AmerisourceBergen

Q2 FY2022 Financial Results

May 4, 2022



Cautionary note regarding forward-looking statements

Certain of the statements contained in this press release 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: the effect of and uncertainties related to the ongoing COVID-19 pandemic (including any government responses thereto) and any continued recovery from the impact of the COVID-19 pandemic; our ability to achieve and maintain profitability in the future; our ability to respond to general economic conditions; our ability to manage our growth effectively and our expectations regarding the development and expansion of our business; the impact on our business of the regulatory environment and complexities with compliance; 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 and declining reimbursement rates for pharmaceuticals; increasing governmental regulations regarding the pharmaceutical supply channel; 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 and state governmental entities and other parties (including third-party payors, hospitals, hospital groups and individuals) of alleged violations of laws and regulations regarding controlled substances, 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; the outcome of any legal or governmental proceedings that may be instituted against us, including 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 businesses 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; our ability to respond to 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; the loss, bankruptcy or insolvency of a major supplier, or 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; 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, and risks generally associated with cybersecurity; risks generally associated with data privacy regulation and the international transfer of personal data; financial and other impacts of macroeconomic and geopolitical trends and events, including the unfolding situation in Russia and Ukraine and its regional and global ramifications; 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 strong execution and momentum across business
- Continued supporting global response to COVID-19 pandemic including distributing COVID-19 treatments in the U.S. and vaccines and tests globally
- Recently announced Investor Day to be held on June 1, 2022

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 stronger than expected performance of several businesses
- Contribution from COVID treatment distribution in Q2 was higher than expected; however, full year expectations from COVID treatment distribution are largely unchanged



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Q2 FY2022 financial results

Consolidated results

	GAAP	Adjusted (non-GAAP)[1]
Revenue *% Change (Year-over-Year)*	$57.7B 17.4%	$57.7B 17.4%
Gross profit *% Change*	$2.2B 45.8%	$2.2B 46.6%
Operating expenses *% Change*	$1.5B 60.1%	$1.3B 61.4%
Operating income *% Change*	$780M 25.0%	$917M 29.7%
Interest expense, net *% Change*	$53M 53.3%	$53M 53.3%
Effective tax rate	23.7%	21.0%
Net income attributable to AmerisourceBergen *% Change*	$548M 25.9%	$683M 30.3%
Diluted earnings per share *% Change*	$2.59 23.3%	$3.22 27.3%
Diluted shares outstanding *% Change*	212.0M 2.3%	212.0M 2.3%

[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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Q2 FY2022 financial results

U.S. Healthcare Solutions segment

	Q2 FY2022	Q2 FY2021	YoY Change
Revenue	$50.9B	$48.2B	5.8%
Operating income	$730M	$655M	11.4%
Percentages of revenue			
Gross profit	2.87%	2.73%	
Operating expenses	1.44%	1.37%	
Operating income	1.43%	1.36%	

- **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 5.8% due to broad increase in sales across portfolio, including growth in sales to specialty physician practices, offsetting lower revenue from commercial COVID-19 treatments.
- Operating income increase of 11.4% driven by higher gross profit, including fees earned relating to the distribution of government-owned COVID-19 treatments and gross profit on sales to specialty physician practices.

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Q2 FY2022 financial results

International Healthcare Solutions segment

	Q2 FY2022	Q2 FY2021	YoY Change
Revenue, as reported	$6.8B	$989M	585.3%
Revenue, constant currency	*$7.4B*		*650%*
Operating income, as reported	$187M	$52M	260.8%
Operating Income, constant currency	*$227M*		*337%*

Percentages of revenue, as reported

Gross profit	11.15%	20.11%
Operating expenses	8.39%	14.86%
Operating income	2.76%	5.24%

- **International Healthcare Solutions** consists of Alliance Healthcare, World Courier, Innomar, Profarma, and Profarma Specialty.
- Revenue increase of 585.3% primarily due to the June 1, 2021, acquisition of Alliance Healthcare.
- Operating income increase of 260.8% primarily due to the acquisition of Alliance Healthcare.



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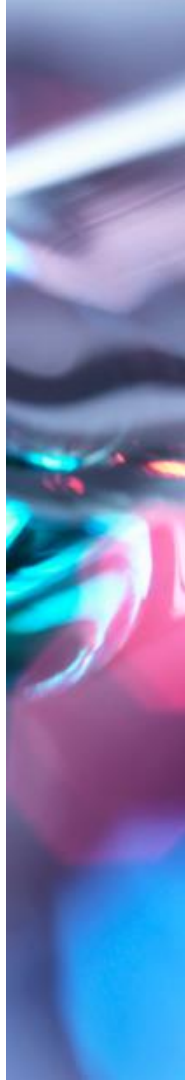
FY2022 guidance

Updated guidance reflects stronger than expected performance in several businesses

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]	**At least high-teens percent growth**
U.S. Healthcare Solutions operating income	**$2.42 billion to $2.48 billion**
	represents growth of 7% to 10%
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]	**$10.80 to $11.05**
	represents growth of 17% to 19%
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

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

	Three Months Ended March 31, 2022							
	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	$ 2,235,080	$ 1,454,923	$ 780,157	$ 728,189	$ 172,944	$ (7,231)	$ 548,014	$ 2.59
Gains from antitrust litigation settlements	(1,835)	—	(1,835)	(1,835)	(427)	—	(1,408)	(0.01)
LIFO credit	(16,059)	—	(16,059)	(16,059)	(3,897)	—	(12,162)	(0.06)
Acquisition-related intangibles amortization	—	(77,952)	77,952	77,952	18,431	(1,764)	57,757	0.27
Employee severance, litigation, and other	—	(76,395)	76,395	76,395	11,064	—	65,331	0.31
Certain discrete tax expense	—	—	—	—	(7,900)	6,840	14,740	0.07
Tax reform [1]	—	—	—	2,737	(8,329)	—	11,066	0.05
Adjusted Non-GAAP	$ 2,217,186	$ 1,300,576	$ 916,610	$ 867,379	$ 181,886	$ (2,155)	$ 683,338	$ 3.22
Adjusted Non-GAAP % change vs. prior year	46.6%	61.4%	29.7%	29.4%	24.0%		30.3%	27.3%

Percentages of Revenue:	GAAP	Adjusted Non-GAAP
Gross profit	3.87%	3.84%
Operating expenses	2.52%	2.25%
Operating income	1.35%	1.59%

1. Includes tax expense relating to Swiss tax reform and a loss on the currency remeasurement of the related deferred tax assets, which is recorded within Other (Income) Loss, 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 March 31, 2021							
	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Loss Attributable to Noncontrolling Interests	Net Income Attributable to ABC	Diluted Earnings Per Share
GAAP	$ 1,533,381	$ 909,034	$ 624,347	$ 566,511	$ 132,506	$ 1,262	$ 435,267	$ 2.10
LIFO credit	(20,918)	—	(20,918)	(20,918)	(4,957)	—	(15,961)	(0.08)
Acquisition-related intangibles amortization	—	(24,973)	24,973	24,973	3,302	(437)	21,234	0.10
Employee severance, litigation, and other	—	(78,156)	78,156	78,156	18,494	—	59,662	0.29
Tax reform [1]	—	—	—	21,368	(2,701)	—	24,069	0.12
Adjusted Non-GAAP	$ 1,512,463	$ 805,905	$ 706,558	$ 670,090	$ 146,644	$ 825	$ 524,271	$ 2.53

Percentages of Revenue:	GAAP	Adjusted Non-GAAP
Gross profit	3.12%	3.08%
Operating expenses	1.85%	1.64%
Operating income	1.27%	1.44%

1. Includes tax expense relating to Swiss tax reform and a loss on the currency remeasurement of the related deferred tax assets, which is recorded within Other (Income) Loss, 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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