

cencora

# J.P. Morgan Healthcare Conference

Steven H. Collis, Chairman, President, and CEO

January 2024

# 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 “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “on track,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “strive,” “sustain,” “synergy,” “target,” “will,” “would” and similar expressions are intended to identify such forward-looking statements, but the absence of these words does not mean the statement is not forward-looking. 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. A more detailed discussion of the risks and uncertainties that could cause our actual results to differ materially from those indicated is included (i) in the “Risk Factors” and “Management’s Discussion and Analysis” sections in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2023 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 Cencora’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.cencora.com](http://investor.cencora.com).

# Cencora at a glance

Uniting under our new identity as Cencora in 2023, we are better positioned to grow globally and leverage our infrastructure efficiently to serve our customers and create value for our stakeholders.



**8% - 12%\*** targeted long-term adjusted diluted EPS growth

\*Growth rates given on a constant currency, ex-COVID basis.



**46,000+**  
team members

Diverse expertise focused on improving global health



Long-term vision of expanding leadership and growing higher-margin, high-growth businesses



Building on ESG strategy to live our purpose and create a better future for all stakeholders

# Our customers

Partnership is at the core of our business. We work hand-in-hand with our customers to achieve their business goals and deliver healthcare excellence.



## Biopharma

Companies that discover, develop, manufacture, and launch pharmaceutical drugs or therapies to cure, prevent, or alleviate patient illnesses



## Specialty physician practices

Individuals or entities that provide medical care or treatment to patients in need



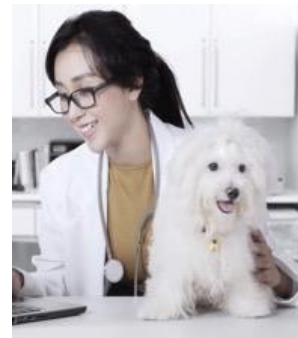
## Health systems

Interconnected networks of healthcare organizations that deliver healthcare services with the goal of maintaining and improving overall health and well-being



## Pharmacy

Businesses responsible for safely and effectively dispensing and administering medication to patients seeking care



## Animal health

Entities that discover, develop, dispense, and administer health-related treatments for animals including disease prevention for livestock and veterinary care for companion animals

# Connecting providers and biopharma manufacturers

**Our scale, expertise, and extensive network of customers and partners allow us to play a key role in supporting pharma innovation across the value chain in the global geographies we serve**

## Providers

- Patient experience solutions and insights
- GPO services
- Operational and financial performance solutions
- Product value and access optimization
- Regulatory and legislative support
- Clinical trial support
- Pharmacy services

**cencora**

**Distribution foundation and  
value-added, complementary  
solutions**

## Biopharma manufacturers

- Scientific and development consulting
- Health economics, market access, and regulatory consulting
- Global clinical trial product storage, logistics and transport
- Pharmacovigilance, data and analytics
- Safety, quality, validation and compliance (GxP)
- Patient access, affordability, and adherence services

# U.S. Healthcare Solutions segment

## Leadership in human and animal health

- Long-term **strategic relationships with market-leading customers** in each channel
- **Specialty distribution and commercialization services** contributes to our value as partner of choice to upstream pharma manufacturers and downstream providers
- **Favorable market trends**, including organic demographic trends, utilization and opportunities in biosimilars and specialty, driven by innovation
- Leadership in **animal health** supported by positive long-term trends for both the companion and production animal markets

## Segment growth drivers



Foundational pharmaceutical  
distribution



Leadership in specialty



Higher-margin, high-growth upstream  
and downstream solutions and services

# International Healthcare Solutions segment

## Differentiated global platform offers broad and deep suite of innovative services

- Leading **pan-European wholesaler** and related solutions provider
- Innovative provider of **upstream pharma manufacturer services**, including a range of key market services and solutions for product commercialization and launch into market
- **Premier global specialty logistics provider**, helping support pharmaceutical clinical trials and delivering complex pharmaceutical shipments on-time and in-temperature
- Robust **portfolio of downstream product solutions**, contributing to prescription outcomes and access

## Segment growth drivers



Pan-European pharmaceutical distribution



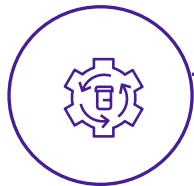
Global specialty and clinical trial logistics



Higher-margin, high-growth upstream and downstream solutions and services

# Broad portfolio of leading specialty solutions

## Robust suite of solutions to position Cencora as partner of choice



### Clinical and commercialization services

Market access and regulatory affairs consulting

Clinical trial support

Data and analytics

Pharmacovigilance

Quality management and control



### Globally scaled logistics and 3PL services

Wholesale and pre-wholesaling in 15 countries

Clinical trial logistics in 50+ countries with direct-to-patient capabilities

Temperature control and order monitoring

Leaders in Cell & Gene Therapy services



### Leader in specialty distribution

Leadership in oncology and ophthalmology

GPO solutions

Physician education

Inventory management

# Cencora financial highlights and guidance

## FY23 financial highlights

**\$262.2B**  
revenue

**\$3.3B**  
adjusted  
operating income<sup>(1)</sup>

**\$3.1B**  
adjusted  
free cash flow<sup>(1)</sup>

**\$11.99**  
adjusted EPS<sup>(1)</sup>

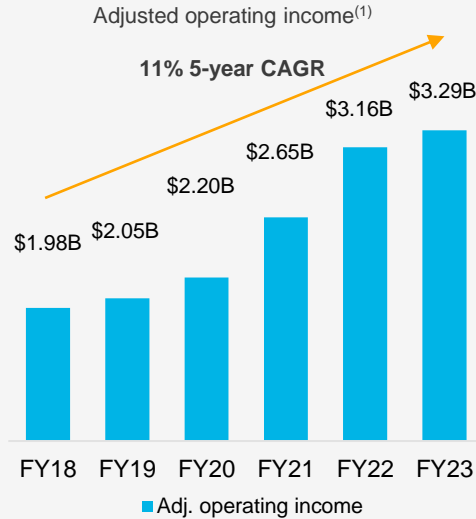
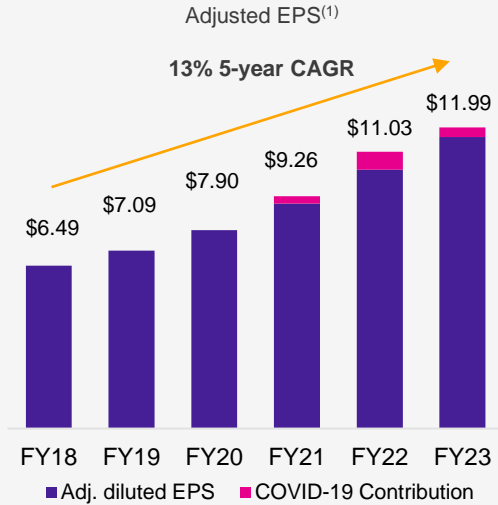
## FY24 guidance and long-term growth targets<sup>(1)</sup>

|                           | FY24 guidance | Long-term targets |
|---------------------------|---------------|-------------------|
| Adjusted operating income | 8% - 10%*     | 5% - 8%*          |
| Adjusted diluted EPS      | 9% - 12%*     | 8% - 12%*         |

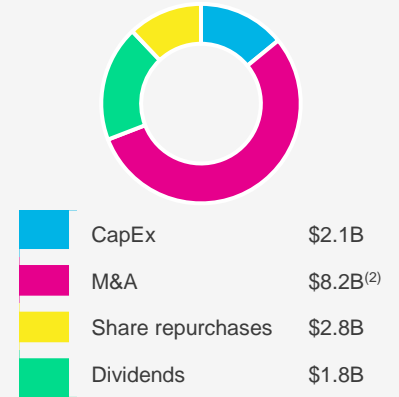
(1) The financial results and guidance presented are non-GAAP financial measures. For more information related to non-GAAP financial measures, refer to the section titled "Supplemental Information Regarding Non-GAAP Financial Measures" attached as an appendix to our Q4 2023 quarterly results presentation posted on our website, investor.cencora.com. 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.

\*Growth rates given on ex-COVID basis.

# Strong growth driven by execution and strategic capital deployment



FY19-FY23 Cumulative Capital Deployment



1) See Appendix for GAAP to non-GAAP reconciliations of Adjusted EPS and Adjusted Operating Income.

2) Includes Alliance Healthcare acquisition completed June 1, 2021. Acquisition represented \$5.6 billion of M&A, net of cash acquired.

# Creating differentiated value for our stakeholders

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

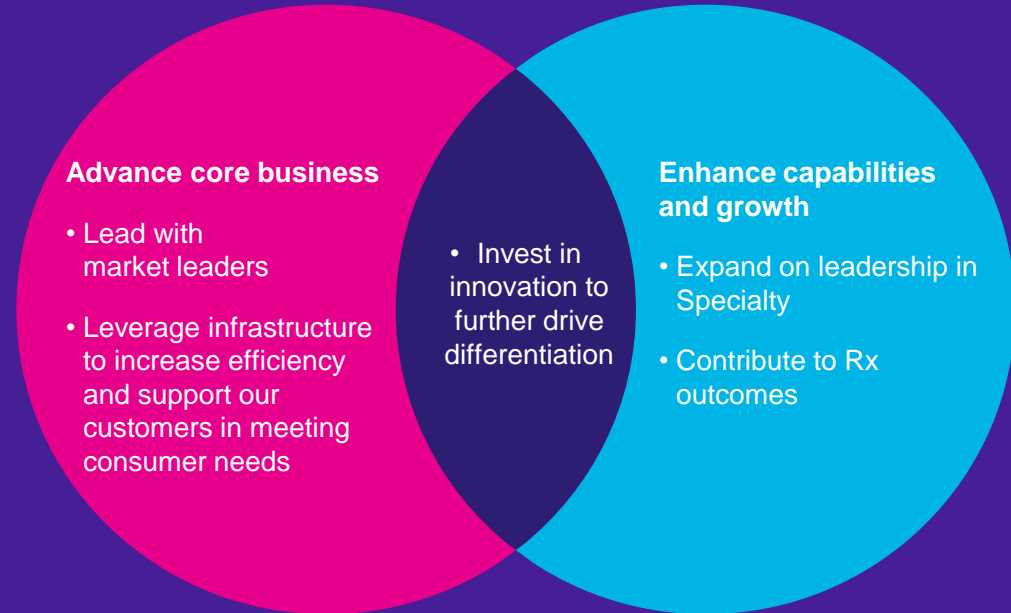
## Why we exist

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



# FY23 strategic acquisitions and investments



- Minority investment resulting in a 35% stake with the opportunity for full ownership in three to five years
- Natural evolution of our long-term partnership with the network of leading oncology practices that makes up OneOncology
- Strategically extends leadership in specialty, specifically oncology, and provides our customers with additional services including enhanced data and analytics capabilities, back-office support and access to clinical trials

- ✓ **Expands on leadership in specialty**
- ✓ **Leads with market leaders**
- ✓ **Leverages our infrastructure to meet our customer's needs**

## ► PHARMALEX

- Acquisition furthers our long-term leadership and growth in specialty services, a crucial strategic pillar for Cencora
- Positions us as partner of choice by growing our specialty services and global platform of pharma manufacturer service capabilities
- Complements our existing services by expanding regulatory affairs, development consulting, scientific affairs, pharmacovigilance, and quality management and compliance services offering

- ✓ **Expands on leadership in specialty**
- ✓ **Contributes to Rx outcomes**
- ✓ **Invest in Innovation to further drive differentiation**

# Creating differentiated value for our stakeholders

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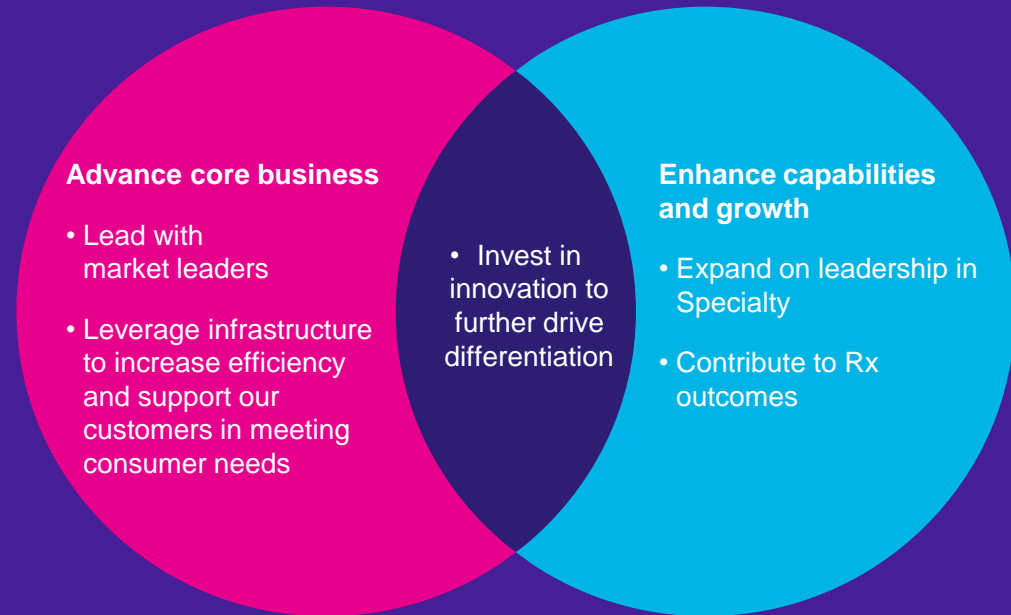
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# Appendix



# Adjusted diluted earnings per share

Fiscal years ended September 30, 2018, through September 30, 2023

|  | 2023           | 2022           | 2021          | 2020             | 2019          | 2018          |
|--|----------------|----------------|---------------|------------------|---------------|---------------|
| <b>GAAP diluted EPS</b>  | <b>\$8.53</b>  | <b>\$8.04</b>  | <b>\$7.39</b> | <b>(\$16.65)</b> | <b>\$4.04</b> | <b>\$7.53</b> |
| Gains from antitrust litigation settlements  | (0.90)         | (0.01)         | (0.58)        | (0.03)           | (0.51)        | (0.12)        |
| LIFO   | 0.77           | 0.25           | (0.70)        | 0.03             | (0.08)        | 0.22          |
| Turkey highly inflationary impact  | 0.47           | 0.25           | -             | -                | -             | -             |
| Acquisition-related intangibles amortization   | 2.04           | 1.10           | 0.58          | 0.41             | 0.55          | 0.56          |
| Litigation and opioid-related, acquisition-related deal and integration, and restructuring and other expenses <sup>(1)</sup> | 1.19           | 1.17           | 1.84          | 27.66            | 1.16          | 0.28          |
| Goodwill and other asset impairments   | -              | 0.16           | 0.15          | 1.37             | 1.99          | 0.24          |
| PharMEDium shutdown and remediation costs  | -              | -              | -             | 0.22             | 0.24          | 0.22          |
| (Gain) loss on equity investments  | -              | (0.02)         | (0.31)        | -                | -             | 0.19          |
| Gain on divestiture of non-core businesses   | (0.20)         | (0.20)         | -             | -                | (0.05)        | -             |
| Loss on early retirement of debt   | -              | -              | -             | 0.08             | -             | 0.08          |
| Discrete tax items   | -              | 0.08           | (0.10)        | (3.49)           | -             | -             |
| Tax reform   | 0.11           | 0.22           | 0.98          | (1.75)           | (0.17)        | (2.78)        |
| Other, net   | (0.02)         | (0.01)         | 0.01          | 0.05             | (0.08)        | 0.07          |
| <b>Adjusted diluted EPS</b>  | <b>\$11.99</b> | <b>\$11.03</b> | <b>\$9.26</b> | <b>\$7.90</b>    | <b>\$7.09</b> | <b>\$6.49</b> |

(1) Includes a \$6.6 billion legal expense accrual in connection with opioid lawsuits in the fiscal year ended September 30, 2020.

Note: Management considers GAAP financial measures as well as the presented non-GAAP financial measures in evaluating the Company's operating performance. Therefore, the Company believes that the presentation of non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors.

# Adjusted operating income

Fiscal years ended September 30, 2018, through September 30, 2023

| (in millions)  | 2023           | 2022           | 2021           | 2020             | 2019           | 2018           |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
| <b>GAAP operating income (loss)</b>  | <b>\$2,341</b> | <b>\$2,366</b> | <b>\$2,354</b> | <b>(\$5,135)</b> | <b>\$1,112</b> | <b>\$1,444</b> |
| Gains from antitrust litigation settlements  | (239)          | (2)            | (169)          | (9)              | (146)          | (36)           |
| LIFO   | 205            | 67             | (203)          | 7                | (23)           | 67             |
| Turkey highly inflationary impact  | 87             | 40             | -              | -                | -              | -              |
| Acquisition-related intangibles amortization   | 551            | 305            | 176            | 111              | 160            | 175            |
| Litigation and opioid-related, acquisition-related deal and integration, and restructuring and other expenses <sup>(1)</sup> | 345            | 306            | 472            | 6,807            | 330            | 184            |
| Goodwill and other asset impairments   | -              | 81             | 18             | 362              | 570            | 60             |
| PharMEDium shutdown and remediation costs  | -              | -              | -              | 59               | 69             | 66             |
| Other, net   | (1)            | -              | -              | 2                | (21)           | 21             |
| <b>Adjusted operating income</b>   | <b>\$3,289</b> | <b>\$3,163</b> | <b>\$2,648</b> | <b>\$2,204</b>   | <b>\$2,051</b> | <b>\$1,981</b> |

(1) Includes a \$6.6 billion legal expense accrual in connection with opioid lawsuits in the fiscal year ended September 30, 2020.

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# Contact

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Thank you