



ANNUAL REPORT 2024

INTERNATIONAL FEDERATION OF PHARMACEUTICAL WHOLESALERS



Who We Are...

The International Federation of Pharmaceutical Wholesalers, Inc. (IFPW) is the global trade association for the full-service pharmaceutical wholesale distribution industry. Its members, from 19 countries and serving many more, are focused on ensuring that safe, properly handled, medicines and other essential health products are continuously available when and where they are needed and in the right quantity.

Directly and indirectly through its members, IFPW represents over 3,500 of the world's largest and most sophisticated healthcare distributors.

IFPW members' businesses, and the wholesale distribution channel, are essential components of efficient healthcare systems, in both public and private settings, and serve as the cornerstone of new healthcare initiatives to broaden access and manage costs. The Federation continues to work in partnership with other stakeholders in its mission of **Delivering Health to the World.**

The IFPW Team...

The IFPW Team brings many decades of combined experience to provide its members with the necessary insights and perspectives to be successful in today's challenging world. IFPW uses its extensive global network to assist members in connecting with other pharmaceutical executives and stakeholders for opportunities to exchange important information in an insular and private setting.



John Kallend
President & CEO



Christopher Goetz
Executive Vice President
& General Manager



George Bray
Vice President
Member Engagement



Christina Tucker
Director
Membership &
Meetings



Wendy Boutselis
Director of Finance



IFPW's Board of Directors...

IFPW'S Board of Directors is comprised of pharma leaders from around the world representing some of the best and brightest in the industry. Together they offer extensive experience in all areas of the pharmaceutical distribution industry in all four regions of the world - North America, Latin America, Asia/Australia/New Zealand, and Europe/Middle East/Africa.

Members of the IFPW Board of Directors include...



Ornella Barra
Walgreens Boots
Alliance



Sammy Birmarcker
Profarma
Distribuidora



Steven Collis
Cencora



John Cullity
EBOS Group
Asia Pacific



**Yusuke
Fukujin**
Alfresa Holdings



John Graham
Zuellig Pharma
IFPW Vice Chairman



Juan Guerra
Cencora



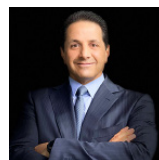
Jean-Marc Leccia
CFAO Group



**Maria Luisa
Macchiavello**
Droguería del Sud S.A.



Keisuke Nakakita
Nakakita Yakuhin
Co. Ltd.



Elias Salomon Nader
Fármacos Nacionales,
S.A. de C.V.
IFPW Chairman



Sven Seidel
PHOENIX group



Brian Tyler
McKesson Corp.



IFPW's Mission & Strategic Objectives

IFPW's Mission

The International Federation Pharmaceutical Wholesalers' (IFPW) role is to assist its members and stakeholders advance the safe, efficient and continuous access to pharmaceuticals worldwide through the promotion of good distribution practices and services.

IFPW History & Membership

Established in 1976 to serve as an umbrella organization for national and regional pharmaceutical distribution trade associations, IFPW has grown into a key organization that includes individual membership by the world's largest and most high-profile pharmaceutical wholesale companies, their associations, and their manufacturer and service partners.

Strategic Objectives

IFPW, with its board members, has developed four strategic objectives that help the Association accomplish its mission:

- Improve the image and promote the value proposition of full-line wholesalers to all stakeholders.
- Strengthen key stakeholder relationships through engagement in meaningful and relevant dialogues
- Participate in initiatives to improve access to medicines and/or advance global health.
- Continue to service as the industry's international networking and information platform.



IFPW's Members

IFPW's global membership base spans Asia/Australia/New Zealand, Latin America, Europe/Middle East/Africa, and the United States and Canada.

Wholesaler / Distributor Members

Alfresa Holdings
Alta Pharmaceuticals
Alliance Healthcare
Cencora
CFAO Healthcare
COFARES
Drogueria del Sud S.A.
Duopharm
EBOS Group
Fármacos Nacionales SA de CV
Hefame
McKesson Corporation
Medipal Holdings Corporation
Nadro S.A.P.I de C.V.
Nakakita Yakuhin Co., Ltd.
PHOENIX group SE
Profarma Distribuidora de Produtos Farmaceuticos S/A
Salehiya Healthcare
Sigma Healthcare
TAMER Group
Toho Holdings Co., Ltd.
VITAL-NET Inc.
Walgreens Boots Alliance
Zuellig Pharma Asia Pacific

Association Members:

Canadian Assn. for Pharmacy Distribution Management (CAPDM)
China Association of Pharmaceutical Commerce (CAPC)
Federation of Japan Pharmaceutical Wholesalers Association (JPWA)
GIRP The European Healthcare Distribution Association (GIRP)
Healthcare Distribution Alliance (HDA)
Korean Pharmaceutical Distribution Association (KPDA)
National Pharmaceutical Services Association (NPSA) - *Australia*

Manufacturer Members:

Bausch & Lomb
Johnson & Johnson
Merck Inc.
Pfizer
Regeneron
Sanofi
Viatris

Service Members:

Crecon Research & Consulting
Ember Life Sciences
IQVIA
KNAPP AG
Porzio Compliance Services



2024...Accomplishing goals, getting the important work done

Membership in IFPW continues to provide member companies with unique benefits and advantages that cannot be found elsewhere. The list of challenges facing pharmaceutical wholesalers and distributors (along with their supply chain partners both upstream and downstream) are constantly evolving, making it vital for companies to stay on top of the most recent global developments and learn from one another. Business environments change and technologies advance at a record pace, making older approaches obsolete. In a global economy, events such as pandemics, natural disasters, supply chain disruptions and geopolitical unrest can have significant effects worldwide - some temporary while others become the new normal. IFPW stands ready to assist members in finding the most efficient and powerful solutions and in capitalizing on available opportunities.

Strategic Stakeholder Engagement, Global Networking, and Information Sharing

As THE international platform for information sharing, the high-level learning opportunities from others in the industry and the networking opportunities afforded

through IFPW's events (annual members-only **CEO Roundtable** and biennial **General Membership Meeting**) are unparalleled. These activities serve as an “*accelerator of ideas*” and an introduction to leading edge international trends, offering insights and perspectives into



IFPW CEO Roundtable attendees enjoy cocktails overlooking the Jefferson Memorial and D.C.'s southwest waterfront

the current challenges facing stakeholders across the global pharmaceutical industry while helping organizations position themselves for future success. They are complemented by members' willingness to also share experiences and knowledge with one another as IFPW brokers dialogues around key subject areas across markets.

In 2024, IFPW focused on hosting meetings for its members with speakers that included industry leaders and stakeholders. These



IFPW Board Members on panel session moderated by Doug Long (IQVIA) at the IFPW 2024 General Membership Meeting

meetings were enthusiastically well-received and IFPW looks forward to hosting more meetings in the future going forward.

Industry Promotion and Advocacy

In addition to its in-person offerings, IFPW's **FOCUS** digital newsletter, distributed bi-weekly, is available to an unlimited number of recipients within each member company, and gives members unique up-to-date information on news and industry trends.

Global Health and Access to Medicines Initiatives

All the while, IFPW actively promotes the contributions and capabilities of its members and the distribution sector worldwide. Often an

“invisible partner”, wholesalers’ and distributors’ critical roles in healthcare delivery are often not fully recognized, particularly when supply chains are operating effectively and efficiently. As stakeholders learn what IFPW members do, opportunities are created (whether through public-private partnerships, collaborations, or other formats) to improve access and availability of safe and effective essential vaccines and medicines for the benefit of patients everywhere. As such, members enjoy worldwide recognition as “industry leaders” of IFPW’s innovative and influential players that make up the membership.

Other Activities

In addition to the core Association activities outlined above, IFPW routinely engages in activities where Wholesalers’ competencies are needed or where the distribution sector should be represented.

IFPW continued to support the **African Pharmaceutical Distribution Association (APDA)**, the continent’s first pan-African association of pharmaceutical distributors. Taking the idea from its first concept through to its formal establishment in Casablanca, Morocco in 2019, IFPW believes APDA has enormous potential to influence the maturation of pharmaceutical distribution in Africa and serves as a platform for sharing best practices and establishing new standards. IFPW shares insights from other parts of the world and



Other Activities (continued)...

IFPW continues to focus ways to effect change through environmental, social and governance (ESG) initiatives that are right for our Industry and for advancing the intent of ESG. IFPW is working diligently to communicate and share ideas among its stakeholders.

The industry must also find ways to reduce its carbon footprint globally, a critical part of ESG. IFPW has convened an advisory group of industry representatives to help drive the conversation and is working closely with other industry organizations to find solutions to these issues by harmonizing industry approaches through an ESG framework that can be referenced by pharma wholesalers, manufacturers, and other relevant organizations. These tools, and the underlying standards, will help to move the industry as a whole in a direction that provides less waste, more carbon neutrality, and a more fair and equitable system for access to medicines for all patients.

IFPW, is working with organizations to link this ESG framework to external reporting standards and to provide examples of metrics that can be used to measure company performance.

In its continuous efforts to **expand the IFPW network** and be representative of new markets, IFPW is reaching out to potential new members - particularly in the Middle East, Southeast Asia, and South America – with an invitation to engage. Such involvement offers new companies the ability to interact with leaders

from other markets (and to tap into experiences they may have with challenges similar to those being faced), while providing current members with a look into markets they may not be familiar with or otherwise have exposure. Similarly, IFPW's Manufacturer members are introduced to potential distribution partners in new geographies while companies are afforded the opportunity to engage on a more strategic level with their supplier partners.

IFPW Member News in 2024...

January

Merck & Co. and **Moderna** unveiled new three-year data in melanoma patients for their novel individualized neoantigen therapy combination with *Keytruda* which showed improved recurrence free survival and cutting the risk of recurrence of death by 49%. It also was shown to cut the risk of distant metastasis or death by 62% compared with *Keytruda* alone following complete resection in stage III/IV melanoma patients with high risk of recurrence.

Johnson & Johnson is conducting a “comprehensive review” of its portfolio and plans to operate its vaccines and infectious diseases outfits as one group, according to the company. The company will continue to invest in all therapeutic areas while “deprioritizing some programs” while its infectious disease pipeline will undergo a major overhaul. The company is also winding down its COVID-19 and HIV vaccines. Moving forward, the company plans to focus on pre-exposure prophylaxis to flu, COVID-19, RSV and HRV.

Pfizer has completed its US\$43 billion acquisition of **Seagen**, doubling its pipeline to 60 programs, according to



Pfizer. With the addition of four FDA-approved cancer drugs – *Adcedris*, *Padcev*, *Divdak* and *Tukysa* – Pfizer now has nine oncology medications that are already blockbusters or have blockbuster potential. “Given Seagen’s position as the best ADC company, we are confident they are the ideal partner for Pfizer,” *Albert Bourla*, Pfizer CEO, said during a conference call. “Pfizer is ideally situated to deploy our financial, scientific, manufacturing and commercial capabilities to develop far more new medicines with Seagen’s targeted technology.

Walgreens Boots Alliance reported revenue of US\$37.61 billion for the first quarter of 2024, up approximately 10% year-over-year, with a net loss of US\$67 million (which included a US\$278 million after-tax charge related to Walgreens’ forward sale of shares of drug distributor **Cencora**. Walgreens’ U.S. retail pharmacy segment generated \$28.94 billion in sales in the fiscal first quarter, an increase of more than 6% from the same period last year. Comparable sales at pharmacy locations rose 8.1%.

Viatrix is tapping biopharma veteran *Scott Smith* to become its next CEO, replacing current CEO *Michael Goettler*. Smith most recently served as president of **BioAtla**, but, earlier in his career, he worked in positions of increasing responsibility at **Celgene**. Smith is set to officially take over April 1.

The Federation of Japan Pharmaceutical Wholesalers Association (JPWA) and an association of drug distributors in Ishikawa Prefecture has requested pharma companies to provide critically needed medicines to quake-stricken central Japan on a priority basis. Since efforts are being made to secure the supply of products under shipment restrictions, they have asked for prioritized provisioning

of these products, as well as other needed drugs to the disaster areas. Pharma companies responded to the wholesaler groups’ request, saying they would do their best to meet the needs of the affected areas.

The **US Food and Drug Administration (FDA)** has expanded *Keytruda’s (pembrolizumab)* use in combination with chemoradiotherapy to certain advanced types of cervical cancer. Patients stage III-IVA cervical cancer will now be eligible for **MSD’s** blockbuster immunotherapy.

February

Global wholesaler and distributor **Cencora** reported robust financial results for the first quarter of fiscal 2024, with revenue of US\$72.3 billion, a 15% increase year-over-year. GAAP operating income came in at US\$8232 million (adjusted to US\$886 million), a 30% increase from the previous year. “Cencora had an exceptional start to our fiscal 2024 year, delivering strong results as we capitalize on the strength of the trends in our business, continue to prioritize customer centricity and enhance the services we provide, further differentiating the value we bring to our customers and stakeholders,” said *Steven H. Collis*, Chairman, President, and Chief Executive Officer at Cencora.

Sigma Healthcare Limited (Sigma) announced it has entered into a Merger Implementation Agreement (MIA) with **CW Group Holdings Limited (CWG)** to create a leading healthcare wholesaler, distributor, and retail pharmacy franchisor. In addition, Sigma has undertaken a fully underwritten pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of approximately AU\$400 million (US\$264.4 million) to provide increased working capital required to implement the CWG supply contract which commences on 1 July 2024, and for business



growth initiatives. The combination of Sigma and CWG is considered a transformational and compelling transaction for both companies.

Johnson & Johnson (J&J) reported 4th quarter and year-end results, with Q4 sales up 7.3% to US\$21.4 billion, and 2023 full year reported sales growth of 6.5% to US\$85.2 billion, including adjusted operational growth of 5.9%. “Johnson & Johnson’s full year 2023 results reflect the breadth and competitiveness of our business and our relentless focus on delivering for our patients,” said *Joaquin Duato*, Chairman and Chief Executive Officer. “We have entered 2024 from a position of strength, and I am confident in our ability to lead the next wave of health innovation.”

Senators on the U.S. Senate Health Committee are threatening to order CEOs from **Johnson & Johnson** and **Merck** to testify in the wake of the IRA legal fight (J&J and Merck are both plaintiffs.) Last summer many large pharma companies filed lawsuits questioning the constitutionality of the *U.S. Inflation Reduction Act (IRA)* price negotiation measures.

Walgreens Boots Alliance sold shares of **Cencora** common stock under Rule 144 for approximately US\$942 million and, subject to the completion of the Rule 144 sale, a concurrent share repurchases by Cencora for approximately US\$50 million. WBA’s ownership of Cencora’s common stock has decreased from approximately 15% to approximately 13%. Proceeds will allow WBA to pay down debt and for general corporate purposes as the company continues to build out a more capital-efficient health services strategy in its retail pharmacy footprint. Additionally, the company has named several appointments to its executive committee, including *Mary Langowski* as Executive VP and President, U.S. Healthcare; *Manmohan Mahajan* as Executive VP and Global Chief Financial Officer; and *Elizabeth Burger* as

Executive VP and Chief Human Resources Officer.

Two pharma giants, **CFAO Healthcare** and **Sanofi Pharmaceutical Industry Company**, have strengthened their partnership by extending what they described as “the exclusive distribution of general medicines in Nigeria.” In a statement Friday, CFAO announced the expansion with Sanofi noting that the “move fortifies their strategic partnership.” CFAO continued, “Aware of the evolutions and challenges in the Nigerian pharmaceutical landscape, CFAO Healthcare and Sanofi are joining forces, capitalizing on their expertise and historical presence to optimize access to quality healthcare.”

The Japanese ethical drug market crossed ¥11 trillion (US\$72.9 billion) in 2023 for the first time since data started being recorded in 2005 on the back of strong performances in the oncology space, according to **IQVIA Japan**. The statistics are based on data from wholesalers and do not reflect medicines distributed through other channels. Subsequently, data for COVID-19 vaccines and certain other drugs are not included.

March

Cencora Inc. announced that *Steven H. Collis* will retire as President and Chief Executive Officer of the company and transition to the role of Executive Chair of the Cencora Board of Directors effective October 1, 2024. *Robert P. Mauch*, PharmD, Ph.D., current Chief Operating Officer of Cencora will succeed Collis as President and CEO and will also be appointed as a member of the Company’s Board, effective the same date. “Steve’s 30-year career at Cencora has been characterized by purpose-driven leadership, delivering phenomenal growth in domestic and international markets, diversification of the business, and



the successful launch of a global brand that positions the company for even greater success,” said *Mark Durcan*, one of Cencora’s lead independent directors. Collis has been a member of the IFPW’s board of directors since 2011. Separately, with the increasing number of cell and gene therapy (CGT) products in clinical development, Cencora’s FormularyDecisions launched a new secure online platform designed to provide healthcare payers with centralized access to information on approved therapies and products in the pipeline. The platform provides healthcare decision-makers in the U.S. with access to evidence-based resources and facilitates information exchange between biopharma companies and payers.

Sigma Healthcare announced its financial results for the full year ended 31 January 2024 with net revenue of AU\$3.3 billion (US\$ 2.02 billion) down 9.2% (due to the disposal of its hospital distribution business and a drop in sales of rapid antigen tests.) Sigma’s CEO, *Vikesh Ramsunder*, said, “With our operating performance strong, we have been able to drive efficiencies across our business, reducing total operating costs by 10.7% after absorbing merger proposal costs, providing a catalyst for our current and future financial performance...the company-wide simplification program and divestment of non-core assets has delivered a leaner operating model.”

Pfizer is set to reduce its stake in **Haleon** from 32% to 24% by selling 630 million shares in a public offering, according to Haleon officials. The shares, valued at approximately US\$2.6 billion, will help Pfizer reduce its debt after its US\$43 billion acquisition of **Seagen**. It will also allow the company to increase returns to shareholders. Haleon will repurchase shares worth approximately US\$401 million from Pfizer.

April

Walgreens Boots Alliance (WBA) reported financial results for its second quarter of 2024 with an increase in sales of 6.3% to US\$37.1 billion (5.7% on a constant currency basis) which the company said reflects sales growth across all segments. “We’re encouraged by our first quarter of U.S. Healthcare positive adjusted EBITDA and continued topline growth alongside another quarter of strong execution in pharmacy, as we look to re-energize and evolve its impact both at Walgreens and at large,” said *Tim Wentworth*, CEO of WBA. He continued, “We remain confident in our goal of achieving US\$1 billion in cost savings this year. We are continuing to strategically review our portfolio over the next three months in an effort to ensure it drives growth and delivers value.”

McKesson’s new program, *Project Oasis* will launch with the intention of bridging healthcare gaps in underserved communities while elevating the important role of community pharmacists. The initiative is led by McKesson’s *Global Impact Organization and Community Pharmacy & Health*, and seeks to identify and address these pharmacy deserts, particularly in urban areas where residents face significant challenges in accessing essential pharmacy services. The first activation site will be in Avondale, Ohio, a neighborhood in the Cincinnati area.

Johnson & Johnson announced it will buy heart pump maker **Shockwave** in a deal valued at US\$13.1 billion. The deal is expected to close by mid-2024.

Pfizer announced that its respiratory syncytial virus (RSV) vaccine *Abrysvo* was well-tolerated and generated an immune response in higher risk adults under the age of 60 similar to that in older adults for whom the shot is already approved. The company plans to submit its findings from



April (continued)...

the trial to seek expanded approval of the vaccine in adults ages 18-59 but did not give a time frame for when it expects the data to be reviewed by regulators. Last year Pfizer launched *Abrysvo* for older adults and for pregnant women to protect their babies from RSV.

McKesson announced the company will expand its enterprise partnership with **Optum** to include distribution services for **OptumRx**. The OptumRx expansion will enable the company to maintain revenue growth well in excess of industry expectations over the next two years even as Elevance migrates US\$10 billion of specialty spend from McKesson client **CVS** to **Cardinal** client **Carelon**.

Walgreens is calling on the public to help in the fight against prescription drug abuse by taking part in *National Prescription Drug Take Back Day* on April 27th. The company has more than 1,550 kiosks across 46 states and Washington, DC, giving individuals a convenient way to ensure medications are not accidentally or intentionally misused. The service is provided at no cost, year-round at store locations with a medication disposal kiosk.

French manufacturer **Sanofi** is resetting its footprint and realigning resources in India, with the hope of “cracking the code” in an ultra-competitive market. The company’s four pillar approach includes maximizing the potential of its existing established portfolio (via partnerships or directly into strongholds, including the diabetes segment, while also leveraging global and local innovation.

May

Walgreens is expanding its specialty pharmacy services and investing in its capabilities with the introduction of **Walgreens Specialty Pharmacy**. The goal is to grow its core pharmacy business to improve patient outcomes and provide greater value to both payers and partners. The

company said that under the new business, it will offer *Gene and Cell Services Pharmacy and Innovation Center*, a dedicated 18,000 sq.ft. facility in Pittsburgh, PA, with services and capabilities for these emerging therapies, that will include innovative solutions for managing the complexities of the supply chain, logistics and financing, as well as clinical and social needs.

McKesson reported Q4 revenues of US\$76.4 billion, an increase of 11% from a year ago. Revenue increases were primarily driven by growth in the U.S. Pharmaceutical segment, resulting from increased prescription volumes, including higher volumes from specialty products, retail national account customers, and GLP-1 medications. For the full year, McKesson returned US\$3.3 billion of cash to shareholders, which included US\$3 billion of common stock repurchases and \$314 million of dividend payments. During the fiscal year, McKesson generated cash from operations of US\$4.3 billion, and invested US\$687 million in capital expenditures, resulting in Free Cash Flow of US\$3.6 billion.

Sigma Healthcare announced their Q4 and FY2023 financial results, with net sales of AU\$3.7 billion (US\$2.4 billion), up 6.2% from FY2022. Of particularly positive note was a reduction of net debt from AU\$149 million (US\$97.8 million) to AU\$67 million (US\$44 million) year-over-year. The company noted that the business simplification strategy is progressing well, the ERP system is now stabilized and now focused on optimization, infrastructure metrics are now at a better level than before ERP, and the Hobart distribution center has opened and the Truganina distribution center is completed, along with an overall positive outlook going forward.

A New Jersey federal judge dismissed lawsuits by **Bristol Myers Squibb** and **Johnson & Johnson (J&J)**, which

questioned the constitutionality of the U.S. government requiring drugmakers to negotiate with Medicare on product pricing. The dismissal comes two months after a Delaware federal court rejected a similar lawsuit by AstraZeneca, but the company has filed a challenge of the decision in the U.S. Court of Appeals. J&J will appeal the New Jersey Court decision.

Pfizer reported revenue of US\$14.9 billion for the first quarter of 2024 with a 20% decrease in sales. However, it was the third straight quarter that Pfizer saw a sequential increase in revenue—from US\$12.7 billion in the Q2 of 2023 to US\$13.2 billion in the third quarter and US\$14.2 billion in the fourth quarter. Separately, a three-year collaboration between Pfizer and the **Research Center for Molecular Medicine of the Austrian Academy of Sciences (CeMM)** has resulted in a new AI-driven drug discovery method which may result in faster and easier identification of small molecules with therapeutic potential. CeMM has created and scaled an AI and machine learning platform that measures how hundreds of small molecules bind to thousands of different human proteins, generating a catalog that can be used as a starting point for new drug development. The models used and all data from them are available for free to other researches in the form of a web application from CeMM.

Walgreens has inked a partnership with **Boehringer Ingelheim** to recruit participants for research as it continues to build out its clinical trials business. The company will use its community pharmacies as clinical trial sites for people living with obesity, overweight issues, and type 2 diabetes. Walgreens launched its clinical trials unit in June of 2022. So far, more than 35 clinical trials contracts have been signed with drugmakers.

Pharma manufacturers **Sanofi**, **Pfizer** and **AstraZeneca**

will invest a combined €1.87 billion (US\$2.03 billion) in France. Several other pharma giants, including **AbbVie**, **GSK**, **Novartis**, **Chiesi** and **Kenvue** have also detailed plans to increase their in-country presence under President Emmanuel Macron's "*Choose France*" initiative, which was designed to bolster foreign investment by multinationals in France. To date efforts have resulted in a record €15 billion (US\$16.2 billion) and includes companies such as Amazon and Microsoft.

Following companies such as **Eli Lilly**, **Pfizer** will establish a direct-to-consumer service to market and sell some of its medicines online, avoiding industry middlemen. The company plans to sell products such as its COVID treatment Paxlovid and a migraine nasal spray under the new strategy. Pfizer expects to have the website up before the end of 2024. It will connect patients with consultants to prescribe the drugs, with a supplier filling and shipping the prescriptions.

June

Japan's top four wholesalers saw growth in both their combined sales and profit in FY2023 through March, with three of them topping 1% in operating margins, a mark that is considered essential to maintain stable operations, according to a Jiho tally. Performance of the four companies (**Toho Holdings**, **Suzuken**, **Medipal** and **Alfresa**) was stable throughout the year with total combined revenue of ¥8,559.4 billion (US\$ 54.8 billion), up over 5% year-over-year, and a combined operating profit growing 11.7% to ¥100.4 billion (US\$ 643.46 million.)

Pfizer Inc. launched its respiratory syncytial virus (RSV) vaccine **Abrysvo** in Japan for both maternal immunization and use in people 60 years of age and older. The vaccine was approved in Japan in January for the prevention of



RSV-associated lower respiratory tract disease (LRTD) in infants through immunizations for pregnant women. Later in March, it earned additional indication for the prevention of RSV infection in adults aged 60 and above.

As **Merck's** blockbuster *Keytruda* approaches its 10-year anniversary on the market, the company seeks to partner with **Moderna** on a vaccine, called *mRNA-4157*, which has shown results from a mid-stage trial of improved survival of three years in patient with melanoma when given with *Keytruda*. This could pave the way for broader use of the vaccine in multiple tumor types like its *Keytruda* predecessor, which now holds 39 indications in 17 tumor types. When combined, the two drugs work in different way to spur a patient's immune system into action against cancer cells.

EBOS Group has been named the leading drug store and pharma group in Australia by *Statista*, with revenue of approximately AUD10.7 billion (US\$7.13 billion), followed by **Chemist Warehouse** and **TerryWhite Chemmart**. EBOS Group Limited is an Australasian marketer, wholesaler, and distributor of medical and pharmaceutical products, and a longstanding member of IFPW.

The U.S. government has tapped **McKesson Corporation**, as the centralized worldwide distributor for the **Moderna** and **Janssen (Johnson & Johnson)** COVID-19 vaccines, to help support its new mission of vaccinating the world. "We're honored to expand our role in preparing the vaccines for shipment to other countries in need," said *Ana English*, senior director of McKesson's COVID-19 vaccine program. "We've already had success in the broad distribution of vaccines in the U.S. and are confident in our ability to safely and effectively support this new dimension as well."

Sigma Healthcare (Australia) announced that **Challenger Limited** and **Apollo Global Management, Inc.** have become substantial investors in the company. The acquisition includes a mix of cash and non-cash consideration for securities purchased both on and off the market.

According to **Pfizer** CEO *Albert Bourla*, the company is taking a break from M&A deals after its acquisitions of **Arena Pharmaceuticals**, **Biohaven**, **Global Blood Therapeutics**, and **Seagen**. "We need to catch our breath and make sure we execute well on those that we have right now," Bourla explained. Speaking to some of those recent deals, he added that Seagen's integration into the company is going well and that Biohaven's migraine med *Nurtec ODT* has the potential to "surprise us very positively going forward."

July

Walgreens Boots Alliance (WBA) announced third quarter results for fiscal 2024, with sales increasing 2.6% year-over-year to US\$36.4 billion (2.5% on a constant currency basis, reflecting sales growth across all segments.) Operating income came in at US\$111 million compared to an operating loss of \$477 million in the same quarter of the prior year, an increase of US\$588 million (which reflects a US\$431 million non-cash impairment of pharmacy license in tangible assets in **Boots UK** in the year-ago quarter.) The company also made several major announcements, including that *Sebastian James*, Boots' Managing Director, will leave his position in November of this year. WBA CEO, *Tim Wentworth*, also announced the closure of a substantial number of poorly performing stores and a pull-back of the company foray into the primary-care business with a reduction of its stake in primary-care provider **VillageMD**.



Pfizer Inc. has announced that it has selected a once-daily, modified-release formulation of its oral glucagon-like peptide-1 (GLP-1) receptor agonist *danuglipron* to advance in development. The decision is based on the results of an ongoing pharmacokinetic and safety study evaluating immediate- and modified-release formulations of *danuglipron* in healthy adults. *Danuglipron* is the most advanced asset in Pfizer's obesity pipeline. Separately, Pfizer's chief scientific officer, *Mikael Dolsten, M.D., Ph.D.* is leaving the company after 15 years. Pfizer is in the process of finding his replacement.

Viatis has completed the divestiture of its over-the-counter business to **Cooper Consumer Health**, a European over-the-counter drug manufacturer and distributor. The completion of the OTC divestiture, the largest of the divestitures that the company previously announced, is a major milestone in the execution of the company's strategic plan to considerably simplify the organization in order to increase focus on areas with the greatest potential to accelerate growth, patient impact and shareholder value, Viatis said.

August

Johnson & Johnson reported better than expected second quarter results, with revenue, driven by strong sales of its drugs, including cancer treatment *Derzalex* and the psoriasis blockbuster *Stelara*. Revenue of US\$22.4 billion surpassed consensus estimates of US\$22.3 billion. The company raised total sales estimates from US\$89.2 billion to US\$89.6 billion, compared with the previous year's forecast of US\$88.7 billion to US\$89.1 billion.

Pfizer opened a US\$743 million expansion to its active pharmaceutical ingredient (API) plant in Singapore. The

expansion will create 250 additional jobs, and manufacturing at the facility has already begun. This expanded facility will not only grow the overall manufacturing footprints but will strengthen the company's ability to manufacture lifesaving breakthrough medications, according to a company official at the facility ribbon-cutting ceremony.

Sanofi is working toward expanding its workforce at its global capacity center in Hyderabad, India with a US\$437 million investment. The investment will stretch through the end of the decade with the initial investment of US\$109 million by next year. The facility currently employs around 1,000 people and will grow to over 2,600 employees over the next two years, making it the largest of Sanofi's four global capacity hubs. The other three hubs are located in Budapest, Hungary, Bogota, Colombia and Kuala Lumpur, Malaysia.

McKesson Corporation reported financial results for the first quarter of 2025 with revenues of US\$79.3 billion (an increase of 6% year-over-year) and net income of US\$915 million. Adjusted earnings per diluted share rose 8% from US\$7.27 to US\$7.88. "We continue to advance our strategic priorities leveraging our broad capabilities across the enterprise. Strong momentum continues across our U.S. pharmaceutical segment, particularly within our broad Oncology offerings...We remain confident in our strategy and ability to deliver on our raised fiscal 2025 guidance and longer-term objectives," said *Brian Tyler*, CEO of McKesson.

Walgreens Boots Alliance announced that it was exploring options for **VillageMD** doctor-staffed clinics, including a sale of all or part of the VillageMD businesses, according to a filing with the **U.S. Securities and Exchange Commission**. The company noted that it had already initiated strategic and operational reviews towards



simplifying and focusing its U.S. healthcare portfolio, including an assessment of the company's investment in its majority-owned VillageMD. Walgreens also said it is currently evaluating a variety of options with respect to VillageMD considering ongoing investments by the Walgreens in VillageMD business and expected future cash requirements.

U.S. wholesalers/distributors **McKesson Corporation**, **Cencora** and **Cardinal Health** are said to be interested in acquiring privately held **Florida Cancer Specialists & Research Institute**. The cancer clinic operator could be worth up to US\$3 billion. The Florida Cancer Specialists employs 250 physicians, 280 nurse practitioners and physician assistants, operates in approximately 100 locations, and embraces the value-based care model where it is reimbursed via a lump sum to treat a patient rather than a per visit or per test. In this way, the provider is incentivized to provide the best, most efficient treatment plan. Cancer care has garnered keen interest from pharmaceutical distributors in recent years in regard to the distribution of specialty drugs.

French pharma manufacturer **Sanofi** confirmed that it will invest €1.3 billion (US\$1.4 billion) to build a new insulin manufacturing facility at its campus in Frankfurt Höchst, Germany. The facility, which will total approximately 36,000 square feet, is expected to be completed in 2029 and will employ "several hundred" new workers in addition to its current 4,000 employees.

Walgreens Boots Alliance has sold all of its remaining unencumbered shares of **Cencora** common stock for proceeds of US\$818 million, which is subject to a concurrent share repurchase by Cencora of US\$250 million. The company's ownership of Cencora's common stock has

decreased from 12% to approximately 10%. Proceeds to Walgreens Boots Alliance will be used primarily for debt paydown and general corporate purposes, as the company continues to build out a more capital-efficient health services strategy rooted in its retail pharmacy footprint.

Five months after the U.S. FDA rejected **Regeneron's** bid for accelerated approval of its T-cell engager *odronextamab*, the European Union has signed off on the treatment for two types of blood cancers. In winning the nod from the European Commission for relapsed or refractory follicular lymphoma (FL) and for relapsed or refractory diffuse large B-cell lymphoma (DLBCL), *Ordspono* becomes Regeneron's first approved bispecific antibody. The endorsement covers patients who have undergone two or more lines of systemic therapy.

Despite setbacks, **Pfizer Inc.** believes its oral GLP-1 agonist *danuglipron* remains in a competitive position versus rivals. During Pfizer's Q2 sales and earnings call on July 30th, CEO *Albert Bourla* said the company hopes to move a new once-daily formulation of *danuglipron* into registration-enabling trials quickly if dose-optimization studies planned for the second half of 2024 yield positive results for the drug's efficacy.

September

Pfizer announced the launch of *PfizerForAll™*, a direct-to-consumer digital care platform combining education, telehealth, digital pharmacy, and financial support resources to expedite access to Pfizer tests and treatments for patients with migraine, COVID-19, or flu, and will be a resource for medicines and vaccines, including those for COVID-19, RSV or pneumococcal pneumonia. A similar program was recently announced by **Eli Lilly & Co.** under



the name *LillyDirect*.

Salehiya (Saudi Arabia) announced that the company has been awarded the esteemed *Authorized Economic Operator (AEO) Certification*. This program is a collaboration between **ZATCA Saudi Arabia** and commercial establishments to enhance global supply chain security and facilitate international trade. AEO certification aligns with international standards set by the World Customs Organization and the World Trade Organization's Trade Facilitation Agreement.

McKesson has signed an agreement to sell its Canada-based **Rexall** and **Well.ca** businesses to Private Equity firm **Birch Hill Partners**. "This transaction marks an important milestone aligned to our enterprise strategy, advancing our strategic priorities, further streamlining our business and prioritizing investment in our growth areas on oncology and biopharma services. We remain fully committed to and confident in the strength of our Canadian distribution and biopharma businesses," said **Brian Tyler**, McKesson's CEO.

Johnson & Johnson (J&J) is not ruling out being a late entrant into the obesity space. During the recent **Morgan Stanley Healthcare Conference**, CEO **Joaquin Duato** said the company is interested in obesity – but it would have to develop a differentiated product. "If we were able to identify assets in obesity that were sufficiently differentiated, it would be an area of interest to us," Duato said. The company has not invested as heavily in cardiovascular and metabolic disease recently but does have experience in the disease areas, with the blood thinner **Xarelto (rivaroxaban)** and the first-in-class SGLT2 inhibitor **Invokana (canagliflozin)** for diabetes.

October

CFAO Healthcare announced its strategic expansion into the South African pharmaceutical market with the acquisition of **Sanofi's** South African Consumer Healthcare business (**Opella Healthcare South Africa**), a prominent pharmaceutical manufacturer and distributor. This marks CFAO's first healthcare investment in the country, which is the second-largest market on the African continent. The new entity will operate as CFAO Healthcare in South Africa.

McKesson Corporation has launched **InspiroGene**, a business focused solely on supporting the commercialization of cell and gene therapies. With a scalable and flexible suite of services, InspiroGene allows manufacturers, payers and providers to navigate the complex CGT commercialization landscape to ensure patients can access the life-changing treatments they need, company officials said. "Over the last few years McKesson has leveraged its extensive supply chain expertise and customer-centric approach to build our cell and gene therapy business, with a focus on guiding innovative medicines from clinical development to commercial success. Today's launch is an exciting step forward in our evolution," said **Joe DePinto**, head of cell, gene and advanced therapies at McKesson.

In a positive move for patient safety, the **National Association of Boards of Pharmacy (NABP)** announced that **Walgreens Pharmacies** have joined **Pulse**, NABP's digital platform that helps pharmacies with *Drug Supply Chain Security Act (DSCSA)* compliance. Also, Walgreens Boots Alliance announced that **Jason Stenta** will take on the role of Senior Vice President and Chief Commercial Officer. Stenta will lead the company's growth strategy, driving development and commercialization of B2B healthcare services built on the company's core assets, as



well as enhancing partnerships with payers, health system providers and life sciences companies.

Japan's ethical drug sales rose 9.6% in July over the same month one year ago on a wholesale shipment basis, according to a report released by **Crecon Research & Consulting**. The growth was driven by higher revenue from COVID-19 drugs and vaccines and flu jabs as well as a spike in demand for HPV shots running up to the expiration of the government's catch-up immunization program at the end of March 2025.

Cencora has been awarded an estimated US\$2 billion modification with the **Defense Logistics Agency** extending the third two-year six-month option period of a two-year six-month base contract with three two-year six-month option periods for prime vendor pharmaceutical and pharmaceutical-related products and support. This is a firm-fixed-price, requirements contract appropriated for fiscal 2025 through 2026 using defense working capital funds.

The *HDA Research Foundation's 95th Edition HDA Factbook: The Facts, Figures and Trends in Healthcare*, is now available, providing the latest benchmarks and trends for the U.S. distribution sector. Reflecting operations for fiscal year 2023, the report reveals that total prescription sales through traditional pharmaceutical distributors reached US\$758 billion amid some of the lowest profit margins in the study's 95-year history at 0.3 percent (net after taxes) and 1.7 percent (gross). To download a copy, please visit <https://www.hda.org/publications/95th-edition-hda-factbook-the-facts-figures-and-trends/>

Viatris announced that it will discontinue selling 36 products containing 22 active pharmaceutical ingredients, mostly generics but also including long-listed products (LLPs) in a major revamp of its offerings in Japan. The company said the move was a result of a drastic review of its portfolio

November

Walgreens is expanding its virtual healthcare service to reach more patients. This expansion aims to increase access to healthcare from the comfort of home by allowing patients to connect with doctors and nurse practitioners via virtual consultations. Walgreens is also partnering with **Veeva Systems**, a provider of software, data and services for the life sciences industry. The partnership enriches Veeva data cloud products and allows Walgreens to better serve life sciences through access to Veeva Data Cloud and Veeva Clinical platform.

Pfizer Inc. announced that the **U.S. Food and Drug Administration (FDA)** has approved *ABRYSCO* (Respiratory Syncytial Virus Vaccine), the company's bivalent *RSV prefusion F (RSV pre F)* vaccine, for the prevention of lower respiratory tract disease (LRTD) caused by RSV in individuals 18 through 59 years of age who are at increased risk for LRTD caused by RSV. *ABRYSCO* now offers the broadest RSV vaccine indication for adults, which previously included those 60 years and older. Additionally, it remains the only RSV immunization approved for pregnant individuals at 32 through 36 weeks of gestation to protect infants from birth up to 6 months of age. Separately, Pfizer is exploring an opportunity to divest its hospital drugs unit. The unit includes a portfolio of sterile injectables such as antibiotic brands, steroids and immune globulin products.

December

Cencora has entered into an agreement to acquire **Retina Consultants of America**, a management services organization of retina specialists, from **Webster Equity Partners**. "The acquisition will allow Cencora to broaden our relationship with community providers in a high growth segment and build on our leadership in specialty," said



Bob Mauch, President and CEO of Cencora. Cencora said the proposed transaction will build on Cencora's strategic imperatives and areas of focus.

The Japanese government is expected to set aside roughly ¥100 billion (US\$ 662.7 million) in total budgets to bankroll a number of pharma-related measures that were embraced in its new economic stimulus package which was approved on November 22, 2024. The packages calls for multiple initiatives to support pharmaceutical innovation, facilitate the revamping of the generic industry, and to ensure stable generic supplies, but the specific amount of budgets for individual projects has not been disclosed. Separately, IQVIA reported that the Japanese pharma market is estimated to reach ¥12 trillion (US\$ 79.5 billion) in FY2029, driven by specialty medicines and biologics.

Following in the footsteps of **Pfizer**, French pharma manufacturer **Sanofi** unveiled a major manufacturing outlay of roughly US\$1.04 billion to establish a new production facility based in the Beijing Economic and Technological Development Zone, according to Sanofi China. The new manufacturing site, which will become Sanofi's fourth site in China, is being designed to ramp up local end-to-end insulin production and bolster the drugmaker's production are not anticipated.

Cencora is introducing **Accelerate Pharmacy Solutions**, which combines Cencora's pharmacy and supply chain solutions to deliver an enhanced customer experience and integrated support to address evolving needs. Solutions range from specialty drug purchasing and cost management strategies to logistics, transport, supply chain and inventory management solutions.

Walgreens Boots Alliance is in discussions to sell itself to private equity firm **Sycamore Partners**. Walgreens has been working with its advisers regarding the sale of the company to potential buyers but is currently in talks with only Sycamore.

Pfizer's Paxlovid topped the world's top ten best-selling drugs list in the third quarter of 2024, beating AbbVie's TND-inhibitor *Humira*, which saw revenues continue to slide due to biosimilar competition. Sales of *Paxlovid* were boosted by increased U.S. demand, reflecting a global wave of infections, as well as a one-off contract with the U.S. strategic national stockpile worth US\$442 million in delivered doses. Pfizer expects *Paxlovid* to deliver US\$5.5 billion in annual revenues.

Sigma Healthcare Ltd. has announced a merger with **Chemist Warehouse**, contingent on shareholder approval at an upcoming Extraordinary General Meeting. The independent expert has deemed the related party arrangements fair and reasonable, and Sigma's directors are urging shareholders to vote in favor. This merger is a significant move in the pharmaceutical sector, promising potential growth and strategic advantages for Sigma.



IFPW Balance
Sheet
December 31, 2024

ASSETS

Current Assets		
Citibank Checking	\$	262,502.04
Morgan Stanley		791,590.20
Citibank Money Market		190,766.12
Accounts Receivable		70.00
A/R - GLS&M		99.00
A/R - IFPW Foundation		15,000.00
GLSM Expense Deposit		4,000.00
Prepaid Expenses		3,899.88
Deposits		15,796.09
Prepaid Exp.- GMM		2,311.92
		<hr/>
Total Current Assets		1,286,035.25
Property and Equipment		<hr/>
Total Property and Equipment		0.00
Other Assets		<hr/>
Total Other Assets		0.00
Total Assets		<hr/>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	9,364.50
Dues Paid in Advance		968,300.00
		<hr/>
Total Current Liabilities		977,664.50
Long-Term Liabilities		<hr/>
Total Long-Term Liabilities		0.00
Total Liabilities		<hr/>
		977,664.50
Capital		
Retained Earnings		74,354.65
Net Income		234,016.10
		<hr/>
Total Capital		308,370.75
Total Liabilities & Capital	\$	<hr/>



Created in 2012, the IFPW Foundation brings the expertise of the pharmaceutical distribution industry to address global health challenges and to raise awareness of IFPW members' competencies and capabilities with key stakeholders (including Manufacturers). Seeking to support existing initiatives rather than create new ones (in a crowded space) our initial partnership was with Gavi, the Vaccine Alliance in support of their mission to increase access and availability of vaccines by addressing last mile delivery challenges.

STEP 2.0 LEADERSHIP PROGRAM

2024 saw the STEP Leadership program continue to evolve into IFPW Foundation's primary programmatic focus. IFPW Foundation's efforts seek to promote the global distribution sector and reputation of IFPW and its members while doing good (and much needed) work. Wholesalers are often an effective yet invisible partner in healthcare delivery who are frequently undervalued. IFPW Foundation's awareness raising activities have increased appreciation for the wholesale model and the important functions performed by today's distributors setting the stage for the emergence of stronger wholesale channels evolving in the developing world.

In addition to providing direct funding STEP implementations, IFPW Foundation offers private sector coach recruitment services for other donors' implementations and continues to develop facilitators

and co-facilitators from the private sector to ensure program sustainability and expanded reach.



FIGHT THE FAKES ALLIANCE

IFPW, through its IFPW Foundation, has been deeply involved as a founding organizations and an executive board member of the Fight the Fakes Alliance (FtF), a multi stakeholder not-for-profit association aimed at raising awareness and influencing change surrounding the proliferation of substandard and falsified medicines.

This global issue is disproportionately higher in low- and middle-income countries where one in ten medicines are thought to be either substandard or falsified. Nearly 170,000 children die annually of falsified pneumonia medicines and substandard and falsified antimalarials. More than 250,000 deaths from malaria are estimated in sub-Saharan Africa annually.

IFPW previously served as Secretariat of FtF and fully supports its activities, currently holding an officer position and serving on the Alliance's Executive Board. IFPW was also integral in developing the newly formed formal governance structure and supporting the transition to the High Lantern Group as the secretariat, based in Geneva. This will allow the FtF Alliance to take



IFPW Foundation's Ongoing Activities (continued)...

the fight against substandard and falsified medicines to the next level. The FtF Alliance is uniquely positioned to scale up action to prevent falsified medicines from endangering people's health and well-being. IFPW committed to working with FtF, giving a voice to those who were personally affected, as well as continuing effort to stop this significant threat to the public.

OTHER INITIATIVES – VILLAGE REACH

In 2024, IFPW Foundation explored opportunities to discuss joint programs with NGOs and donors directly. As an example, it explored replication of activities performed by Village Reach that analyzed and reported on GSDP-compliant distributors in the DRC and is now strengthening those organizations while fostering collaborations with the public sector in the country. One specific element of their project/work was to provide working capital management education, to position distributors as eligible recipients of programs offering access to working capital, including a forthcoming program backed by the Bill and Melinda Gates Foundation (BMGF). IFPW Foundation was invited to provide a subject-matter expert as a consultant to Village Reach in DRC.

APDA ACTIVITIES | ASSOCIATION STRENGTHENING

APDA continues to have the potential to become a more effective platform for dialogue and a vehicle to raise awareness of the Distribution sectors' capabilities



IFPW Foundation's George Bray and participants at PtD's Global Indaba Conference

in Africa. Opportunities for the association are expected to increase as localized manufacturing increases on the continent and as other efforts to increase healthcare access and effectiveness continue.

There is also momentum for greater public-private collaborations and opportunities for African distributors to support public health programs, which is worth encouraging and supporting as we are able.



**INTERNATIONAL FEDERATION OF PHARMACEUTICAL WHOLESALERS
THE IFPW FOUNDATION**

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