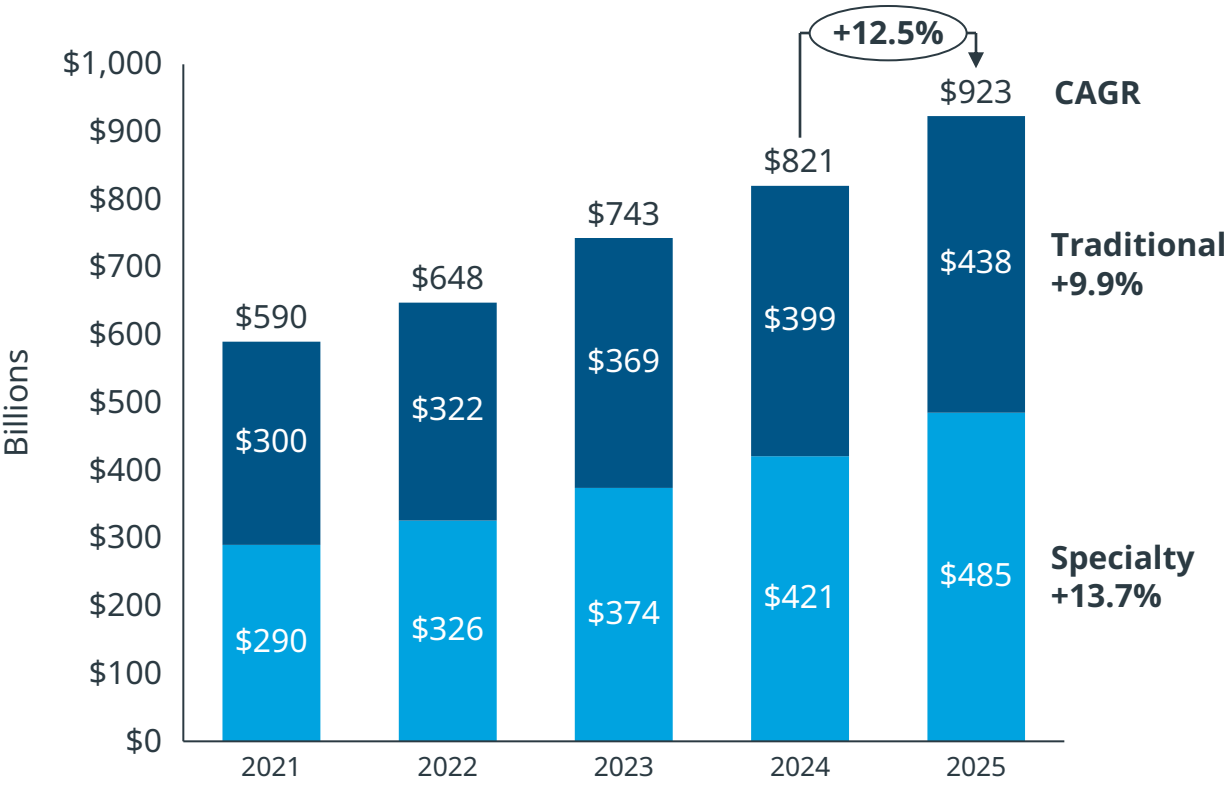
 Sales Growth Contribution Non-Retail Market 2024 vs. 2025



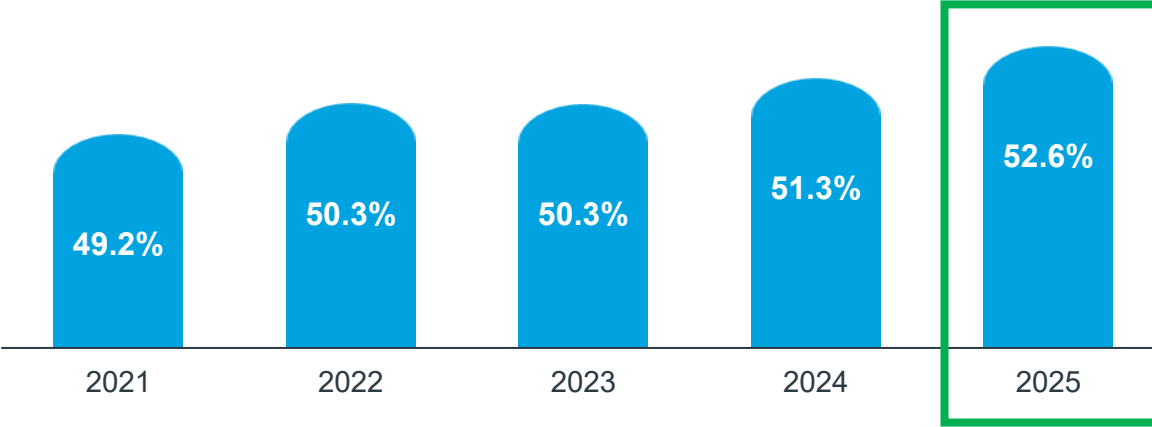
For the total market, specialty growth outpaced traditional growth and has 52.6% share of total non-discounted spend

In 2025, specialty spend grew by 15.2% while traditional growth grew 9.6%

Non-Discounted Spend (\$ Billions)



Specialty % of Sales

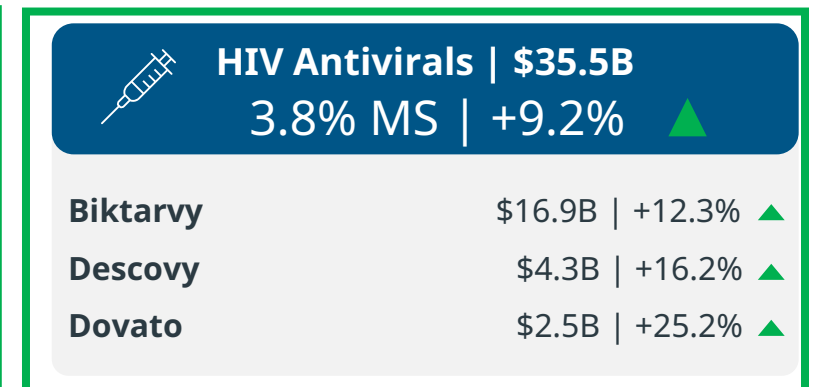
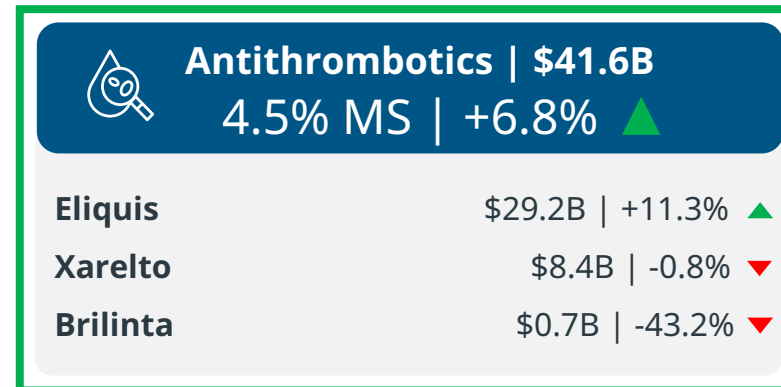
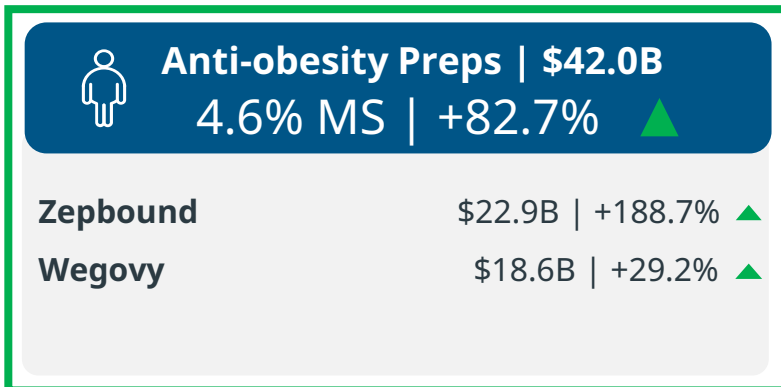
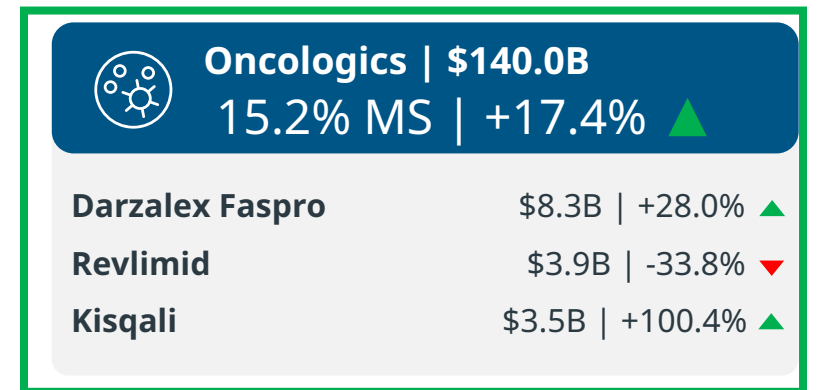
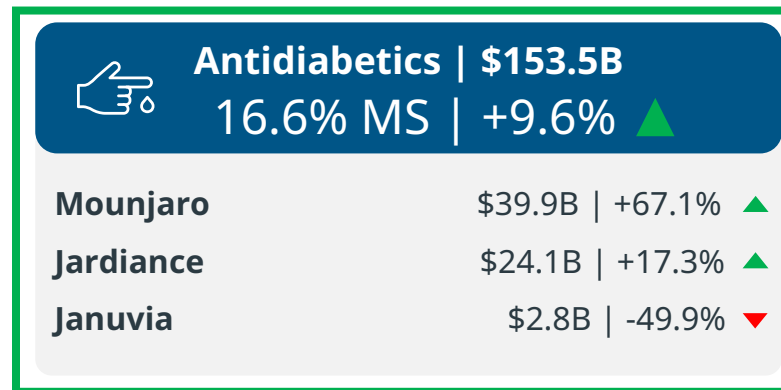
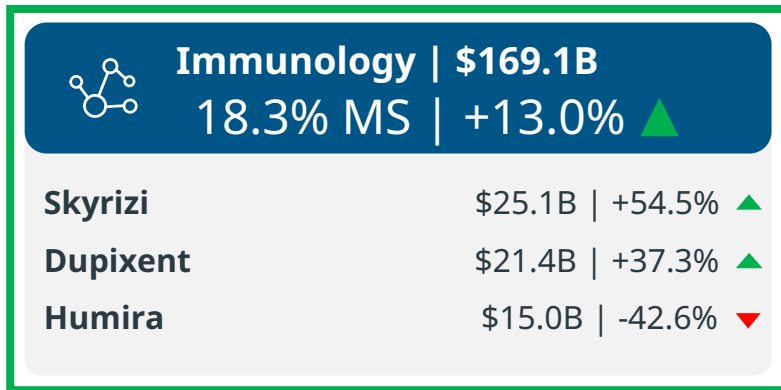


Source: IQVIA, National Sales Perspectives

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Immunology remains the top therapy class and experiences strong growth, driven by Skyrizi and Dupixent

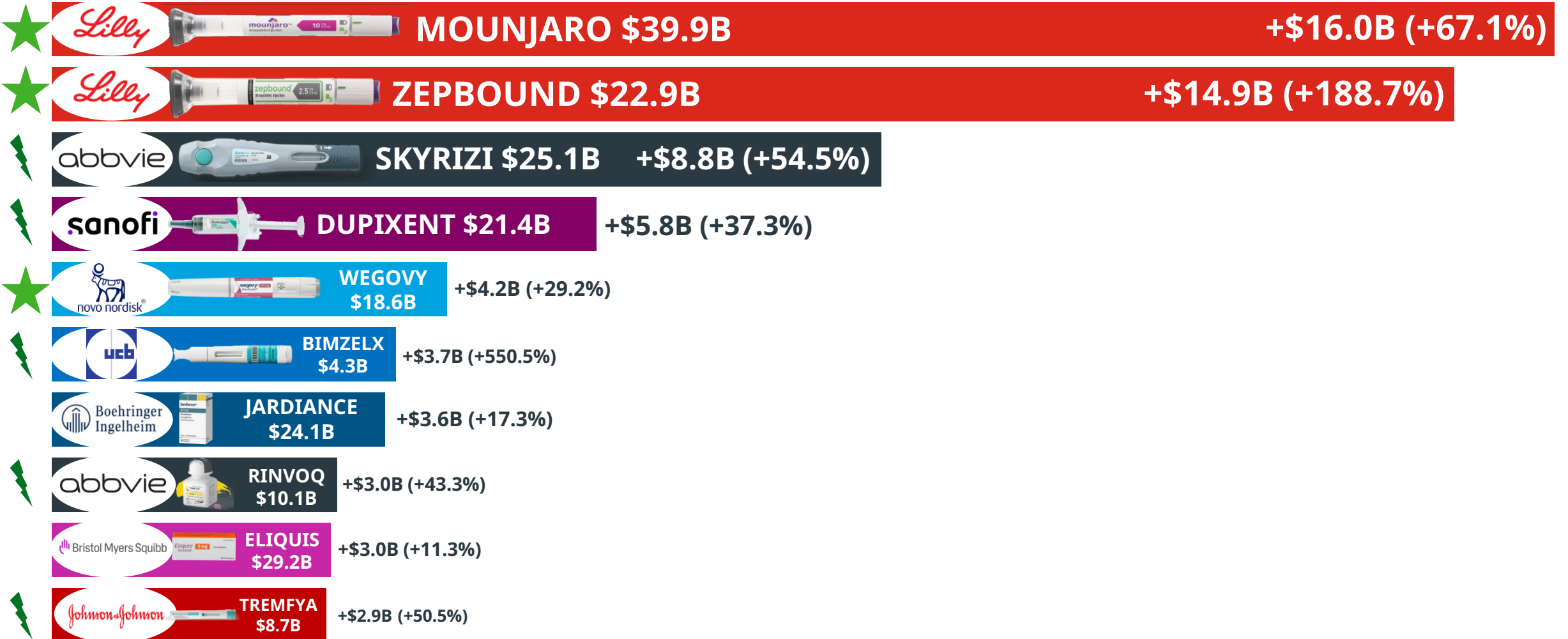
2025 top six total market therapy classes with top moving products



Note: MS = Market Share

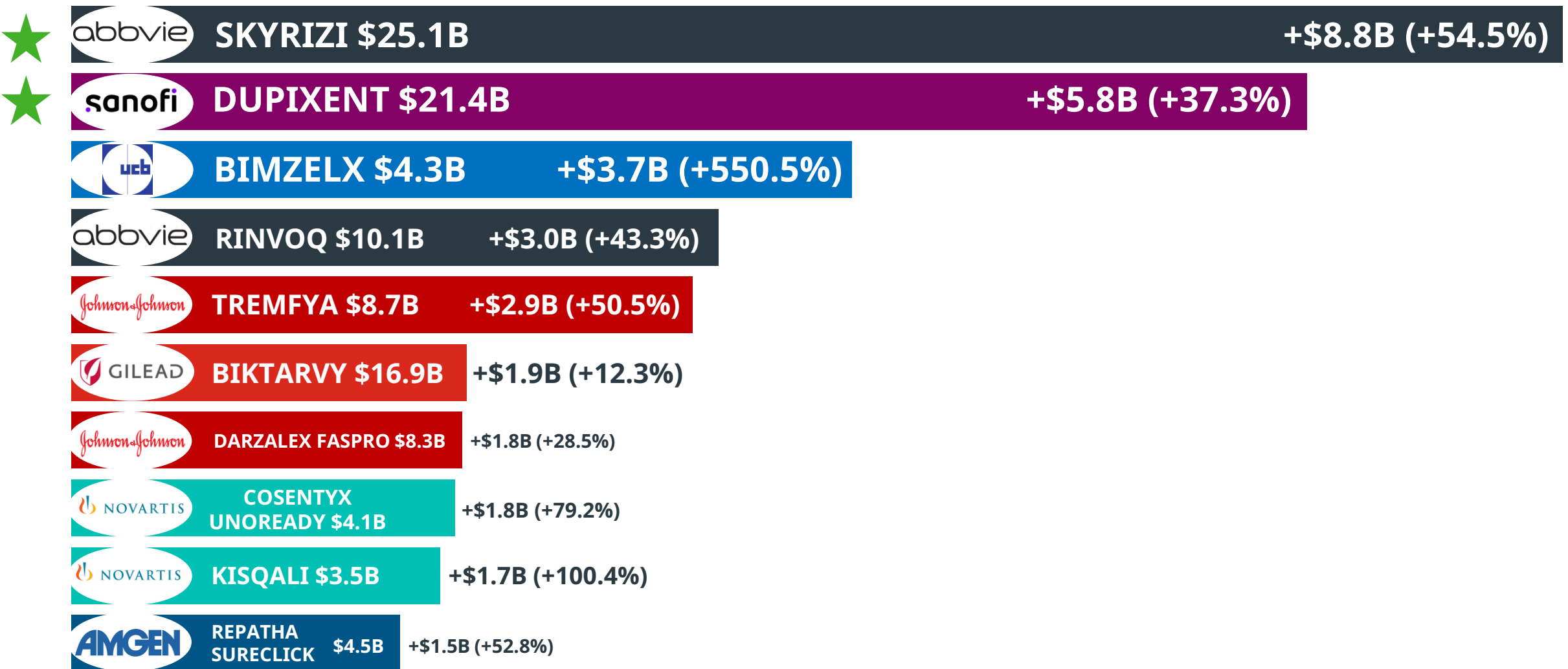
Three of the top five fastest growing products are GLP-1s

Top 10 fastest growing products based on 2025 absolute sales \$ growth



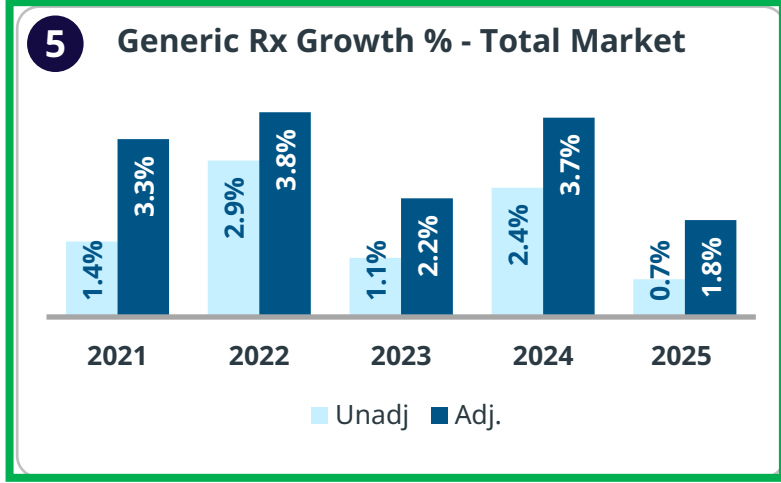
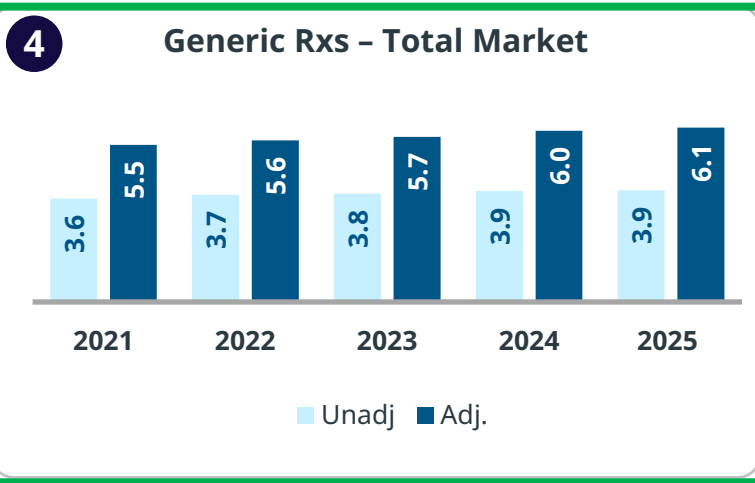
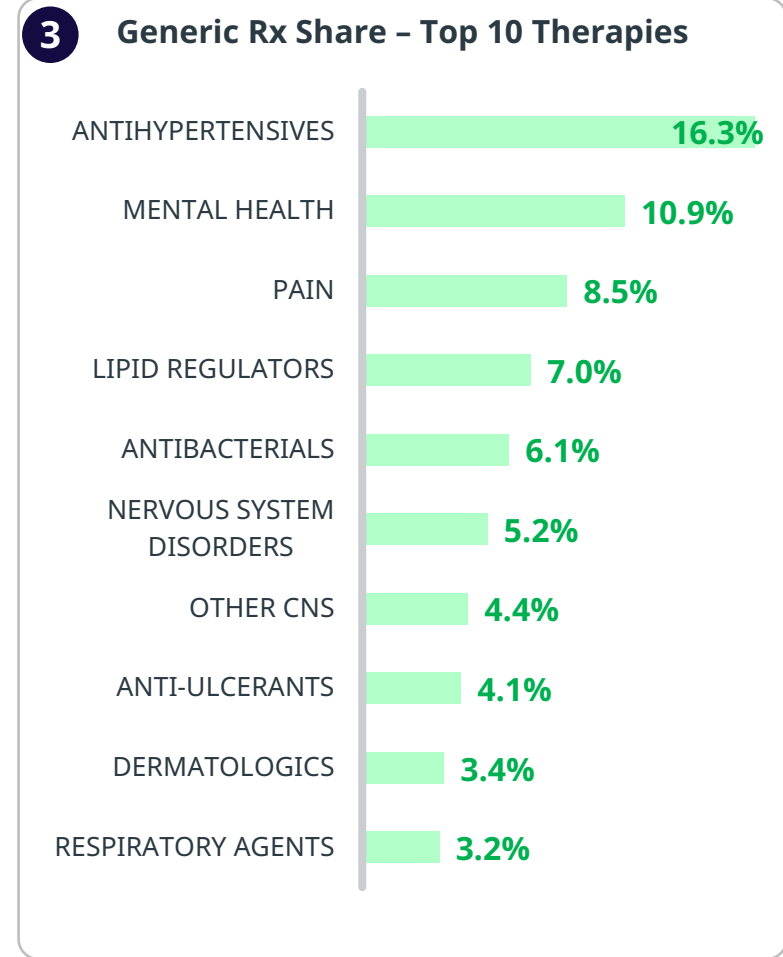
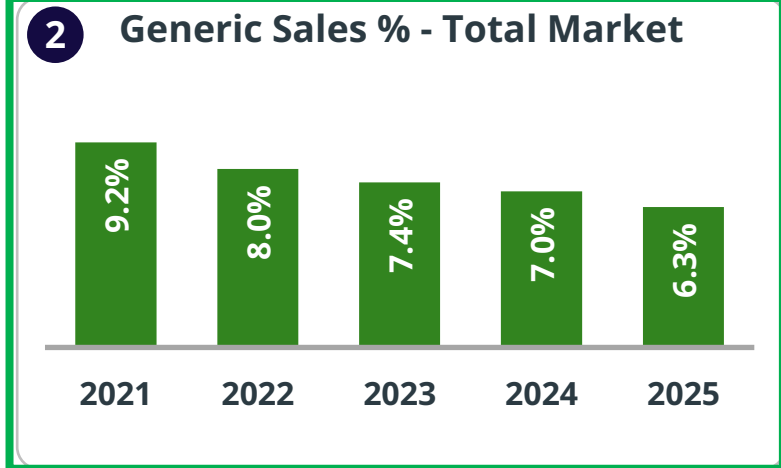
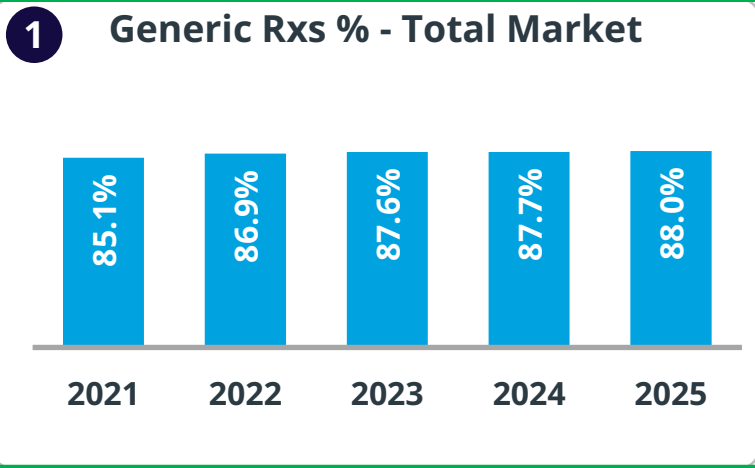
Skyrizi and Dupixent top the fastest growing specialty products

Top 10 Fastest Growing Specialty Products based on 2025 Absolute Sales \$ Growth

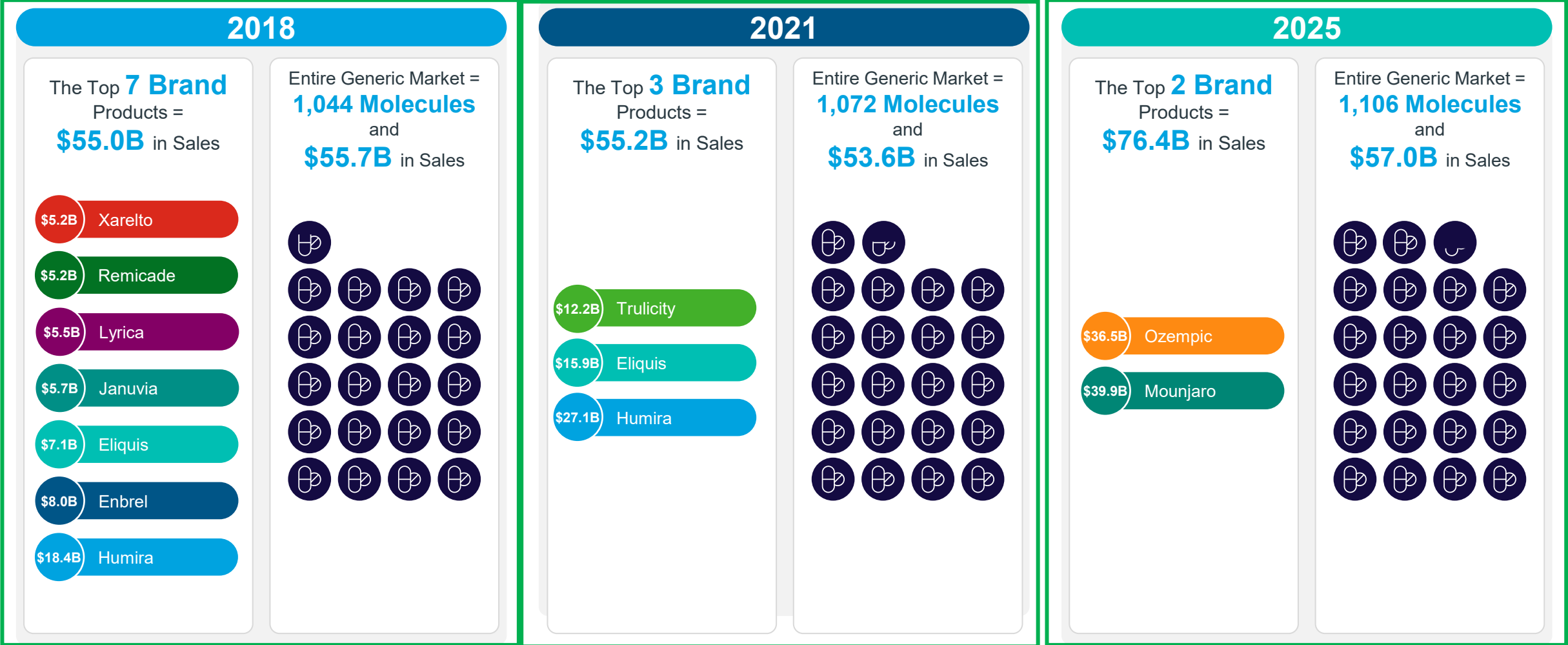


Generics

Generics Dashboard - the market at-a-glance



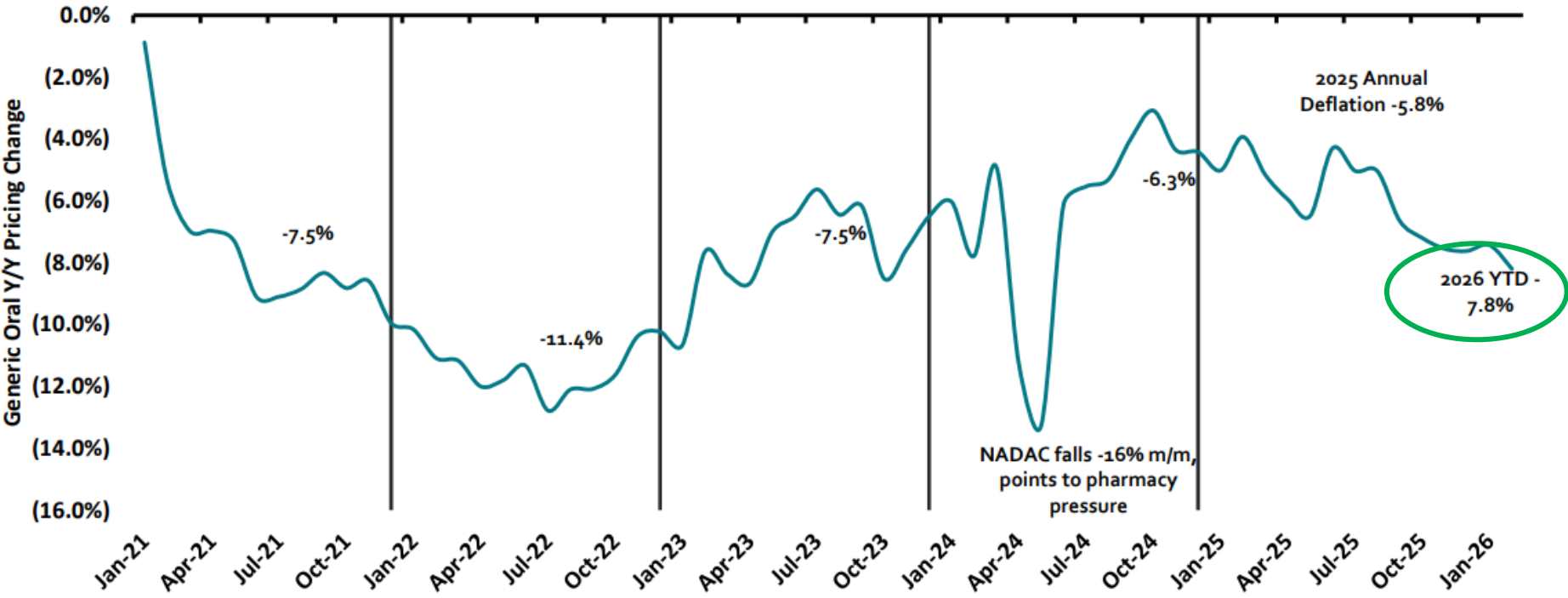
In 2018, it took seven Brand drugs to equal the total Generic business; in 2025 it only takes two



 = 50 Generic Molecules

According to Nephron generic deflation has been below expectations through the first two months of 2026

Year-over-Year deflation was consistent with Nephron's mid-single digits projection for 2026



Nephron Observations

- February 2026 was -8.2% year over year
- Annual generic deflation totaled -8.2% YoY in February 2026, steeper than -7.4% YoY deflation in Jan 2026 and the -3.9% YoY trend of Feb 2025
- Nephron continues to expect normalization in the mid-single digits as we progress through the year, a level at which distributors can maintain absolute gross margins and grow generic program profits with volume expansion and new generic conversion opportunities

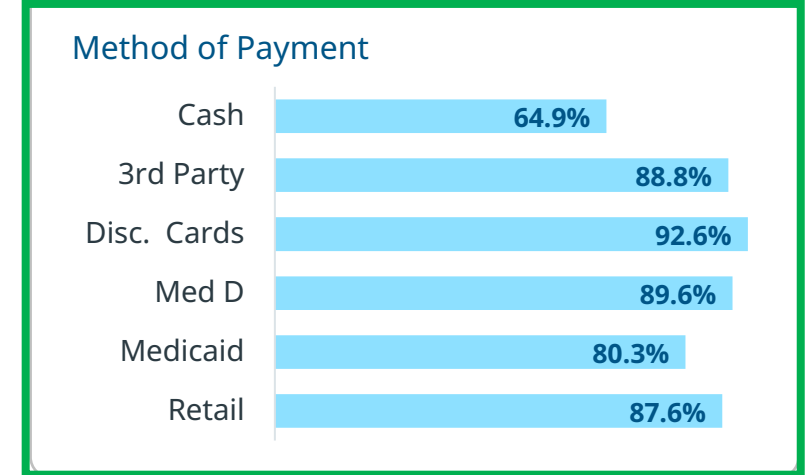
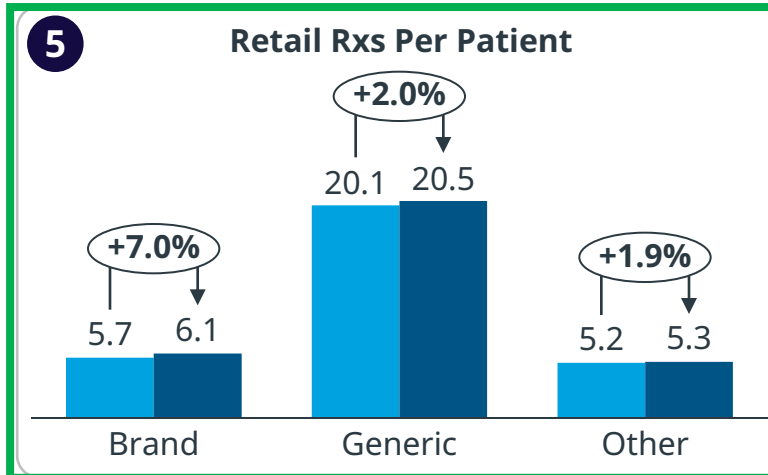
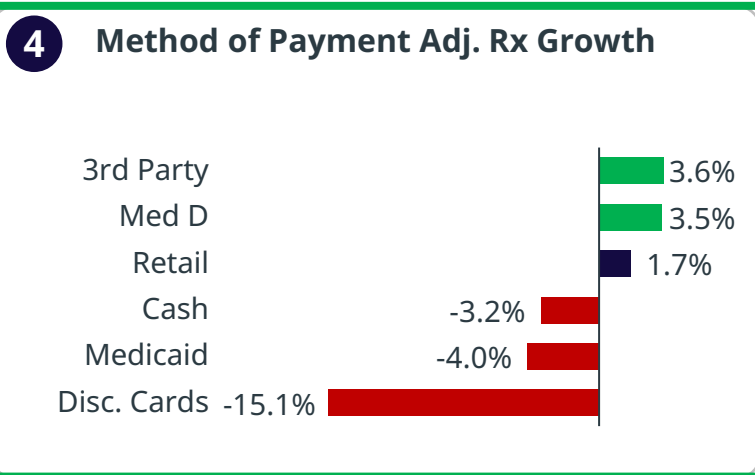
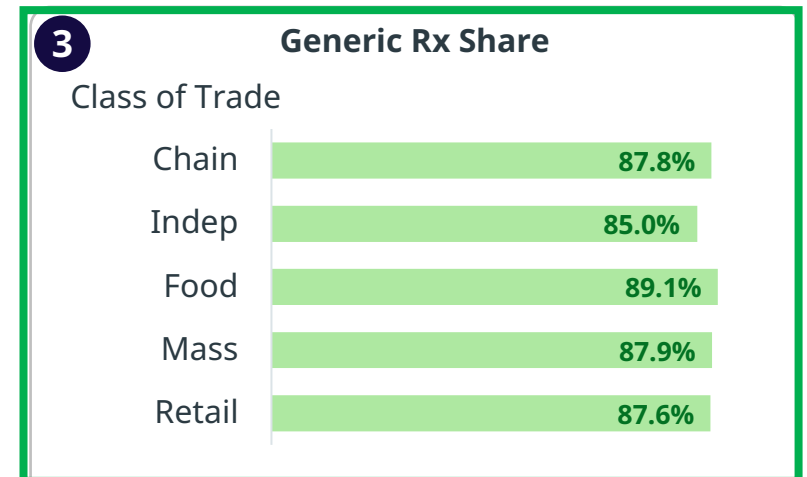
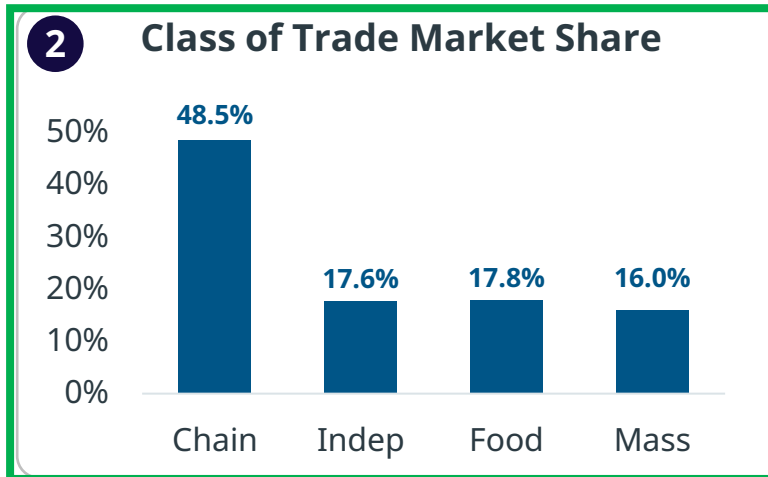
Source: Feb Gx Auditor: Deflation Starts 2026 Below MSD; Normalization Expected, released March 16, 2026



Retail



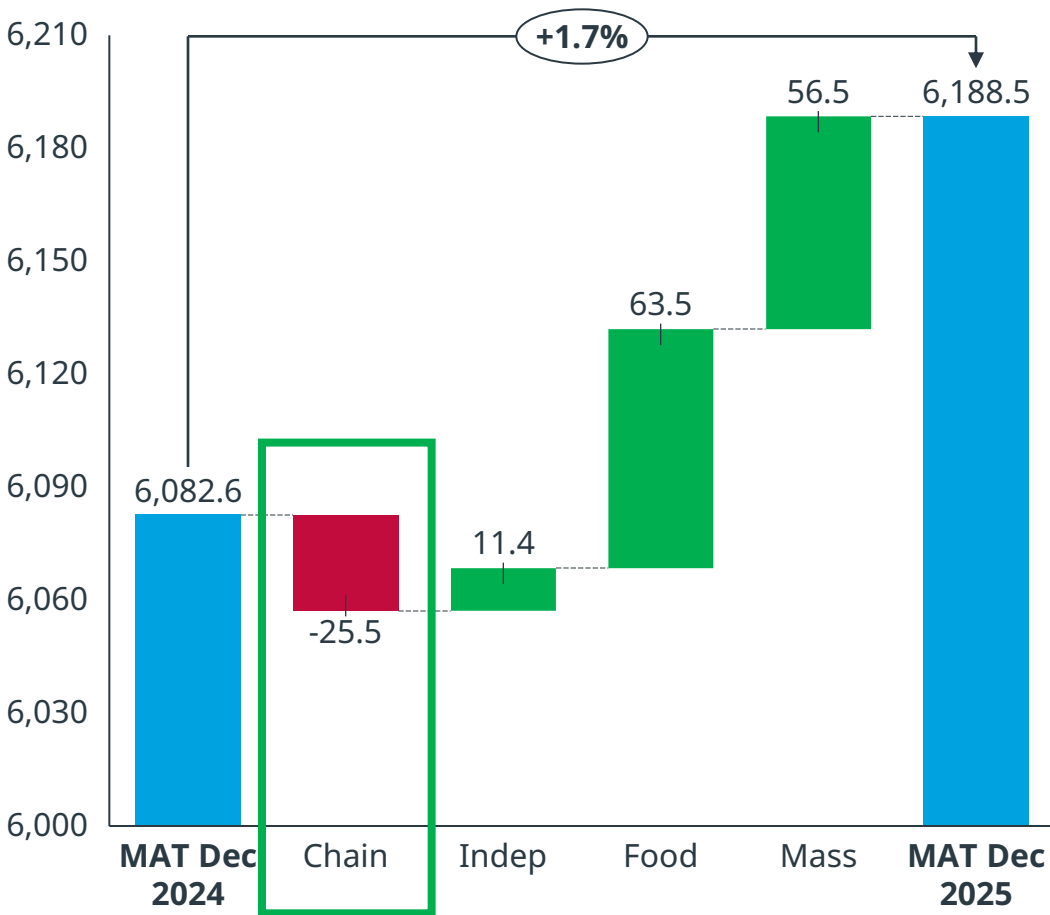
Retail Dashboard – Key metrics at a glance



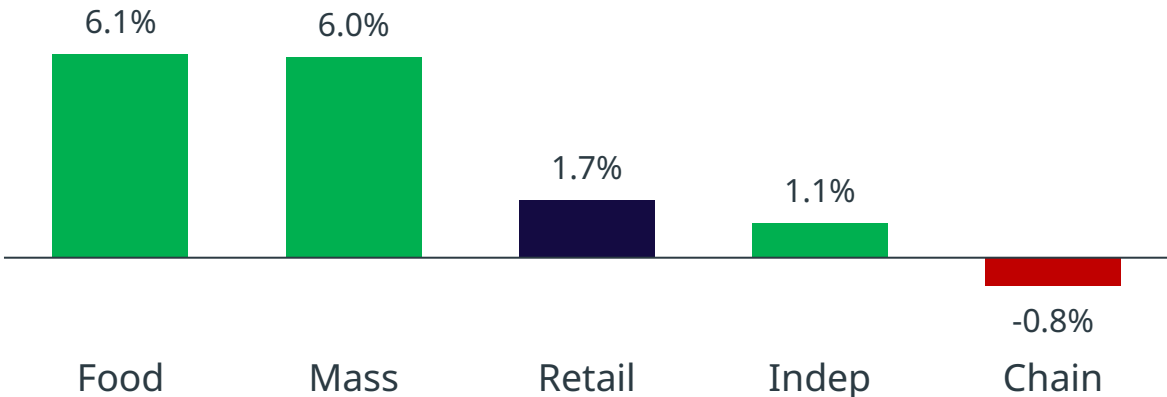
In Retail, Chain has started to see year-over-year declines

Adjusted Rx data is based on Moving Annual Total, December 2025

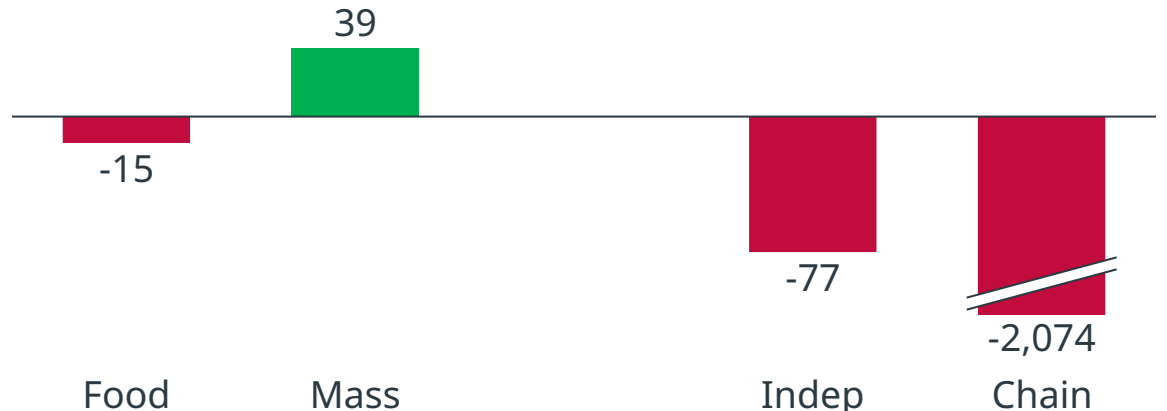
YoY Absolute Rx Growth (in Millions)



YoY % Rx Growth

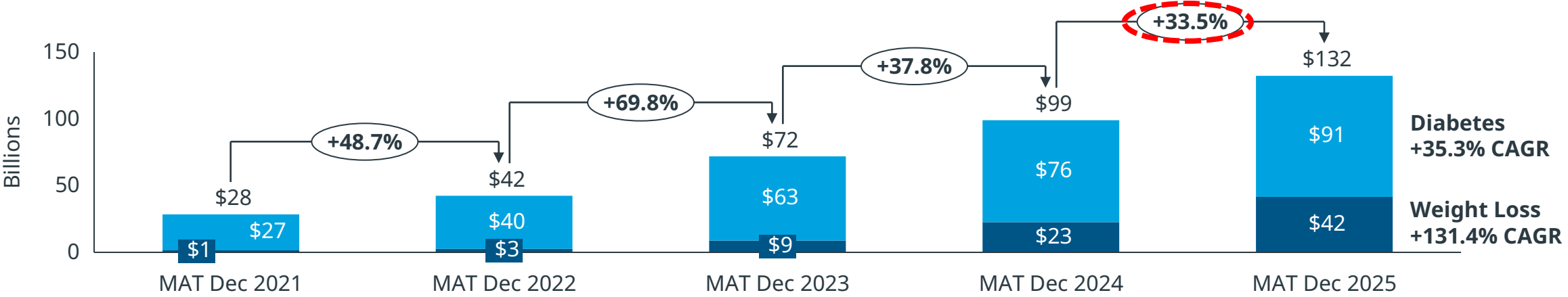


YoY Store Growth

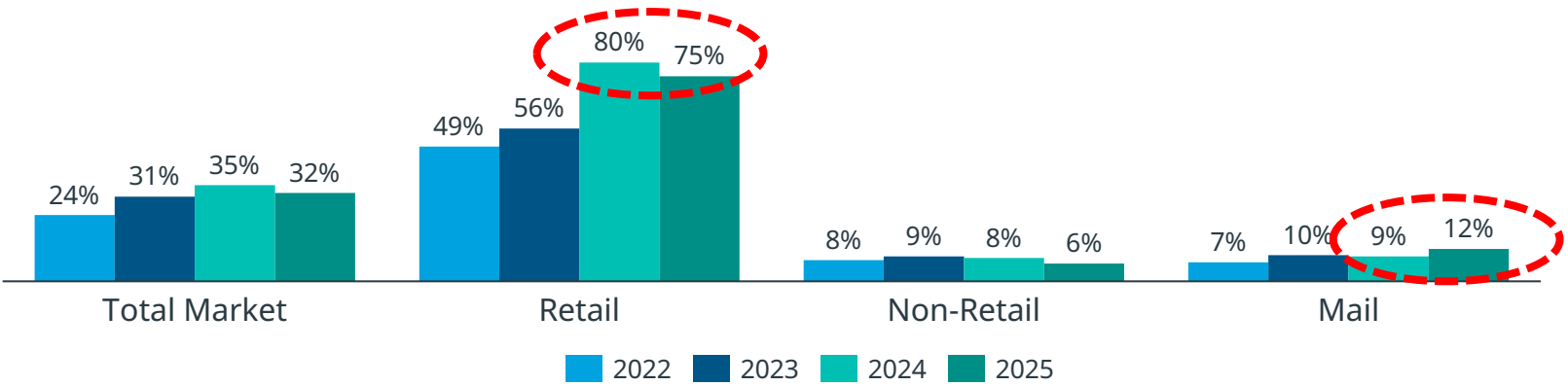


GLP-1 sales grew 33.5% over the last 12 months; 83.5% of sales are coming from Retail

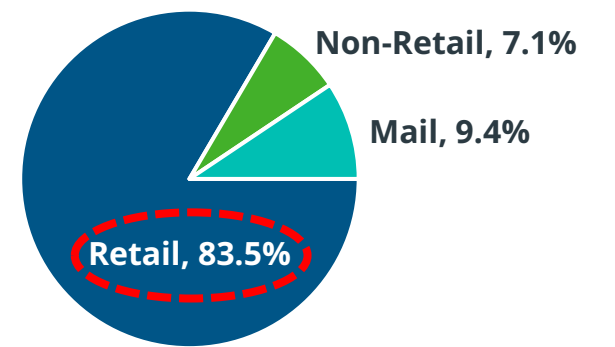
GLP-1 Sales \$ (Billions) 2025



What % of sales growth are GLP-1s?

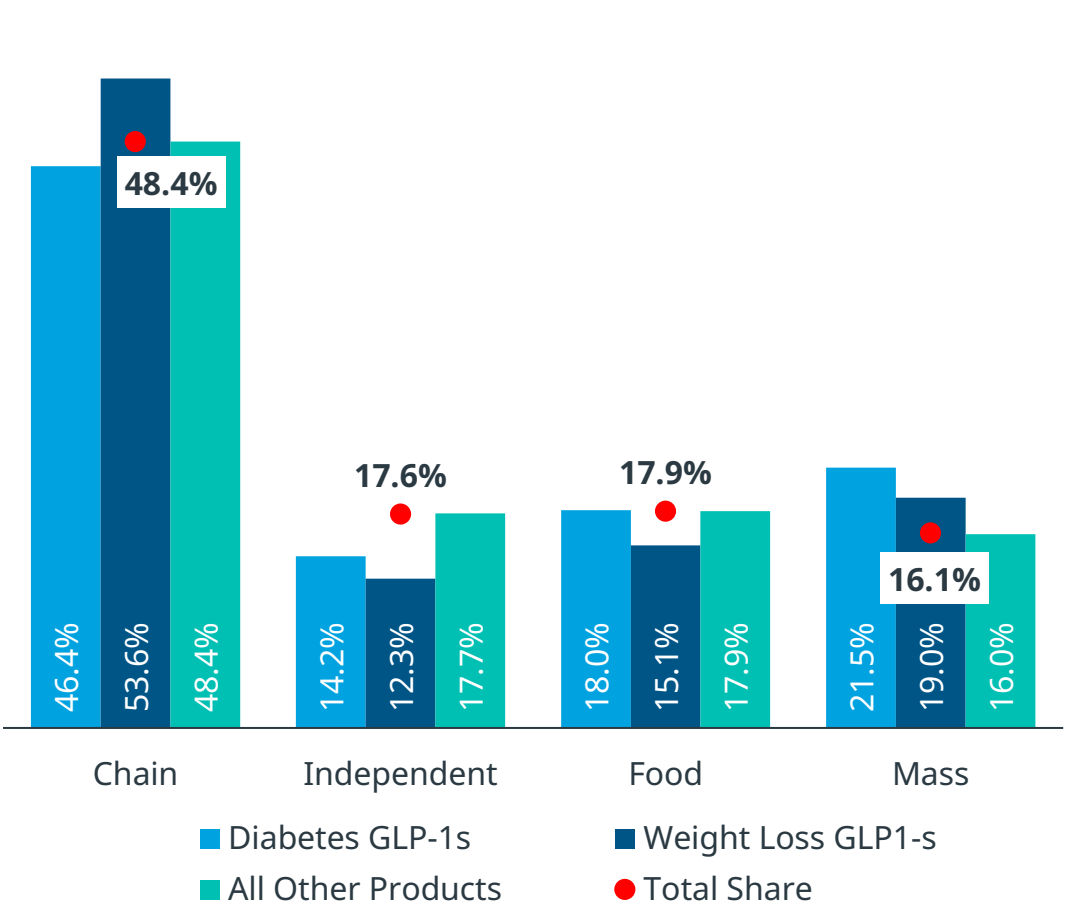


Where are the sales coming from?

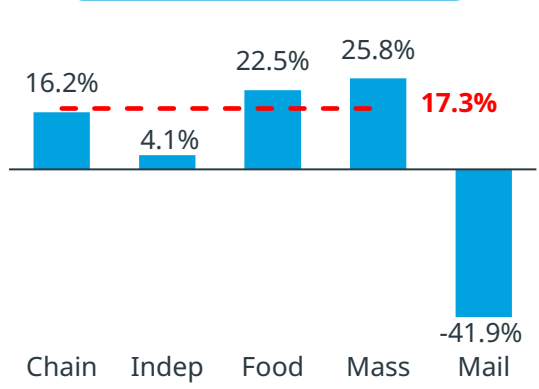


Mass stores over-index with both types of GLP-1 products while Independents under-index with both types

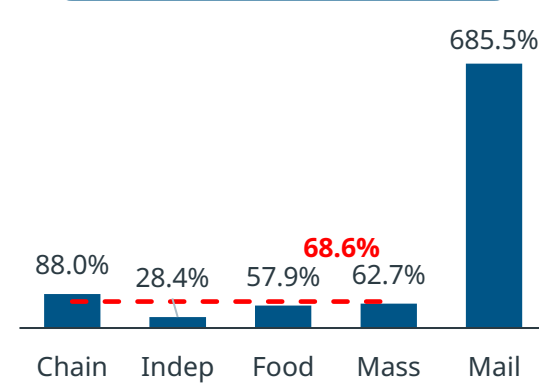
Adjusted Rx Share MAT Jan 2026



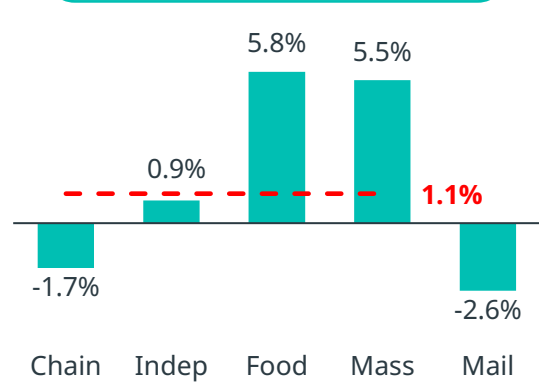
Diabetes GLP-1 Growth



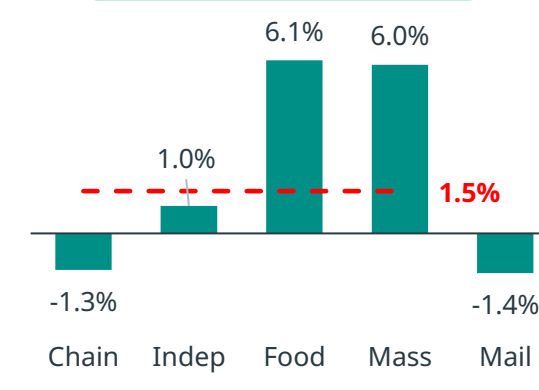
Weight Loss GLP-1 Growth



All Other Product Growth



Total Market Growth



--- Retail Market



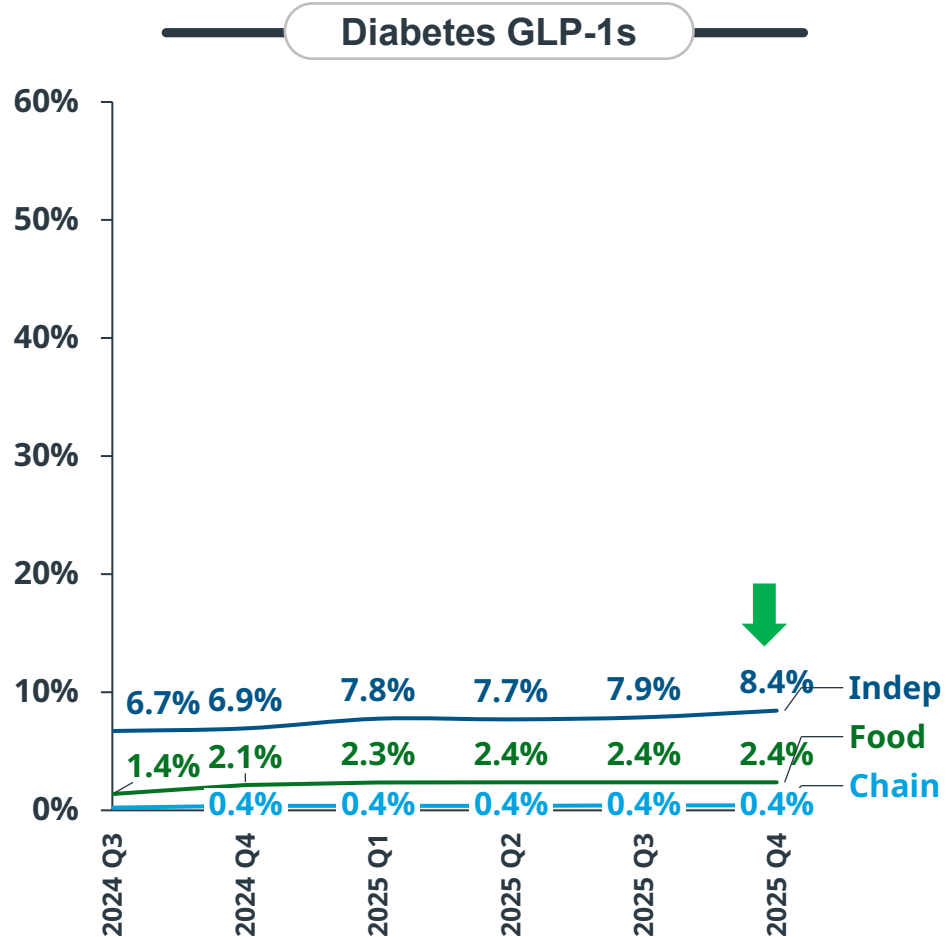
IQVIA's data shows that while the trend is decreasing, 40.8% of Independent stores do not fill Weight Loss GLP-1 products



Business Rules

- Using IQVIA data, stores were analyzed that filled 1,000 or more Rx's in each quarter of the observation period
- The observation period was based on calendar quarters from April 2024 through September 2025
- Each store then had to have filled more than 10 Rx's for the specified category of drugs in each quarter

% of Stores not filling Rx's



During the study period only 3 Mass Merchandiser locations were found not to have filled Diabetes GLP-1 products

