Thank you for joining us for this AmerisourceBergen webinar.

The broadcast has not started yet.

Both audio and visuals are available through the Skype Meeting Broadcast link and are accessible via any mobile browser.
Third Manufacturer Townhall: Responding to COVID-19

June 11, 2020

During the call, please submit questions via the chat function or via email to: Solutions@amerisourcebergen.com
Today’s Speakers

Joe Cappello
SVP - Global Specialty & Branded Product Strategy & Access

Dave Picard
Sr. Vice President, Global Generics Pharmaceuticals

Chester "Chip" Davis, Jr.,
President and Chief Executive Officer
Healthcare Distribution Alliance

Heather Zenk
Sr. Vice President, Replenishment & Secure Supply Chain Operations

Doug Trueman
Sr. Vice President, Consumer Products
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Opening Remarks

Joe Cappello
SVP - Global Specialty & Branded Products, Strategy & Access
HDA’s Perspective on the State of the Industry

Dave Picard  
Sr. Vice President, Global Generics Pharmaceuticals

Chester "Chip" Davis, Jr.  
President and Chief Executive Officer  
Healthcare Distribution Alliance
Inventory and Business Continuity Update

Heather Zenk
Sr. Vice President,
Replenishment & Secure Supply
Chain Operations
Full-line: Weekly Units Ordered & Shipped

Weekly Units Values vs. Same Period Last Year

- 2019 Units
- 2020 Units
Weekly Customer Unit Omit Summary

![Weekly Customer Unit Omit Summary Chart]

- **Total Omits**
- **% Inhaler Omit**

**Dates and Omit Ratios:**

- 08-Feb: 18%
- 15-Feb: 0%
- 22-Feb: 1%
- 29-Feb: 2%
- 07-Mar: 3%
- 14-Mar: 3%
- 21-Mar: 27%
- 28-Mar: 25%
- 04-Apr: 25%
- 11-Apr: 20%
- 18-Apr: 19%
- 25-Apr: 16%
- 02-May: 14%
- 09-May: 14%
- 16-May: 9%
- 23-May: 8%
- 30-May: 5%
- 06-Jun: 0%

**Note:** The chart shows the trend of weekly customer unit omits with specific dates and corresponding percentages.
Specialty: Daily Units Compared to February Average
Business Continuity: Key Business Projects Are Moving Forward

- Technology Transformation
- NDC Expansion
- New Corporate Headquarters
Impact on Consumer Products

Our Performance

• Average sales growth of $22m pre-surge. March Sales were up by 66% overall, totaling $126m.
• April didn’t grow as much as March, it was down by $900k.
• May was down by $41m.

Category Impact

• Nearly all categories experienced a significant increase in March, with subsequent declines in April and May. Certain categories received the largest impact:
  • Household: 200% growth in March, 65% in April, slowed to -12% in May
  • Diabetes: 90% growth in March, 4% growth in April, slow to -15% in May
  • Vitamins: Three-month average post-surge sales are up by 168% compared to pre-surge sales and these sales are still continuing to grow.

Channel Overview

• Alternate Care: Average monthly sales are down -156% post-surge.
• Hospitals: Average monthly sales are down -112% post-surge.
• Chain: Average monthly sales are up by 58% post-surge.
• Independents: Average monthly sales are up by 600% post-surge.
COVID-19 Impact on Customers: Strategic Accounts

Many customers have been impacted due to closures, decrease in shopping, though demand for pharmacy products remains high.

**Strategic Partner Integrated Network**: Average monthly sales were growing at $900k pre-surge, but are now decreasing by $2m post-surge. Closing 25% of their outlets has led to a significant decrease in sales.

**Strategic Partner Retail Independent** is up 75% vs. Pre-Covid, delivering $9.2M positive growth. They were up 60% in March, 15% in April, and almost 1% in May.
COVID-19 Impact on Customers: GNP

- Spike in dispensing at community pharmacies week of 3/15-3/21
  - 23% extended supply
  - 11% regular supply
  - Normalized end of March then steady

- 80%+ operated as closed-door pharmacy since mid-March
  - Deliveries have skyrocketed
  - 33% increase in unique app users

- Shift in patient engagement to social channels
  - 100+ new marketing assets created
  - 73% increase in downloads
Front-End Support

- Customizable pieces created through SOCi, Brand Central Station & GoodNeighborPharmacySigns.com plus expert guidance from our Business Coaches
  - Front-End Menu
  - Front-End Order Form
  - Lawn Signage
  - Distancing Dots
  - Sneeze Guards
  - Window Clings
  - Bag Stuffers
  - Flyers
  - Social Media Graphics
  - Hot price program
  - Front-End Guide
Showcasing Independent Pharmacies on the Front Lines

- Fearless Pharmacy page launched on 4/6
  - 58 stories (and counting) of community pharmacies going above and beyond for their patients during the COVID-19 pandemic
  - Link to download Fearless Pharmacy digital badges
  - 8,100 page views
  - Average time on the page is nearly 9 minutes

- We are also sharing stories on social media and through the GNP and Elevate newsletters

- Fearless Pharmacy window clings are being mailed to all GNP and Elevate members

- #fearlesspharmacy is gaining traction on social

- A sister page was launched on 5/8 at MyGNP.com and a patient-facing campaign is coming soon
Marketing Vehicles to Support Our Customers

**Flipp Circular Traffic**

- Readership and engagement of our digital circular increased by 35% to reach 700,000 new shoppers online. Patient engagement is so high that our circular funding ran out 2/3 of the way through the month. We need additional manufacturer support to meet patient demand.
- Patients shopping on the Flipp app have the ability to connect directly with our customers through a phone call. Phone call requests have increased by 926% post-surge.

**Annual Buying Event (ThoughtSpot Specials)**

- We’re grateful for the manufacturer participation in the Annual Buying Event (also called Virtual Purchasing). Manufacturers have committed:
  - 3200 items, displays, and discounts
  - Link to go live in July: [http://ab-consumerproducts.com/AnnualBuyingEvent](http://ab-consumerproducts.com/AnnualBuyingEvent)
- We’re working internally towards a successful campaign launch:
  - Inside Sales Promotional Campaign
  - Sales Executive Overview
  - Direct to Customer Messaging
  - Printed Materials arriving at the Pharmacy
  - Integrated Marketing & Functionality with ABC Order
Manufacturer Communication & Collaboration

**Customer Engagement:** Our customers have become much more engaged in the supply chain process (understanding inventory concerns, asking for get well dates, challenging us to be more transparent). Our information is only as good as what we’re provided.

**Replenishment:** Please work with your Buyers to provide realistic get well dates, so that our Customer Response team can share this information with customers.

**Allocation:** When product does come back in stock, please ensure AmerisourceBergen receives its fair share. We need the inventory to support our network and better understand when and how much will arrive is key.

**Shopper Engagement:** Customers are excited to have people shop their front ends again. They’ve missed the traffic and networking they can do as people shop the shelves. The more we can do to drive traffic the pharmacies, the more independents can maintain the level of customer service they normally have.
Our Front Line Associates
We want your feedback.

We want to hear how AmerisourceBergen is doing to support you during the Covid-19 crisis. Look for our email and please take the time to share your feedback via a 3-minute survey.

Joe Cappello
Sr. Vice President, Global Specialty and Branded Products

Doug Trueman
Sr. Vice President, Consumer Products

Dave Picard
Sr. Vice President, Global Generics Pharmaceuticals
We are united in our responsibility to create healthier futures.