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Cencora, Inc.
First Quarter Fiscal 2025
Earnings Call

February 5, 2025

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, 2024 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 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.

Cencora is united in our responsibility to create healthier futures.

Cencora 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.

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

*Growth rates given on a constant currency 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 Corporate Responsibility strategy to live our purpose and create a better future for all stakeholders

Note: For more information related to non-GAAP financial measures, refer to the section titled “Supplemental Information Regarding Non-GAAP Financial Measures” in the appendix to this presentation and posted on our website, investor.cencora.com.

First quarter highlights & strategic overview

Company highlights

- On January 2, 2025, Cencora completed its previously announced acquisition of Retina Consultants of America ("RCA"), a leading retina management services organization.

Financial highlights & fiscal 2025 guidance

- Adjusted diluted EPS[(1)] increased 13.7% year-over-year to $3.73.
- Cencora's Board of Directors declared a quarterly cash dividend of $0.55 per common share.
- Cencora is updating its fiscal year 2025 adjusted diluted EPS[(1)] guidance to a range of $15.25 to $15.55, up from $15.15 to $15.45, to better reflect the continued momentum in the U.S. Healthcare Solutions segment.

(1) See tables and supplemental information 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" in the appendix to this presentation and posted on our website, investor.cencora.com.

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Financial results

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Q1 fiscal 2025 financial summary

12.8%
Revenue growth y/y

7.2%
Consolidated adjusted operating income[1] growth y/y

9.9%
U.S. Healthcare Solutions segment operating income growth y/y

(2.9)%
International Healthcare Solutions segment operating income decline y/y

3.3%
International Healthcare Solutions segment constant currency operating income[1] growth y/y

13.7%
Adjusted diluted EPS[1] growth y/y

(1) See tables at end of presentation for GAAP to non-GAAP reconciliations
The financial results presented on a constant currency basis 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" in the appendix to this presentation and posted on our website, investor.cencora.com.

Consolidated results	GAAP	Adjusted (non-GAAP)[1]
Revenue	$81.5B	$81.5B
y/y%	*12.8%*	*12.8%*
Gross profit	$2.6B	$2.5B
y/y%	*3.6%*	*6.1%*
Operating expenses	$1.9B	$1.6B
y/y%	*12.5%*	*5.5%*
Operating income	$706M	$949M
y/y%	*(14.2)%*	*7.2%*
Interest expense, net	$28M	$28M
y/y%	*(31.1)%*	*(31.1)%*
Effective tax rate	20.4%	20.0%
Net income attributable to Cencora	$489M	$728M
y/y%	*(18.8)%*	*10.0%*
Diluted earnings per share	$2.50	$3.73
y/y%	*(16.1)%*	*13.7%*
Diluted shares outstanding	195.2M	195.2M
y/y%	*(3.3)%*	*(3.3)%*

U.S. Healthcare Solutions segment

Q1 fiscal 2025 financial results

Financial results	Q1 fiscal 2025	Q1 fiscal 2024	y/y%
Revenue	$74.0B	$65.2B	13.6%
Operating income	$767M	$698M	9.9%

Percentages of Revenue	Q1 fiscal 2025	Q1 fiscal 2024
Gross profit	2.28%	2.41%
Operating expenses	1.24%	1.34%
Operating income	1.04%	1.07%

- Revenue increased 13.6% to $74.0 billion due to overall market growth primarily driven by unit volume growth, including increased sales of products labeled for diabetes and/or weight loss in the GLP-1 class and increased sales of specialty products to physician practices and health systems.
- Operating income increased 9.9% to $767 million due to the increase in gross profit, offset in part by the increase in operating expenses.

International Healthcare Solutions segment

Q1 fiscal 2025 financial results

Financial results (as reported)	Q1 fiscal 2025	Q1 fiscal 2024	y/y%	Constant currency(1) y/y%
Revenue	$7.5B	$7.1B	5.5%	8.5%
Operating income	$182M	$188M	(2.9)%	3.3%

Percentages of revenue (as reported)	Q1 fiscal 2025	Q1 fiscal 2024
Gross profit	11.40%	11.56%
Operating expenses	8.96%	8.91%
Operating income	2.44%	2.65%

- Revenue of $7.5 billion was up 5.5% on an as reported basis. On a constant currency basis, revenue increased by 8.5%.
- Operating income decreased 2.9% to $182 million on an as-reported basis due to lower operating income at our global specialty logistics business, offset in part by the increase at our European distribution business. On a constant currency basis, operating income increased 3.3%.

(1) The financial results presented on a constant currency basis 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" in the appendix to this presentation and posted on our website, investor.cencora.com.

Fiscal 2025 guidance

Fiscal 2025 guidance

	As reported	Constant currency[1]
Consolidated		
Revenue	**8% to 10%**	
Adjusted operating income[1][2]	**11.5% to 13.5%**	
U.S. Healthcare Solutions		
Revenue	**9% to 11%**	
Operating income	**14.5% to 16.5%**	
International Healthcare Solutions		
Revenue	**4% to 5%**	7% to 9%
Operating income	**Flat**	**~5%**

Bold numbers indicate updates to FY25 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 section titled “Supplemental Information Regarding Non-GAAP Financial Measures” in the appendix to this presentation

Note: The financial results presented on a constant currency basis 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” in the appendix to this presentation

Fiscal 2025 guidance continued

	Fiscal 2025 Guidance	Fiscal 2024 Actual
Adjusted diluted earnings per share[1]	**$15.25 to $15.55**	$13.76
Net interest expense	**$290 to $310 million**	$157 million
Adjusted effective tax rate[1]	~21%	20.8%
Diluted weighted average shares outstanding	**Under 196 million**	200.3 million
Adjusted free cash flow[1]	$2.0 to $3.0 billion	$3.1 billion
Capital expenditures	~$600 million	$487 million

Bold numbers indicate updates to FY25 guidance.

On January 2, 2025, Cencora updated its fiscal year 2025 financial guidance for adjusted diluted EPS following the closing of the RCA acquisition to reflect the expected contribution from RCA and continued momentum in the U.S. Healthcare Solutions reportable segment.

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 section titled "Supplemental Information Regarding Non-GAAP Financial Measures" in the appendix to this presentation

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Advancing corporate responsibility initiatives to create healthier futures around the world

Global Corporate Responsibility

Building resilient and sustainable operations

- **Business Resilience:** We have performed physical risk assessments using climate models to inform operational planning.
- **Renewable Energy Initiatives:** We continue to explore renewable energy options to enhance sustainability. In FY24, our World Courier facilities in Stockholm and Copenhagen installed Photovoltaic (PV) systems, both now operational, with plans for installations in Zurich and Singapore in FY25.
- **Advancements in Sustainable Transportation:** Increased our use of alternative fuel vehicles in our fleet and launched the strategic transition to reusable totes in our US Animal Health business.

Investing in our people and communities

- **Proactive Environmental Health and Safety (EHS) Initiatives:** Collaborated cross-functionally and implemented a new EHS metrics dashboard to enable proactive risk management, regulatory compliance, and a strengthened EHS culture within our operations.
- **Cencora Impact Foundation Initiatives:** Donated more than $6.4 million to global nonprofit partners, focusing on healthcare access, animal health, and prescription drug safety.
- **Emergency Preparedness and Disaster Relief:** Supported communities and team members during and after disasters through proactive support and emergency response initiatives, including a response to the California wildfires.

Embracing a culture of transparency, ethics, and integrity

- **Compliance and Integrity:** In FY24, Cencora continued its focus on maintaining the highest standards of ethical conduct and compliance, fostering a culture of integrity and accountability across all operations.

Creating differentiated value for our stakeholders

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

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 and support our customers in meeting consumer needs

- Invest in innovation to further drive differentiation

Enhance capabilities and growth

- Expand on leadership in Specialty
- Contribute to Rx outcomes

Appendix

CENCORA, INC.
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31, 2024						
	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income Attributable to Cencora	Diluted Earnings Per Share
GAAP	2,558,038	$ 1,851,784	$ 706,254	$ 620,447	$ 126,728	$ 488,600	$ 2.50
Gains from antitrust litigation settlements	(22,870)	—	(22,870)	(22,870)	(6,530)	(16,340)	(0.08)
LIFO credit	(7,324)	—	(7,324)	(7,324)	(2,092)	(5,232)	(0.03)
Turkey highly inflationary impact	7,155	—	7,155	7,666	—	7,666	0.04
Acquisition-related intangibles amortization	—	(164,856)	164,856	164,856	47,075	117,347	0.60
Litigation and opioid-related expenses	—	(16,765)	16,765	16,765	4,787	11,978	0.06
Acquisition-related deal and integration expenses	—	(38,712)	38,712	38,712	11,054	27,658	0.14
Restructuring and other expenses	—	(45,760)	45,760	45,760	13,067	32,693	0.17
Gain on remeasurement of equity investment	—	—	—	(3,480)	—	(3,480)	(0.02)
Loss on divestiture of non-core businesses	—	—	—	35,539	—	35,539	0.18
Other, net	—	—	—	5,411	923	4,488	0.02
Tax reform [1]	—	—	—	15,204	(11,675)	26,879	0.14
Adjusted Non-GAAP	$ 2,534,999	$ 1,585,691	$ 949,308	$ 916,686	$ 183,337	$ 727,796	$ 3.73 [2]
Adjusted Non-GAAP % changes vs. prior year period	6.1 %	5.5 %	7.2 %	9.2 %	4.0 %	10.0 %	13.7 %

Percentages of Revenue:	GAAP	Adjusted Non-GAAP
Gross profit	3.14%	3.11%
Operating expenses	2.27%	1.95%
Operating income	0.87%	1.16%

[1] Tax reform includes the foreign currency remeasurement of Swiss deferred tax assets arising from 2020 Swiss tax reform and the amortization of those deferred tax assets.

[2] The sum of the components does not equal the total due to rounding.

Note: For more information related to non-GAAP financial measures, refer to the section titled “Supplemental Information Regarding Non-GAAP Financial Measures” of this presentation.

CENCORA, INC.
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31, 2023						
	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income Attributable to Cencora	Diluted Earnings Per Share
GAAP	$ 2,468,812	$ 1,645,937	$ 822,875	$ 783,398	$ 180,390	$ 601,500	$ 2.98
Gains from antitrust litigation settlements	(48,248)	—	(48,248)	(48,248)	(10,456)	(37,792)	(0.19)
LIFO credit	(48,445)	—	(48,445)	(48,445)	(10,498)	(37,947)	(0.19)
Turkey highly inflationary impact	17,226	—	17,226	16,919	—	16,919	0.08
Acquisition-related intangibles amortization	—	(165,724)	165,724	165,724	35,913	129,376	0.64
Litigation and opioid-related credit, net [1]	—	78,917	(78,917)	(78,917)	(12,028)	(66,889)	(0.33)
Acquisition-related deal and integration expenses	—	(21,063)	21,063	21,063	4,564	16,499	0.08
Restructuring and other expenses	—	(34,441)	34,441	34,441	7,463	26,978	0.13
Loss on remeasurement of equity investment	—	—	—	10,201	—	10,201	0.05
Other, net	—	—	—	222	(109)	331	—
Tax reform [2]	—	—	—	(16,685)	(18,916)	2,231	0.01
Adjusted Non-GAAP	$ 2,389,345	$ 1,503,626	$ 885,719	$ 839,673	$ 176,323	$ 661,407	$ 3.28 [3]

Percentages of Revenue:	GAAP	Adjusted Non-GAAP
Gross profit	3.42%	3.31%
Operating expenses	2.28%	2.08%
Operating income	1.14%	1.23%

[1] Includes a net $92.2 million opioid litigation settlement accrual reduction primarily as a result of the Company's commitment, which it made in December 2023, to prepay the net present value of a future obligation as permitted under its opioid settlement agreements.

[2] Tax reform includes the foreign currency remeasurement of Swiss deferred tax assets arising from 2020 Swiss tax reform and the amortization of those deferred tax assets.

[3] The sum of the components does not equal the total due to rounding.

Note: For more information related to non-GAAP financial measures, refer to the section titled “Supplemental Information Regarding Non-GAAP Financial Measures” of this presentation.

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. We have included the following non-GAAP earnings-related financial measures in this presentation:

- *Adjusted gross profit and adjusted gross profit margin:* Adjusted gross profit is a non-GAAP financial measure that excludes gains from antitrust litigation settlements, LIFO expense (credit), and Turkey highly inflationary impact. Adjusted gross profit margin is the ratio of adjusted gross profit to total revenue. Management believes that these non-GAAP financial measures are useful to investors as a supplemental measure of the Company's ongoing operating performance. Gains from antitrust litigation settlements, LIFO expense (credit), and Turkey highly inflationary impact are excluded because the Company cannot control the amounts recognized or timing of these items. Gains from antitrust litigation settlements relate to the settlement of lawsuits that have been filed against brand pharmaceutical manufacturers alleging that the manufacturer, by itself or in concert with others, took improper actions to delay or prevent generic drugs from entering the market. LIFO expense (credit) is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences.

- *Adjusted operating expenses and adjusted operating expense margin:* Adjusted operating expenses is a non-GAAP financial measure that excludes acquisition-related intangibles amortization; litigation and opioid-related expenses (credit), net; acquisition-related deal and integration expenses; and restructuring and other expenses. Adjusted operating expense margin is the ratio of adjusted operating expenses to total revenue. 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 acquisition-related deal and integration expenses and restructuring and other expenses that relate to unpredictable and/or non-recurring business activities. We exclude the amount of litigation and opioid-related expenses (credit), net that is unusual, non-operating, unpredictable, non-recurring or non-cash in nature because we believe these exclusions facilitate the analysis of our ongoing operational performance.

- *Adjusted operating income and adjusted operating income margin:* Adjusted operating income is a non-GAAP financial measure that excludes the same items that are described above and excluded from adjusted gross profit and adjusted operating expenses. Adjusted operating income margin is the ratio of adjusted operating income to total revenue. Management believes that these non-GAAP financial measures are 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.

- *Adjusted income before income taxes*: Adjusted income before income taxes is a non-GAAP financial measure that excludes the same items that are described above and excluded from adjusted operating income. In addition, the gain (loss) on remeasurement of an equity investment, the loss on the divestiture of non-core businesses, and the gain (loss) on the currency remeasurement of the deferred tax asset relating to 2020 Swiss tax reform are excluded from adjusted income before income taxes because these amounts are unusual, non-operating, and non-recurring. Management believes that this non-GAAP financial measure is useful to investors because it facilitates the calculation of the Company's adjusted effective tax rate.

- *Adjusted income tax expense*: Adjusted income tax expense is a non-GAAP financial measure that excludes the income tax expense associated with the same items that are described above and excluded from adjusted income before income taxes. Certain discrete tax expense (benefits) are also excluded from adjusted income tax expense. Further, the amortization of deferred tax assets relating to 2020 Swiss tax reform is excluded from adjusted income tax expense for the three months ended December 31, 2024 and 2023. 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.

- *Adjusted effective tax rate:* Adjusted effective tax rate is a non-GAAP financial measure that is determined by dividing adjusted income tax expense by adjusted income before income taxes. Management believes that this non-GAAP financial measure is useful to investors because it presents an effective tax rate that does not reflect unusual, non-operating, unpredictable, non-recurring, or non-cash amounts or items that are outside the control of the Company.

Supplemental information regarding non-GAAP financial measures (cont.)

- *Adjusted net income attributable to Cencora:* Adjusted net income attributable to the Company is a non-GAAP financial measure that excludes the same items that are described above. 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.

- *Adjusted diluted earnings per share:* Adjusted diluted earnings per share excludes the per share impact of adjustments including gains from antitrust litigation settlements; LIFO expense (credit); Turkey highly inflationary impact; acquisition-related intangibles amortization; litigation and opioid-related expenses (credit), net; acquisition-related deal and integration expenses; restructuring and other expenses; the gain (loss) on remeasurement of an equity investment; the loss on the divestiture of non-core businesses; and the gain (loss) on the currency remeasurement related to 2020 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 items, and the per share impact of the amortization of deferred tax assets relating to 2020 Swiss tax reform for the three months ended December 31, 2024 and 2023 are also excluded from adjusted diluted earnings per share. 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.

- *Adjusted Free Cash Flow:* Adjusted free cash flow is a non-GAAP financial measure defined as net cash provided by operating activities, excluding significant unpredictable or non-recurring cash payments or receipts relating to legal settlements, minus capital expenditures. Adjusted free cash flow is used internally by management for measuring operating cash flow generation and setting performance targets and has historically been used as one of the means of providing guidance on possible future cash flows. For the three months ended December 31, 2024, adjusted free cash flow usage of $2,847.5 million consisted of the use of $2,718.8 million of cash in our operations, minus capital expenditures of $105.9 million and gains from antitrust litigation settlements of $22.9 million. The Company does not provide forward looking guidance on a GAAP basis for free cash flow because the timing and amount of favorable and unfavorable settlements excluded from this metric, the probable significance of which cannot be determined, are unavailable and cannot be reasonably estimated.

The Company also presents certain information related to current period operating results in “constant currency,” which is a non-GAAP financial measure. These amounts are calculated by translating current period results at the foreign currency exchange rates used in the comparable period in the prior year. The Company presents such constant currency financial information because it has significant operations outside of the United States reporting in currencies other than the U.S. dollar and this presentation provides a framework to assess how its business performed excluding the impact of foreign currency exchange rate fluctuations. For the first quarter of fiscal 2025, (i) revenue of $81.5 billion was negatively impacted by foreign currency translation of $216.8 million, resulting in revenue on a constant currency basis of $81.7 billion, and (ii) adjusted operating income of $949.3 million was negatively impacted by foreign currency translation of $11.8 million, resulting in operating income on a constant currency basis of $961.1 million. For the first quarter of fiscal 2025 in the International Healthcare Solutions segment, (i) revenue of $7.5 billion was negatively impacted by foreign currency translation of $216.8 million, resulting in revenue on a constant currency basis of $7.7 billion, and (ii) operating income of $182.1 million was negatively impacted by foreign currency translation of $11.8 million, resulting in adjusted operating income on a constant currency basis of $193.8 million.

In addition, the Company has provided non-GAAP fiscal year 2025 guidance for diluted earnings per share, operating income, effective income tax rate, and free cash flow that excludes the same or similar items as those that are excluded from the historical non-GAAP financial measures, as well as significant items that are outside the control of the Company or inherently unusual, non-operating, unpredictable, non-recurring or non-cash in nature. The Company does not provide forward looking guidance on a GAAP basis for such metrics because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. For example, LIFO expense (credit) is largely dependent upon the future inflation or deflation of brand and generic pharmaceuticals, which is out of the Company's control, and acquisition-related intangibles amortization depends on the timing and amount of future acquisitions, which cannot be reasonably estimated. Similarly, the timing and amount of favorable and unfavorable settlements, the probable significance of which cannot be determined, are unavailable and cannot be reasonably estimated.

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