

***MONTHLY RESEARCH WEBINAR***

**ARTIFICIAL INTELLIGENCE  
AND THE HEALTHCARE SECTOR**

Moderator:

John Eade

Argus President

March 4, 2026

## ■ **Artificial Intelligence and the Healthcare Sector**

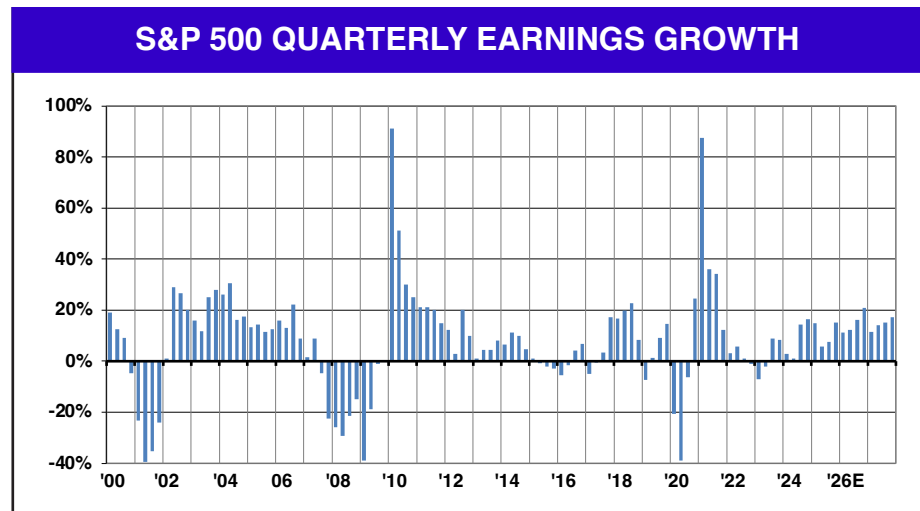
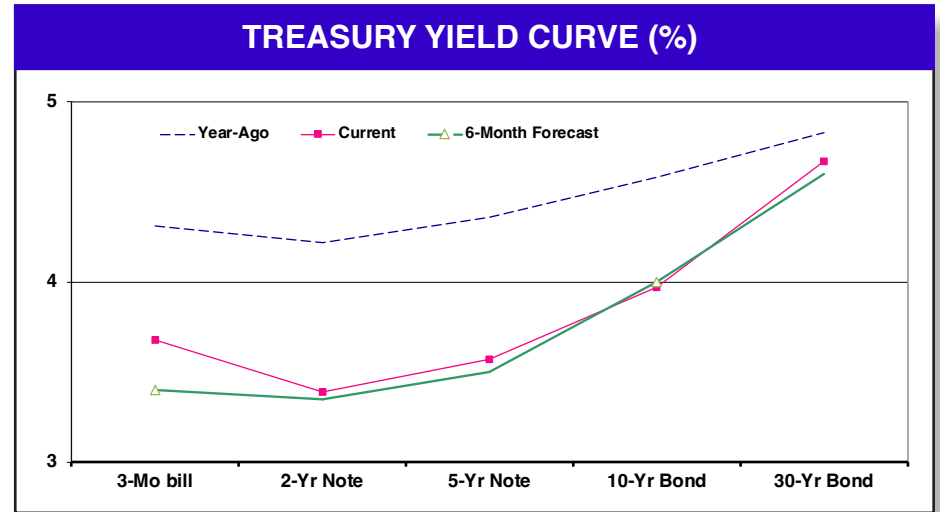
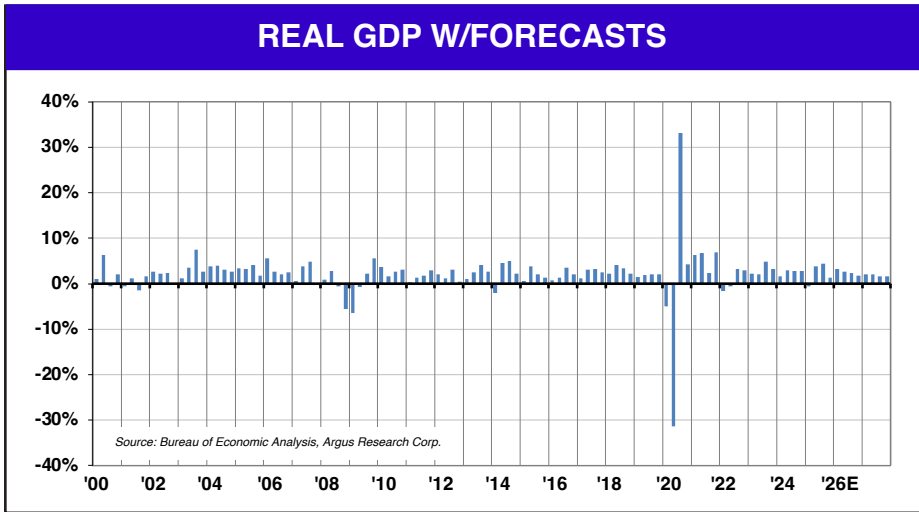
- John Eade, Argus President
- David Toung, Senior Analyst - MedTech, Life Sciences, and Healthcare Services
- Jasper Hellweg, Security Analyst - Healthcare Pharmaceutical & Biotech

## ■ **Argus Quick Notes**

- What are the Big Investors Buying?
- Our AI Webinar Series
- 2026 Investment Themes
- Find these on the homepage of our website

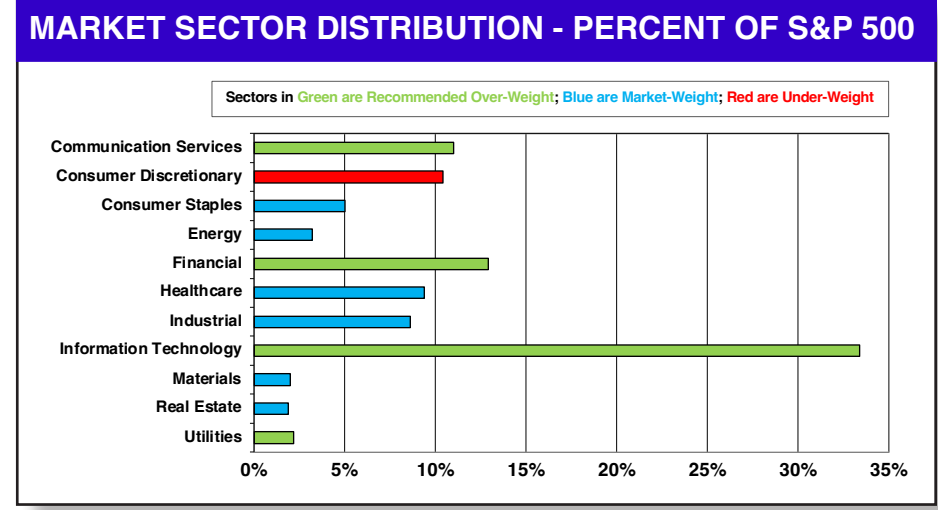
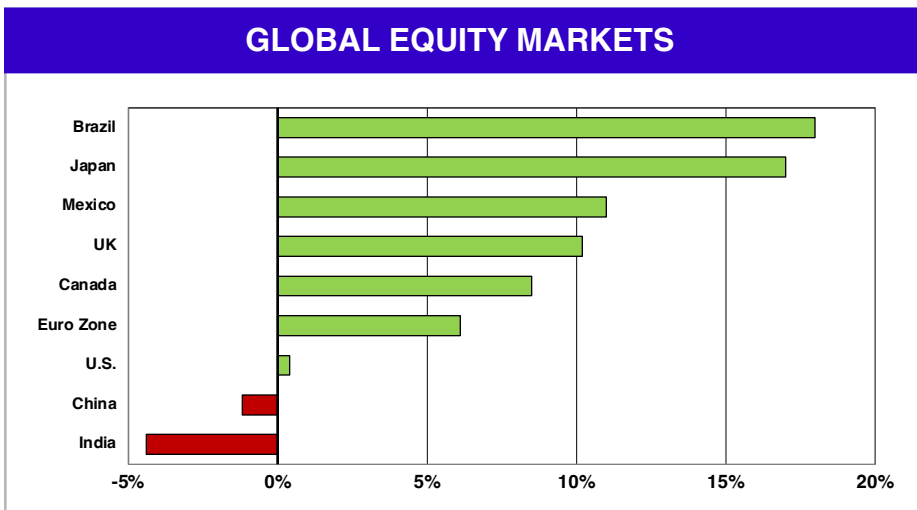
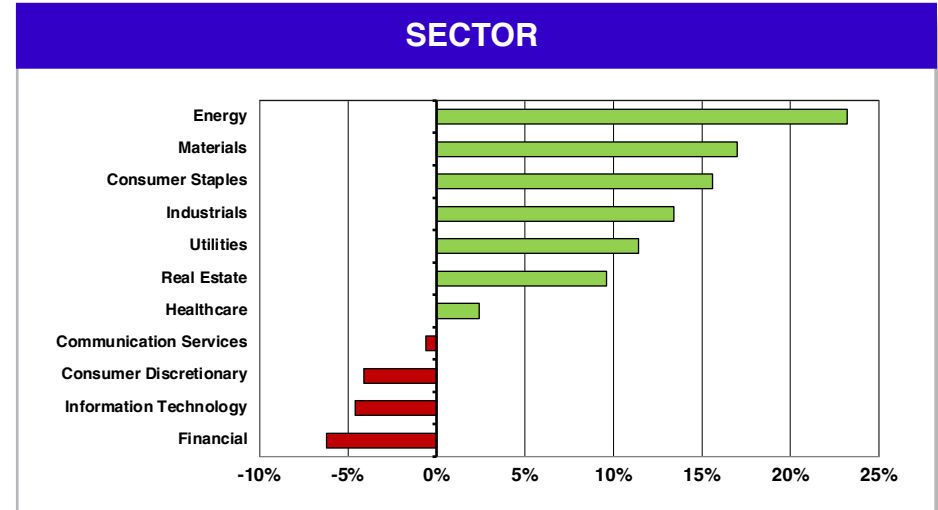
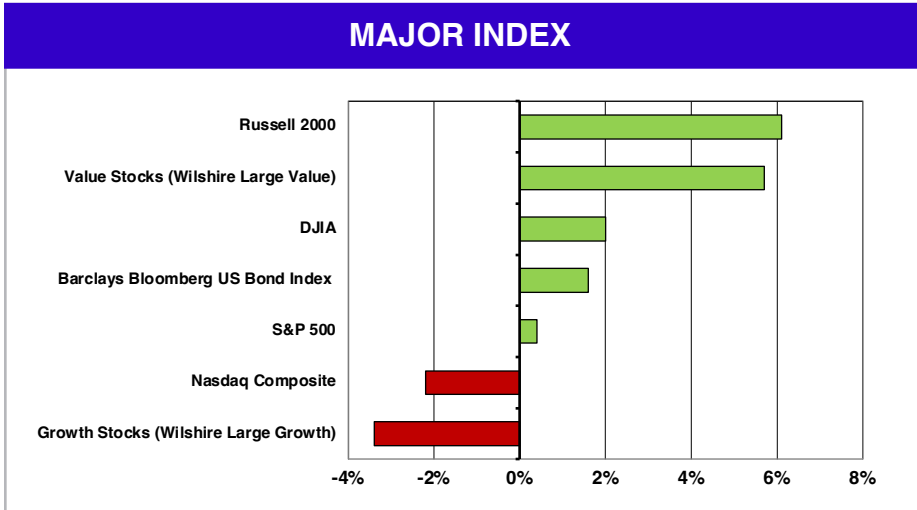
## ■ **Portfolio Update: the Argus High-Yield Model Portfolio**

- Value is leading growth in 2026
- Value is the place to find high income
- High-yielding companies grow their dividends slowly but steadily
- Find the Argus High-Yield MP on the homepage of our website



# MARKET PERFORMANCE

DATA AS OF FEBRUARY 27, 2026



## ■ **AI is one of our Key Investment Themes for 2026**

- Fast-growing segment, with 55% CAGR sales growth estimated through 2030
- 2030 AI total revenue forecast \$3.5 trillion – 15% of GDP
- Present impact: key driver of above-trend GDP growth in 2025

## ■ **We expect to see impact of AI broaden beyond tech in coming years**

- Healthcare
- Financial Services
- Industrial & Energy
- Consumer

## ■ **Argus Innovation Framework**

- New Products
- New Markets
- Better Products & Processes
- Disruptors

## ■ **Argus AI Series: AI & Healthcare**

- Pharma & Biotech Companies
- Life Sciences Firms
- Medical Equipment Manufacturers
- Healthcare Services Providers

## ■ Recommended Over-Weight

- 10% of S&P 500
- YTD Performance: 1.1% vs 0.9% for S&P 500
- 2025: 12.5% vs 16.4%
- 5-year CAGR: 6.8% - 12.6%

## ■ Key Metrics

- Value: P/E of 18x, P/S of 1.6x, Yield of 1.1% (Big Pharma higher)
- Growth: 8% historical rate versus 9% for S&P 500
- Outlook: 83% of HC topped expectations in 4Q, surprise factor of 5.2%; majority upward revisions

## ■ Leading Sectors

- HC Facilities – 12.9%
- Distributors – 11.3%
- Biotech – 7.3%
- Pharma – 5.4%

## ■ Lagging Sectors

- Life Sciences Tools & Services – (10.8%)
- Managed Health Care – (10.6%)

## ■ AI Scope

- Smaller than IT, but fast-growing
- Estimated spend 2025 = \$4.0B; forecast spend in 2030 is \$15.2B
- HC accounts for 18% of US GDP
- Drug Development – targeting proteins, sifting through data
- Trial Design – selecting patients, digital twins
- Real-world evidence/post-market analytics
- Manufacturing optimization/supply chain

## ■ New Products

## ■ New Markets

## ■ Better Products & Processes

## ■ Disruptors

## ■ **Biotech & Pharma**

- Abbvie Inc. (ABBV)
- AstraZeneca plc (AZN)
- Incyte Corp. (INCY)
- Eli Lilly & Co. Inc. (LLY)
- Pfizer Corp. (PFE)
- United Therapeutics Corp. (UTHR)

## ■ **Life Sciences**

- IQVIA Holdings (IQV)

## ■ **MedTech**

- Boston Scientific (BSX)
- Intuitive Surgical (ISRG)

## ■ Equity Income

- ABT, AMGN, JNJ, MDT, SNY

## ■ High Yield

- ABBV, CVS, GILD, MRK, SNY

## ■ Sustainable Growth

- ABT, BSX, LLY

## ■ Institutional

- ABBV, DHR, LLY, SYK, TMO, VRTX

## ■ Dividend Growth

- DHR, LLY, MCK

## ■ Growth & Income

- AMGN, AZN, LLY, DGX,

## ■ Growth

- BSX, DXCM, LLY, SYK

Note, Argus Model Portfolio Strategies may be licensed for direct money management by our clients using either an AUA or SMA Argus solution. Reach out directly to Argus for more authorization details.

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