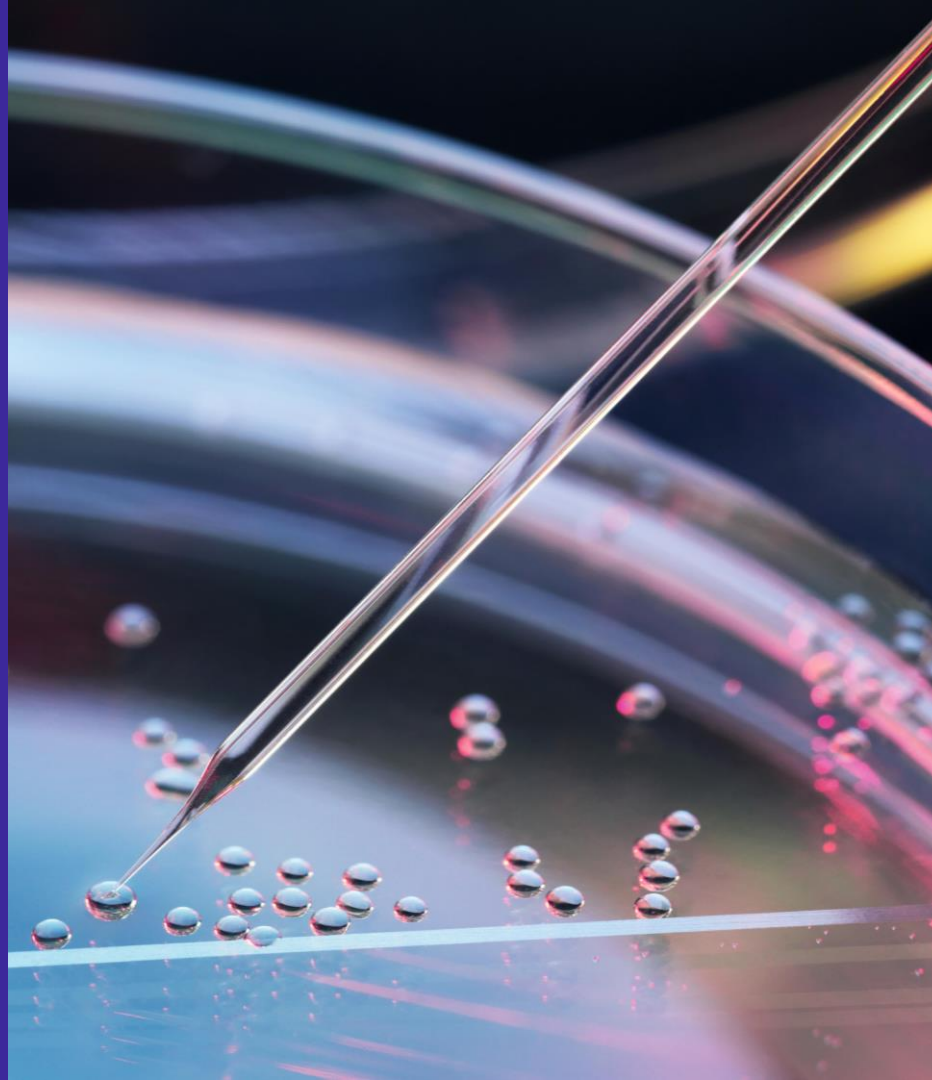
AmerisourceBergen

Q1 FY2022 Financial Results

February 2, 2022



Cautionary note regarding forward-looking statements

Certain of the statements contained in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"). Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "project," "intend," "plan," "continue," "sustain," "synergy," "on track," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words, and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances and speak only as of the date hereof. These statements are not guarantees of future performance and are based on assumptions and estimates that could prove incorrect or could cause actual results to vary materially from those indicated. Among the factors that could cause actual results to differ materially from those projected, anticipated, or implied are the following: unfavorable trends in brand and generic pharmaceutical pricing, including in rate or frequency of price inflation or deflation; competition and industry consolidation of both customers and suppliers resulting in increasing pressure to reduce prices for our products and services; changes in the United States healthcare and regulatory environment, including changes that could impact prescription drug reimbursement under Medicare and Medicaid; increasing governmental regulations regarding the pharmaceutical supply channel; declining reimbursement rates for pharmaceuticals; continued federal and state government enforcement initiatives to detect and prevent suspicious orders of controlled substances and the diversion of controlled substances; continued prosecution or suit by federal, state and other governmental entities of alleged violations of laws and regulations regarding controlled substances, including due to failure to achieve a global resolution of the multi-district opioid litigation and other related state court litigation, and any related disputes, including shareholder derivative lawsuits; increased federal scrutiny and litigation, including qui tam litigation, for alleged violations of laws and regulations governing the marketing, sale, purchase and/or dispensing of pharmaceutical products or services, and associated reserves and costs; failure to comply with the Corporate Integrity Agreement; material adverse resolution of pending legal proceedings; the retention of key customer or supplier relationships under less favorable economics or the adverse resolution of any contract or other dispute with customers or suppliers; changes to customer or supplier payment terms, including as a result of the COVID-19 impact on such payment terms; the integration of the Alliance Healthcare business into the Company being more difficult, time consuming or costly than expected; the Company's or Alliance Healthcare's failure to achieve expected or targeted future financial and operating performance and results; the effects of disruption from the acquisition and related strategic transactions on the respective businesses of the Company and Alliance Healthcare and the fact that the acquisition and related strategic transactions may make it more difficult to establish or maintain relationships with employees, suppliers and other business partners; the acquisition of businesses, including the acquisition of the Alliance Healthcare businesses and related strategic transactions, that do not perform as expected, or that are difficult to integrate or control, or the inability to capture all of the anticipated synergies related thereto or to capture the anticipated synergies within the expected time period; risks associated with the strategic, long-term relationship between Walgreens Boots Alliance, Inc. and the Company, including with respect to the pharmaceutical distribution agreement and/or the global generic purchasing services arrangement; managing foreign expansion, including non-compliance with the U.S. Foreign Corrupt Practices Act, anti-bribery laws, economic sanctions and import laws and regulations; financial market volatility and disruption; changes in tax laws or legislative initiatives that could adversely affect the Company's tax positions and/or the Company's tax liabilities or adverse resolution of challenges to the Company's tax positions; substantial defaults in payment, material reduction in purchases by or the loss, bankruptcy or insolvency of a major customer, including as a result of COVID-19; the loss, bankruptcy or insolvency of a major supplier, including as a result of COVID-19; financial and other impacts of COVID-19 on our operations or business continuity; changes to the customer or supplier mix; malfunction, failure or breach of sophisticated information systems to operate as designed; risks generally associated with data privacy regulation and the international transfer of personal data; natural disasters or other unexpected events, such as additional pandemics, that affect the Company's operations; the impairment of goodwill or other intangible assets (including any additional impairments with respect to foreign operations), resulting in a charge to earnings; the Company's ability to manage and complete divestitures; the disruption of the Company's cash flow and ability to return value to its stockholders in accordance with its past practices; interest rate and foreign currency exchange rate fluctuations; declining economic conditions in the United States and abroad; and other economic, business, competitive, legal, tax, regulatory and/or operational factors affecting the Company's business generally. Certain additional factors that management believes could cause actual outcomes and results to differ materially from those described in forward-looking statements are set forth (i) in Item 1A (Risk Factors), in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2021 and elsewhere in that report and (ii) in other reports filed by the Company pursuant to the Securities Exchange Act. The Company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by the federal securities laws.

GAAP / non-GAAP Reconciliation

In an effort to provide additional and useful information regarding AmerisourceBergen's financial results and other financial information as determined by generally accepted accounting principles (GAAP), certain materials presented during this event include non-GAAP information. A reconciliation of that information to GAAP and other related information is available in the supplemental material attached as an appendix to this presentation and posted on our website, investor.amerisourcebergen.com.



AmerisourceBergen
is united in our responsibility to create healthier futures.

AmerisourceBergen creates unparalleled access, efficiency, and reliability for human and animal health as a leading provider of pharmaceutical distribution services and differentiated value-added solutions for upstream and downstream partners.

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Overview

Recent highlights

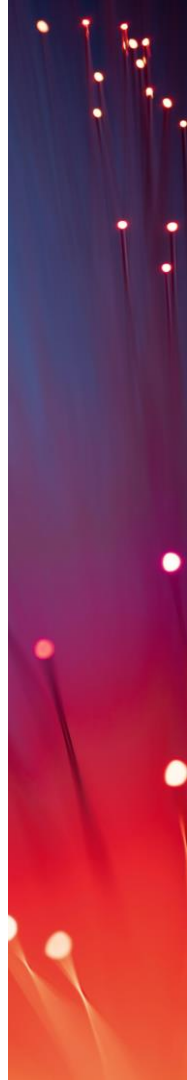
- Growth driven by solid underlying business fundamentals and contribution from Alliance Healthcare
- Successfully renewed pharmaceutical supply agreement with Express Scripts through 2026
- Published 2021 Global Sustainability Report and ESG Index

Global healthcare leader

- Foundation of leadership in pharmaceutical distribution
- Complementary higher margin and high growth businesses in key markets
- Long-term sustainable growth supported by investments in people and culture and commitment to ESG

Fiscal 2022 guidance

- Updated fiscal 2022 guidance reflects updated full year expectations from COVID therapy distribution



AmerisourceBergen

Q1 FY2022 financial results

Consolidated results

	GAAP	Adjusted (non-GAAP)[1]
Revenue *% Change (Year-over-Year)*	$59.6B 13.5%	$59.6B 13.5%
Gross profit *% Change*	$2.1B 41.9%	$2.0B 41.3%
Operating expenses *% Change*	$1.4B 56.5%	$1.3B 56.4%
Operating income *% Change*	$644M 17.8%	$749M 21.4%
Interest expense, net *% Change*	$53M 58.8%	$53M 58.8%
Effective tax rate	24.6%	21.3%
Net income attributable to AmerisourceBergen *% Change*	$449M 19.8%	$545M 21.0%
Diluted earnings per share *% Change*	$2.13 17.7%	$2.58 18.3%
Diluted shares outstanding *% Change*	211.2M 2.1%	211.2M 2.1%

[1]See tables at end of presentation for GAAP to non-GAAP reconciliations

Note: For more information related to non-GAAP financial measures, refer to the section titled “Supplemental Information Regarding Non-GAAP Financial Measures” of the exhibit to the Company’s most recent Current Report on Form 8-K furnished under Item 2.02.



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Q1 FY2022 financial results

U.S. Healthcare Solutions segment

	Q1 FY2022	Q1 FY2021	YoY Change
Revenue	$53.0B	$51.6B	2.7%
Operating income	$569M	$566M	0.6%
Percentages of revenue			
Gross profit	2.41%	2.41%	
Operating expenses	1.34%	1.31%	
Operating income	1.07%	1.10%	

- **U.S. Healthcare Solutions** consists of the legacy Pharmaceutical Distribution Services reportable segment (excluding Profarma), MWI Animal Health, Xcenda, Lash Group, and ICS 3PL
- Revenue increase of 2.7% due to overall market growth, increased sales to specialty physician practices, and growth in the MWI Animal Health business, partially offset by lower revenue from COVID-19 therapies
- Operating income increase of 0.6% driven by higher gross profit, largely offset by an increase in operating expenses

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Q1 FY2022 financial results

International Healthcare Solutions segment

	Q1 FY2022	Q1 FY2021	YoY Change
Revenue, as reported	$6.6B	$944M	604.2%
Revenue, constant currency	*$6.9B*		*632%*
Operating income, as reported	$180M	$51M	253.1%
Operating Income, constant currency	*$187M*		*268%*

Percentages of revenue, as reported

Gross profit	11.08%	19.71%
Operating expenses	8.38%	14.31%
Operating income	2.71%	5.40%

- **International Healthcare Solutions** consists of Alliance Healthcare, World Courier, Innomar, Profarma, and Profarma Specialty
- Revenue increase of 604.2%, primarily due to the acquisition of Alliance Healthcare
- Operating income increase of 253.1%, primarily due to the acquisition of Alliance Healthcare



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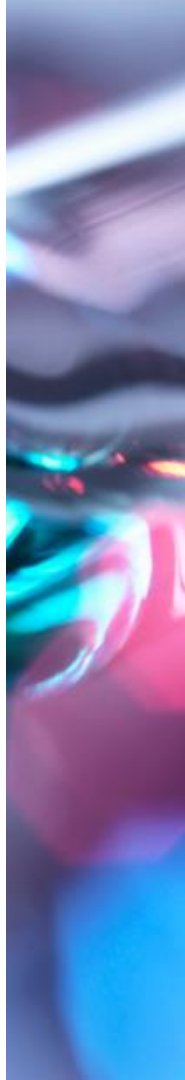
FY2022 guidance

Updated guidance reflects full year expectations for COVID therapy distribution and higher interest expense

Revenue	High-single to low-double digit percent growth
U.S. Healthcare Solutions revenue	$207 billion to $212 billion
	represents growth of 2% to 5%
International Healthcare Solutions revenue	$26 billion to $27 billion
Adjusted operating income[1]	**High-teens percent growth**
U.S. Healthcare Solutions operating income	**$2.375 billion to $2.45 billion**
	represents growth of 5% to 9%
International Healthcare Solutions operating income	$685 million to $715 million
Interest expense	**~$210 million to $215 million**
Adjusted effective tax rate[1]	~21%-22%
Diluted weighted average shares outstanding	~212M
Adjusted diluted earnings per share[1]	**$10.60 to $10.90**
	represents growth of 14% to 18%
Adjusted free cash flow[1]	$2.0 to $2.5 billion
Capital expenditures	~$500M

Bold numbers indicate updates to FY2022 financial guidance.

[1]The Company does not provide forward-looking guidance on a GAAP basis as certain information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Please refer to the exhibit to the Company's most recent Current Report on Form 8-K furnished under Item 2.02 for more information.



AmerisourceBergen

Creating differentiated value for our stakeholders

Our long-term, sustainable growth is supported by investments in our people and culture and commitment to ESG

Why we exist

We are united in our responsibility to create healthier futures

Our areas of focus

- Specialty medicine and services
- Community providers
- Customer partnerships
- Global access and opportunity

Our 5 strategic imperatives

ADVANCE CORE BUSINESS

- Lead with market leaders
- Leverage infrastructure to increase efficiency, access, and customer experience

Invest in innovation to further drive differentiation

ENHANCE CAPABILITIES AND GROWTH

- Expand on leadership in Specialty
- Contribute to Rx outcomes

Advancing environmental, social, and governance initiatives to create healthier futures around the world

ENVIRONMENTAL
Adapting to a changing climate

- Reduced greenhouse gas emissions by 10.5% in fiscal 2020 from fiscal 2019 levels
- Formally committed to establish science-based target aligned with Science-Based Target initiative guidance
- Our U.S. Human Health and Alliance Healthcare locations achieved 80% waste diversion in fiscal 2021
- Robust disaster preparedness plans and climate risk assessments in place to ensure supply chain resiliency

SOCIAL
Investing in our people and communities

- Long-term diversity, equity, and inclusion strategy focused on people, culture, and community
- Integrated talent framework to promote team member development and focus on promoting diverse and inclusive teams
- Innovative supplier diversity program to support small and diverse businesses
- In fiscal 2021, over $7.7 million was donated by the AmerisourceBergen Foundation to 100+ non-profits to expand access to quality healthcare and promote health equity

GOVERNANCE
Embracing a culture of transparency, ethics and integrity

- Published 6th ESG report, aligned with GRI, SASB, TCFD, UN SDGs, WEF Stakeholder Capitalism Metrics and externally assured
- Became a signatory of UN Global Compact
- Board oversight of ESG strategy, which is embedded in business
- Chief Financial Officer and Chief Communications & Administration Officer serve as executive sponsors of company's Global ESG Council



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Appendix

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AMERISOURCEBERGEN CORPORATION
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31, 2021							
	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income Attributable to Noncontrolling Interests	Net Income Attributable to ABC	Diluted Earnings Per Share
GAAP	$ 2,060,359	$ 1,415,954	$ 644,405	$ 596,205	$ 146,789	$ (311)	$ 449,105	$ 2.13
LIFO credit	(44,679)	—	(44,679)	(44,679)	(10,245)	—	(34,434)	(0.16)
Acquisition-related intangibles amortization	—	(79,506)	79,506	79,506	18,230	(1,790)	59,486	0.28
Employee severance, litigation, and other	—	(64,969)	64,969	64,969	13,333	—	51,636	0.24
Impairment of assets	—	(4,946)	4,946	4,946	—	—	4,946	0.02
Certain discrete tax expense	—	—	—	—	(11,079)	—	11,079	0.05
Tax reform [1]	—	—	—	(5,307)	(8,875)	—	3,568	0.02
Adjusted Non-GAAP	$ 2,015,680	$ 1,266,533	$ 749,147	$ 695,640	$ 148,153	$ (2,101)	$ 545,386	$ 2.58
Adjusted Non-GAAP % change vs. prior year	41.3 %	56.4 %	21.4 %	19.2 %	15.4 %		21.0 %	18.3 %

Percentages of Revenue:	GAAP	Adjusted Non-GAAP
Gross profit	3.46%	3.38%
Operating expenses	2.37%	2.12%
Operating income	1.08%	1.26%

1. Includes a $5.3 million gain on the currency remeasurement of the deferred tax assets relating to Swiss tax reform, which is recorded within Other Income, Net.

Note: For more information related to non-GAAP financial measures, refer to the section titled “Supplemental Information Regarding Non-GAAP Financial Measures” of the exhibit to the Company’s most recent Current Report on Form 8-K furnished under Item 2.02

AMERISOURCEBERGEN CORPORATION
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31, 2020							
	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income Attributable to Noncontrolling Interests	Net Income Attributable to ABC	Diluted Earnings Per Share
GAAP	$ 1,452,230	$ 905,002	$ 547,228	$ 527,882	$ 149,175	$ (3,862)	$ 374,845	$ 1.81
LIFO Credit	(25,727)	—	(25,727)	(25,727)	(4,976)	—	(20,751)	(0.10)
Acquisition-related intangibles amortization	—	(25,034)	25,034	25,034	4,096	(437)	20,501	0.10
Employee severance, litigation, and other	—	(70,381)	70,381	70,381	11,974	—	58,407	0.28
Certain discrete tax benefits [1]	—	—	—	—	20,425	—	(20,425)	(0.10)
Tax reform [2]	—	—	—	(14,039)	(52,318)	—	38,279	0.19
Adjusted Non-GAAP	$ 1,426,503	$ 809,587	$ 616,916	$ 583,531	$ 128,376	$ (4,299)	$ 450,856	$ 2.18

Percentages of Revenue:	GAAP	Adjusted Non-GAAP
Gross profit	2.77%	2.72%
Operating expenses	1.72%	1.54%
Operating income	1.04%	1.17%

1. Represents discrete tax benefits primarily attributable to the income tax deductions resulting from the permanent shutdown of the PharMEDium business.

2. Represents tax expense relating to Swiss tax reform and a $14.0 million gain on the currency remeasurement of the related deferred tax assets, which is recorded within Other Income, Net.

Note: For more information related to non-GAAP financial measures, refer to the section titled “Supplemental Information Regarding Non-GAAP Financial Measures” of the exhibit to the Company’s most recent Current Report on Form 8-K furnished under Item 2.02.

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