



Cardinal Health Annual Meeting of Shareholders

November 6, 2024



Agenda

I. Call to Order

II. Matters to be Acted Upon

- Proposal 1: Election of Directors
- Proposal 2: Advisory vote to approve the compensation of our named executive officers
- Proposal 3: Ratification of Ernst & Young LLP as independent auditor for 2025
- Proposal 4: Shareholder proposal to prohibit re-nomination of any director who fails to receive a majority vote

III. Polls Closed and Preliminary Voting Results

IV. Adjournment of Official Business

V. Management Presentation

VI. Shareholder Question and Answer Session





Management presentation from CEO Jason Hollar



November 6, 2024

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 our expectations for Cardinal Health Brand sales or ongoing inflationary pressures; 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 or the risk that we may fail to offset the impact of a recent significant customer loss; our ability to manage uncertainties associated with the pricing of branded pharmaceuticals, including as a result of possible legislative action; risks arising from our ongoing audits with the IRS, including the risk that the IRS may disagree with certain positions we have taken, which may result in an increase to our effective tax rate or other costs; 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 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 8-K reports and exhibits to those reports. This presentation reflects management's views as of November 6, 2024. 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.



Healthcare's **crucial link**



~90%
U.S. hospitals served



40K+
pharmaceutical deliveries a day



20K
specialty physician
offices and clinics



20+
product categories as integrated
medical manufacturer



5K+
sourcing/manufacturer
partners across the
healthcare supply chain



30
PET cyclotron facilities



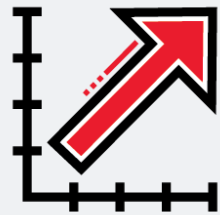
5M+
patients served in the home
by direct to patient business



130
nuclear pharmacies



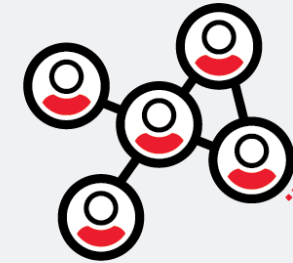
Company snapshot



\$227B
in FY24 Revenue



Operating in more than
30
countries



Approximately
48,000
employees globally



Pharma & Specialty

FY24 Revenue: \$210.0B
FY24 Segment Profit: \$2.0B



GMPD

FY24 Revenue: \$12.4B
FY24 Segment Profit: \$92M



Other

FY24 Revenue: \$4.5B
FY24 Segment Profit: \$423M



FY24 highlights



Strategy, operations and portfolio

- ✓ Announced **company reorganization**
- ✓ Executed **simplification actions**, including **streamlined organizational structure**
- ✓ Invested to accelerate **key growth areas**
- ✓ Acquired **Specialty Networks**, a **tech-enabled multi-specialty platform**



Capital deployment

- ✓ Returned **\$1.25B to shareholders** in FY24 through share repurchases and dividends
- ✓ Received **three positive outlook updates** from credit rating agencies
- ✓ **Refinanced** 2024 debt maturities
- ✓ Invested **over \$500M** back into business to **drive organic growth**



FY24 financial performance

- ✓ Delivered **record non-GAAP EPS, growth of 29%**
- ✓ Grew **Pharma and Specialty Solutions** segment profit **above long-term target**
- ✓ Delivered **~\$240M** year-over-year **improvement in GMPD segment profit**
- ✓ Generated non-GAAP **adjusted free cash flow** of **nearly \$4B**



Governance

- ✓ Appointed **new independent Board member** with specialty background
- ✓ Completed **review of growth businesses** within **former Medical Segment**
- ✓ Completed preliminary **review of GMPD business** and announced **near-term value creation** initiatives
- ✓ Transitioned **value creation efforts** from Business Review Committee to **oversight of Board**



Strategic priorities

Ruthless prioritization, resilient core and relentless focus

1 Build upon the growth and resiliency of Pharmaceutical and Specialty Solutions

- Generate stable, **low-single digit growth** in **core business** + **double-digit growth** in **Specialty**
- Continue to effectively manage our **generics program**
- **Focus on Specialty**, including growing Navista and Specialty Networks

2 Execute GMPD Improvement Plan initiatives

- Continue to **effectively mitigate supply chain inflation**
- Grow **Cardinal Health™ Brand** with 5-point plan
- Drive **simplification** and continued **cost optimization**

3 Accelerate growth in key areas

- **Support innovation** through our NPHS Center for Theranostics Advancement
- Continue to **grow patients served** by at-Home Solutions and **drive operating leverage**
- Expand OptiFreight's **TotalVue™ Insights platform**

4 Relentless focus on shareholder value creation

- Generate robust **adjusted free cash flow**
- Opportunistically evaluate **disciplined M&A**
- **Return capital to shareholders** through share repurchase authorization and dividends
- Continue to execute **additional value creation initiatives**



Enabling a healthier and more sustainable world

Our seven ESG priorities serve as the foundation of our efforts to enable a healthier future for our communities, customers and employees

Community engagement



Diversity, equity, and inclusion (DE&I)



Employee well-being



Energy and climate



Product and service innovation



Responsible sourcing



Talent management



We have science-based targets approved by the Science Based Targets initiative (SBTi):



Reduce absolute Scope 1 and 2 GHG emissions **50%** by fiscal 2030 from a fiscal 2019 base year.

75% of our suppliers by spend, covering purchased goods and services and upstream transportation and distribution, will have science-based targets by fiscal 2028.

Between fiscal 2019 and fiscal 2023, we have reduced Scope 1 and 2 emissions

↓ 13%



Thank you
and questions



Appendix



Segment Information

		Fourth Quarter					
		Pharmaceutical and Specialty Solutions		Global Medical Products and Distribution		Other	
(in millions)		2024	2023	2024	2023	2024	2023
Revenue							
Amount	\$	55,608	\$ 49,373	\$ 3,109	\$ 3,047	\$ 1,172	\$ 1,020
Growth rate		13 %	15 %	2 %	(2)%	15 %	11 %
Segment profit							
Amount	\$	482	\$ 448	\$ 47	\$ 7	\$ 111	\$ 100
Growth rate		8 %	10 %	N.M.	N.M.	11 %	(7)%
Segment profit margin		0.87%	0.91 %	1.51%	0.23 %	9.47%	9.80 %

		Fiscal Year					
		Pharmaceutical and Specialty Solutions		Global Medical Products and Distribution		Other	
(in millions)		2024	2023	2024	2023	2024	2023
Revenue							
Amount	\$	210,019	\$ 188,814	\$ 12,381	\$ 12,222	\$ 4,512	\$ 4,021
Growth rate		11 %	15 %	1 %	(8)%	12 %	14 %
Segment profit							
Amount	\$	2,015	\$ 1,881	\$ 92	\$ (147)	\$ 423	\$ 396
Growth rate		7 %	14 %	N.M.	N.M.	7 %	2 %
Segment profit margin		0.96%	1.00 %	0.74%	(1.20)%	9.38%	9.85 %

The sum of the components and certain computations may reflect rounding adjustments.

Amounts have been revised to reflect the correction of certain unrelated immaterial misstatements. See "Notes to the Consolidated Financial Statements" included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024 to be filed with the SEC.



GAAP / Non-GAAP Reconciliation¹

	Gross Margin	Gross Growth Rate	SG&A ²	SG&A ² Growth Rate	Operating Earnings	Operating Growth Rate	Earnings Before Taxes	Provision for Taxes	Net Earnings ³	Net Earnings ³ Growth Rate	Effective Tax Rate	Diluted EPS ³	Diluted EPS ³ Growth Rate								
(in millions, except per common share amounts)																					
Fiscal Year 2024																					
GAAP	\$	7,414	8 %	\$	5,000	4 %	\$	1,243	65%	\$	1,201	\$	348	\$	852	N.M.	28.9 %	\$	3.45	N.M.	
Shareholder cooperation agreement costs		-			(1)			1							1						
Restructuring and employee severance		-			-			175							175						0.54
Amortization and other acquisition-related costs		-			-			284							284						0.85
Impairments and (gain)/loss on disposal of assets, net 5		-			-			634							634						2.38
Litigation (recoveries)/charges, net		-			-			78							78						0.30
Non-GAAP	\$	7,414	8 %	\$	5,000	4 %	\$	2,414	16 %	\$	2,372	\$	515	\$	1,856	21 %	21.7 %	\$	7.53	29 %	
Fiscal Year 2023																					
GAAP	\$	6,874	6 %	\$	4,800	6 %	\$	752	N.M.	\$	663	\$	332	\$	330	N.M.	50.0 %	\$	1.26	N.M.	
State opioid assessment related to prior fiscal years		-			6			(6)							(6)						(0.02)
Shareholder cooperation agreement costs		-			(8)			8							8						0.02
Restructuring and employee severance		-			-			95							95						0.28
Amortization and other acquisition-related costs		-			-			285							285						0.80
Impairments and (gain)/loss on disposal of assets, net 5		-			-			1,246							1,246						4.35
Litigation (recoveries)/charges, net		-			-			(304)							(304)						(0.84)
Non-GAAP	\$	6,874	6 %	\$	4,798	6 %	\$	2,076	5 %	\$	1,987	\$	452	\$	1,534	8 %	22.8 %	\$	5.85	15 %	

¹ For more information on these measures, refer to the Use of Non-GAAP Measures and Definitions schedules.

² Distribution, selling, general and administrative expenses.

³ Attributable to Cardinal Health, Inc.

⁴ For fiscal 2024 and 2023, impairments and (gain)/loss on disposals of assets, net includes pre-tax goodwill impairment charges of \$675 million and \$1.2 billion related to the GMPD segment, respectively. For fiscal 2024 and 2023, the net tax benefit related to these charges was \$58 million and \$92 million, respectively, and were included in the annual effective tax rate.

The sum of the components and certain computations may reflect rounding adjustments.

We generally apply varying tax rates depending on the item's nature and tax jurisdiction where it is incurred.

Amounts have been revised to reflect the correction of certain unrelated immaterial misstatements. See "Notes to the Consolidated Financial Statements" included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024 to be filed with the SEC.



GAAP / Non-GAAP Reconciliation - GAAP Cash Flow to Non-GAAP Adjusted Free Cash Flow

(in millions)

GAAP - Cash Flow Categories

Net cash provided by operating activities
 Net cash provided by/(used in) investing activities
 Net cash used in financing activities
 Effect of exchange rates changes on cash and equivalents
 Net increase in cash and equivalents

	Fiscal Year 2024	Fiscal Year 2023
	\$ 3,762	\$ 2,844
	(1,849)	(454)
	(847)	(3,051)
	(9)	(8)
	<u>\$ 1,057</u>	<u>\$ (669)</u>

Non-GAAP Adjusted Free Cash Flow

Net cash provided by operating activities
 Additions to property and equipment
 Payments related to matters included in litigation (recoveries)/charges, net

	\$ 3,762	\$ 2,844
	(511)	(481)
	691	490
	<u>\$ 3,942</u>	<u>\$ 2,853</u>

Non-GAAP Adjusted Free Cash Flow

For more information on these measures, refer to the Use of Non-GAAP Measures and Definitions schedules.

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