



Cardinal Health, Inc.

Conference Call



January 9, 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, preliminary recast fiscal 2023 results and various accruals and estimates. These risks and uncertainties include risks arising from ongoing inflationary pressures, including the risk that our plans to mitigate such effects may not be as successful as we anticipate or that costs could remain elevated; the possibility that our Medical unit goodwill could be further impaired due to additional changes to our long-term financial plan, increases in global interest rates or unfavorable changes in the U.S. statutory tax rate; risks associated with our ongoing review of our operations, portfolio and businesses, including the risk that our management team could become distracted or that the outcome of such review may have unintended consequences; 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; 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; ongoing risks associated with the distribution of opioids, including the financial impact associated with the settlements with governmental authorities and the risk that challenges to tax deductions for opioid-related losses could adversely impact our financial results; risks arising from the Department of Justice investigation which we believe concerns our anti-diversion program and risks associated with the injunctive relief requirements under the national settlement, including the risk that we may incur higher costs or operational challenges in the implementation and maintenance of the required changes; risks associated with the manufacture and sourcing of certain products, including risks related to our ability and the ability of third-party manufacturers to import or export certain products or component parts and to comply with applicable regulations; our ability to manage uncertainties associated with the pricing of branded pharmaceuticals; uncertainties related to the timing, magnitude and profit impact of the distribution of recently commercially available COVID-19 vaccines; risks associated with business process initiatives, such as the Medical Improvement Plan, including the possibility that they could fail to achieve the intended results; and the risk we may not realize the anticipated benefits related to our updated operating and segment reporting structure. 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 January 9, 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 presentation 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.

Moving Healthcare Forward

Jason Hollar
Chief Executive Officer

Aaron Alt
Chief Financial Officer



Today's announcements

Continuing to simplify our operations and enhance our focus

- 1 Achieved further progress on our ongoing business and portfolio review**
 - **Completed review** of growth businesses within Medical: **investing in** and developing **at-Home Solutions** and **OptiFreight® Logistics** for CAH long-term value creation
 - Review of Global Medical Products and Distribution business **continues**, with focus on **driving operational performance** through the **Medical Improvement Plan**
 - **Reorganizing** leadership structure to continue **simplification efforts**, prioritize **core operational execution** and drive **efficiencies, accountability** and **transparency**
- 2 Updated enterprise operating and segment reporting structure, effective January 1, 2024¹**
 - **Pharmaceutical and Specialty Solutions:** leverages **connectivity** between resilient **Pharmaceutical Distribution** business and higher-growth **Specialty** business
 - **Global Medical Products and Distribution:** enables continued prioritization of **Medical Improvement Plan initiatives** and **customer focus**
 - **Other²:** provides **greater visibility** to key areas with **favorable trends** and focus on **growth investments**
 - Providing **pro-forma long-term financial targets** for updated segment reporting structure
- 3 Updated fiscal 2024 non-GAAP diluted EPS guidance to high end of \$6.75 to \$7.00 range**
 - Primarily driven by favorability in **Interest and Other** and **Diluted Weighted Average Shares Outstanding**
 - Enabled by continued **strong cash flow generation** and incremental **share repurchases** during Q2 FY24

¹To be reflected in company's financial reporting beginning Q3 FY24

²Other includes the following three operating segments: at-Home Solutions, Nuclear and Precision Health Solutions and OptiFreight® Logistics, which are not significant enough individually to require reportable segment disclosure

Business and portfolio review framework

Key considerations



Continuing to simplify our operations and enhance our focus

Building upon our progress and plans from Investor Day

Cardinal Health

1 **Continue** path towards becoming a simplified and more focused company

2 **Prioritize** Specialty, at-Home Solutions, NPHS and OptiFreight® Logistics as key long-term enterprise growth drivers and investment opportunities

3 **Realize** growth opportunities in both core businesses



Pharmaceutical and Specialty Solutions Segment

Led by Debbie Weitzman

Grow Core
Expand Specialty



Other Business Units

Business leaders reporting to CEO Jason Hollar
Rob Schlissberg, Michael Pintek, Emily Gallo

Invest to grow

- at-Home Solutions
- Nuclear & Precision Health Solutions (NPHS)
- OptiFreight® Logistics



Global Medical Products and Distribution Segment

Led by Steve Mason

Execute Medical Improvement Plan initiatives



Review previously completed at Investor Day



Review completed with today's announcements



Review remains in progress

Our long-term targets: FY24-26

(FY23 Baseline)



4% to 6%
Growth CAGR



Pharma and
Specialty Solutions
Segment Profit

~\$300M
in FY26



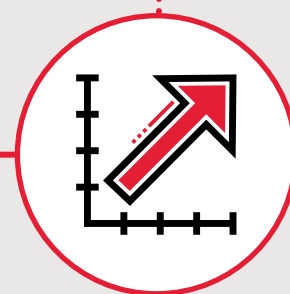
GMPD
Segment Profit

8% to 10%
Growth CAGR



Other
Segment Profit

at least
\$2.25B



Share
repurchases¹

12% to 14%
Growth CAGR



non-GAAP diluted
EPS growth

Reiterating the company's long-term non-GAAP diluted EPS growth target of **12% to 14% growth CAGR** relative to FY23 baseline

¹Includes \$500M of share repurchases executed in Q4 FY23, \$750M of share repurchases executed in FY24, plus at least \$500M of baseline share repurchases per year in FY25 and FY26

Long-term financial targets

Pro-forma, updated segment reporting¹

	FY23 Actuals ²	Long-Term Target	Businesses
Pharmaceutical and Specialty Solutions	Revenue: ~\$188.8B ----- Segment Profit: ~\$1.87B	4% to 6% Segment Profit CAGR ³	Former Pharmaceutical Segment, excluding Nuclear and Precision Health Solutions
Global Medical Products and Distribution	Revenue: ~\$12.1B ----- Segment Profit: ~\$(165)M	~\$300M in Segment Profit by FY26 ⁴	Former Medical Segment, excluding at-Home Solutions and OptiFreight [®] Logistics
Other	Revenue: ~\$4.1B ----- Segment Profit: ~\$410M	8% to 10% Segment Profit CAGR ³	at-Home Solutions, Nuclear and Precision Health Solutions and OptiFreight [®] Logistics

¹Segment changes effective January 1, 2024. Therefore, Q2 FY24 results will be prepared under the former segment structure. The updated segment structure will be reflected in Q3 FY24 and forward.

²Recast FY23 actuals for updated segment reporting structure are considered preliminary and pending a final recast of segment results that is expected to be completed by the company's Q3 FY24 earnings release. The sum of the components may reflect rounding adjustments.

³FY24 to FY26 CAGR, as of FY23 baseline

⁴The company's previously announced Medical Improvement Plan targeting at least \$650M of segment profit by FY26 continues, with elements of that plan to reside in the results of both GMPD and Other

Strategic priorities

Ruthless prioritization, resilient core and relentless focus

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

2 Execute Medical Improvement Plan initiatives

3 Accelerate growth in key areas

4 Relentless focus on shareholder value creation

Investing across our businesses

Pharmaceutical and Specialty Solutions



New distribution facilities, such as our Consumer Health Logistics Center



Emerging technologies for more digitized and interactive pharmaceutical supply chain

Navista™ Network capabilities



Specialty 3PL capacity and Sonexus™ patient services digital platform



Global Medical Products and Distribution

Distribution network capacity and automation



New product innovation and launches



Product portfolio capacity



at-Home Solutions, NPHS and OptiFreight® Logistics

at-Home Solutions



Network expansion, automation and new technologies

Nuclear and Precision Health Solutions



Center for Theranostics Advancement and PET manufacturing expansions

OptiFreight® Logistics



Digital offerings for enhanced supply chain visibility

GMPD elements of the Medical Improvement Plan

The previously announced **Medical Improvement Plan target** of at least **\$650M** of segment profit by FY26 **continues...** with elements of that plan to reside in the results of both **GMPD** and **Other**

Strategic priorities	Areas of focus	Growth Target FY23-FY26 ¹
1 Mitigate inflation and global supply chain constraints	Offset with mitigation initiatives <ul style="list-style-type: none"> Exit FY24 offsetting gross impact 	~\$300M
2 Optimize and grow Cardinal Health™ Brand portfolio	Grow Cardinal Health™ Brand² <ul style="list-style-type: none"> New product innovation and investments in new capacity In-channel and out-of-channel growth 	~\$50M
3 Drive simplification and continued cost optimization	Net cost savings³ <ul style="list-style-type: none"> Value improvement projects Sourcing, transportation and manufacturing strategies 	\$60M+

The journey to **~\$300M in segment profit by FY26** in Global Medical Products and Distribution... with the **remaining** Medical Improvement Plan contributions to be incorporated into the financials of businesses included in **Other**

¹As of fiscal year 2022 baseline

²Excludes PPE products and impacts from incremental inflation, global supply chain constraints, and certain portfolio optimization product category exits, on constant-currency basis

³Gross GMPD cost savings, net of operational cost increases

Our \$2.6B revenue **at-Home Solutions** business continues to accelerate

Through focused investments to meet growing demand for home healthcare

Breadth and scale¹



~5M

patients served in their homes annually in the U.S.



40K+

products across numerous conditions to choose from



10

distribution centers dedicated to direct-to-patient fulfillment²



~20M

packages shipped annually to the home



~99%

of U.S. population supported with 1-2 days delivery



~750

strong relationships with manufacturers

Complementary business units connected through quality care in the home



Direct-to-patient medical supplies distributor



Our scale and logistics expertise serve as an extension of our customers



Direct-to-patient mail order medical supplies provider



We simplify condition management and improve the quality of life for those we serve



Rapid delivery and logistical services for hospital-at-Home



We enable the full potential of care in the home with our unique in-market services

¹Stats based on 2023 data | ²Includes DCs currently operating and does not reflect announced facility expansions

Our \$1.2B revenue **Nuclear & Precision Health Solutions** business is positioned to win

With differentiated offerings, deep radiopharmaceutical expertise and established industry partnerships

Breadth and scale¹

 **>12M**

time-critical, patient-specific doses annually, serving more than 6,500 customers

 **160**

130 nuclear pharmacies and 30 PET sites

 **~95%**

of hospitals reached within three hours

 **99.9%**

accuracy rates for dispensing and labeling

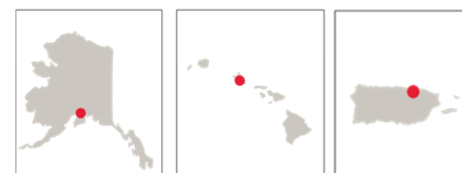
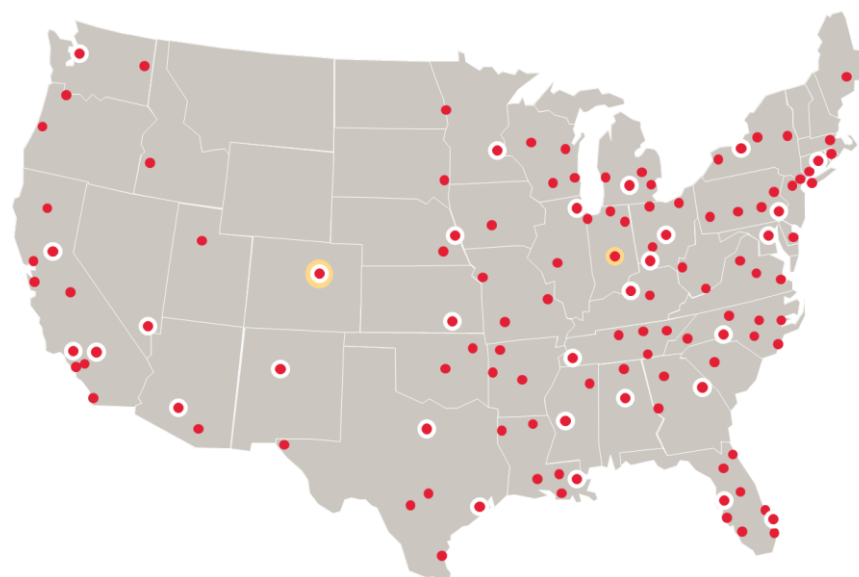
 **99.7%**

on-time delivery rate

¹Stats based on 2023 data

Unmatched national network

National provider of choice offering both low- and high-energy radiopharmaceuticals, with best-in-class service levels



Key
 ● Nuclear Pharmacy
 ○ Cyclotron
 ● Manufacturing Center

Growing market with favorable trends



Success of early radiotherapeutics fueling interest and investment in the clinical trial pipeline, including novel “theranostics” solutions



Increase in demand for nuclear medicine (higher incidence and prevalence of cancer and other disease states)



Continued shift from “one size fits all” to precision health (right treatment, dose and patient) for personalized, targeted therapy

Center for Theranostics Advancement

Pre-commercial services + Commercial services



Development and clinical trial support



Program management



Supply chain management



Quality and regulatory



Distribution and logistics



Customer readiness



Scale-up/CMO²



Commercial support

²Contract Manufacturing Organization

Our \$250M revenue **OptiFreight[®] Logistics** business is driving strong growth

By delivering value and efficiencies for our customers

Breadth and scale¹



21M+
shipments managed for our customers annually



\$700M+
annual shipping and logistics spend savings for our customers in aggregate



17
of Gartner's Top 25 Supply Chain Health Systems use our logistics management offering

Digital supply chain solutions

Leading logistics management offering gives healthcare systems visibility and control over their shipments

Inbound



Manufacturer



Medical products

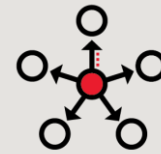


Healthcare facility

Outbound

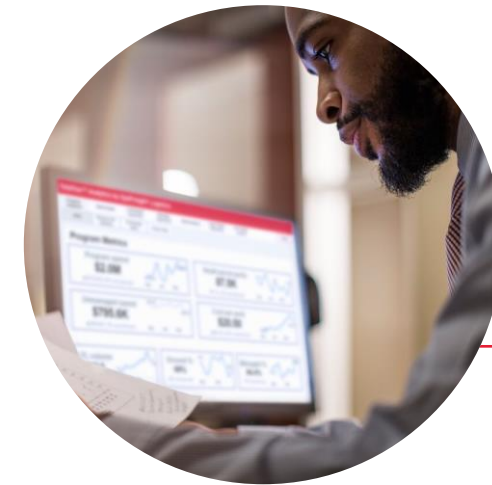


Healthcare facility



Various sites:
Other facilities
Home (employees, patients)

Customer digital platforms



TotalVue[™] Insights
Real-time Shipment Tracking and Advanced Analytics

Supply Chain Visibility and Resiliency Platform



¹Stats based on 2023 data

Disciplined Capital Allocation Framework

FY24 – FY26

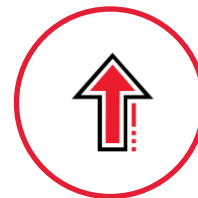
Table stakes



Investing back into the business to drive organic growth



Maintain investment grade balance sheet



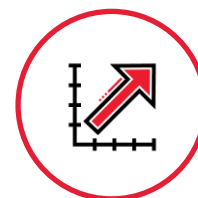
Baseline return of capital to shareholders

- Continue to grow the dividend
- Baseline share repurchases

Opportunistic levers



Active, disciplined and targeted M&A



Additional opportunistic share repurchases

FY24 Progress



\$92M in capex in Q1



Two positive outlook updates from credit rating agencies
Completed 3rd annual opioid settlement payment



~\$630M total returned to shareholders in Q1
Includes completed **\$500M** FY24 baseline share repurchase

Opportunistically evaluating disciplined M&A



~\$250M ASR executed in Q2 (\$750M total share repurchase YTD)

No changes to the long-term capital allocation framework provided at Investor Day on June 8, 2023.

Taking action to maximize and sustain value at Cardinal Health

Value creation initiatives to-date¹



Strategy and operations

- ✓ Executed **simplification actions**
- ✓ Made key **leadership changes**
- ✓ Further **streamlined organizational structure**



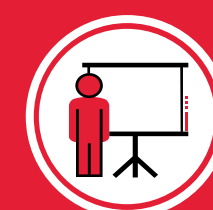
Capital deployment

- ✓ Returned **over \$3.3B to shareholders** through share repurchases and dividends
- ✓ Investing **~\$500M** back into business in FY24 to **drive organic growth**



Financial performance

- ✓ **Fiscal 24 non-GAAP EPS guidance** updated to **high end of \$6.75 - \$7.00 (20%+ growth at top end)**
- ✓ Strong Pharmaceutical Segment performance and **growth outlook**
- ✓ Delivered **significant improvement** in Medical Segment results
- ✓ Continued **strong cash flow** generation



Governance and portfolio

- ✓ Appointed four **new independent Board members**
- ✓ Formed and extended **Business Review Committee**
- ✓ Completed **Pharma Segment business review**
- ✓ Completed **review of growth businesses** within **Medical Segment**
- ✓ Announced **company reorganization**

¹Value creation initiatives in FY23 and FY24

✓ reflects today's updates

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**



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



Other Growth Areas

Favorable **long-term industry trends** for at-Home Solutions, NPHS and OptiFreight®

Investing to continue their **strong growth trajectories**



Cash flow and capital deployment

Continued **robust adjusted free cash flow** generation

Responsible capital deployment includes **disciplined 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

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.