AmerisourceBergen

AmerisourceBergen Presents Long-term Vision and Guidance at Investor Day

6/1/2022

Global healthcare solutions leader well positioned to drive long-term, sustainable growth

CONSHOHOCKEN, Pa.--(BUSINESS WIRE)-- AmerisourceBergen Corporation (NYSE: ABC) today hosted an investor day event in New York City. Steven H. Collis, Chairman, President & Chief Executive Officer; James F. Cleary, EVP & Chief Financial Officer; Bob Mauch, EVP & Group President; and Susan Lorenz-Fisher, SVP, Corporate Responsibility & Sustainability, discussed the company's purpose, strategic imperatives, ESG commitments, and long-term financial growth outlook.

"As a global healthcare solutions leader with a foundation in pharmaceutical distribution that is complemented by higher-margin, high-growth services in key markets, AmerisourceBergen supports pharmaceutical innovation and access both upstream and downstream across our global footprint for our customers big and small," said Steven H. Collis, Chairman, President & Chief Executive Officer. "We are proud to be the partner of choice to manufacturers and providers throughout the global pharmaceutical supply chain, allowing us to drive sustainable, long-term growth as we focus on enhancing our manufacturer services and advancing innovation to facilitate the future of healthcare. Our success is powered by our 42,000 purpose-driven team members who work tirelessly to execute on our important work – being united in our responsibility to create healthier futures."

At the event, management detailed its five strategic imperatives, which will advance AmerisourceBergen's vision of delivering long-term sustainable growth by maintaining a leading share of pharmaceutical distribution and best-in-class efficiency while growing the company's complementary higher-margin and high-growth businesses in both its U.S. and international segments. The five strategic imperatives are:

- **Lead with market leaders**: fortifying long-term, strategic partnerships with key anchor customers;
- **Leverage infrastructure to increase efficiency and to support customers in meeting consumer needs**:using our scale and capabilities to better serve customers and increase the efficiency of the global pharmaceutical supply chain;
- **Expand on leadership in specialty**: building on AmerisourceBergen's position to capture the opportunities created as pharmaceutical innovation continues to advance;
- **Contribute to pharmaceutical outcomes**: working collaboratively with partners up- and down-stream to facilitate positive health access and outcomes for patients; and
- **Invest in innovation to further drive differentiation**: supporting the continuously evolving healthcare landscape by providing leading solutions for customers.

AmerisourceBergen's investments in talent and culture support its five strategic imperatives and are key to its commitments to live its purpose of creating healthier futures and positively impacting communities around the world.

The Company reminded investors that its fiscal year 2022 adjusted diluted earnings per share guidance of $10.80 to $11.05 includes:

- $0.70 of adjusted EPS contribution from Covid product sales, which include:
  - $0.60 of contribution in the U.S. Healthcare Solutions segment, and
  - $0.10 of contribution in the International Healthcare Solutions segment.
- This brings the baseline adjusted EPS for long-term growth to a range of $10.10 to $10.35.

As the Company executes on its strategic imperatives and benefits from its growth drivers over the long term, it expects:

- Adjusted operating income growth in the range of 5-8%;

    - U.S. Healthcare Solutions adjusted operating income growth in the range of 5-8%;
    - International Healthcare Solutions adjusted operating income growth in the range of 5-8%;

- Capital deployment growth in the range of 3-4%; and
- Adjusted Diluted Earnings Per Share growth in the range of 8-12%.

“AmerisourceBergen’s strong financial position and solid base of growth drivers position us well to deliver on our long-term financial targets, including a double-digit compound annual growth rate for adjusted EPS at the midpoint of our range,” said James F. Cleary, EVP & Chief Financial Officer. “Our business model generates sustainable and growing free cash flow, and this long-range plan includes a strengthening balance sheet, improving credit metrics, and increasing firepower for further potential share repurchases and strategic M&A opportunities.”

The Company’s fiscal year 2022 guidance does not include any potential benefit from the $1 billion share repurchase authorization.

Investor Day Replay

Please check the website investor.amerisourcebergen.com to access the event replay and presentation.

About AmerisourceBergen

AmerisourceBergen fosters a positive impact on the health of people and communities around the world by advancing the development and delivery of pharmaceuticals and healthcare products. As a leading global healthcare company, with a foundation in pharmaceutical distribution and solutions for manufacturers, pharmacies and providers, we create unparalleled access, efficiency and reliability for human and animal health. Our 42,000 global team members power our purpose: We are united in our responsibility to create healthier futures. AmerisourceBergen is ranked #10 on the Fortune 500 with more than $200 billion in annual revenue. Learn more at investor.amerisourcebergen.com.

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.

Supplemental Information Regarding Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses the non-GAAP financial measures described below. The non-GAAP financial measures should be viewed in addition to, and not in lieu of, financial measures calculated in accordance with GAAP. These supplemental measures may vary from, and may not be comparable to, similarly titled measures by other companies.

The non-GAAP financial measures are presented because management uses non-GAAP financial measures to evaluate the Company's operating performance, to perform financial planning, and to determine incentive compensation. Therefore, the Company believes that the presentation of non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors. The presented non-GAAP financial measures exclude items that management does not believe reflect the Company's core operating performance because such items are outside the control of the Company or are inherently unusual, non-operating, unpredictable, non-recurring, or non-cash.

The Company does not provide a reconciliation for these non-GAAP financial measures on a forward-looking basis to the most comparable GAAP financial measures on a forward-looking basis because it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort due to the uncertainty and potential variability of reconciling items, which are dependent on future events, are out of the Company's control and/or cannot be reasonably predicted, and the probable significance of which cannot be determined.

We have included adjusted diluted earnings per share, which represents diluted earnings per share determined in accordance with GAAP adjusted for specific items, including the per share impact of: gains from antitrust litigation settlements; LIFO expense (credit); acquisition-related intangibles amortization; employee severance, litigation, and other; impairment of assets; and the loss on the currency remeasurement related to Swiss tax reform, in each case net of the tax effect calculated using the applicable effective tax rate for those items. In addition, the per share impact of certain discrete tax expense (benefits) primarily attributable to foreign valuation allowance adjustments for the three and six months ended March 31, 2022, and the per share impact of certain expenses relating to tax reform in Switzerland are also excluded from adjusted diluted earnings per share for the three and six months ended March 31, 2022. Management believes that this non-GAAP financial measure is useful to investors because it eliminates the per share impact of the items that are outside the control of the Company or that we consider to not be indicative of our ongoing operating performance due to their inherent unusual, non-operating, unpredictable, non-recurring, or non-cash nature.

We have also included adjusted operating income, which represents operating income determined in accordance with GAAP adjusted for specific items, including gains from antitrust litigation settlements; LIFO expense (credit); acquisition-related intangibles amortization, employee severance, litigation, and other; and impairment of assets. Gains from antitrust litigation settlements and LIFO expense (credit) are excluded because the Company cannot control the amounts recognized or timing of these items. Acquisition-related intangibles amortization is excluded because it is a non-cash item and does not reflect the operating performance of the acquired companies. We exclude employee severance amounts that relate to unpredictable and/or non-recurring business restructuring. We exclude the amount of litigation settlements and other expenses and the impairment of assets that are unusual, non-operating, unpredictable, non-recurring or non-cash in nature because we believe these exclusions facilitate the analysis of our ongoing operational performance. Management believes that this non-GAAP financial measure is useful to investors as a supplemental way to evaluate the Company’s performance because the adjustments are unusual, non-operating, unpredictable, non-recurring or non-cash in nature.

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