



# Cardinal Health, Inc.

## 43<sup>rd</sup> Annual JP Morgan Conference

January 14, 2025

### **Cautions Concerning Forward-Looking Statements**

This presentation contains forward-looking statements addressing expectations, prospects, estimates and other matters that are dependent upon future events or developments. These statements may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," "will," "should," "could," "would," "project," "continue," "likely," and similar expressions, and include statements reflecting future results or guidance, statements of outlook and various accruals and estimates. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include the risk that we may fail to achieve our strategic objectives, including the continued execution of the GMPD Improvement Plan, whether as a result of Cardinal Health Brand sales, ongoing inflationary pressures or the impact of possible tariffs on products we source or manufacture; competitive pressures in Cardinal Health's various lines of business, including the risk that customers may reduce purchases made under their contracts with us or terminate or not renew their contracts; our ability to manage uncertainties associated with the pricing of branded pharmaceuticals, including as a result of possible legislative action; risks associated with litigation matters, including an Department of Justice investigation focused on potential violations of the Anti-Kickback Statute and False Claims Act; the risk that events outside of our control, such as weather or geopolitical events, may impact demand for our products or may cause supply shortages that impact our cost and ability to fulfill customer demand; the performance of our generics program, including the amount or rate of generic deflation and our ability to offset generic deflation and maintain other financial and strategic benefits through our generic sourcing venture or other components of our generics programs; the possibility that our At-Home unit goodwill could become impaired due to changes to our long-term financial plan, increases in global interest rates or unfavorable changes in the U.S. statutory tax rate. Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8K reports and exhibits to those reports. This release reflects management's views as of January 14, 2025. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement. Forward-looking statements are aspirational and not guarantees or promises that goals, targets or projections will be met, and no assurance can be given that any commitment, expectation, initiative or plan in this report can or will be achieved or completed. Cardinal Health provides definitions and reconciliations of non-GAAP financial measures and their most directly comparable GAAP financial measures at [ir.cardinalhealth.com](http://ir.cardinalhealth.com)



# Shaping the future of healthcare

**Jason Hollar**

Chief Executive Officer



## Manufacturers & Innovators

Biopharma innovators

Generic Rx manufacturers

Consumer health manufacturers

Nuclear innovators

Medical-surgical product manufacturers



Healthcare's **crucial link**

## Providers & Customers



Retail and grocery pharmacies



Mail order pharmacies



Health systems



Specialty physician offices



Government



Patients in the home



## Upstream services

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- Radiopharmaceutical development and commercialization services
- Medical manufacturing
- 3PL
- Patient access services
- Real world evidence
- Regulatory services
- Advanced therapy solutions



## Downstream services

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- Distribution
- GPO services
- Clinical insights
- Advanced data and technology solutions
- MSO platforms
- Inventory solutions
- Freight management



# Positioned at the forefront of key trends



## Patient demographics

Increasing utilization of pharmaceutical and medical products and services



## Pharmaceutical innovation

Novel specialty therapies requiring complex forms of logistics and clinical support



## Site of care shifts

Care delivery shifting to more cost-effective and comfortable settings for the patient such as community practices and the home



## Technology advancements

Deploying new technologies to provide clinical and economic value for customers and drive operational efficiencies

**Cardinal Health positioning**



# Company snapshot<sup>1</sup>



**\$220B+**  
in FY25 revenue



**99%+**  
of revenue generated in the U.S.



**~\$2.6B**  
in FY25 operating earnings

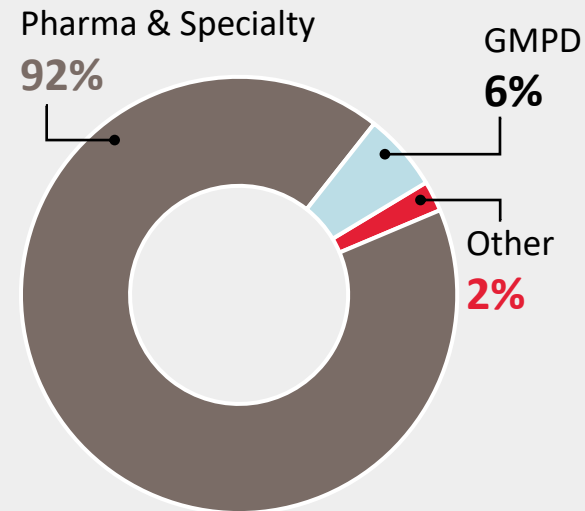


Approximately  
**48,000**  
employees globally

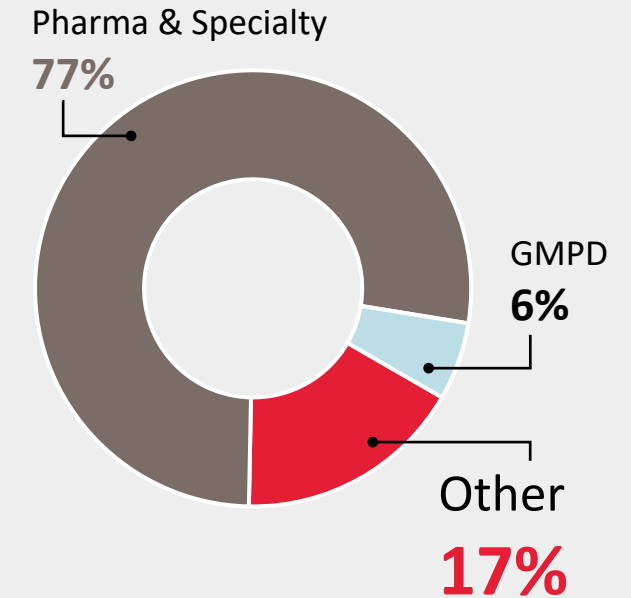
<sup>1</sup>FY25 figures based on guidance provided during Q1 FY25 earnings call on November 1, 2024

## FY25 Guidance<sup>1</sup>

### Revenue



### Segment profit



**Other includes:** at-Home Solutions | Nuclear and Precision Health Solutions | OptiFreight Logistics



# Track record of execution and value creation

## FY23 + FY24 Results

EPS

+49%

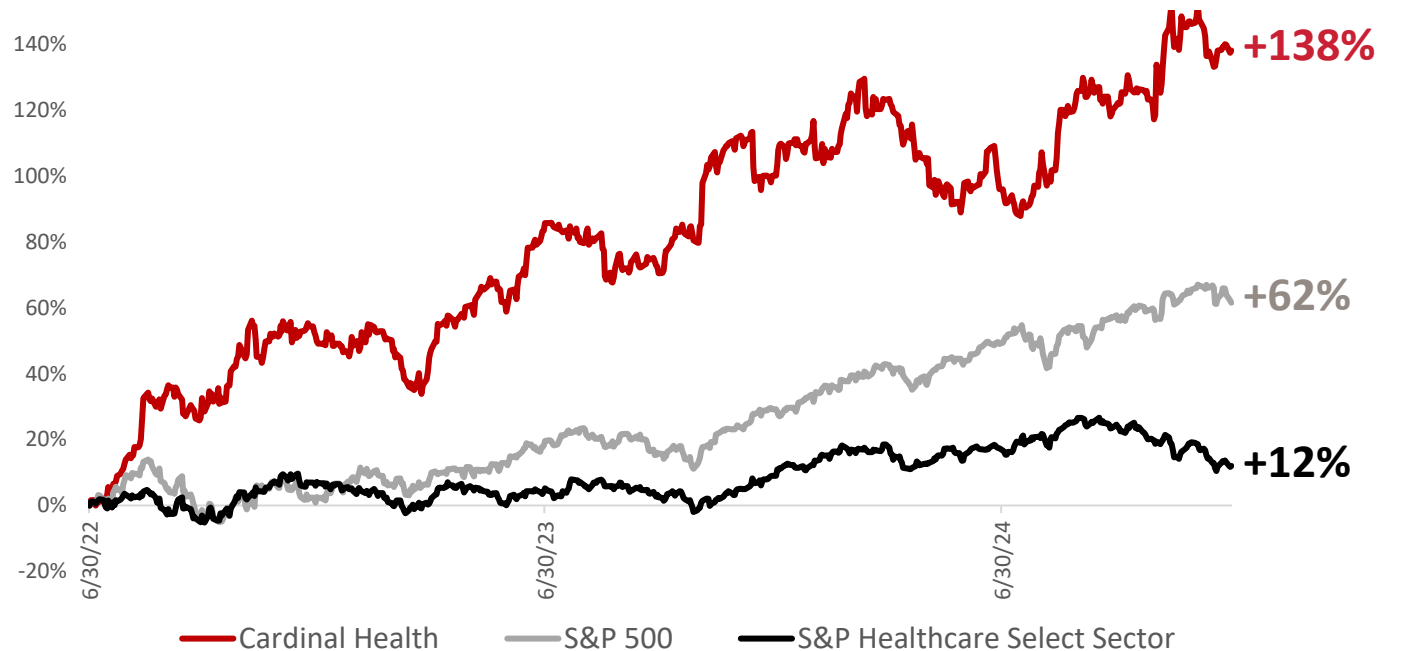
Operating earnings

+22%

Adj free cash flow

\$6.8B

## Total Shareholder Return FY23 to CY24<sup>1</sup>



<sup>1</sup>Reflects share price performance plus dividends reinvested for July 1, 2023 to December 31, 2024 period





# Our continued **momentum**



Updating fiscal 2025 non-GAAP EPS guidance toward

**High end of \$7.75 to \$7.90 range**



# Strategic priorities

Relentless focus on simplification

**1** Build upon the **growth** and **resiliency** of Pharmaceutical and Specialty Solutions by **expanding in Specialty**

**2** Accelerate growth in **key areas**

**3** Execute **GMPD Improvement Plan** initiatives

and shareholder value creation



## Organic growth

# Investing across our businesses

### Pharmaceutical and Specialty Solutions

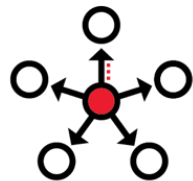


Opening our **Consumer Health Logistics Center** in CY25:

- ~**350K** sq ft
- **>350** suppliers
- **>19,000** products



**PPS Analytics** provides clinicians with actionable intelligence for **>25M** specialty patients and is **expanding to new therapeutic areas**



Launched **new Innovation Center** supporting Cell & Gene Therapies

- **15** cell and gene therapy manufacturers supported
- **450+** sites of care
- **>18,000** orders processed

### at-Home Solutions, NPHS and OptiFreight® Logistics

**at-Home Solutions**



- Announced **3** new state-of-the-art **distribution facilities** in U.S.
- Achieved **record levels** of **productivity, quality and safety** in FY25

**Nuclear and Precision Health Solutions**



Investing **>\$100M** in **theranostics and PET** manufacturing expansions from FY24 to FY26

**OptiFreight® Logistics**



- **+15%** growth in shipments over last 2 fiscal years
- **3+** new product launches over FY25 and FY26, expanding capabilities across sites of care

### Global Medical Products and Distribution



Announced **3** new U.S. DCs and invested in **advanced planning capabilities** for enhanced resiliency



More than **doubling** our Cardinal Health Brand **product vitality** by FY26<sup>1</sup>



**U.S. manufacturing capabilities** in roughly **half** of product categories

<sup>1</sup>New product sales (products launched within last 3 years) / total product sales



## Inorganic growth

# Investing in high-quality assets in key strategic areas



*Serving 11,500 specialty providers, including 7,000+ physicians across 1,200 practices*

### **Provides advanced technology for specialty providers and biopharma**

- Provides physician practices with clinical and business insights via PPS Analytics
- Provides premium data sets for manufacturer partners via SoNaR to improve patient outcomes
- Increases Specialty GPO breadth and scale



*Adds more than 100 community oncology providers at 50+ sites across 10 states*

### **Builds on our commitment to community oncologists**

- Delivers proven MSO solutions to enable providers to focus more on their patients
- Combines with Navista's and Specialty Networks' data and technology solutions
- Enhances our overall value proposition and increases scale



*Platform includes over 900 physicians across 345 practice locations in 20 states*

### **Expands our breadth in Specialty**

- Advances specialty care for patients
- Foundation of a multi-specialty platform for further national expansion in key therapeutic areas
- Builds upon technology and specialty practice capabilities from other organic and inorganic investments



*Serving ~500,000 patients by providing latest diabetes innovations (CGMs)*

### **Advances our at-Home Solutions Strategy**

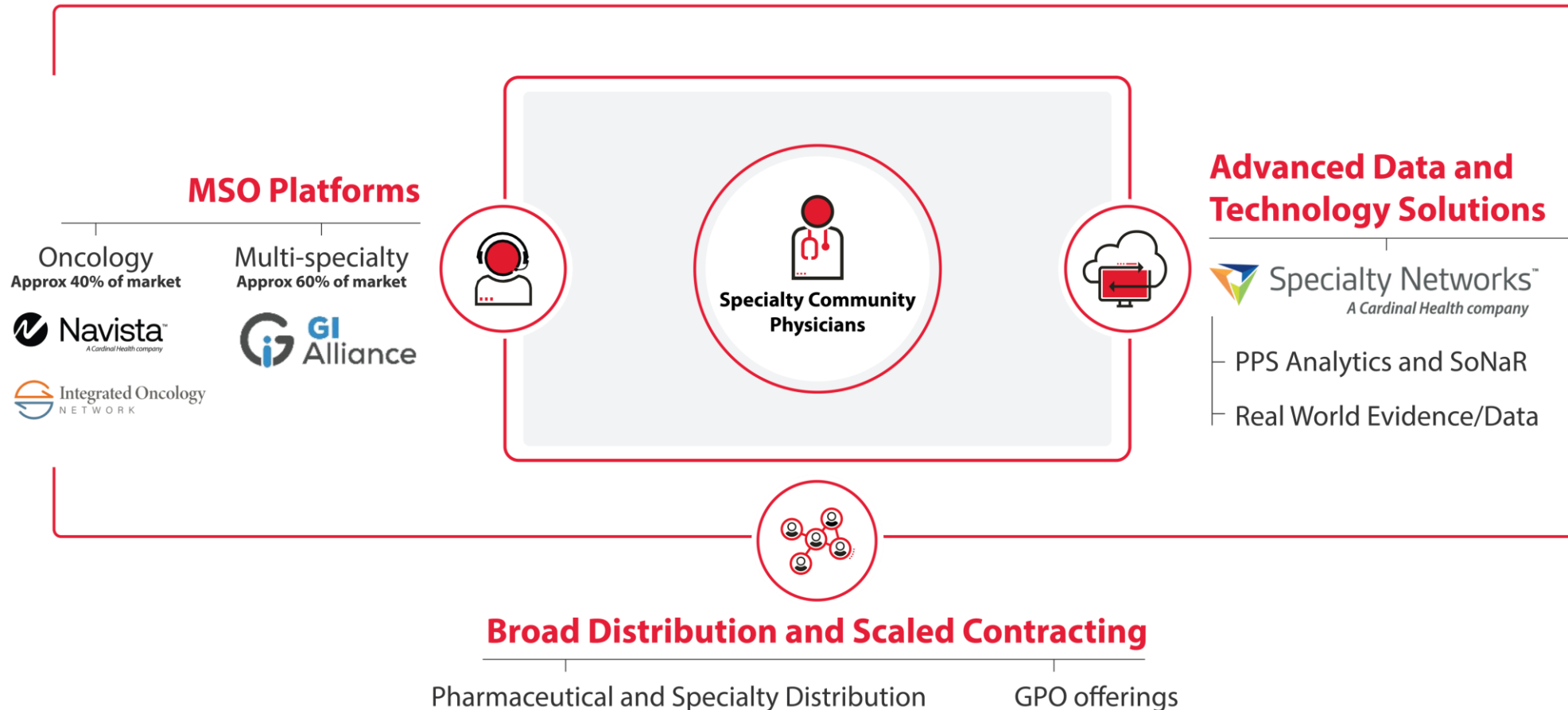
- Provides new opportunities to better serve patients in their homes
- Helps reduce complexities for people living with diabetes
- Strengthens at-Home Solutions business with complementary capabilities

**Expansions across Specialty**

**at-Home Solutions**



# Supporting community-based physicians with a comprehensive model



# Accelerating at-Home Solutions' strategy with the highly synergistic acquisition of ADSG

## Core principles of at-Home Solutions strategy



We provide medical supplies **direct to people** in their homes



We serve people with **chronic conditions**, leading to repeat orders



We do this as **both** a direct provider & medical supplies distributor

## Leading direct providers of medical supplies to patients in their homes



Diabetes, Ostomy, Urology  
*Extensive commercial access*



The Advanced Diabetes Supply Group

Focused exclusively on Diabetes  
*Simplified Medicare experience*



CardinalHealth™  
**at-Home**

A leading direct-to-home medical supplies distributor

National network of 11 dedicated distribution centers

Diabetes among fastest growing & costliest conditions, impacting ~40M Americans  
Access to Continuous Glucose Monitors continues to expand



# Disciplined Capital Allocation Framework

FY24 – FY26

## Table stakes



Investing back into the business to drive organic growth



Maintain investment grade balance sheet



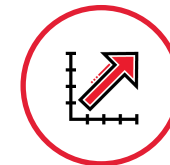
Baseline return of capital to shareholders

- Continue to grow the dividend
- Baseline share repurchases

## Opportunistic levers



Active, disciplined and targeted M&A



Additional opportunistic share repurchases

## FY25 Progress



**\$90M in Q1 capex**



**Completed** annual opioid settlement payment  
**Credit ratings maintained** by **all 3 rating agencies** post acquisition announcements



**~\$500M in baseline capital returned to shareholders**

- **\$375M** of \$500M FY25 baseline share repurchases
- **\$125M** in dividend payments



Announced three acquisitions<sup>1</sup>:

- **Integrated Oncology Network**
- **GI Alliance**
- **Advanced Diabetes Supply Group**



**\$250M of opportunistic share repurchases** included in guidance

<sup>1</sup>ION closed December 2, 2024; anticipate closing GIA and ADSG during Q3 FY25.



# Compelling investment thesis

## Moving healthcare forward



### Pharmaceutical and Specialty Solutions

**Resilient and growing business**, supported by **key trends** and **strong core foundation**

Investing to **further accelerate Specialty** growth

Expecting **4% to 6% segment profit long-term growth CAGR**



### at-Home, NPHS & OptiFreight

Favorable **long-term industry trends**

**Margin-accretive opportunities**

**Investing** to build upon their **strong growth trajectories**



### Medical Products and Distribution

Executing our plan to **improve performance** in Global Medical Products and Distribution

**Seeing momentum** and expecting significant year-over-year improvement



### Cash flow and capital deployment

Continued **robust adjusted free cash flow** generation

**Responsible** capital deployment includes **disciplined and strategic M&A** and **significant return of capital** to shareholders



### Value creation

Relentlessly focused on **maximizing shareholder value**

Continue to take actions to drive **additional value creation**



**Defensive growth:** Resilient business models and **double-digit non-GAAP EPS** growth opportunity





Upcoming:

# Investor Day

## June 12, 2025

Focus areas to include:

- Specialty strategy
- Growth businesses
- GMPD Improvement Plan
- Long-term targets
- Capital allocation framework

Featuring management including:



**Jason Hollar**  
CEO



**Aaron Alt**  
CFO



**Debbie Weitzman**  
Pharmaceutical &  
Specialty Solutions



**Rob Schlisberg**  
at-Home Solutions



**Mike Pintek**  
Nuclear & Precision  
Health Solutions



**Emily Gallo**  
OptiFreight® Logistics



**Steve Mason**  
GMPD



# Appendix



### Forward Looking Non-GAAP Measures

In this presentation, the Company presents certain forward-looking non-GAAP metrics. The Company does not provide outlook on a GAAP basis because the items that the Company excludes from GAAP to calculate the comparable non-GAAP measure can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of the Company's routine operating activities. Additionally, management does not forecast many of the excluded items for internal use and therefore cannot create or rely on outlook done on a GAAP basis.

The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact the Company's fiscal 2024 GAAP results. Over the past five fiscal years, the excluded items have impacted the Company's EPS from \$0.75 to \$18.06, which includes a \$17.54 charge related to the opioid litigation the Company recognized in fiscal 2020.

### Definitions

**Non-GAAP net earnings attributable to Cardinal Health, Inc.:** net earnings attributable to Cardinal Health, Inc. excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) shareholder cooperation agreement costs, (4) restructuring and employee severance, (5) amortization and other acquisition-related costs, (6) impairments and (gain)/loss on disposal of assets, net, (7) litigation (recoveries)/charges, net and (8) loss on early extinguishment of debt.

**Non-GAAP diluted earnings per share attributable to Cardinal Health, Inc.:** non-GAAP net earnings attributable to Cardinal Health, Inc. divided by diluted weighted-average shares outstanding.

