



# GLP-1 medications and the drug channel response

A look at the GLP-1 market  
and how drug retailers are activating  
against these new weight-loss  
medications

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REGION: NORTH AMERICA

# AGENDA

1 The GLP-1 market

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2 How drugstores are complementing GLP-1s

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3 Key takeaways







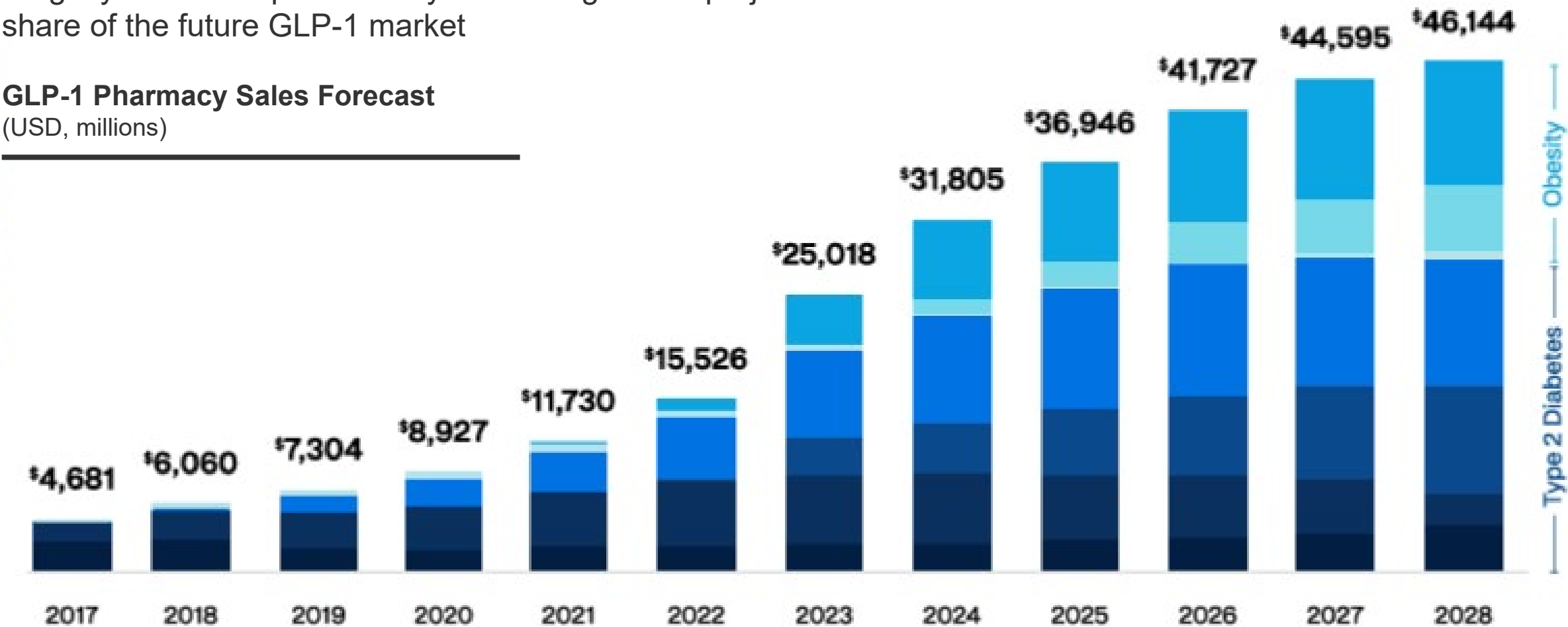
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# The GLP-1 market

# GLP-1 pharmacy sales are expected to accelerate through 2028

Wegovy and Ozempic currently have the greatest projected share of the future GLP-1 market

GLP-1 Pharmacy Sales Forecast  
(USD, millions)



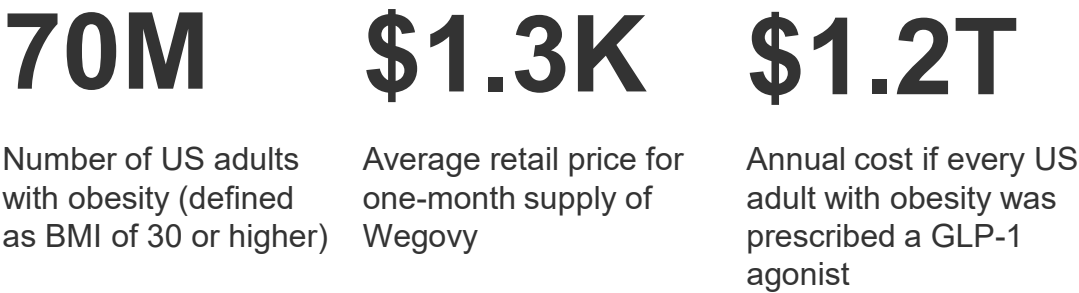
Evaluate Pharma, September 20, 2023. \*Includes current off-label use of Mounjaro for obesity and future use of tirzepatide following potential approval for obesity indication.



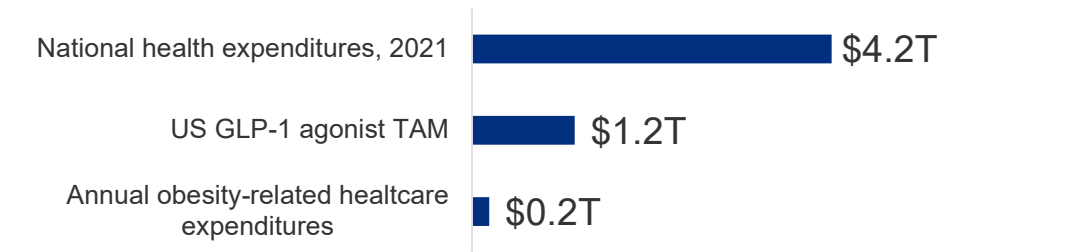
# The weight-loss market has the potential to impact various healthcare industries

Increased demand for GLP-1s will reduce surgeries and increase life expectancy for overweight consumers

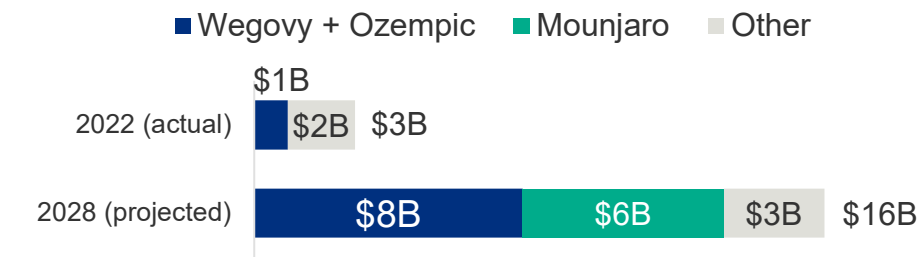
## US Total Addressable Market (TAM) for GLP-1 Agonist Weight-Loss Drugs



## Comparing Potential Sales to Current US Healthcare Expenditures



## Actual and Projected Drug Sales for Obesity Treatments (excludes projected sales for diabetes treatment using these drugs)



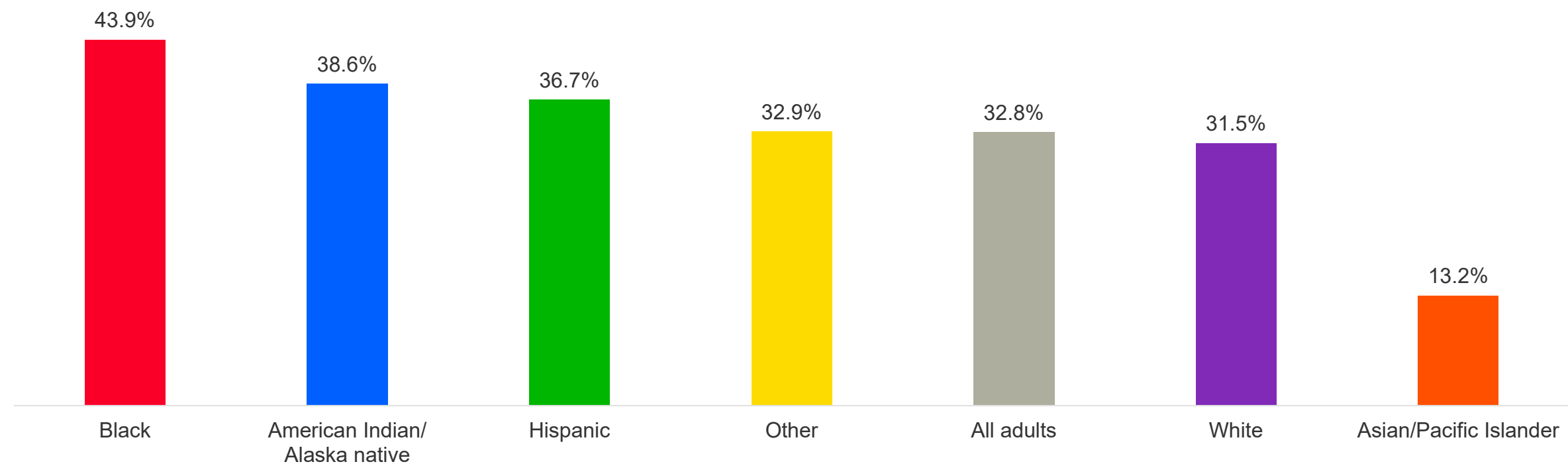
## Potential Consequences for Health Systems of the Weight-Loss Drug Revolution

Reduced metabolic disease burden	Reduced demand for surgeries	Longer life expectancy
Obesity increases diabetes risk by at least 4X and hypertension risk by at least 2X.	Risk of knee replacement is 8X greater with a BMI over 30 and 28X greater with a BMI over 35.	Lower obesity rates could lengthen average lifespan, prompting more elderly care.

# What does the potential GLP-1 market look like in the US?

The Black demographic currently has the largest obesity rate by race or ethnicity in the US

US Obesity Rates by Race/Ethnicity



## Key players in the GLP-1 market

Nearly all the top GLP-1 drugs are taken by syringe and are approved only for Type 2 diabetes

Drug	Frequency	Dosage Form	Approved for	Who can take it
<b>Ozempic</b> (semaglutide)	Weekly	Syringe	Type 2 diabetes	Adults
<b>Rybelsus</b> (semaglutide)	Daily	Pill	Type 2 diabetes	Adults
<b>Trulicity</b> (dulaglutide)	Weekly	Syringe	Type 2 diabetes	Children 10 and older and adults
<b>Victoza</b> (liraglutide)	Daily	Syringe	Type 2 diabetes	Children 10 and older and adults
<b>Byetta</b> (exenatide)	Twice daily	Syringe	Type 2 diabetes	Adults
<b>Bydureon BCise</b> (exenatide)	Weekly	Syringe	Type 2 diabetes	Children 10 and older and adults
<b>Mounjaro</b> (tirzepatide)	Weekly	Syringe	Type 2 diabetes	Adults
<b>Wegovy</b> (semaglutide)	Weekly	Syringe	Type 2 diabetes	Children 10 and older and adults
<b>Saxenda</b> (liraglutide)	Daily	Syringe	Type 2 diabetes	Children 10 and older and adults

While not an FDA-approved weight-loss drug, it can help some people lose weight




## Cost of a Monthly Supply of Ozempic Without Insurance With Pharmacy Coupon

Retailer	Prices for all doses
Rite Aid	\$1,040
CVS	\$1,080
Walgreens	\$1,066
Walmart	\$1,112
Costco	\$1,158

- This chart shows prices as of January 2024. Optum Perks states that prices will fluctuate.
- Mounjaro's monthly supply contains four injectable pens.
- In most cases, insurance will cover the medication for people with Type 2 diabetes.

## Save on Ozempic with an Rx coupon from Optum Perks

No membership needed, anyone can use

**Search and compare prices for your prescription**

Find the lowest price

**Free, easy to use coupon card**

Delivered digitally today

**Redeem at a local pharmacy**

Accepted at 64,000+ pharmacies





**Enter your information:**

Location 47201

Dosage 1.5ml ozempic (1 Pen)

**Save money without using insurance**

Simply show the Optum Perks coupon at your preferred pharmacy or order online and instantly save up to 80% without using insurance. The coupon doesn't expire, so be sure to save it for refills.

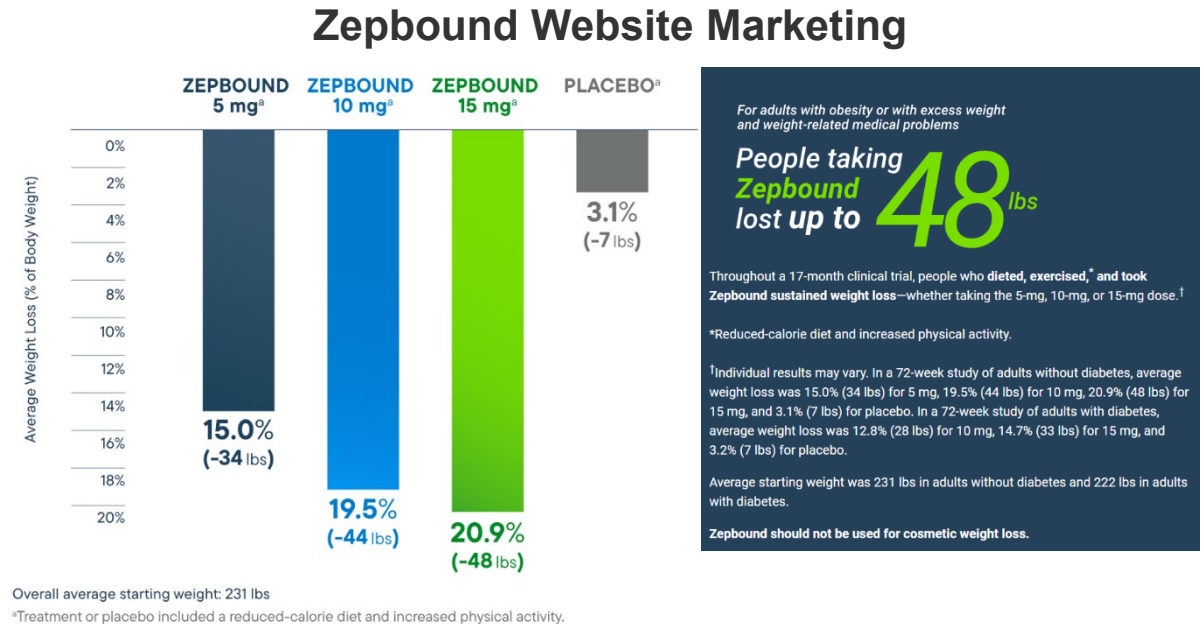
ADVERTISEMENT		
Discount Pharmacy	\$963.37	GET RX COUPON 
Pihc Pharmacy	\$963.37	GET RX COUPON 
Genoa Healthcare	\$1,049.50	GET RX COUPON 
Walmart	\$941.54	GET RX COUPON 



# Eli Lilly's Zepbound drug will be in short supply through June due to excessive demand

Only the lowest dose of Zepbound is currently available

- The FDA anticipates limited availability of Zepbound through at least June 2024.
- Eli Lilly says that it has experienced an “unparalleled surge in demand” for the drug and is “working with purpose and urgency to help meet the surge in demand.”
- Zepbound has the same active ingredient, tirzepatide, as Mounjaro, also manufactured by Eli Lilly. However, Zepbound is in short supply at nearly all doses.
- During the first quarter of 2024, 323 active medication shortages occurred, the highest number since the American Society of Health-System Pharmacists began tracking shortages in 2001. The previous record high was 320 shortages in 2014. Many other medications besides weight-loss drugs are also in short supply.
- Novo Nordisk began limiting the supply of starter doses of its Wegovy drug in 2023 in the face of overwhelming demand.
  - The company even paused marketing the drug during this time to lower demand and give the company time to address production.

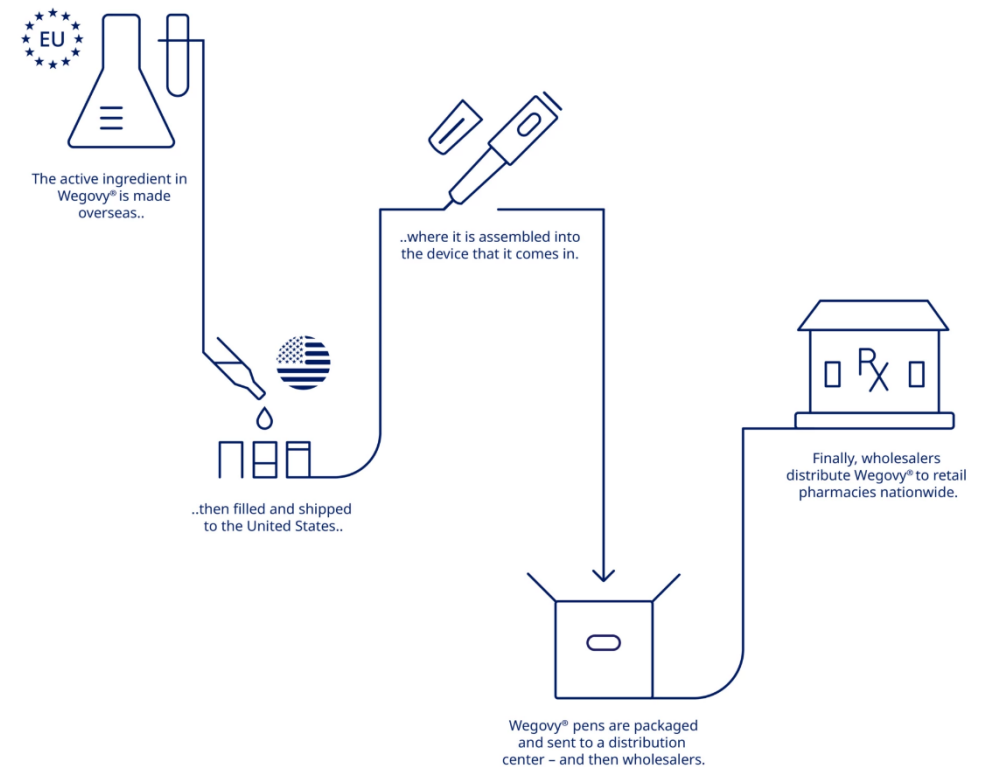


# Novo Nordisk reduced Wegovy's price amid increased competition from Eli Lilly's Ozempic

Shares for Novo Nordisk have risen 260% since the launch of Wegovy in June 2021 due to stronger demand for weight-loss drugs in the US and globally



- At least 25,000 new US patients start on Wegovy weekly, four times more than the number of US patients who started the drug weekly in December 2023.
- Demand will continue to exceed supply, and some patients will still have difficulty filling Wegovy prescriptions.
- Novo Nordisk recently acquired three Catalent production facilities from Novo Holdings for USD11 billion. The acquisition will be completed in late 2024.
- In late 2023, Novo Nordisk announced that it would expand and build new production sites in Denmark (USD7 billion) and France (USD2.5 billion).
- Novo executives say the company is gradually increasing the supply of “starter Wegovy” doses in the US.
- Novo launched Wegovy on May 1 in Spain and on May 6 in Canada, bringing the total number of markets in which the drug is available to 11.



# Some pharmacies have tried to profit off counterfeit versions of Mounjaro, Wegovy, and Ozempic



## In October 2023, Eli Lilly went after 11 online pharmacies that allegedly sold unauthorized versions of Mounjaro.

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- In its lawsuit, Eli Lilly named three companies in China, three in Europe, and five in the US, claiming that they are selling products with Mounjaro's active ingredient but at a lower grade.
- Two US online pharmacies, Gorilla Healing and Semaspace, received warnings from the FDA to stop selling unauthorized versions of Mounjaro, Ozempic, and Wegovy without prescriptions.
- “The FDA does not review the products these companies are importing or distributing for safety, quality, or efficacy — nor does any other global regulatory agency,” Lilly said. “Testing shows that at least one of the companies purporting to sell tirzepatide was actually selling nothing more than sugar alcohol,” Lilly said in a statement.



## Novo Nordisk filed lawsuits against pharmacies that were making unauthorized versions of Wegovy and Ozempic.

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- In February 2024, Novo Nordisk filed lawsuits against health spas, clinics, and pharmacies in Florida, New York, Tennessee, and Texas for false advertising, trademark infringement, and unlawful sales of compounded versions of Ozempic and Wegovy.
- Due to supply shortages, some pharmacies are making compounded versions of weight-loss medications without the key active ingredient, semaglutide.
- The FDA has received reports of adverse events from patients who have used counterfeit versions of semaglutide. These versions use salt forms such as semaglutide sodium or semaglutide acetate but have not been tested for safety or effectiveness.

# Accessing GLP-1s has become more intense, driving costs higher

Drugstores are taking a careful approach to GLP-1 medications and how anticipated demand will eventually drive down the cost of these drugs

## CVS view of GLP-1s

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- CVS Health's chief medical officer, Sree Chaguturu, says that patients are taking various approaches to GLP-1s, including waiting until prices come down or waiting until appropriate prices are in place before covering them.
- New competitors are expected to arrive on the scene, which will bring down prices per prescription and net prescription cost over the coming years.
- CVS operates as a health insurer and pharmacy benefit manager, maintaining formularies and negotiating drug discounts with manufacturers on behalf of insurers and large employers.
  - The increased demand for GLP-1 drugs will likely be more of a headwind for health insurers since they have to cover the costly drugs for beneficiaries. CVS says the "risk is manageable" in that business division.

Lifestyle and intervention support + Proper dosing = **15% weight loss achieved**

## Walgreens view of GLP-1s

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- John Driscoll, president of U.S. Healthcare at Walgreens, said in October 2023 that he believes generic versions of GLP-1s will not be available in the pharmacy market any time soon.
- At the Reuters Total Health conference in 2023, Driscoll mentioned that while the drugs can potentially improve chronic conditions, an appropriate reimbursement model that fairly compensates pharmacists needs to be established.
  - Additionally, monitoring the subset of individuals who may experience adverse side effects is crucial to the success of the drugs as they become more popular with the public.
- Driscoll also said there is currently no evidence of shoppers changing their purchasing habits enough to impact sales of snacks and drinks in Walgreens stores. However, the drugs could have that effect over time; if they do, Walgreens would be happy to adjust its products accordingly.



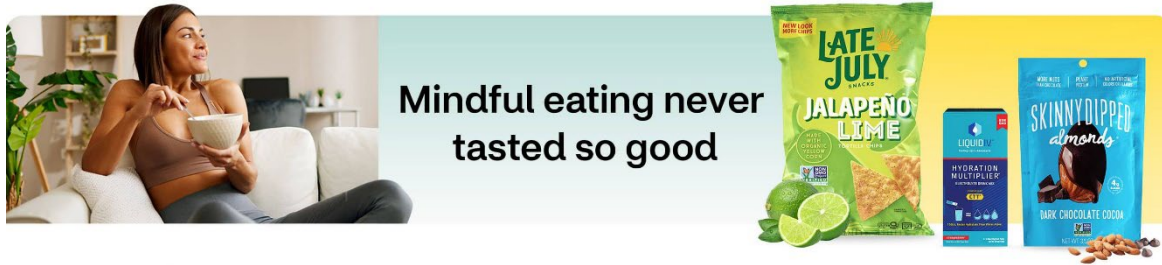
# 1 How drugstores are complementing GLP-1s





# CVS's 'mindful eating' messaging directly complements the weight-loss movement

A segment within CVS's grocery section encourages healthier eating habits and allows shoppers to shop by specific category and dietary restrictions or preferences



## Savor nutritious and craveable choices

**Sensational snacks**  
 Try refreshed classics that bring a boost of goodness.  
[Shop snacks](#)

**Beverage favorites**  
 Satisfy your thirst with sparkling waters, juices, electrolytes and other hydration go-tos.  
[Shop beverages](#)

**Smart indulgences**  
 Treat yourself to our selection of improved sweet eats.  
[Shop sweets](#)

**Hearty meals**  
 Fuel your day with a serving of something good — from great-tasting fresh foods to frozen meals.  
[Shop meals](#)

## Concern

- ☐ Gluten Free (191)
- ☐ Non-GMO Project Verified (117)
- ☒ Organic (55)
- ☐ Sugar Free (37)
- ☒ USDA Certified Organic (38)
- ☐ Dairy Free (31)
- ☐ Kosher (26)
- ☐ All Natural (23)
- ☐ Vegan (22)
- ☐ Low Sodium (19)
- ☐ Heart Health (16)
- ☐ Caffeine Free (8)
- ☐ Energy & Alertness (7)
- ☐ Healthy Weight (5)
- ☐ Vegetarian (3)

[See Less](#)

## Shop by dietary preference

### We make it easy to shop for how you eat

From gluten-free and non-GMO to plant-based and organic foods, we have your nutritional needs covered.

**Gluten-free**  
Aiming to avoid gluten? Try these alternatives.  
[Shop gluten free >](#)

**Vegan**  
If you're avoiding animal products, discover these delicious plant-fueled foods.  
[Shop vegan >](#)

**Organic**  
Treat yourself to foods free from artificial preservatives, colors and flavors.  
[Shop organic >](#)

**Non-GMO**  
Savor nature's bounty — made without genetically modified ingredients.  
[Shop non-GMO >](#)

## Shine a spotlight on ingredient all-stars

**Protein forward**  
Seeking a protein-fueled snack? Look no further than these fan faves.  
[Shop protein forward >](#)

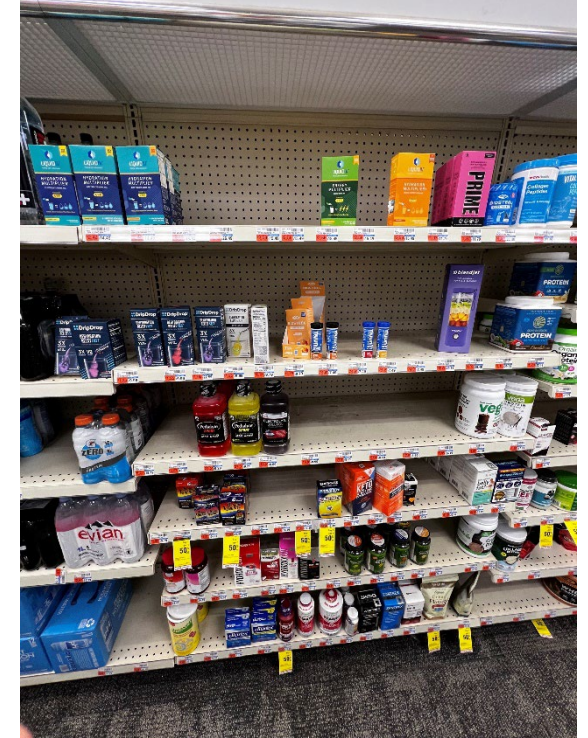
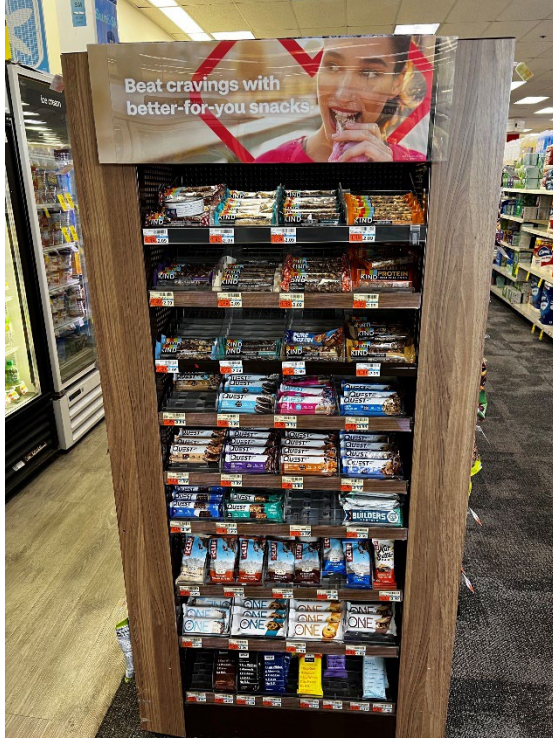
**Sugar conscious**  
Trying to limit your sugar intake? Try these eats without any added sugars.  
[Shop sugar conscious >](#)

**Low sodium**  
Limiting your salt intake? Reduced sodium food can benefit those with high blood pressure.  
[Shop low sodium >](#)



## CVS's in-store mindful eating campaign starts small with endcaps

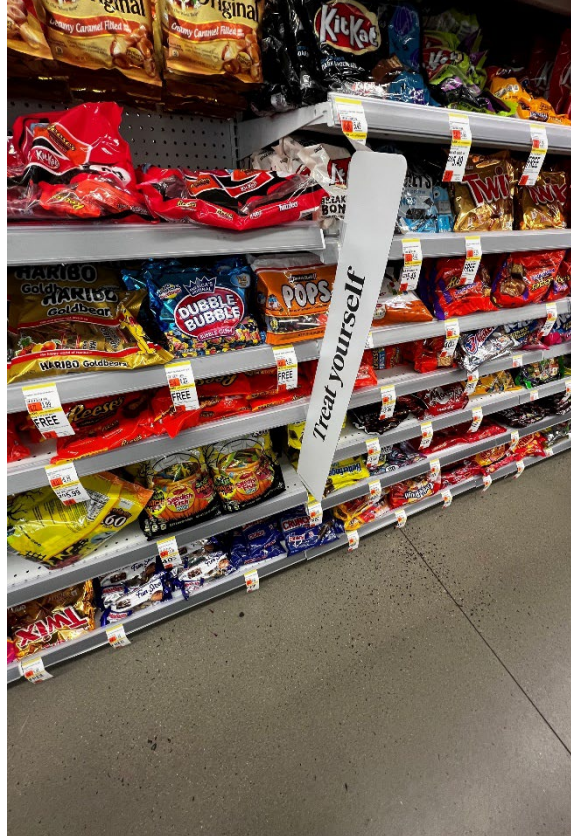
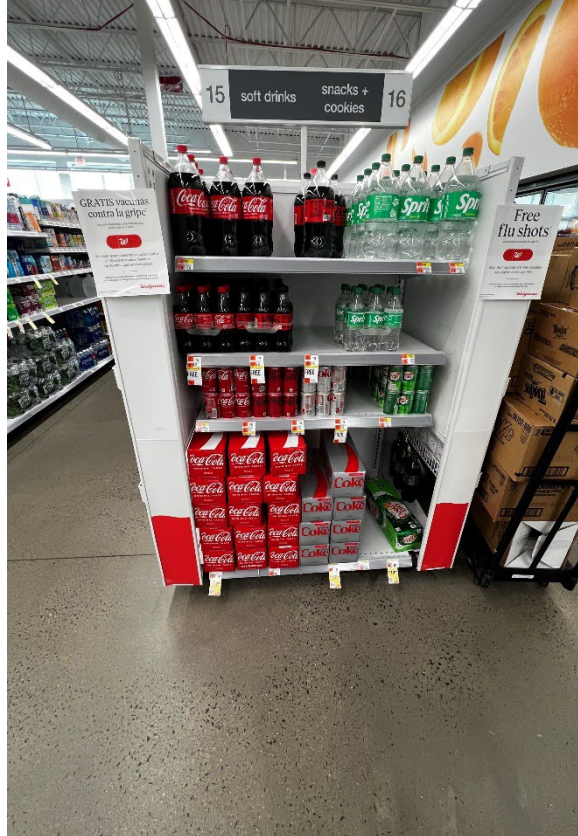
The retailer places better-for-you-snacks at the front of grocery aisles and updates them more than the rest of the grocery selection





# Walgreens has not yet added any healthy food options or signage in stores

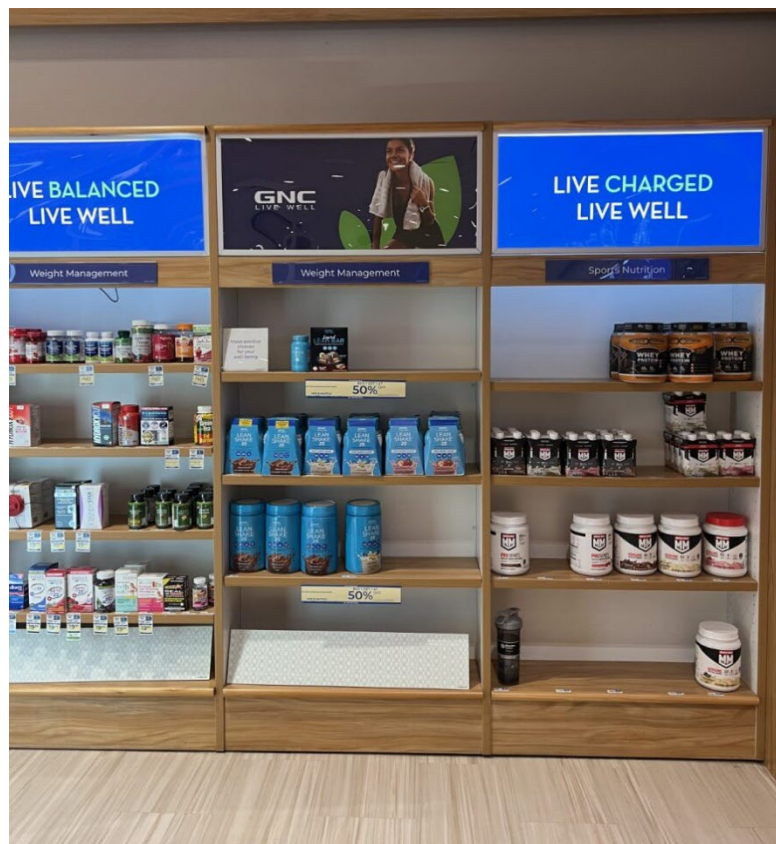
Endcaps are primarily filled with private label sugary drinks and foods





## Rite Aid highlights weight management in its wellness product category

Backed by encouraging messaging and GNC products, the store's weight-management section promotes alternative weight-loss products to GLP-1s





## 2 Key takeaways



# How can you prepare for the rise of GLP-1 drugs in the drug channel?

## Innovate in health product spaces to match health trends

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GLP-1s are attracting more consumers to weight-loss drugs and alternative weight-loss products. This behavior promotes a shift toward products that cater to specific dietary needs (e.g., fat-free, low cholesterol) or restrictions that are part of a healthier lifestyle.

Innovate products within drug retailers' grocery sections to address these health trends and support consumers' weight-loss journeys on GLP-1 drugs. Design new campaigns that complement the before-and-after effects of the GLP-1 drugs.

## Expect GLP-1s to become more accessible over time

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Currently, the average cost of GLP-1 medications for consumers not covered by insurance is over USD1,000 per month. The market has also been impacted by counterfeit versions that have appeared due to low supply from the manufacturers.

Prepare for GLP-1 drug manufacturers to increase production and lower costs to make these drugs more accessible to a wider market. Target the messaging of your products in the grocery area to support the weight-loss movement and potential GLP-1 users.

## Prepare for changes in drugstore assortment mixes

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CVS has already adapted its food aisle to create better-for-you options, and Rite Aid has marked out its weight-management areas in stores. Assortment changes in the food aisle and around the store will increase as GLP-1s become more popular with consumers.

Partner with drugstores to discuss on-shelf assortment changes and anticipate a shift in grocery product demand as more consumers start taking weight-loss drugs.





# Kantar's GLP-1 syndicated study on attitudes and use

Helping clients measure what this rapid-change topic means for their categories



Kantar's study offers a rich look at GLP-1 users and their lives

## Insights you need

Our data-fueled research report with hundreds of pages of insights is updated every three months.

## Who GLP-1 users are

What are users striving for and how are they adopting healthy lifestyles?

## Impact on food and bev

What impact are GLP-1s having on what users buy, eat, and how they are choosing?

## Impact BEYOND food

Beyond consumption, what other parts of users' lives are being shifted/reinvented?

Each wave provides new insights from our study and so much more



New report each quarter



Fresh topics each wave



Trended data and direction



News and updates



Full data tables

What's next? Wave 3 will explore lots of new areas



Six-month trending of incidence, use, lapsing



New Q's on alc bev and tobacco



Do "tailwind" categories rebound?



Wave 3 fielding in June

## Kantar's GLP-1 & Injectable Medications study

For more, contact your Kantar team or [reach us directly](#).



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