UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ..... to .....

Commission File Number: 1-11373

Cardinal Health, Inc.

(Exact name of registrant as specified in its charter)

Ohio	**31-0958666**
(State or other jurisdiction of incorporation or organization)	***(IRS Employer Identification No.)***
7000 Cardinal Place , Dublin , Ohio	**43017**
(Address of principal executive offices)	***(Zip Code)***

(614) 757-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	*Trading Symbol(s)*	*Name of each exchange on which registered*
Common shares (without par value)	**CAH**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of the registrant's common shares, without par value, outstanding as of January 31, 2026, was the following: 235,316,016.

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About Cardinal Health

Cardinal Health, Inc., an Ohio corporation formed in 1979, is a global healthcare services and products company providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories, physician offices, and patients in the home. We provide pharmaceuticals and medical products and cost-effective solutions that enhance supply chain efficiency. We connect patients, providers, payers, pharmacists, and manufacturers for integrated care coordination.

We report our financial results in two reportable segments: Pharmaceutical and Specialty Solutions ("Pharma") segment and Global Medical Products and Distribution ("GMPD") segment. All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions, and OptiFreight® Logistics. As used in this report, “we,” “our,” “us,” and similar pronouns refer to Cardinal Health, Inc. and its majority-owned and consolidated subsidiaries, unless the context requires otherwise. Our fiscal year ends on June 30. References to fiscal 2026 and fiscal 2025 and to FY26 and FY25 are to the fiscal years ending or ended June 30, 2026 and June 30, 2025, respectively.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the quarter ended December 31, 2025 (this "Form 10-Q") (including information incorporated by reference) includes "forward-looking statements" addressing expectations, prospects, estimates, and other matters that are dependent upon future events or developments. Many forward-looking statements appear in Management’s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), but there are others in this Form 10-Q, which 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 expense accruals. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those made, projected, or implied. The most significant of these risks and uncertainties are described in this Form 10-Q, including Exhibit 99.1, and in "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025 (“2025 Form 10-K”), our Form 10-Q for the quarter ended September 30, 2025, and other SEC filings made since June 30, 2025. Forward-looking statements in this Form 10-Q speak only as of the date of this document. Except to the extent required by applicable law, we undertake no obligation to update or revise any forward-looking statement.

Non-GAAP Financial Measures

In the "Overview of Consolidated Results" section of MD&A, we use financial measures that are derived from our consolidated financial data but are not presented in our condensed consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). These measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission ("SEC") rules. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are included in the “Explanation and Reconciliation of Non-GAAP Financial Measures” section following MD&A in this Form 10-Q.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion and analysis presented below is concerned with material changes in financial condition and results of operations, including amounts and certainty of cash flows from operations and from outside sources, between the periods specified in our condensed consolidated balance sheets at December 31, 2025 and June 30, 2025, and in our condensed consolidated statements of earnings and our condensed consolidated statements of cash flows for the three and six months ended December 31, 2025 and 2024. All comparisons presented are with respect to the prior-year period, unless stated otherwise. The discussion and analysis in this Form 10-Q should be read in conjunction with the MD&A included in our 2025 Form 10-K.

Overview of Consolidated Results

Revenue

Revenue for the three and six months ended December 31, 2025 increased 19 percent to $65.6 billion and 21 percent to $129.6 billion from the comparative prior-year periods, respectively, primarily due to branded and specialty pharmaceutical sales growth from existing and new customers.

GAAP and Non-GAAP Operating Earnings

	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	**2025**	2024	**Change**	**2025**	2024	**Change**
GAAP operating earnings	**$ 707**	$ 549	**29 %**	**$ 1,375**	$ 1,117	**23 %**
State opioid assessment related to prior fiscal years	**(17)**	—		**(17)**	—	
Restructuring and employee severance	**21**	9		**41**	33	
Amortization and other acquisition-related costs	**130**	105		**234**	179	
Acquisition-related cash and share-based compensation costs	**67**	—		**131**	—	
Impairments and (gain)/loss on disposal of assets, net	**(14)**	3		**(12)**	2	
Litigation (recoveries)/charges, net	**(18)**	(31)		**(18)**	(71)	
Non-GAAP operating earnings	**$ 877**	$ 635	**38 %**	**$ 1,734**	$ 1,260	**38 %**

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

GAAP operating earnings for the three and six months ended December 31, 2025 increased 29 percent to $707 million and 23 percent to $1.4 billion from the comparative prior-year periods, respectively, primarily due to the impact of the acquisitions of management services organization ("MSO") platforms and Advanced Diabetes Supply Group ("ADS"), increased contribution from branded and specialty pharmaceutical products, and growth from existing customers within the GMPD segment, partially offset by acquisition-related cash and share-based compensation costs.

Non-GAAP operating earnings for the three and six months ended December 31, 2025 increased 38 percent to $877 million and to $1.7 billion from the comparative prior-year periods, respectively, primarily due to the impact of the acquisitions of MSO platforms and ADS, increased contribution from branded and specialty pharmaceutical products, and growth from existing customers within the GMPD segment.

GAAP and Non-GAAP Diluted EPS

	Three Months Ended December 31,			Six Months Ended December 31,		
($ per share)	**2025 [2]**	2024 [2]	**Change**	**2025 [2]**	2024 [2]	**Change**
GAAP diluted EPS [1]	**$ 1.97**	$ 1.65	**19 %**	**$ 3.85**	$ 3.35	**15 %**
State opioid assessment related to prior fiscal years	**(0.05)**	—		**(0.05)**	—	
Restructuring and employee severance	**0.07**	0.03		**0.13**	0.10	
Amortization and other acquisition-related costs	**0.46**	0.32		**0.78**	0.54	
Acquisition-related cash and share-based compensation costs	**0.27**	—		**0.53**	—	
Impairments and (gain)/loss on disposal of assets, net	**(0.06)**	0.01		**(0.03)**	0.01	
Litigation (recoveries)/charges, net	**(0.04)**	(0.08)		**(0.02)**	(0.19)	
Non-GAAP diluted EPS [1]	**$ 2.63**	$ 1.93	**36 %**	**$ 5.18**	$ 3.81	**36 %**

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

(1) Diluted earnings per share attributable to Cardinal Health, Inc. ("diluted EPS").

(2) The reconciling items are presented within this table net of tax. See quantification of tax effect of each reconciling item in our GAAP to Non-GAAP Reconciliations in the "Explanation and Reconciliation of Non-GAAP Financial Measures."

GAAP diluted EPS for the three and six months ended December 31, 2025 increased 19 percent to $1.97 and 15 percent to $3.85 from the comparative prior-year periods, respectively, primarily due to the factors impacting GAAP operating earnings discussed in the preceding section, partially offset by increased interest expense.

Non-GAAP diluted EPS for the three and six months ended December 31, 2025 increased 36 percent to $2.63 and $5.18 from the comparative prior-year periods, respectively, primarily due to the factors impacting non-GAAP operating earnings discussed in the preceding section, partially offset by increased interest expense.

Significant Developments in Fiscal 2026 and Trends

Pharmaceutical and Specialty Solutions Segment

Solaris Health Acquisition

On November 3, 2025, we, through The Specialty Alliance, completed the acquisition of Solaris Health, a urology MSO, for a purchase price of approximately $1.9 billion in cash, subject to certain adjustments. In connection with the closing of this transaction, we issued common units in The Specialty Alliance to certain physicians and members of management which are estimated to have a grant date fair value of approximately $500 million, a portion of which will be recognized as post-combination expense within acquisition-related cash and share-based compensation costs.

Solaris Health includes more than 750 providers across more than 250 practice locations in 14 states. Solaris Health is part of The Specialty Alliance, our multi-specialty MSO platform, and their results are reported within our Pharma segment. With the closing of this transaction, we own approximately 76% of The Specialty Alliance. We funded the acquisition with a combination of cash proceeds from the recent debt financing and cash on hand. See Note 5 of the "Notes to Condensed Consolidated Financial Statements" for additional information on the debt financing.

Management Service Organization Platforms

The performance of our MSO platforms, which consists of The Specialty Alliance and Navista, positively impacted the year-over-year comparison of Pharma segment profit during the three and six months ended December 31, 2025, primarily due to the impact of the acquisitions of GI Alliance ("GIA"), Urology America, Integrated Oncology Network ("ION") and Solaris Health. The Specialty Alliance is our multi-specialty MSO platform, which is primarily comprised of GIA, Urology America, Solaris Health and other gastroenterology- and urology-focused practices. Navista is our oncology MSO platform, which is primarily comprised of ION and other oncology-focused practices. Our ability to successfully provide physician practice support and management services, and to receive the value we expect to receive from our recent acquisitions of MSO platforms, depends upon a number of factors, including: the ability to develop or acquire and integrate appropriate practice management and support expertise; the ability to support recruitment, integration, and retention of sufficient numbers of local providers and staff; ensuring the alignment of interests between Cardinal Health and the physicians; the ability to successfully support negotiations with vendors, suppliers, and payors; the reimbursement and regulatory environment; and competition from other healthcare organizations.

Branded Pharmaceuticals

During the three and six months ended December 31, 2025, we saw increased demand for GLP-1 pharmaceuticals and our sales increased significantly. These increased sales positively impacted our Pharma segment and consolidated revenue for the three and six months ended December 31, 2025; however, increased GLP-1 sales did not meaningfully contribute to segment profit. Future demand for these medications is unpredictable and our ability to meet demand may be impacted by supply constraints. Additionally, the recently issued Executive Order titled “Delivering Most-Favored Nation Prescription Drug Pricing to American Patients” may impact sales or profitability of branded pharmaceutical products; however, the extent of the impact is uncertain and may vary depending on the timeline for implementation and the extent of any price reductions.

Generics Program

The performance of our Pharma segment generics program positively impacted the year-over-year comparison of Pharma segment profit during the three and six months ended December 31, 2025. The Pharma segment generics program includes, among other things, the impact of generic pharmaceutical product launches, customer volumes, pricing changes, the Red Oak Sourcing, LLC venture ("Red Oak Sourcing") with CVS Health Corporation ("CVS Health"), and generic pharmaceutical contract manufacturing and sourcing costs.

The frequency, timing, magnitude, and profit impact of generic pharmaceutical customer volumes, pricing changes, customer contract renewals, generic pharmaceutical manufacturer pricing changes, and generic pharmaceutical contract manufacturing and sourcing costs all impact Pharma segment profit and are subject to risks and uncertainties. These risks and uncertainties may impact Pharma segment profit and consolidated operating earnings during the remainder of fiscal 2026 and beyond.

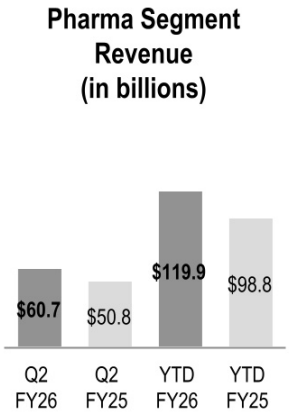
Tariffs

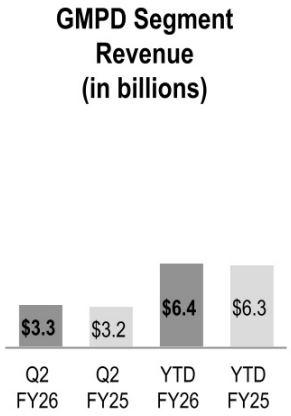
Recent U.S. tariffs imposed or threatened to be imposed on goods, materials, and products imported into the United States from countries where we do business and any retaliatory actions taken by such countries have resulted in us incurring substantial additional costs to source products and materials, directly and indirectly, from affected countries, resulting in raising prices on certain products and evaluating alternative sources of supply. It is also possible that we could experience supply disruptions or shortages as a result of tariffs or other protective measures.

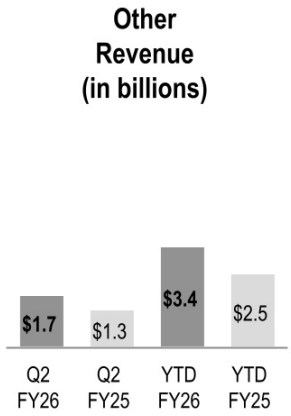
We have taken action to reduce the potential impact of tariffs on our costs; however, at this time, the countries that will be subject to tariffs and the tariff rate that may be imposed on each country remains dynamic and we do not expect to be able to establish alternative sources of supply or otherwise mitigate the potential impact of tariffs on all of the products that we source, manufacture or distribute. If we are not able to offset the impact of tariffs through price increases or otherwise mitigate the impacts, our financial results could be negatively impacted. Additionally, if tariffs are modified in the future, or our preliminary information is incorrect regarding their impact, we may not be able to respond to such changes adequately or in a timely manner and our financial results could be negatively impacted. Furthermore, if our competitors do not increase prices, or increase prices to a lesser extent than we do, or are able to offset the impact of tariffs through other actions, our competitive and financial position may be adversely affected.

Results of Operations

Revenue







	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	**2025**	2024	**Change**	**2025**	2024	**Change**
Pharmaceutical and Specialty Solutions	**$ 60,669**	$ 50,849	**19 %**	**$ 119,874**	$ 98,839	**21 %**
Global Medical Products and Distribution	**3,259**	3,154	**3 %**	**6,443**	6,277	**3 %**
Other	**1,724**	1,283	**34 %**	**3,365**	2,469	**36 %**
Total segment revenue	**65,652**	55,286	**19 %**	**129,682**	107,585	**21 %**
Corporate	**(25)**	(22)	**N.M.**	**(46)**	(44)	**N.M.**
Total revenue	**$ 65,627**	$ 55,264	**19 %**	**$ 129,636**	$ 107,541	**21 %**

Pharmaceutical and Specialty Solutions

Pharma segment revenue for the three and six months ended December 31, 2025 increased 19 percent to $60.7 billion and 21 percent to $119.9 billion from the comparative prior-year periods, respectively, primarily due to branded and specialty pharmaceutical sales growth from existing and new customers.

Global Medical Products and Distribution

GMPD segment revenue for the three and six months ended December 31, 2025 increased 3 percent to $3.3 billion and $6.4 billion from the comparative prior-year periods, respectively, primarily due to volume growth from existing customers.

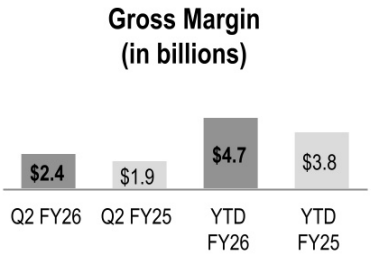
Other

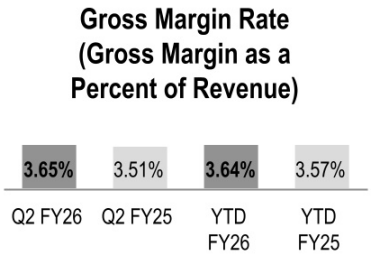
Other segment revenue for the three and six months ended December 31, 2025 increased 34 percent to $1.7 billion and 36 percent to $3.4 billion from the comparative prior-year periods, respectively, due to growth across at-Home Solutions (including the acquisition of ADS), Nuclear and Precision Health Solutions, and OptiFreight® Logistics.

Cost of Products Sold

Cost of products sold for the three and six months ended December 31, 2025 increased 19 percent to $63.2 billion and 20 percent to $124.9 billion from the comparative prior-year periods, respectively, primarily due to the factors affecting the changes in revenue and gross margin.

Gross Margin





	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	**2025**	2024	**Change**	**2025**	2024	**Change**
Gross margin	**$ 2,397**	$ 1,941	**23 %**	**$ 4,716**	$ 3,843	**23 %**

Gross margin for the three and six months ended December 31, 2025 increased 23 percent to $2.4 billion and $4.7 billion from the comparative prior-year periods, respectively, primarily due to the acquisitions of MSO platforms and ADS and the increased contribution from branded and specialty pharmaceutical products.

Gross margin rates for the three and six months ended December 31, 2025 grew 14 basis points to 3.65 percent and 7 basis points to 3.64 percent from the comparative prior-year periods, respectively, primarily due to the acquisition of MSO platforms, partially offset by the impact of the unfavorable changes in product mix for the Pharma segment. These changes in product mix were primarily driven by increased pharmaceutical distribution branded sales, which have a dilutive impact on our overall gross margin rate.

Distribution, Selling, General and Administrative ("SG&A") Expenses

	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	**2025**	2024	**Change**	**2025**	2024	**Change**
SG&A expenses	**$ 1,504**	$ 1,306	**15 %**	**$ 2,965**	$ 2,583	**15 %**

SG&A expenses for the three and six months ended December 31, 2025 increased 15 percent to $1.5 billion and $3.0 billion from the comparative prior-year periods, respectively, primarily due to the acquisitions of MSO platforms and ADS.

Segment Profit

We evaluate segment performance based on segment profit, among other measures. See Note 12 of the "Notes to Condensed Consolidated Financial Statements" for additional information on segment profit.

	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	**2025**	2024	**Change**	**2025**	2024	**Change**
Pharmaceutical and Specialty Solutions	**$ 687**	$ 531	**29 %**	**$ 1,354**	$ 1,061	**28 %**
Global Medical Products and Distribution	**37**	18	**N.M.**	**83**	26	**N.M.**
Other	**179**	118	**52 %**	**345**	222	**55 %**
Total segment profit	**903**	667	**35 %**	**1,782**	1,309	**36 %**
Corporate	**(196)**	(118)	**N.M.**	**(407)**	(192)	**N.M.**
Total consolidated operating earnings	**$ 707**	$ 549	**29 %**	**$ 1,375**	$ 1,117	**23 %**

Pharmaceutical and Specialty Solutions

Pharma segment profit for the three and six months ended December 31, 2025 increased 29 percent to $687 million and 28 percent to $1.4 billion from the comparative prior-year periods, respectively, primarily due to increased contribution from branded and specialty pharmaceutical products, the acquisition of MSO platforms, and the performance of our generics program.

Global Medical Products and Distribution

GMPD segment profit for the three and six months ended December 31, 2025 increased to $37 million and $83 million from the comparative prior-year periods, respectively, primarily due to growth from existing customers and the beneficial net impact of cost optimization initiatives, partially offset by the adverse net impact of tariffs.

Other

Other segment profit for the three and six months ended December 31, 2025 increased 52 percent to $179 million and 55 percent to $345 million from the comparative prior-year periods, respectively, primarily due to the performance of at-Home Solutions (including the acquisition of ADS) and OptiFreight® Logistics.

Corporate

The changes in Corporate for the three and six months ended December 31, 2025 were due to the factors discussed in the "Other Components of Consolidated Operating Earnings" section that follows.

Other Components of Consolidated Operating Earnings

In addition to revenue, gross margin, and SG&A expenses discussed previously, consolidated operating earnings were impacted by the following:

	Three Months Ended December 31,		Six Months Ended December 31,	
(in millions)	**2025**	2024	**2025**	2024
Restructuring and employee severance	**$ 21**	$ 9	**$ 41**	$ 33
Amortization and other acquisition-related costs	**130**	105	**234**	179
Acquisition-related cash and share-based compensation costs	**67**	—	**131**	—
Impairments and (gain)/loss on disposal of assets, net	**(14)**	3	**(12)**	2
Litigation (recoveries)/charges, net	**(18)**	(31)	**(18)**	(71)

Restructuring and Employee Severance

During the three and six months ended December 31, 2025, restructuring and employee severance costs were primarily related to the implementation of certain enterprise-wide cost-savings measures and certain initiatives to rationalize our manufacturing operations.

Amortization and Other Acquisition-Related Costs

Amortization of acquisition-related intangible assets was $84 million and $171 million for the three and six months ended December 31, 2025, respectively, and $69 million and $137 million for the three and six months ended December 31, 2024, respectively.

Transaction and integration costs associated with acquisitions were $46 million and $63 million for the three and six months ended December 31, 2025, respectively, and $36 million and $42 million for the three and six months ended December 31, 2024, respectively.

Acquisition-related Cash and Share-based Compensation Costs

Acquisition-related cash and share-based compensation costs were $67 million and $131 million for the three and six months ended December 31, 2025, respectively, primarily resulting from the acquisitions within The Specialty Alliance.

Litigation (Recoveries)/Charges, Net

We recognized income for net recoveries in class action antitrust litigation in which we were a class member or plaintiff of $19 million during both the three and six months ended December 31, 2025 and $16 million and $59 million during the three and six months ended December 31, 2024, respectively. We recognized $15 million in opioid-related insurance recoveries during the three and six months ended December 31, 2024.

Earnings Before Income Taxes

In addition to the items discussed above, earnings before income taxes were impacted by the following:

	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	**2025**	2024	**Change**	**2025**	2024	**Change**
Other (income)/expense, net	**$ (11)**	$ 3	**N.M.**	**$ (21)**	$ (2)	**N.M.**
Interest expense, net	**88**	35	**N.M.**	**168**	67	**N.M.**

Interest Expense, Net

Interest expense, net for the three and six months ended December 31, 2025 increased to $88 million and $168 million from the comparative prior-year periods, respectively, primarily due to the additional debt financing for our recent acquisitions.

Provision for Income Taxes

The effective tax rate was 25.2 percent and 21.4 percent for the three months ended December 31, 2025 and 2024, respectively, and 24.7 percent and 22.2 percent for the six months ended December 31, 2025 and 2024, respectively. See Note 7 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Liquidity and Capital Resources

We currently believe that, based on available capital resources and projected operating cash flow, we have adequate capital resources to fund our operations and expected future cash needs as described below. In addition to those disclosed, if we decide to engage in one or more acquisitions, depending on the size and timing of such transactions, we may need to access capital markets for additional financing.

Cash and Equivalents

Our cash and equivalents balance was $2.8 billion at December 31, 2025 compared to $3.9 billion at June 30, 2025.

During the six months ended December 31, 2025, net cash provided by operating activities was $1.7 billion, which includes the impact of payments totaling $403 million related to the opioid litigation.

During the six months ended December 31, 2025, we deployed $1.9 billion for the Solaris Health acquisition, $500 million for debt repayment, $758 million for share repurchases, $251 million for dividends, and $239 million for capital expenditures. We issued new long-term debt and received net proceeds of approximately $1.0 billion to fund a portion of the consideration paid in connection with the Solaris Health acquisition and for general purposes.

At December 31, 2025, our cash and equivalents were held in cash depository accounts with major banks or invested in high quality, short-term liquid investments.

Changes in working capital, which impact operating cash flow, can vary significantly depending on factors such as the timing of customer payments, inventory purchases, payments to vendors, and tax payments in the regular course of business, as well as fluctuating working capital needs driven by customer and product mix.

The cash and equivalents balance at December 31, 2025 includes $505 million of cash held by subsidiaries outside of the United States.

Other Financing Arrangements and Financial Instruments

Credit Facilities and Commercial Paper

In addition to cash and equivalents and operating cash flow, other sources of liquidity at December 31, 2025 include a $3.0 billion commercial paper program, backed by a $2.0 billion revolving credit facility that expires in February 2028 and a $1.0 billion 364-Day revolving credit facility that expires in October 2026. We also have a $1.0 billion committed receivables sales facility through September 2028. At December 31, 2025, we had no amounts outstanding under our commercial paper program, revolving credit facilities, or our committed receivables sales facility.

In September 2025, we renewed our committed receivables sales facility program through Cardinal Health 23 Funding, LLC ("CHF") through September 2028.

In October 2025, we renewed the 364-Day revolving credit facility, under which we have access to $1.0 billion of committed liquidity through October 2026.

Our revolving credit and committed receivables sales facilities require us to maintain a consolidated net leverage ratio of no more than 3.75-to-1. As of December 31, 2025, we were in compliance with this financial covenant.

Long-Term Debt and Other Short-Term Borrowings

We had total long-term obligations, including the current portion and other short-term borrowings, of $9.0 billion and $8.5 billion at December 31, 2025 and June 30, 2025, respectively.

In August 2025, we issued additional debt, with the aggregate principal amount of $1.0 billion, to fund a portion of the consideration payable in connection with the Solaris Health acquisition and for general purposes. The notes issued are $600 million aggregate principal amount of 4.5% Notes that mature on September 15, 2030 and $400 million aggregate principal amount of 5.15% Notes that mature on September 15, 2035. The proceeds of the notes issued, net of discounts, premiums, and debt issuance costs, were approximately $1.0 billion.

During the six months ended December 31, 2025, we repaid the full principal of $500 million of the 3.75% Notes due 2025 at maturity with available cash.

Capital Deployment

Opioid Litigation Settlements

We had $4.3 billion accrued at December 31, 2025 related to certain national opioid litigation settlements, as further described within Note 6 of the "Notes to Condensed Consolidated Financial Statements." We expect the majority of the remaining payment amounts to occur through 2038. During the six months ended December 31, 2025, we made our fifth annual payment of $366 million under National Opioid Settlement Agreement (the "NOSA") and other settlement payments of $37 million related to the opioid litigation. The amounts of future annual payments under the NOSA may differ from the payments that we have already made.

Capital Expenditures

Capital expenditures during the six months ended December 31, 2025 and 2024 were $239 million and $189 million, respectively.

Dividends

On each of May 5, 2025, August 15, 2025, and November 4, 2025, our Board of Directors approved a quarterly dividend of $0.5107 per share, or $2.04 per share on an annualized basis, which were paid on July 15, 2025, October 15, 2025, and, January 15, 2026 to shareholders of record on July 1, 2025, October 1, 2025, and January 2, 2026, respectively.

Share Repurchases

During the six months ended December 31, 2025, we deployed $750 million for repurchases of our common shares under accelerated share repurchase ("ASR") programs. We funded the repurchases with available cash. See Note 10 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Solaris Health Acquisition

On November 3, 2025, we, through The Specialty Alliance, completed the acquisition of Solaris Health, a urology MSO, for a purchase price of approximately $1.9 billion in cash, subject to certain adjustments. In connection with the closing of this transaction, we issued common units in The Specialty Alliance to certain physicians and management which are estimated to have a grant date fair value of approximately $500 million, a portion of which will be recognized as post-combination expense. See Note 2 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Other Items

The MD&A in the 2025 Form 10-K addresses our contractual obligations and cash requirements, as of and for the fiscal year ended June 30, 2025. Other than the considerations noted above in connection with the Solaris Health acquisition and our debt issuance, there have been no subsequent material changes outside of the ordinary course of business to those items. See Note 2 and Note 5 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Critical Accounting Policies and Sensitive Accounting Estimates

Critical accounting policies are those accounting policies that (i) can have a significant impact on our financial condition and results of operations and (ii) require the use of complex and subjective estimates based upon past experience and management's judgment. Other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Estimates are inherently uncertain, therefore actual results may differ, including due to the risks discussed in "Risk Factors" and other risks discussed in our 2025 Form 10-K and our other filings with the SEC since June 30, 2025. There have been no material changes to our critical accounting estimates since the filing of our 2025 Form 10-K.

Explanation and Reconciliation of Non-GAAP Financial Measures

The "Overview of Consolidated Results" section within MD&A in this Form 10-Q contains financial measures that are not calculated in accordance with GAAP.

In addition to analyzing our business based on financial information prepared in accordance with GAAP, we use these non-GAAP financial measures internally to evaluate our performance, engage in financial and operational planning, and determine incentive compensation because we believe that these measures provide additional perspective on and, in some circumstances are more closely correlated to, the performance of our underlying, ongoing business. We provide these non-GAAP financial measures to investors as supplemental metrics to assist readers in assessing the effects of items and events on our financial and operating results on a year-over-year basis and in comparing our performance to that of our competitors. However, the non-GAAP financial measures that we use may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The non-GAAP financial measures disclosed by us should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations to those financial statements set forth below should be carefully evaluated.

Exclusions from Non-GAAP Financial Measures

Management believes it is useful to exclude the following items from the non-GAAP measures presented in this report for its own and for investors' assessment of the business for the reasons identified below:

- LIFO charges and credits are excluded because the factors that drive last-in first-out ("LIFO") inventory charges or credits, such as pharmaceutical manufacturer price appreciation or deflation and year-end inventory levels (which can be meaningfully influenced by customer buying behavior immediately preceding our fiscal year-end), are largely out of our control and cannot be accurately predicted. The exclusion of LIFO charges and credits from non-GAAP metrics facilitates comparison of our current financial results to our historical financial results and to our peer group companies' financial results. We did not recognize any LIFO charges or credits during the periods presented.
- State opioid assessments related to prior fiscal years is the portion of state assessments for prescription opioid medications that were sold or distributed in periods prior to the period in which the expense is incurred. This portion is excluded from non-GAAP financial measures because it is retrospectively applied to sales in prior fiscal years and inclusion would obscure analysis of the current fiscal year results of our underlying, ongoing business. Additionally, while states' laws may require us to make payments on an ongoing basis, the portion of the assessment related to sales in prior periods are contemplated to be one-time, nonrecurring items. Income from state opioid assessments related to prior fiscal years represents reversals of accruals due to changes in estimates or when the underlying assessments were invalidated by a Court or reimbursed by manufacturers.
- Restructuring and employee severance costs are excluded because they are not part of the ongoing operations of our underlying business and include, but are not limited to, costs related to divestitures, closing and consolidating facilities, changing the way we manufacture or distribute our products, moving manufacturing of a product to another location, changes in production or business process outsourcing or insourcing, employee severance, and realigning operations.
- Amortization and other acquisition-related costs, which include transaction costs, integration costs, and changes in the fair value of contingent consideration obligations, are excluded because they are not part of the ongoing operations of our underlying business and to facilitate comparison of our current financial results to our historical financial results and to our peer group companies' financial results. Additionally, costs for amortization of acquisition-related intangible assets and amortization as a result of basis differences in equity method investments are non-cash amounts, which are variable in amount and frequency and are significantly impacted by the timing and size of acquisitions, so their exclusion facilitates comparison of historical, current, and forecasted financial results. We also exclude other acquisition-related costs, which are directly related to an acquisition but do not meet the criteria to be recognized on the acquired entity's initial balance sheet as part of the purchase price allocation. These costs are also significantly impacted by the timing, complexity, and size of acquisitions.
- Acquisition-related cash and share-based compensation costs are incurred in connection with contingent cash payments or the issuance of share-based payment awards, which include service requirements, as a part of certain physician practice acquisitions. These costs include fair value adjustments for liability-classified awards. These costs are excluded because they are unrelated to the underlying operating results of our business and to facilitate comparison of our current financial results to our

historical financial results and to our peer group companies' financial results. In addition, the magnitude of these expenses is significantly impacted by the timing and size of the acquisitions of physician practices.

- Impairments and gain or loss on disposal of assets, net are excluded because they do not occur in or reflect the ordinary course of our ongoing business operations and are inherently unpredictable in timing and amount, and in the case of impairments, are non-cash amounts, so their exclusion facilitates comparison of historical, current, and forecasted financial results.
- Litigation recoveries or charges, net are excluded because they often relate to events that may have occurred in prior or multiple periods, do not occur in or reflect the ordinary course of our business and are inherently unpredictable in timing and amount.

The tax effect for each of the items listed above is determined using the tax rate and other tax attributes applicable to the item and the jurisdiction(s) in which the item is recorded. The gross, tax and net impact of each item are presented with our GAAP to non-GAAP reconciliations.

Definitions

Growth rate calculation: growth rates in this report are determined by dividing the difference between current-period results and prior-period results by prior-period results.

Non-GAAP operating earnings: operating earnings excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net.

Non-GAAP earnings before income taxes: earnings before income taxes excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net.

Non-GAAP net earnings attributable to non-controlling interests: net earnings attributable to non-controlling interests excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net, each net of tax.

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) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net, each net of tax.

Non-GAAP effective tax rate: provision for income taxes adjusted for the tax impacts of (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net, divided by (earnings before income taxes adjusted for the items above).

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.

GAAP to Non-GAAP Reconciliation

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes	Provision for Income Taxes	Net Earnings Attributable to Non-controlling Interests	Net Earnings[1]	Net Earnings[1] Growth Rate	Diluted EPS[1]	Diluted EPS[1] Growth Rate
				Three Months Ended December 31, 2025					
GAAP	**$ 707**	**29 %**	**$ 630**	**$ 159**	**$ (4)**	**$ 467**	**17 %**	**$ 1.97**	**19 %**
State opioid assessments related to prior fiscal years	**(17)**		**(17)**	**(4)**		**(13)**		**(0.05)**	
Restructuring and employee severance	**21**		**21**	**5**		**16**		**0.07**	
Amortization and other acquisition-related costs	**130**		**130**	**20**		**110**		**0.46**	
Acquisition-related cash and share-based compensation costs	**67**		**67**	**4**		**63**		**0.27**	
Impairments and (gain)/loss on disposal of assets, net	**(14)**		**(14)**	**(3)**		**(11)**		**(0.06)**	
Litigation (recoveries)/charges, net	**(18)**		**(18)**	**(8)**		**(10)**		**(0.04)**	
Non-GAAP	**$ 877**	**38 %**	**$ 799**	**$ 171**	**$ (4)**	**$ 624**	**33 %**	**$ 2.63**	**36 %**
				Three Months Ended December 31, 2024					
GAAP	$ 549	9 %	$ 511	$ 110	$ (1)	$ 400	9 %	$ 1.65	10 %
Restructuring and employee severance	9		9	2		7		0.03	
Amortization and other acquisition-related costs	105		105	27		78		0.32	
Impairments and (gain)/loss on disposal of assets, net	3		3	1		2		0.01	
Litigation (recoveries)/charges, net	(31)		(31)	(12)		(19)		(0.08)	
Non-GAAP	$ 635	9 %	$ 597	$ 127	$ (1)	$ 468	1 %	$ 1.93	2 %
				Six Months Ended December 31, 2025					
GAAP	**$ 1,375**	**23 %**	**$ 1,228**	**$ 303**	**$ (8)**	**$ 917**	**12 %**	**$ 3.85**	**15 %**
State opioid assessments related to prior fiscal years	**(17)**		**(17)**	**(4)**		**(13)**		**(0.05)**	
Restructuring and employee severance	**41**		**41**	**9**		**32**		**0.13**	
Amortization and other acquisition-related costs	**234**		**234**	**49**		**185**		**0.78**	
Acquisition-related cash and share-based compensation costs	**131**		**131**	**5**		**126**		**0.53**	
Impairments and (gain)/loss on disposal of assets, net	**(12)**		**(12)**	**(3)**		**(9)**		**(0.03)**	
Litigation (recoveries)/charges, net	**(18)**		**(18)**	**(14)**		**(4)**		**(0.02)**	
Non-GAAP	**$ 1,734**	**38 %**	**$ 1,587**	**$ 344**	**$ (8)**	**$ 1,235**	**33 %**	**$ 5.18**	**36 %**
				Six Months Ended December 31, 2024					
GAAP	$ 1,117	N.M.	$ 1,052	$ 234	$ (2)	$ 816	N.M.	$ 3.35	N.M.
Restructuring and employee severance	33		33	8		25		0.10	
Amortization and other acquisition-related costs	179		179	47		132		0.54	
Impairments and (gain)/loss on disposal of assets, net	2		2	—		2		0.01	
Litigation (recoveries)/charges, net	(71)		(71)	(24)		(47)		(0.19)	
Non-GAAP	$ 1,260	10 %	$ 1,195	$ 266	$ (2)	$ 927	4 %	$ 3.81	6 %

[1] Attributable to Cardinal Health, Inc.

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

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

Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the quantitative and qualitative market risk disclosures included in the 2025 Form 10-K since the end of fiscal 2025 through December 31, 2025.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of December 31, 2025. Based on this evaluation, our principal executive officer and principal financial officer have concluded that as of December 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Modification of Certain Software Systems

The Pharma segment is in the process of modifying certain finance and operating information systems related to ongoing supply chain optimization initiatives. If these systems and processes are not effectively implemented or fail to operate as intended, it could adversely affect our internal control over financial reporting.

Legal Proceedings

The legal proceedings described in Note 6 of the "Notes to Condensed Consolidated Financial Statements" are incorporated in this "Legal Proceedings" section by reference.

Risk Factors

You should carefully consider the information in this Form 10-Q and the risk factors discussed in "Risk Factors" and other risks discussed in the 2025 Form 10-K, our Form 10-Q for the quarter ended September 30, 2025, and our other filings with the SEC since June 30, 2025. These risks could materially and adversely affect our results of operations, financial condition, liquidity, and cash flows. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1,2,3)	Average Price Paid per Share (2,3)	Total Number of Shares Purchased as Part of Publicly Announced Programs (2,3,4)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Program (4) (in millions)
October 2025	443,682	$ 151.88	443,675	$ 2,368
November 2025	1,577,127	190.22	1,577,121	2,068
December 2025	297,898	200.00	297,892	1,993
Total	**2,318,707**	**$ 184.15**	**2,318,688**	**$ 1,993**

(1) Reflects 7, 6, and 6 common shares purchased in October, November, and December 2025, respectively, through a rabbi trust as investments of participants in our Deferred Compensation Plan.

(2) On November 3, 2025, we entered into an ASR program to purchase common shares for an aggregate purchase price of $375 million and received an initial delivery of 1.6 million common shares using a reference price of $190.22. The ASR program concluded on December 15, 2025 at a volume weighted average price per common share of $200.00 resulting in a final delivery of 0.3 million common shares. See Note 10 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

(3) On August 13, 2025, we entered into an ASR program to purchase common shares for an aggregate purchase price of $375 million and received an initial delivery of 2.0 million common shares using a reference price of $148.12. The ASR program concluded on October 31, 2025 at a volume weighted average price per common share of $151.88 resulting in a final delivery of 0.4 million common shares. See Note 10 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

(4) On June 7, 2023, our Board of Directors approved a $3.5 billion share repurchase program, which will expire on December 31, 2027. As of December 31, 2025, we had $2.0 billion authorized for share repurchases remaining under this program.

Other Information

Rule 10b5-1 Plan Adoptions and Modifications

During the three months ended December 31, 2025, no director or officer adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K under the Exchange Act.

Condensed Consolidated Statements of Earnings

(Unaudited)

(in millions, except per common share amounts)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Six Months Ended December 31, 2025	Six Months Ended December 31, 2024
Revenue	**$ 65,627**	$ 55,264	**$ 129,636**	$ 107,541
Cost of products sold	**63,230**	53,323	**124,920**	103,698
Gross margin	**2,397**	1,941	**4,716**	3,843
Operating expenses:				
Distribution, selling, general and administrative expenses	**1,504**	1,306	**2,965**	2,583
Restructuring and employee severance	**21**	9	**41**	33
Amortization and other acquisition-related costs	**130**	105	**234**	179
Acquisition-related cash and share-based compensation costs	**67**	—	**131**	—
Impairments and (gain)/loss on disposal of assets, net	**(14)**	3	**(12)**	2
Litigation (recoveries)/charges, net	**(18)**	(31)	**(18)**	(71)
Operating earnings	**707**	549	**1,375**	1,117
Other (income)/expense, net	**(11)**	3	**(21)**	(2)
Interest expense, net	**88**	35	**168**	67
Earnings before income taxes	**630**	511	**1,228**	1,052
Provision for income taxes	**159**	110	**303**	234
Net earnings	**471**	401	**925**	818
Less: Net earnings attributable to noncontrolling interests	**(4)**	(1)	**(8)**	(2)
Net earnings attributable to Cardinal Health, Inc.	**$ 467**	$ 400	**$ 917**	$ 816
Earnings per common share attributable to Cardinal Health, Inc.:				
Basic	**$ 1.98**	$ 1.65	**$ 3.87**	$ 3.37
Diluted	**1.97**	1.65	**3.85**	3.35
Weighted-average number of common shares outstanding:				
Basic	**236**	242	**237**	242
Diluted	**237**	243	**238**	243
Cash dividends declared per common share	**$ 0.5107**	$ 0.5056	**$ 1.0214**	$ 1.0112

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	**2025**	2024
Net earnings	**$ 471**	$ 401	**$ 925**	$ 818
Other comprehensive income/(loss):				
Foreign currency translation adjustments and other	**9**	(16)	**5**	(11)
Net unrealized loss on derivative instruments, net of tax	**(3)**	(9)	**(3)**	(2)
Total other comprehensive income/(loss), net of tax	**6**	(25)	**2**	(13)
Total comprehensive income	**477**	376	**927**	805
Less: comprehensive income attributable to noncontrolling interests	**(4)**	(1)	**(8)**	(2)
Total comprehensive income attributable to Cardinal Health, Inc.	**$ 473**	$ 375	**$ 919**	$ 803

See notes to condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(in millions)	December 31, 2025 (Unaudited)	June 30, 2025
Assets		
Current assets:		
Cash and equivalents	$ **2,777**	$ 3,874
Trade receivables, net	**13,662**	13,242
Inventories, net	**20,116**	16,831
Prepaid expenses and other	**2,675**	2,414
Assets held for sale	**—**	12
Total current assets	**39,230**	36,373
Property and equipment, net	**2,877**	2,858
Goodwill and other intangibles, net	**13,978**	12,177
Other assets	**1,998**	1,714
Total assets	$ **58,083**	$ 53,122
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable	$ **38,996**	$ 34,713
Current portion of long-term obligations and other short-term borrowings	**680**	550
Other accrued liabilities	**3,638**	3,634
Total current liabilities	**43,314**	38,897
Long-term obligations, less current portion	**8,347**	7,977
Deferred income taxes and other liabilities	**9,122**	8,882
Shareholders' deficit:		
Preferred shares, without par value:		
Authorized—**500 thousand** shares, Issued—none	**—**	—
Common shares, without par value:		
Authorized—**755 million** shares, Issued—**271 million** shares at **December 31, 2025** and June 30, 2025	**2,847**	2,956
Retained earnings	**1,455**	783
Common shares in treasury, at cost: **35 million** shares and 32 million shares at **December 31, 2025** and June 30, 2025, respectively	**(7,033)**	(6,365)
Accumulated other comprehensive loss	**(153)**	(155)
Total Cardinal Health, Inc. shareholders' deficit	**(2,884)**	(2,781)
Noncontrolling interests	**184**	147
Total shareholders' deficit	**(2,700)**	(2,634)
Total liabilities and shareholders' deficit	$ **58,083**	$ 53,122

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Shareholders' Deficit

(Unaudited)

(in millions)	Common Shares Issued	Common Shares Amount	Retained Earnings/(Accumulated Deficit)	Treasury Shares	Treasury Shares Amount	Accumulated Other Comprehensive Loss	Noncontrolling Interests	**Total Shareholders' Deficit**
				Three Months Ended December 31, 2025				
Balance at September 30, 2025	271	$ 2,746	$ 1,116	(33)	$ (6,582)	$ (159)	$ 148	**$ (2,731)**
Net earnings			467				4	**471**
Other comprehensive income, net of tax						6		**6**
Acquisitions							33	**33**
Employee stock plans activity, net of shares withheld for employee taxes	—	26		—	3			**29**
Share repurchase program activity	—	75		(2)	(454)			**(379)**
Dividends declared			(128)					**(128)**
Payments to noncontrolling interests							(1)	**(1)**
Balance at December 31, 2025	**271**	**$ 2,847**	**$ 1,455**	**(35)**	**$ (7,033)**	**$ (153)**	**$ 184**	**$ (2,700)**
				Three Months Ended December 31, 2024				
Balance at September 30, 2024	327	$ 2,827	$ 14	(85)	$ (5,963)	$ (155)	$ 1	$ (3,276)
Net earnings			400				1	401
Other comprehensive loss, net of tax						(25)		(25)
Acquisitions							72	72
Employee stock plans activity, net of shares withheld for employee taxes	—	30		—	13			43
Share repurchase program activity	—	75		—	(76)			(1)
Retirement of treasury stock	(56)	—		56	—			—
Dividends declared			(128)					(128)
Payments to noncontrolling interests							(4)	(4)
Other			(3)					(3)
Balance at December 31, 2024	271	$ 2,932	$ 283	(29)	$ (6,026)	$ (180)	$ 70	$ (2,921)
				Six Months Ended December 31, 2025				
Balance at June 30, 2025	271	$ 2,956	$ 783	(32)	$ (6,365)	$ (155)	$ 147	**$ (2,634)**
Net earnings			917				8	**925**
Other comprehensive income, net of tax						2		**2**
Acquisitions							32	**32**
Employee stock plans activity, net of shares withheld for employee taxes	—	(109)		1	89			**(20)**
Share repurchase program activity				(4)	(757)			**(757)**
Dividends declared			(245)					**(245)**
Payments to noncontrolling interests							(4)	**(4)**
Other	—	—					1	**1**
Balance at December 31, 2025	**271**	**$ 2,847**	**$ 1,455**	**(35)**	**$ (7,033)**	**$ (153)**	**$ 184**	**$ (2,700)**
				Six Months Ended December 31, 2024				
Balance at June 30, 2024	327	$ 2,917	$ (286)	(83)	$ (5,677)	$ (167)	$ 1	$ (3,212)
Net earnings			816				2	818
Other comprehensive loss, net of tax						(13)		(13)
Acquisitions							72	72
Employee stock plans activity, net of shares withheld for employee taxes	—	15		1	30			45
Share repurchase program activity				(3)	(379)			(379)
Retirement of treasury stock	(56)	—		56	—			—
Dividends declared			(247)					(247)
Purchase of noncontrolling interests							(4)	(4)
Other							(1)	(1)
Balance at December 31, 2024	271	$ 2,932	$ 283	(29)	$ (6,026)	$ (180)	$ 70	$ (2,921)

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(in millions)	Six Months Ended December 31, 2025	2024
Cash flows from operating activities:		
Net earnings	**$ 925**	$ 818
Adjustments to reconcile net earnings to net cash provided by/(used in) operating activities:		
Depreciation and amortization	**467**	374
Impairments and loss on sale of other investments	**5**	2
Impairments and (gain)/loss on disposal of assets, net	**(12)**	2
Share-based compensation	**180**	60
Provision for bad debts	**27**	28
Change in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Increase in trade receivables	**(198)**	(253)
Increase in inventories	**(3,279)**	(1,967)
Increase/(decrease) in accounts payable	**4,176**	(470)
Repurchases of liability-classified Specialty Alliance Units	**(22)**	—
Other accrued liabilities and operating items, net	**(610)**	(637)
Net cash provided by/(used in) operating activities	**1,659**	(2,043)
Cash flows from investing activities:		
Acquisition of subsidiaries, net of cash acquired	**(1,925)**	(1,076)
Additions to property and equipment	**(239)**	(189)
Proceeds from disposal of property and equipment	**31**	—
Proceeds from short-term investment in time deposit	**—**	200
Other investing items, net	**11**	1
Net cash used in investing activities	**(2,122)**	(1,064)
Cash flows from financing activities:		
Proceeds from long-term obligations, net of issuance costs	**989**	2,869
Reduction of long-term obligations	**(524)**	(423)
Payments of noncontrolling interests, net	**(4)**	(4)
Net tax withholding from share-based compensation	**(81)**	(15)
Dividends on common shares	**(251)**	(250)
Purchase of treasury shares, net	**(758)**	(390)
Net cash provided by/(used in) financing activities	**(629)**	1,787
Effect of exchange rate changes on cash and equivalents	**(5)**	(3)
Net decrease in cash and equivalents	**(1,097)**	(1,323)
Cash and equivalents at beginning of period	**3,874**	5,133
Cash and equivalents at end of period	**$ 2,777**	$ 3,810

See notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

Our condensed consolidated financial statements include the accounts of all majority-owned or consolidated subsidiaries, and all significant intercompany transactions and amounts have been eliminated. The results of businesses acquired or disposed of are included in the condensed consolidated financial statements from the date of the acquisition or up to the date of disposal, respectively.

We report our financial results in two reportable segments: Pharmaceutical and Specialty Solutions ("Pharma") segment and Global Medical Products and Distribution ("GMPD") segment. All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions, and OptiFreight® Logistics.

References to "we," "our," and similar pronouns in this Quarterly Report on Form 10-Q for the quarter ended December 31, 2025 (this "Form 10-Q") are to Cardinal Health, Inc. and its majority-owned or consolidated subsidiaries unless the context requires otherwise.

Our fiscal year ends on June 30. References to fiscal 2026 and 2025 in these condensed consolidated financial statements are to the fiscal years ending or ended June 30, 2026 and June 30, 2025, respectively.

Our condensed consolidated financial statements have been prepared in accordance with the U.S. Securities and Exchange Commission ("SEC") instructions to Quarterly Reports on Form 10-Q and include the information and disclosures required by accounting principles generally accepted in the United States ("GAAP") for interim financial reporting. The preparation of financial statements in conformity with GAAP requires us to make estimates, judgments and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts.

In our opinion, all adjustments necessary for a fair presentation of the condensed consolidated financial statements have been included, all such adjustments are of a normal and recurring nature. In addition, financial results presented for this fiscal 2026 interim period are not necessarily indicative of the results that may be expected for the full fiscal year ending June 30, 2026. These condensed consolidated financial statements are unaudited and, accordingly, should be read in conjunction with the audited consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025 (the "2025 Form 10-K").

Variable Interest Entities

We evaluate our ownership, contractual, and other interests in entities to determine if they are a variable interest entity ("VIE"), if we have a variable interest in those entities, and the nature and extent of those interests. These evaluations may involve management judgment and the use of estimates and assumptions based on available historical information, among other factors. Based on our evaluations, if we determine we are the primary beneficiary of such VIEs, we consolidate such entities into our financial statements.

Consolidated Variable Interest Entities

We consolidate a VIE when we have the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits that could be significant to the VIE and, as a result, are considered the primary beneficiary of the VIE.

In relation to the acquisition of The Specialty Alliance, we concluded that the The Specialty Alliance management services organization ("MSO") is the primary beneficiary of certain physician practices and therefore the practices are consolidated as VIEs. Additionally, in relation to the acquisition of Integrated Oncology Network ("ION"), we concluded that ION is the primary beneficiary of certain physician practices and therefore the practices are consolidated as VIEs. The Specialty Alliance and ION VIEs do not have a material impact on our condensed consolidated statements of earnings or condensed consolidated statements of cash flows. Total assets and liabilities included in the consolidated balance sheets for The Specialty Alliance and ION VIEs were $1.2 billion and $960 million, respectively, as of December 31, 2025.

Noncontrolling Interests

Noncontrolling interests represent the portion of net earnings, comprehensive income, and net assets that is not attributable to Cardinal Health, Inc. Noncontrolling interests as of December 31, 2025 primarily represents third-party equity interests in ION. See Note 2, for additional information on the acquisition of ION.

Recently Issued Financial Accounting Standards and Disclosure Rules Not Yet Adopted

We assess the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board ("FASB") on our consolidated financial statements as well as material updates to previous assessments, if any, from the 2025 Form 10-K.

Income Tax Disclosure

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be

effective for us in fiscal 2026 Form 10-K and will be applied on a prospective basis. Adoption will require enhancements to our income tax disclosures but is not expected to have a significant impact on our financial reporting, or on our operational processes, controls and governance in support of the new guidance.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03 Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires disaggregated disclosures of certain categories of expenses which are included in any relevant income statement expense caption on an annual and interim basis. Additionally, the guidance requires the disclosure of total selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This guidance will be effective for us in fiscal 2028 Form 10-K and should be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact of adoption of this guidance on our disclosures.

Recently Adopted Financial Accounting Standards

There were no new material accounting standards adopted during the six months ended December 31, 2025.

2. Acquisitions

Solaris Health

On November 3, 2025, we, through The Specialty Alliance, completed the acquisition of Solaris Health, a urology MSO, for a purchase price of approximately $1.9 billion in cash, subject to certain adjustments. In connection with the closing of this transaction, we issued common units in The Specialty Alliance to certain physicians and members of management which are estimated to have a grant date fair value of approximately $500 million, a portion of which will be recognized as post-combination expense within acquisition-related cash and share-based compensation costs. We have accounted for the acquisition of the ownership interest in Solaris as a business combination in accordance with ASC 805.

Solaris Health includes more than 750 providers across more than 250 practice locations in 14 states. Solaris Health is part of The Specialty Alliance, our multi-specialty MSO platform, and their results are reported within our Pharma segment. With the closing of this transaction, we own approximately 76% of The Specialty Alliance.

Transaction and integration costs associated with the Solaris acquisition were $37 million and $40 million during the three and six months ended December 31, 2025, respectively.

Advanced Diabetes Supply Group ("ADS")

On April 1, 2025, we completed the acquisition of ADS for a purchase price of approximately $1.0 billion in cash, subject to certain adjustments.

Transaction and integration costs associated with the ADS acquisition were $3 million and $7 million during the three and six months ended December 31, 2025, respectively.

GI Alliance ("GIA")

On January 30, 2025, we completed the acquisition of 73% ownership interest in GIA for a purchase price of approximately $2.8 billion in cash. Beginning on the third anniversary of the closing, we have the ability to exercise a call right to purchase up to 100 percent of the remaining outstanding interests.

Additionally, on May 30, 2025, we, through The Specialty Alliance, completed the acquisition of Urology America for a purchase price of $381 million in cash and equity in The Specialty Alliance.

Transaction and integration costs associated with the GIA and Urology America acquisitions were $2 million and $7 million during the three and six months ended December 31, 2025, respectively.

Integrated Oncology Network ("ION")

On December 2, 2024, we completed the acquisition of ION for a purchase price of $1.1 billion in cash.

Transaction and integration costs associated with the ION acquisition were $1 million and $18 million for the three months ended December 31, 2025 and 2024, respectively, and $2 million and $20 million during the six months ended December 31, 2025 and 2024, respectively.

Fair Value of Assets Acquired and Liabilities Assumed

The allocation of the purchase price for the acquisitions of Solaris Health, Urology America, ADS, and GIA are not yet finalized and are subject to adjustment as we complete the valuation analysis of these acquisitions. The purchase prices are also subject to adjustment based on working capital requirements as set forth in the acquisition agreements.

The allocation of the fair value of assets acquired and liabilities assumed for the ION acquisition was finalized during the six months ended December 31, 2025, resulting in goodwill of $1.1 billion and the noncontrolling interest for ION was recognized at the acquisition-date fair value of $157 million.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date for Solaris Health, Urology America, ADS, GIA and ION:

(in millions)	Solaris Health	Urology America	ADS	GIA	ION
Identifiable intangible assets:					
Customer intangibles (1)	$ —	$ —	$ 472	$ —	$ —
Trade names (2)	239	33	28	200	73
Non-competition agreements (3)	39	—	—	23	—
Total identifiable intangible assets acquired	278	33	500	223	73
Identifiable net assets/(liabilities):					
Cash and equivalents	55	4	14	53	10
Trade receivables, net	249	23	100	175	58
Inventories	23	3	78	21	20
Prepaid expenses and other	73	3	7	13	7
Property and equipment, net	54	28	1	67	39
Other assets	191	41	377	319	45
Accounts payable	(105)	(20)	(104)	(89)	(10)
Current portion of long-term obligations and other short-term borrowings	—	—	—	(1)	(3)
Other accrued liabilities	(195)	(12)	(397)	(176)	(41)
Long-term obligations, less current portion	—	(6)	—	(15)	(14)
Deferred income taxes and other liabilities	(164)	(45)	(105)	(889)	(50)
Total identifiable net assets/(liabilities) acquired	459	52	471	(299)	134
Noncontrolling interest	—	(9)	—	—	(157)
Goodwill	1,681	338	578	3,084	1,092
Total net assets acquired	**$ 2,140**	**$ 381**	**$ 1,049**	**$ 2,785**	**$ 1,069**

(1) The weighted-average useful life of customer intangibles is 10 years.

(2) The weighted-average useful life of trade names ranges from 2 years to 10 years.

(3) The weighted-average useful life of non-competition agreements is 5 years.

The valuation of identifiable intangible assets utilizes significant unobservable inputs and thus represents a Level 3 nonrecurring fair value measurement. The discount rates used to arrive at the present values of the identifiable intangible assets for Solaris Health, Urology America, ADS, GIA, and ION ranged from 7 to 20 percent and reflect their internal rates of return and uncertainty in the cash flow projections, which is reflective of market participant assumptions.

The estimated fair value of ADS customer intangibles (payor contracts) were determined using a multi-period excess earnings method, which estimates an intangible asset's value based on the present value of the incremental after-tax cash flows (or “excess earnings”) attributable only to the intangible asset.

The fair value of the Solaris Health, Urology America, ADS, GIA and ION trademark intangible assets were determined utilizing the relief from royalty method, an income-based approach. Under this method, a royalty rate based on observed market royalties is applied to projected revenue supporting the trademarks and discounted to present value using an appropriate discount rate.

The fair value of the non-compete intangibles acquired from Solaris Health and GIA were determined by applying the differential cash flow method which compares the present value of cash flows with and without the non-compete agreements in place.

The vested Specialty Alliance Units, formerly referred to as GIA Units, issued in relation to the GIA acquisition were recognized at their acquisition date fair value of $739 million and are included in deferred income taxes and other liabilities in the consolidated balance sheet. The Specialty Alliance Units issued and included in the purchase price of the Solaris acquisition were recognized at their acquisition date fair value of $210 million and are included in deferred income taxes and other liabilities in the consolidated balance sheet. The valuation of The Specialty Alliance Units utilizes significant unobservable inputs and thus represents a recurring Level 3 fair value measurement. The fair value of The Specialty Alliance Units in relation to the GIA acquisition was determined using a discount rate of 9.5% and an estimated weighted average service period two years. The fair value of The Specialty Alliance Units in relation to the Solaris acquisition was determined using a discount rate of 7.5% and an estimated service period of five years.

3. Restructuring and Employee Severance

The following tables summarize restructuring and employee severance costs:

	Three Months Ended December 31,	
(in millions)	**2025**	2024
Employee-related	**$ 15**	$ 3
Facility exit and other	**6**	6
Total restructuring and employee severance	**$ 21**	$ 9

	Six Months Ended December 31,	
(in millions)	**2025**	2024
Employee-related	**$ 30**	$ 19
Facility exit and other	**11**	14
Total restructuring and employee severance	**$ 41**	$ 33

Employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated, duplicate payroll costs, and retention bonuses incurred during transition periods. Facility exit and other costs primarily consist of project consulting fees, accelerated depreciation, professional project management, and costs associated with vacant facilities.

During the three and six months ended December 31, 2025 and 2024, restructuring and employee severance costs were primarily related to the implementation of certain enterprise-wide cost-savings measures and certain initiatives to rationalize our manufacturing operations.

The following table summarizes activity related to liabilities associated with restructuring and employee severance:

(in millions)	Employee-Related Costs	Facility Exit and Other Costs	**Total**
Balance at June 30, 2025	$ 79	$ —	**$ 79**
Additions	19	—	**19**
Payments and other adjustments	(22)	—	**(22)**
Balance at December 31, 2025	**$ 76**	**$ —**	**$ 76**

4. Goodwill and Other Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill by segment and in total:

(in millions)	Pharmaceutical and Specialty Solutions	Global Medical Products and Distribution	Other (1)	**Total**
Balance at June 30, 2025	$ 7,943	$ —	$ 1,748	**$ 9,691**
Goodwill acquired, net of purchase price adjustments	1,918	—	—	**1,918**
Balance at December 31, 2025	**$ 9,861**	**$ —**	**$ 1,748**	**$ 11,609**

(1) Comprised of the remaining operating segments, Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics.

Goodwill increased in the six months ended December 31, 2025 primarily due to the Solaris acquisition in the Pharma segment. Goodwill recognized in connection with the acquisition primarily represent the expected benefits from the expected growth from new customers, the assembled workforce of the acquired entities and synergies of integrating these businesses. Substantially all of the goodwill recorded is expected to be non-deductible for income tax purposes.

Purchased goodwill is tested for impairment annually or when indicators of impairment exist. Goodwill impairment testing involves a comparison of the estimated fair value of reporting units to the respective carrying amount.

As described in Note 2, the purchase price and assumed fair value of acquisitions is allocated to specific assets, resulting in the carrying amount approximating the fair value as of the acquisition date. Accordingly, we expect minimal excess of estimated fair value over carrying value for recent acquisitions. We will continue to evaluate acquisitions and the related reporting units for indicators of impairment.

Other Intangible Assets

The following tables summarize other intangible assets by class at:

(in millions)	December 31, 2025 Gross Intangible	Accumulated Amortization	Net Intangible	Weighted-Average Remaining Amortization Period (Years)
Indefinite-life intangibles:				
Trademarks and patents	**$ 14**	**$ —**	**$ 14**	**N/A**
Total indefinite-life intangibles	**14**	**—**	**14**	**N/A**
Definite-life intangibles:				
Customer intangibles	**3,632**	**2,720**	**912**	**10**
Trademarks, trade names and patents	**1,583**	**503**	**1,080**	**8**
Developed technology and other	**1,030**	**752**	**278**	**6**
Non-Competition Agreements	**111**	**26**	**85**	**4**
Total definite-life intangibles	**6,356**	**4,001**	**2,355**	**9**
Total other intangible assets	**$ 6,370**	**$ 4,001**	**$ 2,369**	**N/A**

(in millions)	June 30, 2025 Gross Intangible	Accumulated Amortization	Net Intangible
Indefinite-life intangibles:			
Trademarks and patents	$ 13	$ —	$ 13
Total indefinite-life intangibles	13	—	13
Definite-life intangibles:			
Customer intangibles	3,876	2,639	1,237
Trademarks, trade names and patents	1,340	459	881
Developed technology and other	1,030	726	304
Non-Competition Agreements	72	21	51
Total definite-life intangibles	6,318	3,845	2,473
Total other intangible assets	$ 6,331	$ 3,845	$ 2,486

Total amortization of intangible assets was $84 million and $69 million for the three months ended December 31, 2025 and 2024, respectively, and $171 million and $137 million for the six months ended December 31, 2025 and 2024, respectively.

The following table summarizes the estimated amortization expense for the remainder of fiscal 2026 through fiscal 2030:

(in millions)	Estimated Amortization Expense
2026	$ 193
2027	382
2028	349
2029	327
2030	306

5. Long-Term Obligations and Other Short-Term Borrowings

The following table summarizes long-term obligations and other short-term borrowings at:

(in millions) (1)	December 31, 2025	June 30, 2025
3.75% Notes due 2025	**$ —**	$ 501
4.7% Notes due 2026	**499**	498
3.41% Notes due 2027	**1,210**	1,206
5.125% Notes due 2029	**646**	645
5.0% Notes due 2029	**745**	745
4.5% Notes due 2030	**594**	—
5.45% Notes due 2034	**501**	501
5.35% Notes due 2034	**990**	989
5.15% Notes due 2035	**393**	—
4.6% Notes due 2043	**326**	323
4.5% Notes due 2044	**339**	338
4.9% Notes due 2045	**439**	438
4.368% Notes due 2047	**566**	566
5.75% Notes due 2054	**641**	641
7.0% Debentures due 2026	**124**	124
Floating Rate Term Loan due 2028	**799**	799
Other Obligations	**215**	213
Total	**9,027**	8,527
Less: current portion of long-term obligations and other short-term borrowings	**680**	550
Long-term obligations, less current portion	**$ 8,347**	$ 7,977

(1) Maturities are presented on a calendar year basis.

Maturities of existing long-term obligations and other short-term borrowings for the remainder of fiscal 2026 through fiscal 2030 and thereafter are as follows:

(in millions)	Debt maturities
2026	$ 27
2027	1,882
2028	839
2029	674
2030	766
Thereafter	4,839
Total debt and finance lease obligations	**$ 9,027**

Long-Term Debt

We had total long-term obligations, including the current portion and other short-term borrowings, of $9.0 billion and $8.5 billion at December 31, 2025 and June 30, 2025, respectively. All the notes represent unsecured obligations of Cardinal Health, Inc. and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. Interest is paid pursuant to the terms of the obligations. These notes are effectively subordinated to the liabilities of our subsidiaries, including trade payables of $39.0 billion and $34.7 billion at December 31, 2025 and June 30, 2025, respectively.

In August 2025, we issued additional debt, with the aggregate principal amount of $1.0 billion, to fund a portion of the consideration payable in connection with the Solaris Health acquisition and for general purposes. The notes issued are $600 million aggregate principal amount of 4.5% Notes that mature on September 15, 2030 and $400 million aggregate principal amount of 5.15% Notes that mature on September 15, 2035. The proceeds of the notes issued, net of discounts, premiums, and debt issuance costs, were approximately $1.0 billion.

During the three months ended September 30, 2025, we repaid the full principal of $500 million of the 3.75% Notes due 2025 at maturity with available cash.

If we undergo a change of control, as defined in the notes, and if the notes receive specified ratings below investment grade by each of Standard & Poor's Ratings Services, Moody's Investors Services, and Fitch Ratings, any holder of the notes, excluding the debentures, can require with respect to the notes owned by such holder, or we can offer, to repurchase the notes at 101% of the principal amount plus accrued and unpaid interest.

Other Financing Arrangements

In addition to cash and equivalents and operating cash flow, other sources of liquidity at December 31, 2025 include a $3.0 billion commercial paper program backed by a $2.0 billion revolving credit facility that expires in February 2028 and a $1.0 billion 364-Day revolving credit facility that expires in October 2026. We also had a $1.0 billion committed receivables sales facility through September 2028. At December 31, 2025, we had no amounts outstanding under our commercial paper program, revolving credit facility, or our committed receivables sales facility.

In September 2025, we renewed our committed receivables sales facility program through Cardinal Health 23 Funding, LLC (“CHF”) through September 28, 2028.

In October 2025, we renewed the 364-Day revolving credit facility, under which we have access to $1.0 billion of committed liquidity through October 6, 2026.

Our revolving credit and committed receivables sales facilities require us to maintain a consolidated net leverage ratio of no more than 3.75-to-1. As of December 31, 2025, we were in compliance with this financial covenant.

6. Commitments, Contingent Liabilities and Litigation

Commitments

Generic Sourcing Venture with CVS Health

In July 2014, we established Red Oak Sourcing, LLC ("Red Oak Sourcing"), a U.S.-based generic pharmaceutical sourcing venture with CVS Health for an initial term of 10 years. Red Oak Sourcing negotiates generic pharmaceutical supply contracts on behalf of its participants. In August 2021, we amended our agreement to extend the term through June 2029. We are required to make quarterly payments to CVS Health for the term of the arrangement.

Contingencies

New York Opioid Stewardship Act

In 2018, the State of New York adopted the Opioid Stewardship Act (the "OSA"), which created an aggregate $100 million annual assessment on all manufacturers and distributors that was assessed based on each manufacturer or distributor's share of the total morphine milligram equivalents sold or distributed in New York, the applicability of which was ultimately limited to two years (2017 and 2018).

Since fiscal 2021, we have made certain payments to New York State for our portion of the assessment. However, we, and other distributors, challenged the OSA as unconstitutional. In May 2024, the New York Appellate Division held that the 2017 assessment was unconstitutionally retroactive, directing a refund of assessments paid for calendar year 2017, but upheld the 2018 assessment. In fiscal 2025, both parties agreed to a final settlement and in December 2025, we received payment and recognized a gain of $17 million in distribution, selling, general and administrative expenses in our condensed consolidated statements of earnings.

Legal Proceedings

We become involved from time to time in disputes, litigation and regulatory matters.

From time to time, we determine that products we distribute, source, manufacture or market do not meet our specifications, regulatory requirements, or published standards. When we or a regulatory agency identify a potential quality or regulatory issue, we investigate and take appropriate corrective action. Such actions

have led to product recalls, costs to repair or replace affected products, temporary interruptions in product sales, restrictions on importation, product liability claims and lawsuits and can lead to action by regulators. Even absent an identified regulatory or quality issue or product recall, we can become subject to product liability claims and lawsuits.

From time to time, we become aware through employees, internal audits or other parties of possible compliance matters, such as complaints or concerns relating to accounting, internal accounting controls, financial reporting, auditing, or other ethical matters or relating to compliance with laws such as healthcare fraud and abuse, anti-corruption or anti-bribery laws. When we become aware of such possible compliance matters, we investigate internally and take appropriate corrective action. In addition, from time to time, we receive subpoenas or requests for information from various federal or state agencies relating to our business or to the business of a customer, supplier or other industry participants. Internal investigations, subpoenas or requests for information could directly or indirectly lead to the assertion of claims or the commencement of legal proceedings against us or result in sanctions.

We have been named from time to time in qui tam actions initiated by private third parties. In such actions, the private parties purport to act on behalf of federal or state governments, allege that false claims have been submitted for payment by the government and may receive an award if their claims are successful. After a private party has filed a qui tam action, the government must investigate the private party's claim and determine whether to intervene in and take control over the litigation. These actions may remain under seal while the government makes this determination. If the government declines to intervene, the private party may nonetheless continue to pursue the litigation on his or her own purporting to act on behalf of the government.

We accrue for contingencies related to disputes, litigation and regulatory matters if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because these matters are inherently unpredictable and unfavorable developments or resolutions can occur, assessing contingencies is highly subjective and requires judgments about future events. We regularly review contingencies to determine whether our accruals and related disclosures are adequate. The amount of ultimate loss may differ from these estimates.

We recognize income from the favorable outcome of litigation when we receive the associated cash or assets.

We recognize estimated loss contingencies for certain litigation and regulatory matters and income from favorable resolution of litigation in litigation (recoveries)/charges, net in our condensed consolidated statements of earnings; however, losses and recoveries of lost profits from disputes that occur in the ordinary course of business are included within segment profit.

Opioid Lawsuits and Investigations

As of December 31, 2025, we have $4.3 billion accrued for the opioid-related matters described below, of which $477 million is included in other accrued liabilities and the remainder is included in deferred income taxes and other liabilities in our condensed consolidated balance sheets. During the six months ended December 31, 2025 and fiscal year 2025, we made payments totaling $403 million and $798 million, respectively, which included our annual payments under the agreement to settle the vast majority of the opioid lawsuits filed by states and local governmental entities and payments related to the settlement agreement with the City of Baltimore and classes of third-party payors and acute care hospitals.

During the six months ended December 31, 2025 and fiscal year 2025, there were no material expenses recognized for these matters.

States & Political Subdivisions

In April 2022, we along with two other national distributors (collectively, the "Distributors"), without admitting liability or wrongdoing, became parties to National Opioid Settlement Agreement ("the NOSA") to settle the vast majority lawsuits and claims brought by states and political subdivisions related to the distribution of opioid pain medications. In addition to the Distributors, parties to the NOSA include 48 states, the District of Columbia and 5 U.S. territories. The NOSA also resulted in the resolution of the opioid-related claims of over 99 percent of political subdivisions in settling states (together with settling states and territories, the "Settling Governmental Entities").

To date, we have paid the Settling Governmental Entities approximately $2.2 billion and we expect to pay the Settling Governmental Entities additional amounts up to $4.1 billion through 2038. As required under the NOSA, a monitor is overseeing compliance with the Injunctive Relief provisions of the NOSA until 2027 and the distributors have engaged a third-party vendor to act as a clearinghouse for data aggregation and reporting, which distributors will fund until 2032.

West Virginia subdivisions and Native American tribes were not a part of the NOSA. In July 2022, we entered into separate agreements to settle the opioid-related claims of the majority of remaining West Virginia subdivisions and Native American Tribes for approximately $124 million over eleven years and $136 million over five years, respectively.

We have now resolved the opioid-related claims of all 50 states and the District of Columbia; however, lawsuits brought by certain subdivisions remain outstanding.

In July 2022, a judgment in favor of the Distributors was entered in a bench trial before a federal judge in West Virginia in a case brought by Cabell County and City of Huntington. In October 2025, the United States Court of Appeals for the Fourth Circuit vacated the district court's judgment and remanded the case for further proceedings. A hearing is scheduled for March, 2026. We intend to vigorously defend ourselves in this matter.

Private Plaintiffs

The NOSA does not address claims by private parties, which includes unions and other health and welfare funds, hospital systems and other healthcare providers, businesses, and individuals alleging personal injury. To date, there are approximately 193 lawsuits brought by private plaintiffs pending. Of these, approximately 51 are purported class actions. The causes of action asserted by these plaintiffs are similar to those asserted by public plaintiffs. We are vigorously defending ourselves in all of these matters.

Following resolution discussions with certain private plaintiffs, during the six months ended December 31, 2024, Distributors finalized agreements with classes of third-party payors and acute care hospitals. Our portion of these settlements totaled $213 million. The settlement with the class of third-party payors was approved by the court in January 2025 and was finalized in August 2025. The settlement with the class of acute care hospitals was approved by the court in March 2025 and became final in April 2025.

Insurance Litigation

We are involved in lawsuits in Ohio State court with insurers related to their obligations to reimburse us for defense and indemnity costs in connection with the lawsuits described above. A hearing in one of these matters is scheduled for February 5, 2026. An unfavorable outcome in this matter may result in a change in loss reserves related to opioid litigation recorded by our captive insurance company, which would negatively impact cash flow.

During the six months ended December 31, 2025, we received $5 million in insurance recoveries related to opioid matters, which were recorded in the Pharma segment. During fiscal 2025, we received $25 million in insurance recoveries related to opioid matters. $12 million of the recoveries from our insurers were recorded in the Pharma segment. We have not recorded a receivable for any additional recoveries related to these insurance litigation matters as of December 31, 2025.

Department of Justice Civil Investigative Demand

In November 2023, we received a Civil Investigative Demand ("CID") from the Department of Justice focused on potential violations of the Anti-Kickback Statute and False Claims Act in connection with a 2022 transaction in which we purchased a minority ownership interest in a rheumatology managed services organization and a group purchasing organization. We are cooperating with this investigation.

Cordis IVC Filter Matters

We have been named as a defendant in product liability lawsuits involving claims by plaintiffs that allege personal injuries associated with the use of inferior vena cava ("IVC") filter products. These lawsuits sought a variety of remedies, including unspecified monetary damages. The divestiture of the Cordis business did not include product liability related to the IVC filters in the U.S. and Canada, which we retained.

In April 2023, we executed a settlement agreement that will resolve approximately 4,375 claims for $275 million, which we have paid into a qualified settlement fund. Payments to qualified implantees are being made out of the qualified settlement fund and we expect continued payments as additional plaintiffs meet the procedural requirements.

We have also entered into other agreements, which, in addition to the settlement discussed above, resolved the vast majority of IVC filter product liability claims. These settlements did not resolve all IVC filter product liability claims, and we intend to continue to vigorously defend ourselves in the remaining lawsuits.

At December 31, 2025, we had a total of $36 million accrued for losses and legal defense costs, related to the IVC filter product liability lawsuits in our condensed consolidated balance sheets, which includes the $35 million in the qualified settlement fund.

Tax Contingency

On February 2, 2026, we received a Notice of Proposed Adjustment (NOPA) from the Internal Revenue Service (IRS), as part of our ongoing FY15-FY20 audit cycle, related to a restructuring in connection with our July 2017 acquisition of the Patient Recovery business. The IRS is asserting that the transaction should be recharacterized in a manner that could create additional federal income tax liability of approximately $160 million, plus interest. We routinely assess the likelihood of adverse outcomes resulting from audits and examinations to determine the adequacy of our tax reserves and we believe we have adequate reserves for all tax matters; however, the ultimate outcome of disputes of this nature is uncertain and if the IRS were to prevail on its assertions in connection with this matter, the assessed tax and deficiency interest would impact our financial results and cash flow.

Antitrust Litigation Proceeds

We recognized income for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff of $19 million during both the three and six months ended December 31, 2025 and $16 million and $59 million during the three and six months ended December 31, 2024, respectively.

7. Income Taxes

Fluctuations in our provision for income taxes as a percentage of pre-tax earnings (“effective tax rate”) are due to changes in international and U.S. state effective tax rates resulting from our business mix and discrete items.

Effective Tax Rate

During the three and six months ended December 31, 2025, the effective tax rate was 25.2 percent and 24.7 percent, respectively.

During the three and six months ended December 31, 2024, the effective tax rate was 21.4 percent and 22.2 percent, respectively.

Unrecognized Tax Benefits

We had $903 million and $879 million of unrecognized tax benefits, at December 31, 2025 and June 30, 2025, respectively. The December 31, 2025 and June 30, 2025 balances include $877 million and $871 million of unrecognized tax benefits, respectively, that if recognized, would have an impact on the effective tax rate.

At December 31, 2025 and June 30, 2025, we had $77 million and $65 million, respectively, accrued for the payment of interest and penalties related to unrecognized tax benefits, which we recognize in the provision for income taxes in the condensed consolidated statements of earnings. These balances are gross amounts before any tax benefits and are included in deferred income taxes and other liabilities in the condensed consolidated balance sheets.

It is reasonably possible that there could be a change in the amount of unrecognized tax benefits within the next 12 months due to activities of the U.S. Internal Revenue Service ("IRS") or other taxing authorities, possible settlement of IRS and other audit issues, reassessment of existing unrecognized tax benefits or the expiration of statutes of limitations.

Other Tax Matters

We file income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions, and various foreign jurisdictions. With few exceptions, we are subject to audit by taxing authorities for fiscal years 2015 through the current fiscal year.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law, which includes a broad range of tax reform provisions. The OBBBA includes changes to existing tax law, including extending or making permanent certain business and international tax measures initially established under the 2017 Tax Cuts and Jobs Act ("Tax Act"). We have evaluated the impact of the OBBBA and determined that it did not have a material effect on the Company's financial statements for the three and six months ended December 31, 2025. We will continue to assess the implications of the OBBBA as further guidance becomes available but do not expect the legislation to have a material impact on the effective tax rate in future periods.

8. Fair Value Measurements

Assets and Liabilities Measured on a Recurring Basis

The following tables present the fair values for assets and (liabilities) measured on a recurring basis at:

	December 31, 2025			
(in millions)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	**$ 266**	**$ —**	**$ —**	**$ 266**
Other investments (1)	**112**	**—**	**—**	**112**
Liabilities:				
Forward contracts (2)	**—**	**(25)**	**—**	**(25)**
Share-based awards (3)	**—**	**—**	**(1,173)**	**(1,173)**

	June 30, 2025			
(in millions)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	$ 1,672	$ —	$ —	$ 1,672
Other investments (1)	108	—	—	108
Liabilities:				
Forward contracts (2)	—	(48)	—	(48)
Share-based awards (3)	—	—	(843)	(843)

(1) The other investments balance includes investments in mutual funds, which offset fluctuations in deferred compensation liabilities. These mutual funds invest in the equity securities of companies with both large and small market capitalization and high quality fixed income debt securities. The fair value of these investments is determined using quoted market prices.

(2) The fair value of interest rate swaps, foreign currency contracts, and net investment hedges is determined based on the present value of expected future cash flows considering the risks involved, including non-performance risk, and using discount rates appropriate for the respective maturities. Observable Level 2 inputs are used to determine the present value of expected future cash flows. The fair value of these derivative contracts, which are subject to master netting arrangements under certain circumstances, is presented on a gross basis in prepaid expenses and other, other assets, other accrued liabilities, and deferred income taxes and other liabilities within the condensed consolidated balance sheets.

(3) The shared-based awards are liability-classified awards, as defined under ASC 718, resulting from acquisitions by The Specialty Alliance. These are presented in deferred income taxes and other liabilities within the condensed consolidated balance sheets. The fair value of The Specialty Alliance Units is determined using the discounted cash flow method which utilizes significant unobservable inputs, including the discount rate of 7.5%. Significant changes to assumptions used in the valuation may have a material impact on the fair value of The Specialty Alliance Units.

Changes in Level 3 Recurring Fair Value Measurements

The following tables reconcile the changes in fair value for the liabilities classified within Level 3 of the fair value hierarchy for the three and six months ended December 31, 2025:

(in millions)	The Specialty Alliance Units
Fair Value at September 30, 2025	$ 910
Acquisitions	213
Vesting (1)	66
Fair Value Adjustment (1)	(10)
Repurchases	(6)
Fair Value at December 31, 2025	**$ 1,173**

(in millions)	The Specialty Alliance Units
Fair Value at June 30, 2025	$ 843
Acquisitions	233
Vesting (1)	119
Fair Value Adjustment (1)	—
Repurchases	(22)
Fair Value at December 31, 2025	**$ 1,173**

(1) For the three and six months ended December 31, 2025, there was $56 million and $119 million of expense, respectively, recorded to acquisition-related cash and share-based compensation costs in the condensed consolidated statements of earnings.

9. Financial Instruments

We utilize derivative financial instruments to manage exposure to certain risks related to our ongoing operations. The primary risks managed through the use of derivative instruments include interest rate risk and currency exchange risk. We do not use derivative instruments for trading or speculative purposes. While the majority of our derivative instruments are designated as hedging instruments, we also enter into derivative instruments that are designed to hedge a risk but are not designated as hedging instruments. These derivative instruments are adjusted to current fair value through earnings at the end of each period. We are exposed to counterparty credit risk on all of our derivative instruments. Accordingly, we have established and maintain strict counterparty credit guidelines and only enter into derivative instruments with major financial institutions that are rated investment grade or better. We do not have significant exposure to any one counterparty and we believe the risk of loss is remote. Additionally, we do not require collateral under these agreements.

Interest Rate Risk Management

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on cash flows and the market value of our borrowings. We utilize a mix of debt maturities on our fixed-rate debt to manage changes in interest rates. In addition, we enter into interest rate swaps to further manage our exposure to interest rate variations related to our borrowings and to lower our overall borrowing costs.

Currency Exchange Risk Management

We conduct business in several major international currencies and are subject to risks associated with changing foreign exchange rates. Our objective is to reduce earnings and cash flow volatility associated with foreign exchange rate changes to allow management to focus its attention on business operations. Accordingly, we enter into various contracts that change in value as foreign exchange rates change to protect the value of existing foreign currency assets and liabilities, commitments, and anticipated foreign currency revenue and expenses.

Fair Value Hedges

We enter into pay-floating interest rate swaps to hedge the changes in the fair value of fixed-rate debt resulting from fluctuations in interest rates. These contracts are designated and qualify as fair value hedges. Accordingly, the gain or loss recorded on the pay-floating interest rate swaps is directly offset by the change in fair value of the underlying debt. Both the derivative instrument and the underlying debt are adjusted to market value at the end of each period with any resulting gain or loss recorded in interest expense, net in the condensed consolidated statements of earnings. For the three and six months ended December 31, 2025 and 2024, there were no gains or losses recorded to interest expense as changes in the market value of our derivative instruments offset changes in the market value of the underlying debt.

During the six months ended December 31, 2025, we entered into pay-floating interest rate swaps with total notional amounts of $300 million. These swaps have been designated as fair value hedges of our fixed rate debt and are included in deferred income taxes and other liabilities in our condensed consolidated balance sheets.

Cash Flow Hedges

We enter into derivative instruments to hedge our exposure to changes in cash flows attributable to interest rate and foreign currency fluctuations associated with certain forecasted transactions. These derivative instruments are designated and qualify as cash flow hedges. Accordingly, the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive loss and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings.

Gains and losses recognized in other comprehensive income were immaterial for both the three and six months ended December 31, 2025 and 2024, respectively. Gains and losses recognized in accumulated other comprehensive loss and reclassified into earnings were immaterial for both the three and six months ended December 31, 2025 and 2024, respectively. Gains currently included within accumulated other comprehensive loss associated with our cash flow hedges to be reclassified into net earnings within the next 12 months are immaterial.

Net Investment Hedges

We hedge the foreign currency risk associated with certain net investment positions in foreign subsidiaries. To accomplish this, we enter into cross-currency swaps that are designated as hedges of net investments.

In September 2025, we entered into ¥18 billion ($120 million) cross-currency swaps maturing in September 2027.

In September 2025, we terminated the ¥18 billion ($120 million) cross-currency swaps entered into in September 2023 and received settlement in cash of $3 million, recorded in our condensed consolidated statements of cash flows.

In December 2025, we partially terminated the €32 million ($37 million) cross-currency swaps entered into in March 2023 and paid a settlement in cash of $3 million, recorded in our condensed consolidated statements of cash flows.

Cross-currency swaps designated as net investment hedges are marked to market using the current spot exchange rate as of the end of the period, with gains and losses included in the foreign currency translation component of accumulated other comprehensive loss until the sale or substantial liquidation of the underlying net investments. To the extent the cross-currency swaps designated as net investment hedges are not highly effective, changes in carrying value attributable to the change in spot rates are recorded in earnings.

Pre-tax gains and losses from net investment hedges recorded in the foreign currency translation component of accumulated other comprehensive loss were immaterial during both the three and six months ended December 31, 2025 and 2024, respectively. Gains recognized in interest expense, net in the condensed consolidated statements of earnings for the portion of the net investment hedges excluded from the assessment of hedge effectiveness were immaterial during both the three and six months ended December 31, 2025 and 2024, respectively.

Economic (Non-Designated) Hedges

We enter into foreign currency contracts to manage our foreign exchange exposure related to sales transactions, intercompany financing transactions and other balance sheet items subject to revaluation that do not meet the requirements for hedge accounting treatment. Accordingly, these derivative instruments are adjusted to current market value at the end of each period through earnings. The gain or loss recorded on these instruments is substantially offset by the remeasurement adjustment on the foreign currency denominated asset or liability. The settlement of the derivative instrument and the remeasurement adjustment on the foreign currency denominated asset or liability are both recorded in other income, net. We recorded immaterial gains and losses during both the three and six months ended December 31, 2025 and 2024, respectively. The principal currencies managed through foreign currency contracts are Canadian dollar, Mexican peso, Chinese renminbi, Thai baht and Philippine peso.

Fair Value of Financial Instruments

The carrying amounts of cash and equivalents, trade receivables, accounts payable, and other accrued liabilities at December 31, 2025 and June 30, 2025 approximate fair value due to their short-term maturities.

The following table summarizes the estimated fair value of our long-term obligations and other short-term borrowings compared to the respective carrying amounts at:

(in millions)	December 31, 2025	June 30, 2025
Estimated fair value	**$ 8,208**	$ 8,388
Carrying amount	**9,027**	8,527

The fair value of our long-term obligations and other short-term borrowings is estimated based on either the quoted market prices for the same or similar issues or other inputs derived from available market information, which represents a Level 2 measurement.

10. Shareholders' Deficit

We repurchased $750 million and $375 million of our common shares, in the aggregate, through share repurchase programs during the six months ended December 31, 2025 and 2024, respectively. We funded the repurchases with available cash. The common shares repurchased are held in treasury to be used for general corporate purposes.

The following table presents the share repurchase programs executed during the six months ended December 31, 2025 and 2024:

Quarter Entered	Date Concluded	Aggregate Purchase Price (in millions)	Initial Shares (in millions)	Reference Price	Final Shares (in millions)	Weighted Average Price per Common Share
Q1 FY26	10/31/2025	$375	2.0	$148.12	0.4	$151.88
Q2 FY26	12/15/2025	$375	1.6	$190.22	0.3	$200.00
Q1 FY25	10/30/2024	$375	2.7	$109.65	0.7	$110.10

During the six months ended December 31, 2025 and 2024, we paid $8 million and $15 million for excise taxes, respectively, related to the completion of prior Accelerated Share Repurchase programs.

During the three months ended December 31, 2024, we retired 56 million of common stock shares without par value.

Accumulated Other Comprehensive Loss

The following tables summarize the changes in the balance of accumulated other comprehensive loss by component and in total:

(in millions)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	Accumulated Other Comprehensive Loss
Balance at June 30, 2025	$ (141)	$ (14)	**$ (155)**
Other comprehensive income, before reclassifications	5	3	**8**
Amounts reclassified to earnings	—	(6)	**(6)**
Total other comprehensive income/(loss) attributable to Cardinal Health, Inc., net of tax expense of $4 million	5	(3)	**2**
Balance at December 31, 2025	**$ (136)**	**$ (17)**	**$ (153)**

(in millions)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	Accumulated Other Comprehensive Loss
Balance at June 30, 2024	$ (138)	$ (29)	$ (167)
Other comprehensive income/(loss), before reclassifications	(11)	2	(9)
Amounts reclassified to earnings	—	(4)	(4)
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax expense of $2 million	(11)	(2)	(13)
Balance at December 31, 2024	$ (149)	$ (31)	$ (180)

11. Earnings Per Share Attributable to Cardinal Health, Inc.

The following tables reconcile the number of common shares used to compute basic and diluted earnings per share attributable to Cardinal Health, Inc. ("EPS"):

	Three Months Ended December 31,	
(in millions)	**2025**	2024
Weighted-average common shares–basic	**236**	242
Effect of dilutive securities:		
Employee stock options, restricted share units and performance share units	**1**	1
Weighted-average common shares–diluted	**237**	243

	Six Months Ended December 31,	
(in millions)	**2025**	2024
Weighted-average common shares–basic	**237**	242
Effect of dilutive securities:		
Employee stock options, restricted share units and performance share units	**1**	1
Weighted-average common shares–diluted	**238**	243

For the three and six months ended December 31, 2025 and 2024, immaterial restricted share units and performance share units were excluded from the computation of diluted EPS, as they were anti-dilutive.

12. Segment Information

We operate under two reportable segments: Pharmaceutical and Specialty Solutions ("Pharma") and Global Medical Products and Distribution ("GMPD"). All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics. The factors for determining the reportable segments include the manner in which management evaluates performance for purposes of allocating resources and assessing performance combined with the nature of the individual business activities.

Our Pharma segment distributes branded and generic pharmaceutical, specialty pharmaceutical and over-the-counter healthcare and consumer products in the United States. This segment also provides services to pharmaceutical manufacturers and healthcare providers for specialty pharmaceutical products; provides pharmacy management services to hospitals and operates a limited number of pharmacies, including pharmacies in community health centers; repackages generic pharmaceuticals and over-the-counter healthcare products; and includes our managed services organization platforms for physician offices.

Our GMPD segment manufactures, sources and distributes Cardinal Health branded medical, surgical and laboratory products, which are sold in the United States, Canada, Europe, Asia and other markets. This segment also distributes a broad range of medical, surgical, and laboratory products known as national brand products to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers in the United States and Canada.

The remaining three non-reportable operating segments included in Other are Nuclear and Precision Health Solutions, at-Home Solutions, and OptiFreight® Logistics. These operating segments respectively operate nuclear pharmacies and radiopharmaceutical manufacturing facilities, distribute medical products to patients' homes in the United States, and provide supply chain services and solutions to our customers.

Revenue

The following tables present revenue for the two reportable segments and disaggregated revenue within the remaining operating segments, included in Other, and Corporate:

	Three Months Ended December 31,	
(in millions)	**2025**	2024
Pharmaceutical and Specialty Solutions	**$ 60,669**	$ 50,849
Global Medical Products and Distribution	**3,259**	3,154
Nuclear and Precision Health Solutions	**440**	372
at-Home Solutions	**1,185**	835
OptiFreight® Logistics	**99**	76
Other	**1,724**	1,283
Total segment revenue	**65,652**	55,286
Corporate (1)	**(25)**	(22)
Total revenue	**$ 65,627**	$ 55,264

	Six Months Ended December 31,	
(in millions)	**2025**	2024
Pharmaceutical and Specialty Solutions	**$ 119,874**	$ 98,839
Global Medical Products and Distribution	**6,443**	6,277
Nuclear and Precision Health Solutions	**876**	745
at-Home Solutions	**2,300**	1,574
OptiFreight® Logistics	**189**	150
Other	**3,365**	2,469
Total segment revenue	**129,682**	107,585
Corporate (1)	**(46)**	(44)
Total revenue	**$ 129,636**	$ 107,541

(1) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

The following tables present revenue by geographic area:

	Three Months Ended December 31,	
(in millions)	**2025**	2024
United States	**$ 65,217**	$ 54,858
International	**435**	428
Total segment revenue	**65,652**	55,286
Corporate (1)	**(25)**	(22)
Total revenue	**$ 65,627**	$ 55,264

	Six Months Ended December 31,	
(in millions)	**2025**	2024
United States	**$ 128,828**	$ 106,749
International	**854**	836
Total segment revenue	**129,682**	107,585
Corporate (1)	**(46)**	(44)
Total revenue	**$ 129,636**	$ 107,541

(1) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

Segment Profit

The Company's Chief Executive Officer, the chief operating decision maker ("CODM"), evaluates segment performance based on segment profit, among other measures. Segment profit is segment revenue, less segment cost of products sold, less segment distribution, selling, general and administrative ("SG&A") expenses. Segment SG&A expenses include share-based compensation expense as well as allocated corporate technology and shared function expenses, including corporate management, corporate finance, financial and customer care shared services, human resources, information technology and legal and compliance, including certain litigation defense costs. Corporate expenses are allocated to the operating segments based on headcount, level of benefit provided and other ratable allocation methodologies. The results attributable to noncontrolling interests are recorded within segment profit.

We do not allocate the following items to our segments:

- last-in first-out, or ("LIFO"), inventory charges/(credits);
- state opioid assessment related to prior fiscal years;
- restructuring and employee severance;
- amortization and other acquisition-related costs;
- acquisition-related cash and share-based compensation costs;
- impairments and (gain)/loss on disposal of assets, net;
- litigation (recoveries)/charges, net;
- other (income)/expense, net;
- interest expense, net;
- provision for/(benefit from) income taxes

In addition, certain investment spending, certain portions of enterprise-wide incentive compensation and other spending are not allocated to the segments. Investment spending generally includes the first-year spend for certain projects that require incremental investments in the form of additional operating expenses. Because approval for these projects is dependent on executive management, we retain these expenses at Corporate. Investment spending within Corporate was $15 million for both the three months ended December 31, 2025 and 2024, respectively, and $31 million and $27 million for the six months ended December 31, 2025 and 2024, respectively.

The following tables present segment profit for the two reportable segments and the remaining operating segments, included in Other:

(in millions)	Three Months Ended December 31, 2025 Pharma	GMPD	Other	Total
Segment revenue	**$ 60,669**	**$ 3,259**	**$ 1,724**	**$ 65,652**
Cost of product sold	**59,243**	**2,720**	**1,291**	**63,254**
SG&A	**739**	**502**	**254**	**1,495**
Total segment expenses	**59,982**	**3,222**	**1,545**	**64,749**
Segment profit	**$ 687**	**$ 37**	**$ 179**	**$ 903**
Corporate (1)				**(196)**
Consolidated operating earnings				**$ 707**

(in millions)	Three Months Ended December 31, 2024 Pharma	GMPD	Other	Total
Segment revenue	$ 50,849	$ 3,154	$ 1,283	$ 55,286
Cost of product sold	49,750	2,624	969	53,343
SG&A	568	512	196	1,276
Total segment expenses	50,318	3,136	1,165	54,619
Segment profit	$ 531	$ 18	$ 118	$ 667
Corporate (1)				(118)
Consolidated operating earnings				$ 549

(in millions)	Six Months Ended December 31, 2025 Pharma	GMPD	Other	Total
Segment revenue	**$ 119,874**	**$ 6,443**	**$ 3,365**	**$ 129,682**
Cost of product sold	**117,100**	**5,353**	**2,512**	**124,965**
SG&A	**1,420**	**1,007**	**508**	**2,935**
Total segment expenses	**118,520**	**6,360**	**3,020**	**127,900**
Segment profit	**$ 1,354**	**$ 83**	**$ 345**	**$ 1,782**
Corporate (1)				**(407)**
Consolidated operating earnings				**$ 1,375**

(in millions)	Six Months Ended December 31, 2024 Pharma	GMPD	Other	Total
Segment revenue	$ 98,839	$ 6,277	$ 2,469	$ 107,585
Cost of product sold	96,659	5,228	1,853	103,740
SG&A	1,119	1,023	394	2,536
Total segment expenses	97,778	6,251	2,247	106,276
Segment profit	$ 1,061	$ 26	$ 222	$ 1,309
Corporate (1)				(192)
Consolidated operating earnings				$ 1,117

(1) Corporate consists of the elimination of inter-segment revenue and other revenue and expenses not allocated to the segments.

Segment Assets

The following table presents total assets for the two reportable segments and the remaining operating segments, included in Other, and Corporate:

(in millions)	December 31, 2025	June 30, 2025
Pharmaceutical and Specialty Solutions	**$ 43,405**	$ 37,313
Global Medical Products and Distribution	**6,993**	6,889
Other	**4,073**	4,045
Corporate	**3,612**	4,875
Total assets	**$ 58,083**	$ 53,122

The following tables present depreciation and amortization for the two reportable segments and the remaining operating segments, included in Other, and Corporate:

(in millions)	Three Months Ended December 31, 2025	2024
Pharmaceutical and Specialty Solutions	**$ 64**	$ 46
Global Medical Products and Distribution	**55**	60
Other	**30**	40
Corporate	**85**	46
Total depreciation and amortization	**$ 234**	$ 192

(in millions)	Six Months Ended December 31, 2025	2024
Pharmaceutical and Specialty Solutions	**$ 125**	$ 73
Global Medical Products and Distribution	**110**	109
Other	**59**	58
Corporate	**173**	134
Total depreciation and amortization	**$ 467**	$ 374

The following tables present additions to property and equipment for the two reportable segments and the remaining operating segments, included in Other, and Corporate:

	Three Months Ended December 31,	
(in millions)	**2025**	2024
Pharmaceutical and Specialty Solutions	**$ 23**	$ 12
Global Medical Products and Distribution	**23**	21
Other	**23**	22
Corporate	**62**	44
Total additions to property and equipment	**$ 131**	$ 99

	Six Months Ended December 31,	
(in millions)	**2025**	2024
Pharmaceutical and Specialty Solutions	**$ 55**	$ 23
Global Medical Products and Distribution	**42**	44
Other	**38**	34
Corporate	**104**	88
Total additions to property and equipment	**$ 239**	$ 189

The following table presents property and equipment, net by geographic area:

(in millions)	**December 31, 2025**	June 30, 2025
United States	**$ 2,445**	$ 2,422
International	**432**	436
Total property and equipment, net	**$ 2,877**	$ 2,858

13. Share-Based Compensation

We maintain Cardinal Health Inc. corporate stock incentive plans (collectively, the "Plans") for the benefit of certain of our officers, directors, and employees. As of December 31, 2025, we have 16 million shares authorized for issuance under the Plans. Upon vesting these units convert to common shares without restrictions or future service requirements.

The following tables provide total share-based compensation expense by type of award:

	Three Months Ended December 31,	
(in millions)	**2025**	2024
Restricted share unit expense	**$ 16**	$ 18
Performance share unit expense	**15**	12
Total share-based compensation	**$ 31**	$ 30

	Six Months Ended December 31,	
(in millions)	**2025**	2024
Restricted share unit expense	**$ 34**	$ 37
Performance share unit expense	**27**	23
Total share-based compensation	**$ 61**	$ 60

The total tax benefit related to share-based compensation was $4 million for both the three months ended December 31, 2025 and 2024, respectively, and $7 million and for both the six months ended December 31, 2025 and 2024, respectively. Share-based compensation expense is included in selling, general, and administrative expenses in the condensed consolidated statements of earnings. Our condensed consolidated statements of cash flows present our share-based compensation expense as a reconciling adjustment between net income and net cash provided by operating activities for all periods presented.

Restricted Share Units

Restricted share units granted under the Plans generally vest in equal annual installments over three years. Restricted share units accrue cash dividend equivalents that are payable upon vesting of the awards.

The following table summarizes all transactions related to restricted share units under the Plans:

(in millions, except per share amounts)	**Restricted Share Units**	**Weighted-Average Grant Date Fair Value per Share**
Nonvested at June 30, 2025	1.4	$ 86.30
Granted	0.4	151.37
Vested	(0.7)	89.23
Canceled and forfeited	—	121.81
Nonvested at December 31, 2025	**1.1**	**$ 110.11**

The total fair value of units vested during both the three months ended December 31, 2025 and 2024 were $3 million. The total fair value of units vested during both the six months ended December 31, 2025 and 2024 were $56 million.

At December 31, 2025, the total pre-tax compensation cost, net of estimated forfeitures, related to nonvested restricted share units not yet recognized was $98 million, which is expected to be recognized over a weighted-average period of two years.

Performance Share Units

Performance share units vest over a three-year performance period based on achievement of specific performance goals. Based on the extent to which the targets are achieved and our total shareholder return relative to the S&P 500 Health Care Index, vested shares may range from zero to 240 percent of the target award amount. Performance share units accrue cash dividend equivalents that are payable upon vesting of the awards.

The following table summarizes all transactions related to performance share units under the Plans (based on target award amounts):

(in millions, except per share amounts)	Performance Share Units	Weighted-Average Grant Date Fair Value per Share
Nonvested at June 30, 2025	1.5	$ 99.45
Granted	0.5	153.66
Vested	(0.7)	92.71
Canceled and forfeited	—	—
Nonvested at December 31, 2025	**1.3**	**$ 117.36**

No performance share units vested during the three months ended December 31, 2025 and 2024. The total fair value of units vested during the six months ended December 31, 2025 and 2024 were $108 million and $49 million, respectively.

At December 31, 2025, the total pre-tax compensation cost, net of estimated forfeitures, related to nonvested performance share units not yet recognized was $63 million, which is expected to be recognized over a weighted-average period of two years if the performance goals are achieved.

The Specialty Alliance Share-Based Compensation

The Specialty Alliance, a majority-owned subsidiary of Cardinal Health, maintains standalone share-based compensation plans. Share-based compensation expense associated with these awards of $56 million and $119 million was recognized during the three and six months ended December 31, 2025 respectively. Of the expense recognized for the three and six months ended December 31, 2025, $54 million and $115 million is included in acquisition-related cash and share-based compensation costs and $2 million and $4 million is included in selling, general, and administrative expenses in the condensed consolidated statements of earnings, respectively. The liability and associated future expenses may vary based on the changes in the estimated fair value.

The following table summarizes the fair market value of The Specialty Alliance Units as of December 31, 2025:

(in millions, except per share amounts)	The Specialty Alliance Share Units	Fair Value per Share
Nonvested at June 30, 2025	206	$ 1.54
Granted	217	1.54
Vested	(77)	1.54
Canceled and forfeited	(1)	1.54
Nonvested at December 31, 2025	**345**	**$ 1.54**
Vested at December 31, 2025	**760**	**$ 1.54**

The total fair value of The Specialty Alliance Units vested during the three and six months ended December 31, 2025 was $66 million and $119 million, respectively. During the three months ended December 31, 2025, we recognized a decrease in the fair value of the liability, resulting in income of $10 million related to the vested Specialty Alliance Units, which is recognized in acquisition-related cash and share-based compensation costs. There was no change in the fair value of the liability during the six months ended December 31, 2025.

At December 31, 2025, the total pre-tax compensation cost related to nonvested Specialty Alliance Units not yet recognized was $531 million, which is expected to be recognized over a weighted-average period of approximately three years.

Exhibits

Exhibit Number	Exhibit Description
3.1	Amended and Restated Articles of Incorporation of Cardinal Health, Inc., as amended (incorporated by reference to Exhibit 3.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, File No. 1-11373)
3.2	Cardinal Health, Inc. Restated Code of Regulations (incorporated by reference to Exhibit 3.1 to Cardinal Health's Current Report on Form 8-K filed on May 11, 2023, File No. 1-11373)
10.1	364-Day Credit Agreement, dated October 7, 2025 (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on October 10, 2025, File No. 1-11373)
10.2	Third Amendment to the Cardinal Health Deferred Compensation Plan, as amended and restated on January 1, 2020
10.3	Aircraft Time Sharing Agreement, dated as of November 18th, 2025, by and between Cardinal Health, Inc. and Jason M. Hollar
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Statement Regarding Forward-Looking Information
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - formatted in Inline XBRL (included as Exhibit 101)

Cardinal Health Website

Cardinal Health uses its website as a channel of distribution for material company information. Important information, including news releases, financial information, earnings and analyst presentations, and information about upcoming presentations and events is routinely posted and accessible at ir.cardinalhealth.com. In addition, the website allows investors and other interested persons to sign up automatically to receive e-mail alerts when we post news releases, SEC filings, and certain other information on its website.

Form 10-Q Cross Reference Index

N/A Not applicable

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cardinal Health, Inc.

Date: February 5, 2026

/s/ JASON M. HOLLAR

Jason M. Hollar
Chief Executive Officer

Date: February 5, 2026

/s/ AARON E. ALT

Aaron E. Alt
Chief Financial Officer

THIRD AMENDMENT
TO THE
CARDINAL HEALTH DEFERRED COMPENSATION PLAN

(As Amended and Restated January 1, 2020)

Background Information

A. Cardinal Health, Inc. ("Cardinal Health") previously adopted and currently maintains the Cardinal Health Deferred Compensation Plan (the "Plan") for the benefit of a select group of management and highly compensated employees of Cardinal Health and its subsidiaries and affiliates.

B. Section 7.1 of the Plan provides that the Plan may be amended at any time through a written resolution adopted or approved by the Financial Benefit Plans Committee ("FBPC"), with respect to any amendment that, when aggregated with any other amendment or amendments approved on the same date, is reasonably expected to have an annual financial impact on Cardinal Health of $5 million or less.

C. The FBPC has concluded that the amendment set forth below, when aggregated with any other amendments set to be approved on the same date, is reasonably expected to have an annual financial impact on Cardinal Health of less than $5 million.

D. The FBPC desires to amend the Plan, effective for calendar years commencing on and after January 1, 2026, to increase the Plan's maximum deferral limit for Compensation that is not Performance-Based Compensation.

Amendment of the Cardinal Health Deferred Compensation Plan

The Plan is hereby amended as set forth below, effective as of January 1, 2026.

1. The second paragraph of Section 3.1 of the Plan is hereby amended to read as follows:

> "A Participant who is an Eligible Employee may defer between one percent and 80 percent of Compensation that is not Performance-Based Compensation and may make one or more separate elections for the deferral of between one percent and 80 percent of Performance-Based Compensation from each plan or arrangement offering the opportunity to earn such Compensation. A Participant who is a Director may defer between 20 percent and 100 percent of Compensation. The Company may, in its discretion, establish and change from time to time the minimum and maximum amount that may be so deferred for Participants who are not Reporting Persons. Elections shall be made in accordance with procedures established by the Administrative Committee. The Employer will credit the deferred compensation amount agreed to for each Plan Year to the Participant's Account from time to time as soon as administratively practicable after the deferred amounts otherwise would have been earned and paid to the Participant. All contributions under this provision to the Accounts of Participants in the Plan, as adjusted for earnings or losses (described below), are referred to as 'Deferred Compensation Credits.'"

2. All other provisions of the Plan shall remain in full force and effect.

CARDINAL HEALTH, INC.
FINANCIAL BENEFIT PLANS COMMITTEE

By: _/s/ CASEY FORDYCE
Its: FBPC Representative
Date: October 10, 2025

CARDINAL HEALTH, INC.
AIRCRAFT TIME SHARING AGREEMENT

This Aircraft Time Sharing Agreement (“Agreement”) by and between Cardinal Health, Inc. (“Operator”), an Ohio corporation whose address is 7000 Cardinal Place, Dublin, Ohio 43017 and Jason M. Hollar (“User”), whose address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively the "Parties"), is effective November 18th, 2025 (the “Effective Date”).

WHEREAS, Operator has the right of possession of the aircraft (“Aircraft”) described in the Leased Aircraft Subject to the Aircraft Time Sharing Agreement attached hereto and made a part hereof, as Exhibit A;

WHEREAS, Operator employs a fully qualified flight crew to operate the Aircraft;

WHEREAS, Operator desires to provide to User, and User desires to have the use of said Aircraft with flight crew on a non-exclusive time sharing basis as defined in Section 91.501(c)(1) of the Federal Aviation Regulations ("FAR");

WHEREAS, this Agreement sets forth the understanding of the Parties as to the terms under which Operator will provide User with the use, on a periodic basis, of the Aircraft as described in Exhibit A hereto, currently operated by Operator; and

WHEREAS, the use of the Aircraft will at all times be pursuant to and in full compliance with the requirements of 14 C.F.R. Part 91 (General Operating and Flight Rules) of FAR;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

1. Term and Termination.

The initial term of this Agreement shall commence on the Effective Date and continue for a period of one year. Thereafter, this Agreement shall renew for additional and successive one-year periods, until terminated as provided below. Either party may terminate this Agreement for any reason upon written notice to the other, such termination to become effective thirty (30) days from the date of the notice; provided that this Agreement may be terminated on such shorter notice as may be required to comply with applicable laws, regulations, insurance requirements or in the event the insurance required hereunder is not in full force and effect. This Agreement shall terminate automatically: (i) upon a final determination that there has been a total loss of all the Aircraft; and (ii) on the date that User ceases to be employed by Cardinal Health, Inc. or any of its affiliated companies, whether because of resignation, retirement, death, or other termination.

2. Use of Aircraft.

(a) User acknowledges that Operator uses the Aircraft primarily for its business and that such business use always has priority. User may use the Aircraft from time to time, with the permission and approval of Operator's Aviation Department, for all lawful purposes allowed by FAR Part 91 (General Operating and Flight Rules) at such times as the Operator does not require the use of the Aircraft for the business purposes of Operator or an affiliate. User shall be permitted to have guests accompany him on such flights.

(b) User represents, warrants, and covenants to Operator that:

1. User shall use each Aircraft for and on his own account only and shall not use any Aircraft for the purposes of providing transportation of passengers or cargo in air commerce for compensation or hire and shall not accept any reimbursement from a passenger or otherwise for charges under this Agreement;

2. User shall refrain from incurring any mechanics lien or other lien in connection with inspection, preventative maintenance, maintenance or storage of the Aircraft, whether permissible or impermissible under this Agreement, and User shall not attempt to convey, mortgage, assign, lease or any way alienate the Aircraft or create any kind of lien or security interest involving the Aircraft or do anything or take any action that might mature into such a lien;

3. During the term of this Agreement, User will abide by and conform to all such laws, governmental and airport orders, rules and regulations as shall from time to time be in effect relating in any way to the operation and use of the Aircraft by a time-sharing User.

(c) User shall provide Operator's Aviation Department with notice of his desire to use the Aircraft and proposed flight schedules pursuant to and in accordance with Operator’s Business Aircraft Utilization Policy, as amended from time to time.

(d) Operator shall have sole and exclusive authority over the scheduling of the Aircraft, including whether an Aircraft is available and which Aircraft is used for any particular flight.

(e) Operator shall not be liable to User or any other person for loss, injury or damage occasioned by the delay or failure to furnish the Aircraft and crew pursuant to this Agreement for any reason.

3. Time-Sharing Arrangement.

It is intended that this Agreement is and will meet the requirements of a "Time Sharing Agreement" as that term is defined in FAR Section 91.501(c)(1).

4. Cost of Use of Aircraft.

(a) In exchange for use of the Aircraft, User shall pay the following amounts for each flight, pursuant to FAR Section 91.501(d):

(1) The cost of fuel, oil, lubricants and other additives.

(2) Travel expenses of the crew, including food, lodging and ground transportation.

(3) Hangar and tie-down costs when the Aircraft is required by the User to be away from the Aircraft's base of operation.

(4) Insurance obtained for the specific flight.

(5) Landing fees, airport taxes and similar assessments.

(6) Customs, foreign permit and similar fees directly related to the flight.

(7) In flight food and beverages.

(8) Passenger ground transportation.

(9) Flight planning and weather contract services.

(10) An additional charge equal to 100% of the expenses listed in Paragraph 4(a)(1) above.

(b) Operator will invoice, and User will pay, for all appropriate charges, as set forth in Paragraph 4(a) above.

(c) In addition to the rate referenced in Paragraph 4(a) above, User shall also be assessed the Federal Excise Taxes as imposed under Section 4261 of the Internal Revenue Code and any applicable state and local taxes associated with such flight(s) required by law to be collected and remitted by Operator ("Transportation Taxes").

5. Invoicing and Payment.

All payments to be made to Operator by User hereunder shall be paid in the manner set forth in this Paragraph 5. Operator will pay to suppliers, employees, contractors, and government entities all expenses related to the operation and maintenance of the Aircraft hereunder in the ordinary course. For all flights operated hereunder in each calendar month, Operator shall provide to User an invoice for the charges specified in Paragraph 4 of this Agreement (including Transportation Taxes), such invoice to be issued within thirty (30) days after the end of the calendar month in which such flights were completed. User shall pay Operator the full amount of such monthly invoice within thirty (30) days after receipt of the invoice. In the event Operator has not received a supplier invoice for

reimbursable charges relating to such flight prior to such invoicing, Operator shall issue a supplemental invoice for such charges to User within thirty (30) days of the date of receipt of the supplier invoice and User shall pay such supplemental invoice amount within thirty (30) days after receipt thereof. All invoices shall separately itemize the expenses in items (1) through (10) of Paragraph 4(a) for the collective flights included in that invoice. User shall further pay all costs incurred by Operator in collecting any amounts due from User pursuant to the provisions of this Paragraph 5 after delinquency, including court costs and reasonable attorneys' fees.

6. Insurance and Limitation of Liability.

Operator represents that the flight operations for the Aircraft as contemplated in this Agreement will be covered by the Operator's aircraft all-risk physical damage insurance (hull coverage), aircraft bodily injury and property damage liability insurance, passenger, pilot and crew voluntary settlement insurance and statutory workers compensation and employer's liability insurance.

(a) Insurance.

1. Operator will maintain or cause to be maintained in full force and effect throughout the term of this Agreement aircraft liability insurance in respect of the Aircraft in an amount at least equal to $100 million combined single limit for bodily injury to or death of persons (including passengers) and property damage liability. Operator will retain all rights and benefits with respect to the proceeds payable under policies of hull insurance that may be payable as a result of any incident or occurrence while an Aircraft is being operated on behalf of User under this Agreement.

2. Operator shall use best efforts to procure such additional insurance coverage as User may request naming User as an additional insured; provided, that the cost of such additional insurance shall be borne by User pursuant to Paragraph 4(a)(4) hereof.

(b) Limitation of Liability. User agrees that the insurance specified in paragraph 6(a) shall provide its sole recourse for all claims, losses, liabilities, obligations, demands, suits, judgments or causes of action, penalties, fines, costs and expenses of any nature whatsoever, including attorneys' fees and expenses for or on account of or arising out of, or in any way connected with, the use of the Aircraft by User, family members or guests, including injury to or death of any persons, including User, family members and guests which may result from or arise out of the use or operation of the Aircraft during the term of this Agreement ("Claims"). This Paragraph 6 shall survive termination of this Agreement.

(c) User agrees that when, in the reasonable view of Operator's Aviation Department or the pilots of the Aircraft, safety may be compromised, Operator or the pilots may

terminate a flight, refuse to commence a flight or take other action necessitated by such safety considerations without liability for loss, injury, damage or delay.

(d) In no event shall Operator be liable to User or his family members, employees, agents, representatives, guests or invitees for any claims or liabilities, including property damage or injury and death, and expenses, including attorney's fees, in excess of the amount paid by Operator's insurance carrier in the event of such loss.

(e) OPERATOR SHALL IN NO EVENT BE LIABLE TO USER OR HIS FAMILY MEMBERS, EMPLOYEES, AGENTS, REPRESENTATIVES, GUESTS OR INVITEES FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AND/OR PUNITIVE DAMAGES OF ANY KIND OR NATURE UNDER ANY CIRCUMSTANCES OR FOR ANY REASON INCLUDING ANY DELAY OR FAILURE TO FURNISH THE AIRCRAFT OR CAUSED OR OCCASIONED BY THE PERFORMANCE OR NON-PERFORMANCE OF ANY SERVICES COVERED BY THIS AGREEMENT.

7. Covenants Regarding Aircraft Maintenance.

Operator shall, at its own expense, inspect, maintain, service, repair, overhaul and test the Aircraft in accordance with FAR Part 91. Each Aircraft will remain in good operating condition and in a condition consistent with its airworthiness certification, including all FAA-issued airworthiness directives and mandatory service bulletins. In the event that any non-standard maintenance is required at a time when a flight has been scheduled for User, Operator or Operator's Pilot-In-Command shall immediately notify User of the maintenance required, the effect on the ability to comply with User's dispatch requirements and the manner in which the Parties will proceed with the performance of such maintenance and conduct of the balance of the planned flight(s).

8. No Warranty.

NEITHER OPERATOR (NOR ITS AFFILIATES) MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO ANY AIRCRAFT TO BE USED HEREUNDER OR ANY ENGINE OR COMPONENT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, AIRWORTHINESS, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR TITLE.

9. Operational Control.

Operator shall be responsible for the physical and technical operation of the Aircraft and the safe performance of all flights and shall retain full authority and control, including exclusive operational control, and possession of the Aircraft at all times during the term of this Agreement. In accordance with applicable FARs, the qualified flight crew provided by Operator will exercise all required and/or appropriate duties and responsibilities regarding the safety of each flight conducted hereunder. The Pilot-In-Command shall have absolute discretion in all matters concerning the preparation of the Aircraft for flight and the flight itself, the load carried and its distribution, the decision whether or not a flight shall be undertaken, the route to be flown, the place where landings shall be made and all other matters relating to operation of the Aircraft. User specifically agrees that the flight crew shall have final and complete authority to delay or cancel any flight for any reason or condition which, in sole judgment of the Pilot-In-Command, could compromise the safety of the flight and to take any other action which, in the sole judgment of the Pilot-In-Command, is necessitated by considerations of safety. No such action of the Pilot-In-Command shall create or support any liability to User or any other person for loss, injury, damages or delay. The Parties further agree that Operator shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement which is caused by government regulation or authority, mechanical difficulty or breakdown, war, civil commotion, strikes or labor disputes, weather conditions, acts of God or other circumstances beyond Operator's reasonable control. User agrees that Operator's operation of aircraft is within the operation guidelines of the Operator's Aviation Department manual and the crews are responsible to operate within the guidelines of FAR 91 and the Operator's Aviation Department manual.

10. Governing Law.

The Parties hereto acknowledge that this Agreement shall be governed by and construed in all respects in accordance with the laws of the State of Ohio.

11. Counterparts.

This Agreement may be executed in one or more counterparts each of which will be deemed an original, all of which together shall constitute one and the same agreement.

12. Notices and Communications.

All notices, requests, demands and other communications required or desired to be given hereunder shall be in writing (except as permitted pursuant to Paragraph 2(c)) and shall be deemed to be given: (i) if personally delivered, upon such delivery; (ii) if mailed by certified mail, return receipt requested, postage pre-paid, addressed as (to the extent applicable for mailing) listed in the preamble hereto, upon the earlier to occur of actual receipt, refusal to accept receipt or three (3) days after such mailing; (iii) if sent by regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, addressed

(to the extent applicable for overnight delivery) as listed in the preamble hereto, upon the earlier to occur of actual receipt or the next "Business Day" (as hereafter defined) after being sent by such delivery; or (iv) upon actual receipt when sent by fax. Notice given by other means shall be deemed to be given only upon actual receipt. Addresses may be changed by written notice given as provided herein and signed by the party giving the notice.

13. Further Acts.

Operator and User shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be reasonably necessary to: (i) carry out the intent and purpose of this Agreement; and (ii) establish, maintain and protect the respective rights and remedies of the other party.

14. Successors and Assigns.

Neither this Agreement nor any party's interest herein shall be assignable to any other party whatsoever, except that Operator may assign its interest to an affiliate without the consent of the User. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their heirs, representatives and successors.

15. Severability.

In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable, those provisions shall be replaced by provisions acceptable to both Parties to this Agreement.

16. Flight Crew.

Operator is responsible for providing a qualified flight crew for all flight operations under this Agreement. The Operator will furnish two experienced and competent pilots who shall be under the direction and control of the Operator at all times.

17. Taxes.

The Parties acknowledge that reimbursement of all items specified in Paragraph 4, except for subsections (a)(7) and (a)(8) thereof, are subject to the Transportation Taxes. User shall pay to Operator (for payment to the appropriate governmental agency) any Transportation Taxes applicable to flights of the Aircraft conducted hereunder. Operator shall indemnify User for any claims related to the Transportation Taxes to the extent that User has paid Operator the amounts necessary to pay such taxes.

18. Right of Possession.

Operator has the right of possession to each Aircraft in Exhibit A pursuant to an Aircraft Lease Agreement. Nothing herein shall constitute a transfer of Operator's possessory rights to the Aircraft.

19. Truth-in-Leasing.

Instructions for Compliance with Truth in Leasing Requirements: In accordance with 14 C.F.R. § 91.23, the Operator shall mail a copy of this Agreement for and on behalf of both Parties to: Federal Aviation Administration, Aircraft Registration Branch (AFS-750), Attention: Technical Section, P.O. Box 25724, Oklahoma City, Oklahoma 73125, within twenty-four (24) hours of its execution. Additionally, Operator agrees to comply with the notification requirements of 14 C.F.R. § 91.23 by notifying by telephone or in person the responsible FAA Flight Standards Office of the first flight under this Agreement at least forty-eight (48) hours prior to such flight.

CARDINAL HEALTH, INC. CERTIFIES THAT EACH AIRCRAFT SET FORTH ON EXHIBIT A HAS BEEN MAINTAINED AND INSPECTED UNDER 14 C.F.R. § 91.409(f)(3) DURING THE 12 MONTH PERIOD PRECEDING THE DATE OF THIS LEASE.
THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER 14 C.F.R. PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. DURING THE DURATION OF THIS LEASE CARDINAL HEALTH, INC. IS CONSIDERED RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THIS LEASE.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE RESPONSIBLE FAA FLIGHT STANDARDS DISTRICT OFFICE.

THE “INSTRUCTIONS FOR COMPLIANCE WITH TRUTH IN LEASING REQUIREMENTS” ATTACHED HERETO ARE INCORPORATED HEREIN BY REFERENCE.

I, THE UNDERSIGNED FOR CARDINAL HEALTH, INC., CERTIFY THAT CARDINAL HEALTH, INC. IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT IT UNDERSTANDS IT’S RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

IN WITNESS WHEREOF, the Parties hereto have each caused this Agreement to be duly executed on November 18th, 2025.

OPERATOR:

Cardinal Health, Inc.
7000 Cardinal Place
Dublin, Ohio 43017

/s/ Nancy Killefer

By: Nancy Killefer
Its: Chair of the Human Resources and Compensation Committee of the Board of Directors

USER:

Jason M. Hollar

/s/ Jason M. Hollar

EXHIBIT A

Cardinal Health, Inc.
Leased Aircraft Subject to Aircraft Time Sharing Agreement

Each of the undersigned is a party to the Aircraft Time Sharing Agreement dated November 18th, 2025, by and between Cardinal Health, Inc. ("Operator") and Jason M. Hollar ("User") (together the "Parties"), and agrees that from and after November 18th, 2025, until this Exhibit A shall be superseded and replaced through agreement of the Parties or the Aircraft Time Sharing Agreement shall be terminated pursuant to its terms, the Aircraft described below shall constitute the "Aircraft" described in and subject to the terms of the Aircraft Time Sharing Agreement.

N600CH 2019 EMB-550 Serial#054

N200CH 2016 Falcon 2000LXS Serial#319

OPERATOR:

Cardinal Health, Inc.

/s/ Nancy Killefer
By: Nancy Killefer
Its: Chair of the Human Resources and Compensation Committee of the Board of Directors

USER:

Jason M. Hollar

/s/ Jason M. Hollar

Exhibit 31.1

I, Jason M. Hollar, certify that:

1. I have reviewed this Form 10-Q of Cardinal Health, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2026

/s/ JASON M. HOLLAR

Jason M. Hollar
Chief Executive Officer

Exhibit 31.2

I, Aaron E. Alt, certify that:

1. I have reviewed this Form 10-Q of Cardinal Health, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2026

/s/ AARON E. ALT

Aaron E. Alt

Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer and the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Jason M. Hollar, Chief Executive Officer of Cardinal Health, Inc. (the "Company") and Aaron E. Alt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

(1) the Periodic Report on Form 10-Q for the quarter ended December 31, 2025 containing the financial statements of the Company (the "Periodic Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 5, 2026

/s/ JASON M. HOLLAR
Jason M. Hollar
Chief Executive Officer

/s/ AARON E. ALT
Aaron E. Alt
Chief Financial Officer

Statement Regarding Forward-Looking Information

As used in this exhibit, “we,” “our,” “us” and similar pronouns refer to Cardinal Health, Inc. and its subsidiaries, unless the context requires otherwise. Our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended June 30, 2025 (the “2025 Form 10-K”), and our quarterly reports on Form 10-Q, including this one, and our current reports on Form 8-K (along with any exhibits and amendments to such reports), as well as our news releases or any other written or oral statements made by or on behalf of us, including materials posted on our website, may include, directly or by incorporation by reference, forward-looking statements that reflect our current view (as of the date the forward-looking statement is first made) about future events, prospects, projections or financial performance. The matters discussed in these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied in or by such statements. These risks and uncertainties include:

- competitive pressures in the markets in which we operate, including pricing pressures;
- uncertainties relating to the pricing of and demand for generic pharmaceuticals;
- uncertainties related to recently imposed or threatened tariffs on China, Mexico and Canada and other countries, and any retaliatory actions taken by these countries, which will result in us incurring additional costs to procure products or materials that we source, manufacture and distribute, including the risk that we will not be successful at mitigating the negative impact of such increased costs, the risk that we may not be able to establish alternate sources of supply and may experience supply disruptions or shortages;
- uncertainties relating to the timing, frequency and profitability of generic pharmaceutical launches or other components of our pharmaceutical generics program;
- changes in the timing or frequency of the introduction of branded pharmaceuticals;
- material reductions in purchases, pricing changes, non-renewal, early termination, or delinquencies or defaults under contracts with key customers;
- costs or claims resulting from quality issues, or other potential or alleged errors or defects in our manufacturing or sourcing of medical devices or other products or in our compounding, repackaging, information systems or pharmacy management services that may injure persons or damage property or operations, including costs from recalls, remediation efforts, and related product liability claims and lawsuits, including class action lawsuits;
- any compromise of our information systems or of those of a third-party service provider, including unauthorized access to or use or disclosure of company or customer information, disruption of access and ancillary risks associated with our ability to effectively manage any issues arising from any such compromise or disruption;
- continuing risks associated with the resolution and defense of the lawsuits and investigations in which we have been or will be named relating to the distribution of prescription opioid pain medication, including the investigations by the U.S. Department of Justice which concerns our anti-diversion program, our anti-diversion policies and procedures and our distribution of certain controlled substances;
- risks associated with the national opioid settlement agreement, including the risk that the maintenance of the required changes to distributors' controlled substance anti-diversion programs may result in unforeseen costs or operational challenges and the risk that if we fail to or are alleged to have failed to comply with the terms of the settlement agreement, we could incur monetary or other penalties or result in additional lawsuits being filed against us;
- uncertainties related to Cardinal Health Brand products, including our ability to manage cost and infrastructure, retain margin, increase volume and improve performance;
- significantly increased costs for commodities and other materials used in the Global Medical Products and Distribution segment manufacturing, including various components, compounds, raw materials or energy such as oil-based resins, pulp, cotton, latex and other commodities and the possibility that we may not successfully offset or mitigate these increases;
- risks arising from acquisitions, including possible liabilities relating to the operations or activities of such businesses prior to their acquisition, and uncertainties relating to our ability to achieve the anticipated results from acquisitions, including as a result of entering new lines of business with risks and uncertainties that may be different from or more significant than risks and uncertainties facing our legacy businesses;
- risks associated with the tax benefit from our self-insurance loss claims, including, certain state courts' interpretation of laws and insurance policies in ways that may impact our self-insurance loss, which could negatively impact our financial position;
- disruption, damage or lack of access to, or failure of, our or our third-party service providers' information systems, our critical facilities, including our national logistics center, or our distribution networks;
- risks associated with our Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, including the risk that failure to comply with the requirements set forth therein could result in monetary or other penalties;
- our high sales concentration with certain key customers, including CVS Health Corporation;
- our ability to maintain the benefits of our generic pharmaceutical sourcing venture with CVS Health Corporation;
- actions of regulatory bodies and other governmental authorities, including the U.S. Drug Enforcement Administration, certain agencies within the U.S. Department of Health and Human Services (including the U.S. Food and Drug Administration, Centers for Medicare and Medicaid Services, the Office of Inspector General and the Office for Civil Rights), the U.S. Nuclear Regulatory Commission, the U.S.

Federal Trade Commission, the U.S. Customs and Border Protection, various state boards of pharmacy, state controlled substance authorities, state health departments, state insurance departments, state Medicaid departments or comparable regulatory bodies or governmental authorities or foreign equivalents that, in each case, could delay, limit or suspend product development, manufacturing, distribution, importation or sales or result in warning letters, recalls, seizures, injunctions or monetary sanctions;

- shortages in commodities, components, compounds, raw materials or energy used by our businesses, including supply disruptions of radioisotopes;
- the loss of, or default by, one or more key suppliers for which alternative suppliers may not be readily available;
- uncertainties with respect to certain business process initiatives, including IT infrastructure activities and outsourcing relationships, including the ability to achieve the expected benefits from such initiatives, the risk that we could incur unexpected charges, and the risk that we may fail to retain key personnel;
- difficulties or delays in the development, production, manufacturing, sourcing and marketing of new or existing products and services, including difficulties or delays associated with obtaining or maintaining requisite regulatory consents, whether our own or third parties', or approvals associated with those activities;
- manufacturing disruptions, whether due to regulatory action, including regulatory action to reduce ethylene oxide ("EtO") emissions, production quality deviations, safety issues or raw material shortages or defects, or because a key product is manufactured at a single manufacturing facility with limited alternate facilities;
- risks associated with industry reliance on EtO to sterilize certain medical products that we manufacture or distribute, including the possibility that regulatory actions to reduce EtO emissions could become more widespread, which may result in increased costs or supply shortages; and risks that the lawsuits against us alleging personal injury resulting from EtO exposure could become more widespread;
- the possibility that we could be subject to adverse changes in the tax laws or challenges to our tax positions, including the possibility that the corporate tax rate in the U.S. could be increased;
- risks arising from possible violations of healthcare fraud and abuse laws;
- risks arising from possible violations of the U.S. Foreign Corrupt Practices Act and other similar anti-corruption laws in other jurisdictions and U.S. and foreign export control, trade embargo and customs laws;
- risks arising from our collecting, handling and maintaining patient-identifiable health information and other sensitive personal and financial information, which are subject to federal, state and foreign laws that regulate the use and disclosure of such information;
- risks arising from certain of our businesses being Medicare-certified suppliers or participating in other federal and state healthcare programs, such as state Medicaid programs and the federal 340B drug pricing program, which businesses are subject to accreditation and quality standards and other rules and regulations, including applicable reporting, billing, payment and record-keeping requirements;
- risks arising from pharmaceutical manufacturers' restriction of sales under the 340B drug pricing program to contract pharmacies, which may adversely impact our customers;
- risks arising from certain of our businesses manufacturing pharmaceutical and medical products or repackaging pharmaceuticals that are purchased or reimbursed through, or are otherwise governed by, federal or state healthcare programs, which businesses are subject to federal and state laws that establish eligibility for reimbursement by such programs and other applicable standards and regulations;
- changes in laws or changes in the interpretation or application of laws or regulations, as well as possible failures to comply with applicable laws or regulations, including as a result of possible misinterpretations or misapplications;
- unfavorable changes to the terms or with our ability to meet contractual obligations of key customer or supplier relationships, or changes in customer mix;
- risks arising from changes in U.S. or foreign tax laws and unfavorable challenges to our tax positions and payments to settle these challenges, which may adversely affect our effective tax rate or tax payments;
- uncertainties due to possible government healthcare reform, including proposals related to Medicare drug rebate arrangements, possible repeal or replacement of major parts of the Patient Protection and Affordable Care Act, proposals related to prescription drug pricing transparency and the possible adoption of Medicare-For-All;
- reductions or limitations on governmental funding at the state or federal level or efforts by healthcare insurance companies to limit payments for products and services;
- changes in manufacturers' pricing, selling, inventory, distribution or supply policies or practices;
- changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits;
- uncertainties arising as a result of the Supreme Court decision on Dobbs vs. Jackson, including uncertainties associated with states' proposed and adopted laws which may impact our ability to distribute or store certain pharmaceutical products and the risk that we could incur unforeseen costs to comply with these new laws in various jurisdictions;
- changes in hospital buying groups or hospital buying practices;

- changes in distribution or sourcing models for pharmaceutical and medical and surgical products, including an increase in direct and limited distribution;
- changes to the prescription drug reimbursement formula and related reporting requirements for generic pharmaceuticals under Medicaid;
- continuing consolidation in the healthcare industry, which could give the resulting enterprises greater bargaining power and may increase pressure on prices for our products and services or result in the loss of customers;
- risks to our business and information and controls systems in the event that business process improvements, infrastructure modernization or initiatives to use third-party service providers for key systems and processes are not effectively implemented;
- the risk that we may not effectively implement and maintain data governance structures across businesses to allow us to access and interpret our data, which could put us at a competitive disadvantage relative to our peers;
- the results, costs, effects or timing of any commercial disputes, government contract compliance matters, patent infringement claims, *qui tam* actions, government investigations, shareholder lawsuits or other legal proceedings;
- the possibility that our business performance or internal control over financial reporting may be adversely impacted if we are not successful at attracting, retaining and developing talent;
- losses relating to product liability lawsuits and claims regarding products for which we cannot obtain product liability insurance or for which such insurance may not be adequate to cover our losses, including the product liability lawsuits we are currently defending relating to alleged personal injuries associated with the use of Cordis inferior vena cava filter products;
- risks associated with the importation of products or source materials used in products that we manufacture or distribute, including risks associated with our country-of-origin determinations and the possibility that we could experience additional supply disruptions as a result of the Uyghur Forced Labor Prevention Act or other similar regulations;
- our ability to maintain adequate intellectual property protections;
- our ability to manage and complete divestitures or other strategic business combination transactions, including our ability to find buyers or other strategic exit opportunities and risks associated with the possibility that we could experience greater dis-synergies than anticipated or otherwise fail to achieve our strategic objectives;
- bankruptcy, insolvency or other credit failure of a customer or supplier that owes us a substantial amount;
- risks associated with global operations, including the effect of local economic environments, inflation, recession, currency volatility and global competition, in addition to risks associated with compliance with U.S. and international laws relating to global operations;
- uncertainties with respect to U.S. or international trade policies, tariffs, excise or border taxes and their impact on our ability to source products or materials that we need to conduct our business;
- risks associated with our use of and reliance on the global capital and credit markets, including our ability to access credit and our cost of credit, which may adversely affect our ability to efficiently fund our operations or undertake certain expenditures;
- our ability to introduce and market new products and our ability to keep pace with advances in technology;
- significant charges to earnings if goodwill or intangible assets become impaired;
- uncertainties relating to general political, business, industry, regulatory and market conditions; and
- other factors described in the “Risk Factors” section of the 2025 Form 10-K.

The words “expect,” “anticipate,” “intend,” “plan,” “believe,” “will,” “should,” “could,” “would,” “project,” “continue,” “likely,” and similar expressions generally identify “forward-looking statements,” which speak only as of the date the statements were made, and also include statements reflecting future results or guidance, statements of outlook and expense accruals. We undertake no obligation to update or revise any forward-looking statements, except to the extent required by applicable law.