CardinalHealth™

Moving healthcare forward

Cardinal Health Investor Day

June 8, 2023

Welcome and overview

Kevin Moran, VP, Investor Relations

Cautions Concerning Forward-Looking Statements

This presentation contains forward-looking statements addressing expectations, prospects, estimates and other matters that are dependent upon future events or developments. These statements may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," “will," "should," "could," "would," "project," "continue,” "likely," and similar expressions, and include statements reflecting future results or guidance, statements of outlook and various accruals and estimates. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include risks arising from ongoing inflationary pressures and supply chain constraints, including the risk that our plans to mitigate such effects may not be as successful as we anticipate; the possibility that our Medical unit goodwill could be further impaired due to additional changes to our long-term financial plan, increases in global interest rates or unfavorable changes in the U.S. statutory tax rate; risks associated with our strategic updates, including the risk that certain initiatives may not be successful, may create unintended consequences, and the risk that we may not realize expected benefits; competitive pressures in Cardinal Health's various lines of business; the performance of our generics program, including the amount or rate of generic deflation and our ability to offset generic deflation and maintain other financial and strategic benefits through our generic sourcing venture or other components of our generics programs; ongoing risks associated with the distribution of opioids, including the financial impact associated with the settlements with governmental authorities and the risk that challenges to our plans to take tax deductions for opioid-related losses could adversely impact our financial results; risks arising from the Department of Justice investigation which we believe concerns our anti-diversion program and risks associated with the injunctive relief requirements under the national settlement, including the risk that we may incur higher costs or operational challenges in the implementation and maintenance of the required changes; risks associated with the manufacture and sourcing of certain products, including risks related to our ability and the ability of third-party manufacturers to import or export certain products or component parts and to comply with applicable regulations; our ability to manage uncertainties associated with the pricing of branded pharmaceuticals; and risks associated with our cost savings initiatives or other business process initiatives, such as the Medical Improvement Plan, including the possibility that they could fail to achieve the intended results. Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports. This presentation reflects management’s views as of June 8, 2023. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement. Forward-looking statements are aspirational and not guarantees or promises that goals, targets or projections will be met, and no assurance can be given that any commitment, expectation, initiative or plan in this report can or will be achieved or completed. Cardinal Health provides definitions and reconciliations of non-GAAP financial measures and their most directly comparable GAAP financial measures in the Appendix to this presentation and at ir.cardinalhealth.com.

Overview of the day

9:00am	**Welcome and overview** | *Kevin Moran, VP, Investor Relations*
9:05am	**Our focus** | *Jason Hollar, Chief Executive Officer*
9:30am	**Pharmaceutical Segment: Growth and resiliency** | *Debbie Weitzman, Pharmaceutical Segment CEO* *Craig Cowman, EVP, Strategic Sourcing & Manufacturer Services*
10:05am	**Break**
10:20am	**Medical Improvement Plan** | *Steve Mason, Medical Segment CEO* *Ben Brinker, President, Global Products & Supply Chain*
10:45am	**Value creation** | *Aaron Alt, Chief Financial Officer*
11:10am	**Q&A** | *Jason Hollar, Aaron Alt, Debbie Weitzman, Steve Mason, Craig Cowman, Ben Brinker*
11:55am	**Closing** | *Jason Hollar*

***All times are Eastern Standard Time (EST)**

CardinalHealth™

Our focus

Jason Hollar
Chief Executive Officer

Healthcare's crucial link

~90%
U.S. hospitals served

20K
specialty physician offices and clinics

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

~4M
patients served in the home by direct to patient business

20+
product categories as integrated Medical manufacturer

40K
pharmaceutical deliveries a day

30
PET cyclotron facilities

~130
nuclear pharmacies

Strategic priorities

Ruthless prioritization, resilient core & relentless focus

1. Build upon the growth and resiliency of Pharmaceutical Segment

2. Execute Medical Improvement Plan initiatives

3. Relentless focus on shareholder value creation

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Taking action to maximize and sustain value at Cardinal Health

Value creation initiatives to-date[1]

Strategy, portfolio and operations	Capital deployment	FY23 financial performance	Governance
✓ Executed **simplification actions**	✓ Returning **over $2.0B to shareholders** in FY23 through share repurchases and dividends	✓ **Raised non-GAAP EPS guidance twice** during fiscal year (**+13% growth** at mid-point)	✓ Appointed four **new independent Board members**
✓ **Streamlined** organizational structure	✓ Investing ~$450M back into business to **drive organic growth**	✓ Strong Pharma Segment performance and **growth outlook**	✓ Formed and recently extended **Business Review Committee**
✓ Made key **leadership changes**		✓ Driving **sequential improvement** in Medical results	
		✓ Raised adjusted free cash flow guidance to **$2.0B to $2.3B**	

[1]Value creation initiatives to-date as of Q3 FY23 earnings release on May 4th, 2023

Company snapshot

Expecting
$200B+
in FY23 Revenue[1]

Operating in
30
countries

Approximately
46,500
Employees worldwide

Pharmaceutical

FY23 Revenue[1]: ~$189.5B
FY23 Segment Profit[1]: ~$2.0B

Medical

FY23 Revenue[1]: ~$14.9B
FY23 Segment Profit[1]: ~$108M

[1]FY23 Revenue and Segment Profit Outlooks based on mid-point of segment outlook ranges

Our executive leadership team

Jason Hollar
Chief Executive Officer

Aaron Alt
Chief Financial Officer

Michelle Greene
Chief Information Officer

Steve Mason
Chief Executive Officer, Medical Segment

Jessica L. Mayer
Chief Legal and Compliance Officer

Ola Snow
Chief Human Resources Officer

Debbie Weitzman
Chief Executive Officer, Pharmaceutical Segment

CardinalHealth™

Enabling a more sustainable and equitable world

And a healthier future for our communities, customers and employees

Our ESG priorities

Human capital management

- **Diversity, Equity and Inclusion (DE&I)***
- Workplace health and safety
- **Employee well-being***
- Wages and benefits
- **Talent management***

Supply chain stewardship

- **Responsible procurement and sourcing***
- Supply chain resiliency

Customers and community

- Product quality and patient safety
- **Community engagement***
- Responsible use of prescription drugs

Climate risk

- Efficient transportation and logistics
- **Climate action***
- Energy
- **Product and service innovation***
- Waste

Governance, ethics and compliance

- Business ethics and compliance
- Corporate governance
- Data privacy and security

Diversity, Equity and Inclusion

By 2030[1]:

Increase representation of women[2]

from 40% to **48%**

Black and African American employees[2]

from 5% to **11%**

All other ethnically diverse groups[2]

from 17% to **23%**

[1]From FY21 baseline

[2]At the manager level and above

*Indicates company's seven key ESG priorities

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How we are evolving

Capital deployment

Financial performance

Business and portfolio review framework

Key considerations

Strategy

- Core strategic alignment
- Synergies/dis-synergies

Operational performance

- Financial results
- Long-term growth prospects

Value

- Intrinsic value
- Capital markets

Our focus

Cardinal Health

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

2 **Prioritize** Specialty as key long-term enterprise growth driver and investment opportunity

3 **Realize** growth opportunities in both Pharmaceutical and Medical businesses

Pharmaceutical

Expand in Specialty
Invest in Nuclear & Precision Health Solutions
Accelerate Outcomes™

Medical

Execute Medical Improvement Plan initiatives, which remain a critical priority

Pharmaceutical Segment review completed with today's announcements

Medical Segment review in progress

Expanding in Specialty

Prioritizing expansion in Specialty as key long-term growth driver and investment opportunity for the enterprise

- Attractive market with strong innovation pipeline; repositioned business for increased organizational focus
- Scaled player with over $30B in revenue, growing double-digits[1]
- Higher margin opportunities between downstream and upstream strategies

Launching

Navista™ Network

supporting community oncologists

[1]Specialty Distribution + Manufacturer Services FY23 outlook

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Investing in Nuclear & Precision Health Solutions

After evaluating strategic alternatives, we've determined retaining and investing in the business will drive the most long-term value for shareholders

- On trend with future of precision medicine and synergistic opportunities with Specialty
- Further investing in our Center for Theranostics Advancement
- Margin-accretive to core business and on track to double profits by FY26 as of FY21 baseline

Accelerating Outcomes™

Merging Outcomes™ business into Blackrock's Transaction Data Systems

– Cardinal Health retains minority stake and strategic commercial partnership with combined business

- Expands solutions to retail pharmacies
- Combines network and services of both companies
- Accelerates growth while retaining a financial interest

Outcomes™
A Cardinal Health Company

Transaction Data Systems

Executing our Medical Improvement Plan

Updating timeline for $650M+ in segment profit to FY26

Strategic priorities	Status
1 **Mitigate inflation and global supply chain constraints** Exit FY23 offsetting **at least 50%** of gross impact Exit FY24 offsetting **100%** of gross impact	**On target**
2 **Optimize and grow Cardinal Health™ Brand Portfolio** New product innovation and investments in capacity In-channel and out-of-channel growth	**Extending**
3 **Accelerate growth businesses, primarily at-Home Solutions** Core growth New technology offerings	**On target**
4 **Drive simplification and continued cost optimization** Value improvement projects Sourcing, transportation and manufacturing strategies	**On target**

3 of 4

key priorities remain on target

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Our work is ongoing

To maximize Cardinal Health's potential for the benefit of all stakeholders

"Over the past nine months, Jason and his team have demonstrated an impressive commitment to profitable growth, responsible capital allocation and sustainable shareholder value creation. As investors will see today, Cardinal Health possesses a premier set of assets that are critical to the entire healthcare ecosystem. We look forward to continuing to work together with the team to ensure Cardinal Health realizes its full potential."

Marc Steinberg,
Elliott Senior Portfolio Manager

CardinalHealth™

How we are evolving

Strategy, portfolio and operations

Capital deployment

Financial performance

Disciplined capital allocation framework

Focused on driving sustainable, profitable growth, robust cash flow generation and responsible capital deployment to maximize shareholder value

Table stakes

Investing back into the business to drive organic growth

Maintain investment grade balance sheet

Baseline return of capital to shareholders

- Continue to grow the dividend
- Base share repurchases

Opportunistic

Active, disciplined and targeted M&A

Additional opportunistic share repurchases

How we are evolving

Strategy, portfolio and operations

Capital deployment

Financial performance

CardinalHealth™

Key financial updates

We are providing updates with respect to FY23, FY24 and our long-term financial targets:

Narrowed FY23 guidance:
$5.65 to $5.80 (13% non-GAAP diluted EPS growth at mid-point)

Provided preliminary FY24 guidance:
$6.45 to $6.70 (15% non-GAAP diluted EPS growth at mid-points)

Updated Medical Improvement Plan timeline:
$650M+ in segment profit by FY26

Provided long-term financial targets:
12% to 14% growth in non-GAAP diluted EPS CAGR[1]

[1]FY24 to FY26 CAGR; as of FY23 guidance baseline

Overall takeaways

- **Crucial link** between clinical and operational aspects of **U.S. healthcare ecosystem**
- Becoming a **simplified** and **more focused** company
- **Pharma** is a resilient and growing business with **favorable industry tailwinds** and additional **opportunities to grow our core**
- Prioritizing **expansion in Specialty** as key long-term growth driver and investment opportunity
- Execution of **Medical Improvement Plan** remains a critical priority
- Strong balance sheet, robust cash flow generation, and **disciplined capital allocation framework** to deliver shareholder value
- Compelling investment thesis, **double-digit non-GAAP diluted EPS growth opportunity**

CardinalHealth™

Growth and resiliency

Debbie Weitzman
CEO, Pharmaceutical Segment

Today’s agenda

Growth and resiliency

1 **Building upon our strong core foundation**

2 **Accelerating growth in Specialty and Nuclear**

3 **Bringing it all together: delivering results**

CardinalHealth™

Who we are today

Key areas

Distribution (including Specialty)

Sourcing and Manufacturer Services

Nuclear & Precision Health Solutions

Key trends

Supporting our strategies and enabling our long-term growth

Patient demographics

Increasing demand for pharmaceutical products and services

Pharmaceutical innovation

Novel therapy types requiring complex, new forms of logistics

Lowering the cost of care

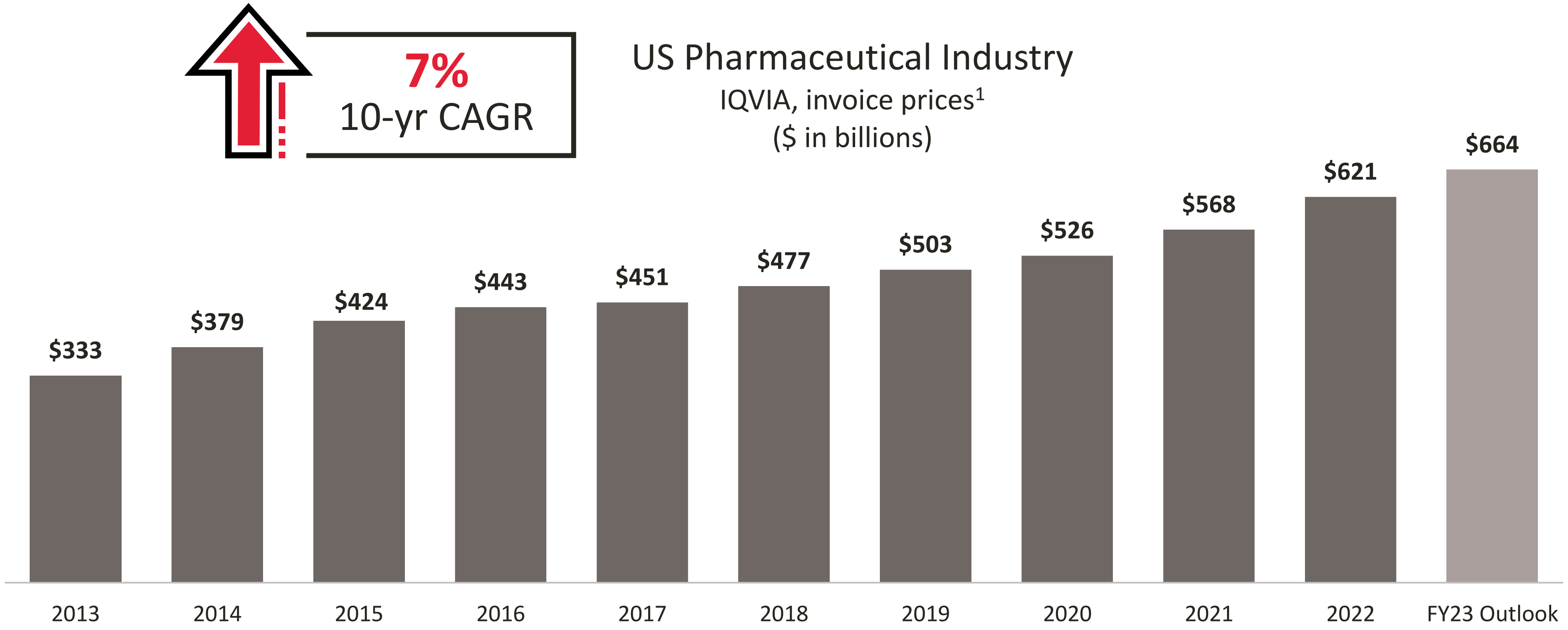
Scaled capabilities and customer-focused solutions across classes of trade

Technology advancement

Deploying new technologies to enhance the customer experience and drive efficiencies

Cardinal Health positioning

Resilient US pharmaceutical market



Consistent growth; US pharmaceutical market now $650B+

[1]Source: IQVIA Market Prognosis, March 2023 (audited sales, including the following sectors: retail, mail, hospital and combined clinics)

Strong and diverse customer base

Continued resilient demand and above-market revenue growth

nearly **40K** daily deliveries serving millions of patients

Strong and diverse customer base

- Retail independent pharmacies
- Retail chain pharmacies
- Mail order pharmacies
- Long-term care pharmacies
- Specialty physician offices
- Community health centers
- State government
- Health systems

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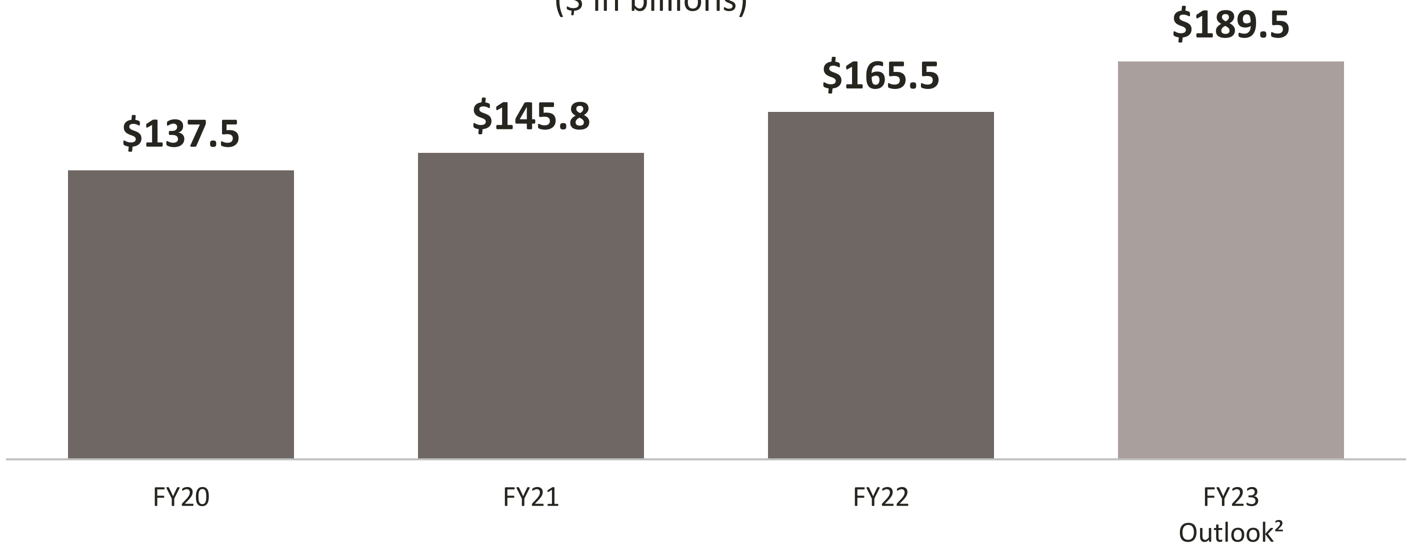
Recent growth momentum

Improved business fundamentals and financial performance create solid foundation to build upon

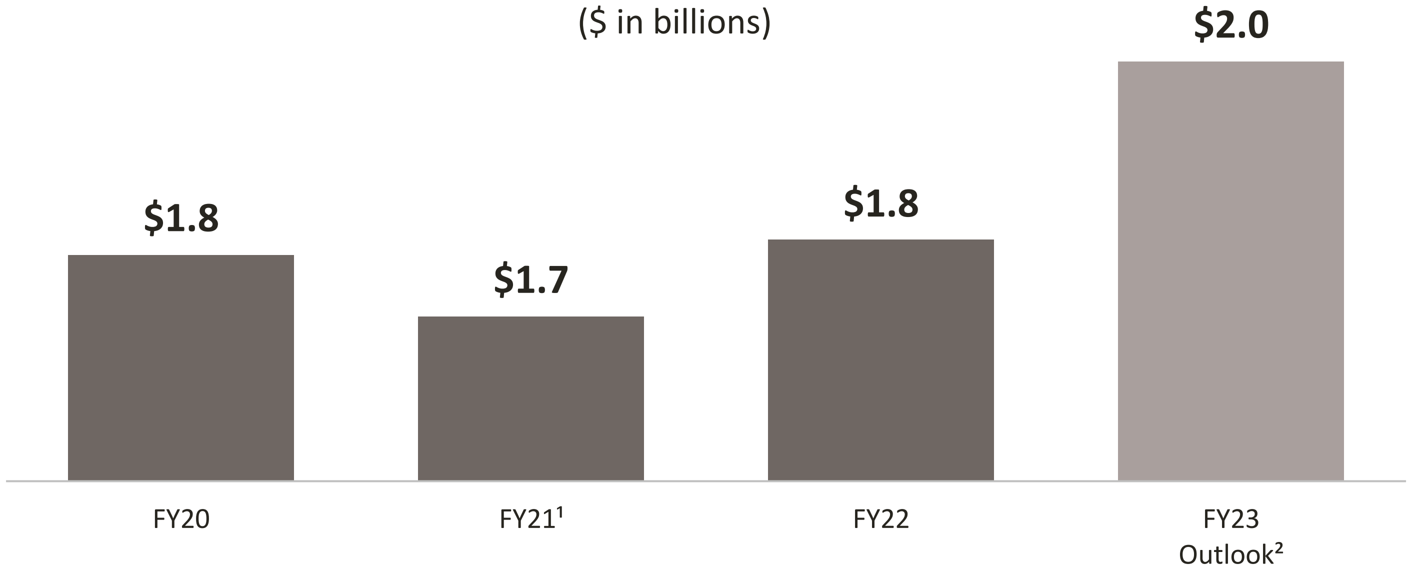
11%
3-yr CAGR

Pharma Segment revenue
($ in billions)



4%
3-yr CAGR

Pharma Segment profit
($ in billions)



[1]FY21 included approximate $100M unfavorable year-over-year COVID-19 pandemic impact to Pharma Segment profit
[2]Reflects mid-point of FY23 Pharma Segment outlook

Strong generics program performance

Anchored by the scale and expertise of Red Oak Sourcing + pipeline strength

consistent market dynamics + volume growth

=

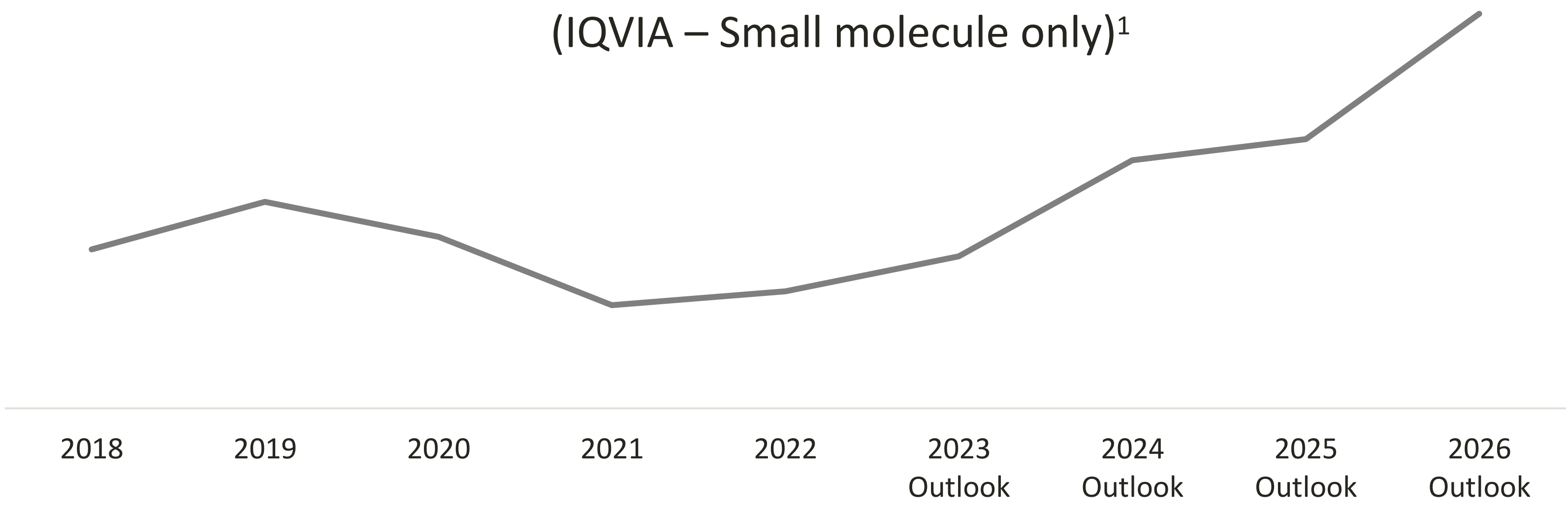
Continued strong performance

RED OAK SOURCING
VALUE. VISION. INNOVATION.

9-year partnership with CVS Health extended **through June 2029**

Leading scale in U.S. generic purchasing

Brand sales loss of exclusivity
(IQVIA – Small molecule only)[1]



2% to 3% projected generic unit market growth[1]

[1]Source: IQVIA Market Prognosis, March 2023 (Small molecule – excludes Biologics)

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Growth and resiliency

Key priorities

Building upon our strong core foundation

Providing customer-focused solutions across classes of trade

Unlocking operational efficiencies through investments in technology and automation

Accelerating growth in Specialty & Nuclear

Expanding downstream across key therapeutic areas

Partnering upstream with manufacturer services

Supporting end-to-end pharmaceutical innovation

CardinalHealth™

Providing customer-focused solutions

1 Striving to deliver a **flawless end-to-end customer experience**

2 Strategic utilization of the **breadth of our solutions**

3 Helping our customers **lower the cost of care** while **improving patient outcomes**

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Accelerating Outcomes™

Providing customer-focused solutions for retail pharmacies

Outcomes™ A Cardinal Health Company

Transaction Data Systems

Strategic combination

Merging Outcomes™ business into Blackrock's Transaction Data Systems to **expand offerings to retail pharmacies**

Combination creates a **broad, integrated offering** to serve the patient, pharmacy, payor and pharmaceutical company ecosystem

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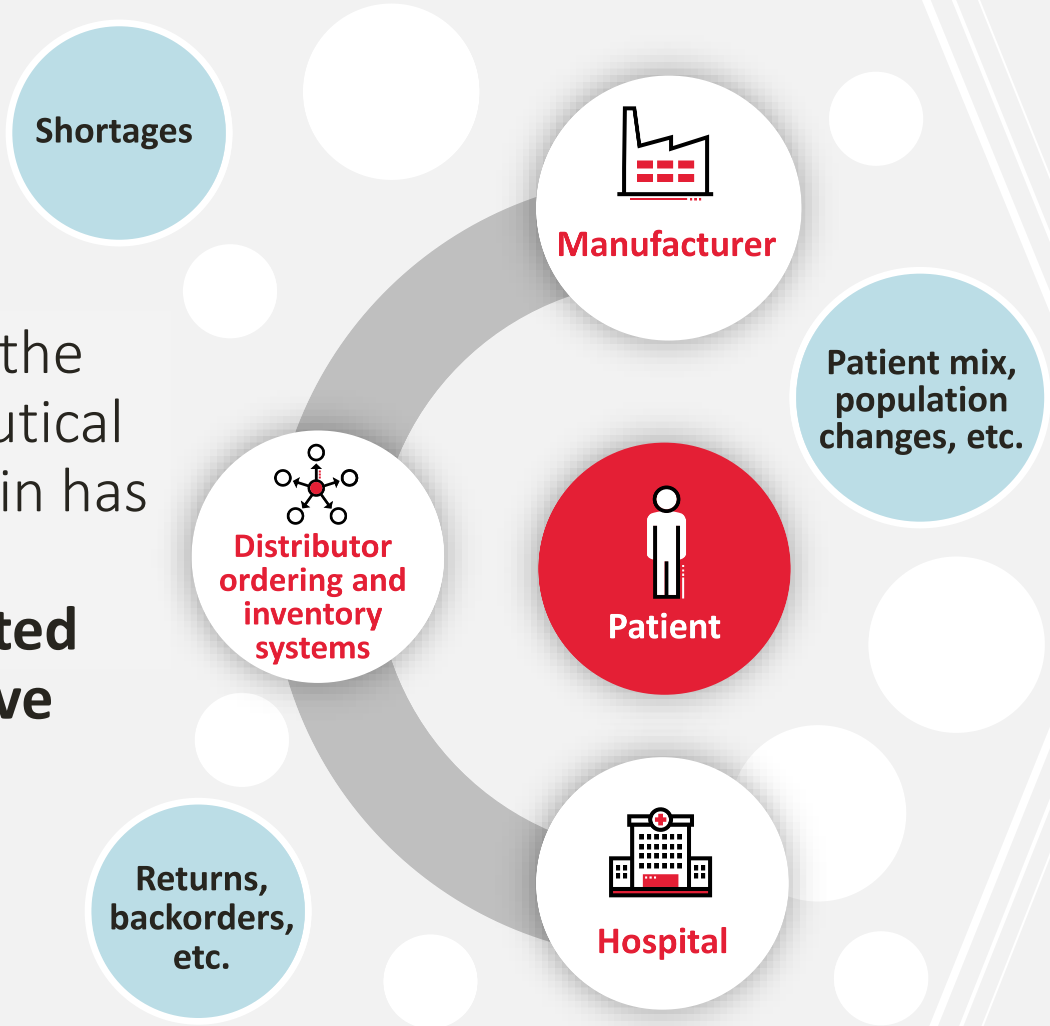
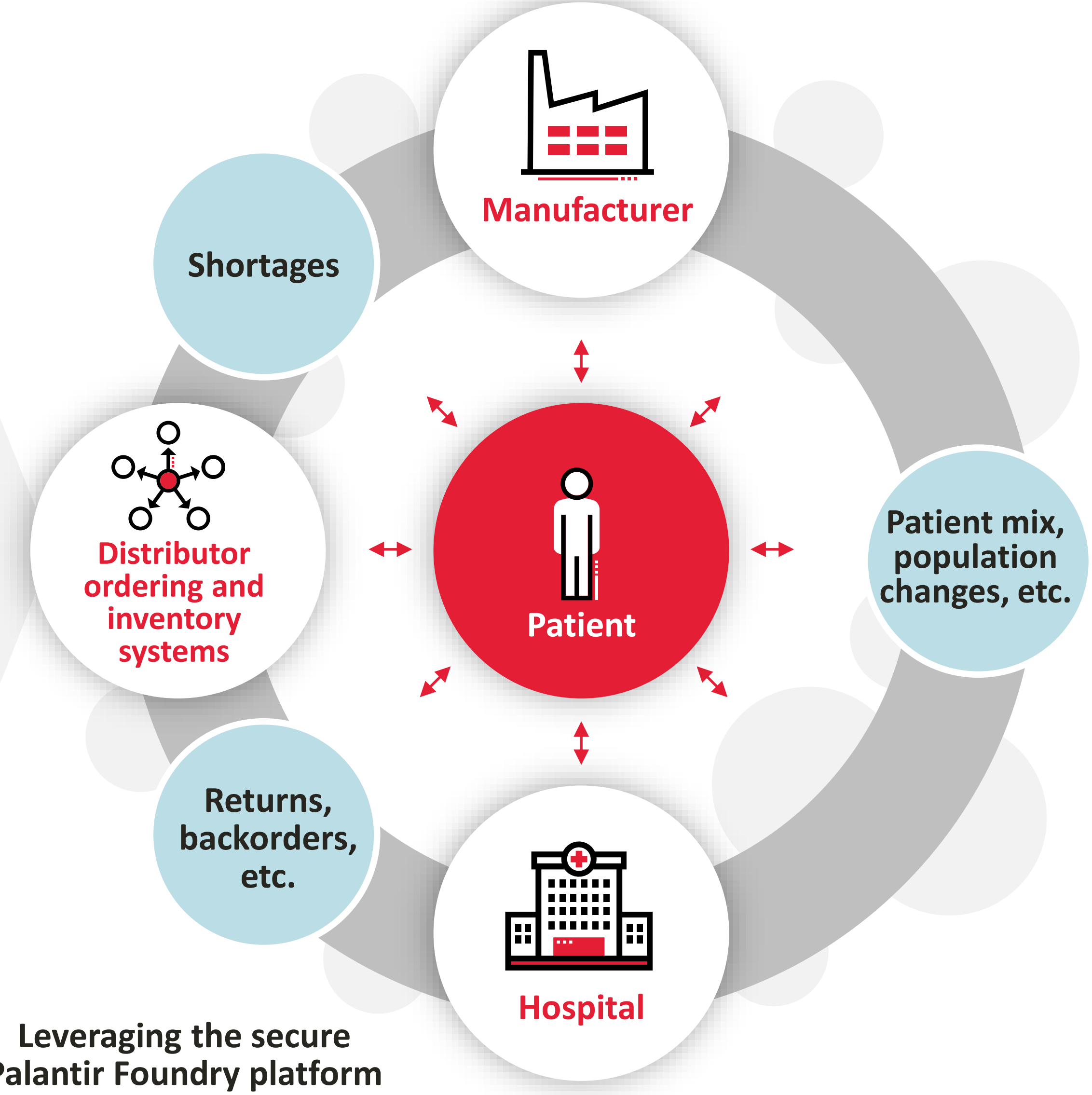
A clinically-integrated supply chain

Providing customer-focused solutions for **health systems**

Until now, the pharmaceutical supply chain has been **disconnected and reactive**



We're reshaping the supply chain to be agile, **digitized and interactive**



Leveraging the secure Palantir Foundry platform

Unlocking further operational efficiencies

through investments in technology and automation

Supporting customers and manufacturer partners through our **scale and operational efficiency**

Unlocking additional value from our **technology investments** while delivering a frictionless customer experience

Increasing productivity and **maximizing working capital efficiency**

Consumer health hub

Providing customer-focused solutions WHILE unlocking further operational efficiencies

Demand for consumer health products is **rapidly growing**

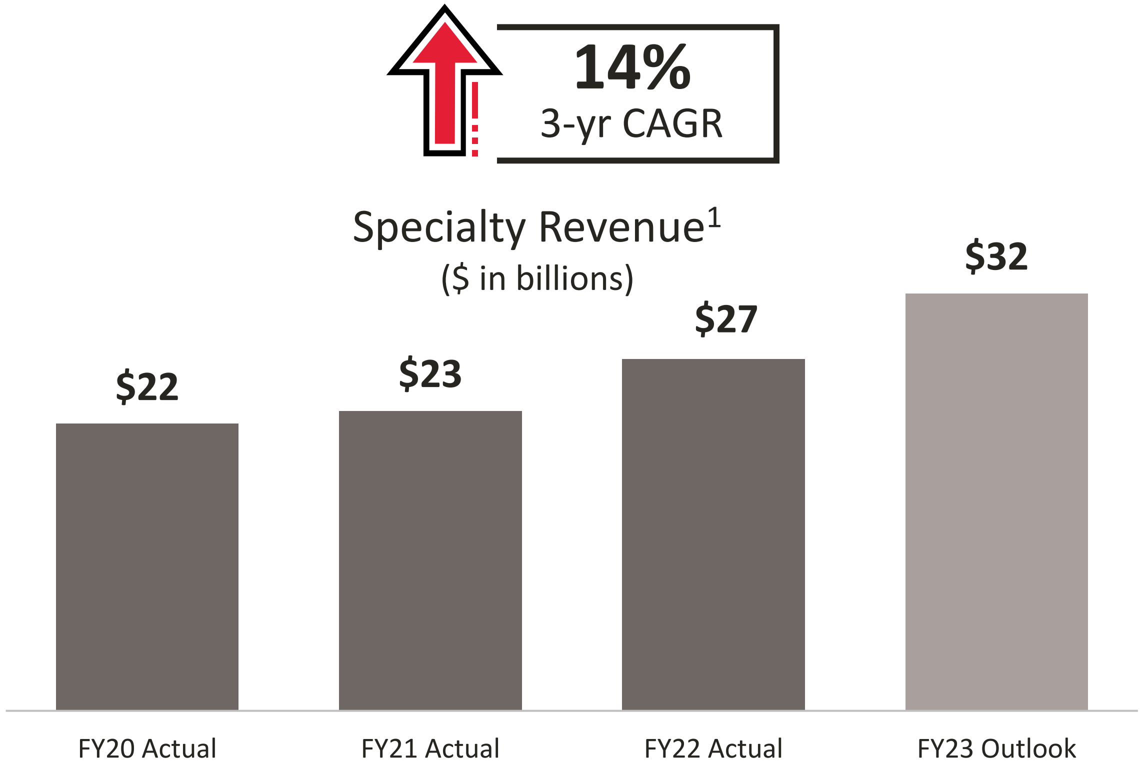
Investing to create new **tech-driven** central **distribution hub** by FY25

To increase fill rates, drive efficiencies and free capacity to **support our continued growth**

$300M+ revenue opportunity from new customer channels

Accelerating growth in Specialty

Our Specialty business is >$30B in revenue, growing at a 14% CAGR over the last 3 years



1 **Expanding downstream** across key therapeutic areas

2 **Partnering upstream** with manufacturer services

Does not include similar level (nearly $30B) of complex therapies distributed through traditional Pharmaceutical Distribution channel[2]

[1]Specialty Distribution + Manufacturer Services
[2]Products utilized in Oncology, Rheumatology and other therapeutic areas

CardinalHealth™

Introducing the

Navista™ Network

Supporting and enabling community oncology practices to remain independent

Services and capital funding to enable practice growth

Business services

Clinical services

Access to capital

Stability of practice economics

Reimbursement support

Value-based and risk-share support

Insights into cost of care delivery

Shared practice insights and value through data

Data programs

Transparency

Advantages of scale | Long-term independence

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Expanding scale and capabilities for rheumatologists

Bendcare partnership is driving a differentiated engagement model with physicians

Rheumatology is a $20B market opportunity projected to grow mid to high-single digits[1]

bendcare™

- Business support
- Practice operations
- Patient services
- Payor support
- Technology/ data
- Clinical research programs

[1]Reflects Specialty distribution opportunity only

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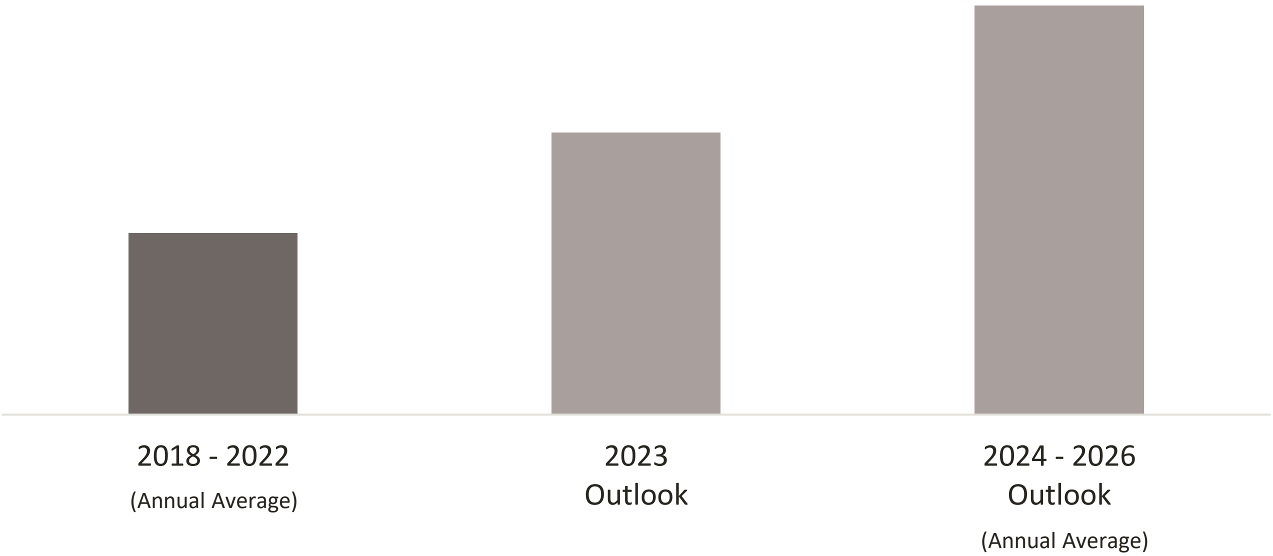
Biosimilars focus

Expanding downstream across key therapeutic areas

Brand sales loss of exclusivity
(IQVIA – Biologics only)[1]



[1]Source: IQVIA Market Prognosis, March 2023 (Biologics only – excludes small molecule)

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Partnering upstream with manufacturer services

Craig Cowman, EVP, Strategic Sourcing & Manufacturer Services

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Serving the full breadth of manufacturers' critical needs

Manufacturer needs

- Product research and discovery
- Clinical trials and development
- Product launch strategy
- Product delivery, patient access and adherence
- Lifecycle management and patent extension

Cardinal Health capabilities

- Insights and engagement
- Regulatory services
- Advanced Therapy Solutions (ATS)
- 3rd Party Logistics (3PL)
- Specialty GPO
- Sonexus™

Manufacturer services

- ✓ Market access and availability
- ✓ Improved cost
- ✓ Patient adherence and support
- ✓ Improved outcomes

Generating nearly
$400M
in revenue today

and expecting continued
double-digit growth

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Growing our established platforms: **3PL**

Partnering upstream with manufacturer services

3-year revenue CAGR of
>15%
nearly doubling market[1]

3rd Party logistics (3PL): Strong leadership

The leader in Specialty 3PL services with superior **customer experience, unmatched scale**, **unique services** and **faster than market growth**

Our advantage	How we will sustain growth
Scaled assets, **differentiated solutions** and tenured **team of experts**	Investing in **technology enhancements** and **expanding storage capabilities**

[1]FY21 to FY23 outlook

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Growing our established platforms: **Sonexus™ Access and Patient Support**

Partnering upstream with manufacturer services

Sonexus™ Hub: Leading capabilities

Full-service access and **patient hub services platform** that removes obstacles to care

Our advantage	How we will sustain growth
Leading capabilities, strong client relationships and robust market opportunity	Continuing to invest in differentiated **technology capabilities**

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Building advanced capabilities in cell and gene therapy: **Advanced Therapy Solutions**

Partnering upstream with manufacturer services

Advanced Therapy Solutions (ATS)

Cell and gene therapies provide **unique challenges** for clinical services and **commercialization logistics**

Market projected for **exponential growth** in coming years

Processed **9,000+** commercial cell and gene therapy orders across **425** active sites of care

Provided customized support for **40+** advanced therapies across the development lifecycle

Investing in capacity and **new technologies** to support future market-leading presence

Specialty growth cycle

Linking our downstream and upstream strategies

Manufacturer services

Manufacturers seeking to **reach patients** and their providers

Clinically-integrated provider network

Providers **participating in networks**

Unique patient data

Monetizing insights with manufacturers and sharing in the value with providers

Specialty distribution

Capturing and **curating data**

The future of precision medicine

Supporting pharmaceutical innovation through our Center for Theranostics Advancement

Financial outlook

~$1B+ revenue business today

Business on track to **double profits by FY26** as of FY21 baseline

Capabilities

Center for Theranostics Advancement already at **80% capacity** with **expansion underway**

Robust **multi-year development pipeline**

Investments

Announcing phase 2 **investment of ~$30M** in Center for Theranostics Advancement

Expanding to support continued **theranostics volume growth**

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Growth and resiliency

Bringing it all together –
delivering results

Strong core foundation

Providing customer-focused solutions across classes of trade

Unlocking operational efficiencies through investments in technology and automation

Stability and low-single digit profit growth

Specialty and Nuclear

Expanding downstream across key therapeutic areas

Partnering upstream with manufacturer services

Supporting end-to-end pharmaceutical innovation

Higher margin and double-digit profit growth

Segment will deliver
~10% revenue and **4% to 6%** segment profit growth CAGRs[1]

[1]CAGR over FY24 to FY26 period; as of FY23 outlook baseline

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Medical Improvement Plan

Steve Mason, CEO, Medical Segment

Today's agenda

Medical Improvement Plan

1. **Who we are and what we do**
2. **Medical Improvement Plan progress**
3. **Bringing it all together: delivering results**

Providing the right product at the right place and time

So healthcare providers can focus on caring for their patients

Integrated manufacturer

Manufacturing, sourcing, and distributing **Cardinal Health™ Brand** and **National Brand** products to global health care providers across the care continuum

Design
Manage product portfolio and manufacturing strategy

Innovate
R&D, product design, development and testing

Make
Manufacture and source Cardinal Health™ Brand Products

Distribute
Right product to the right place at the right time

Direct to patient

at-Home Solutions distributing products directly to the home and enabling customers to serve patients in their homes with supply chain solutions

Intake
Process doctor's orders and secure insurance coverage. Partner with manufacturers

Fulfillment
Prescription fulfillment, patient education, and care coordination. Contract with customers across home health

Deliver
Right product to the right place at the right time

Digital supply chain

OptiFreight® Logistics and **WaveMark™** providing tech-enabled supply chain solutions to hospitals, clinical laboratories, ambulatory surgery centers and healthcare providers

Logistics management
Optimize freight cost, efficiency and transparency

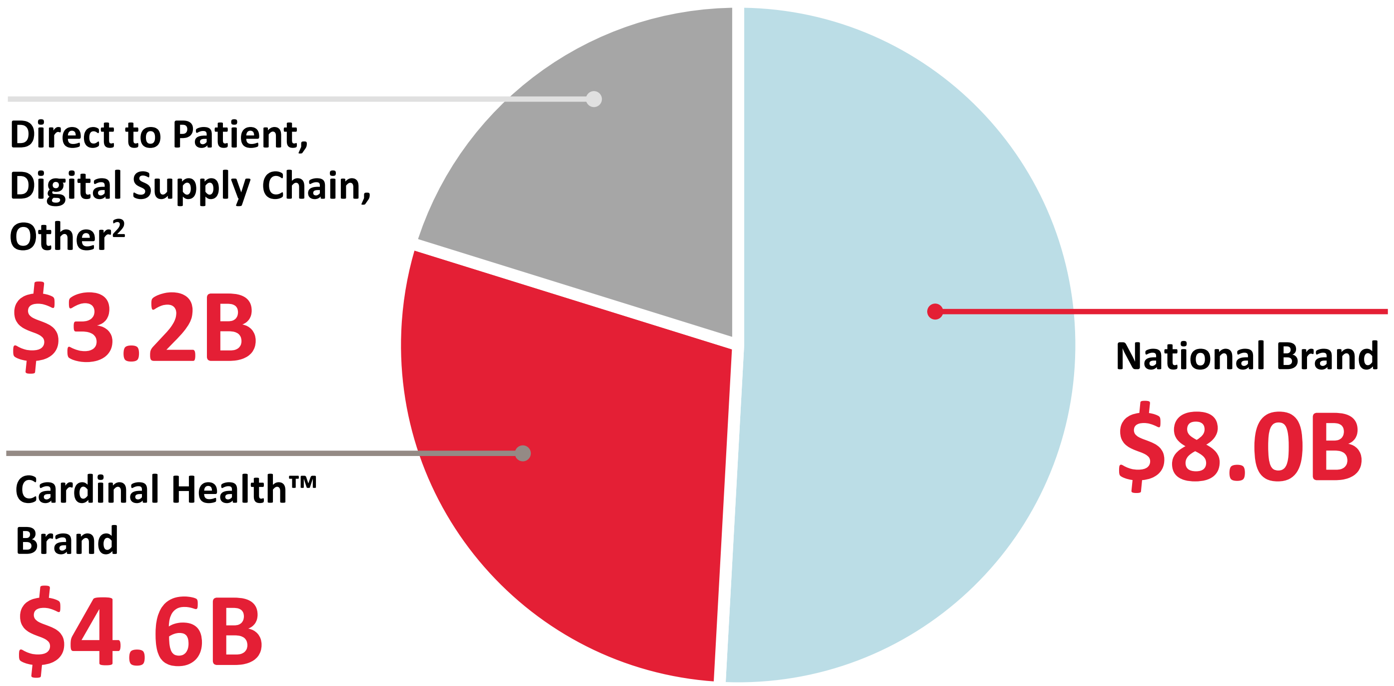
Clinical inventory management
Improve patient outcomes and operational efficiency

CardinalHealth™

Leveraging our scale and global reach

To address healthcare's most pressing challenges

Total revenue by product[1]

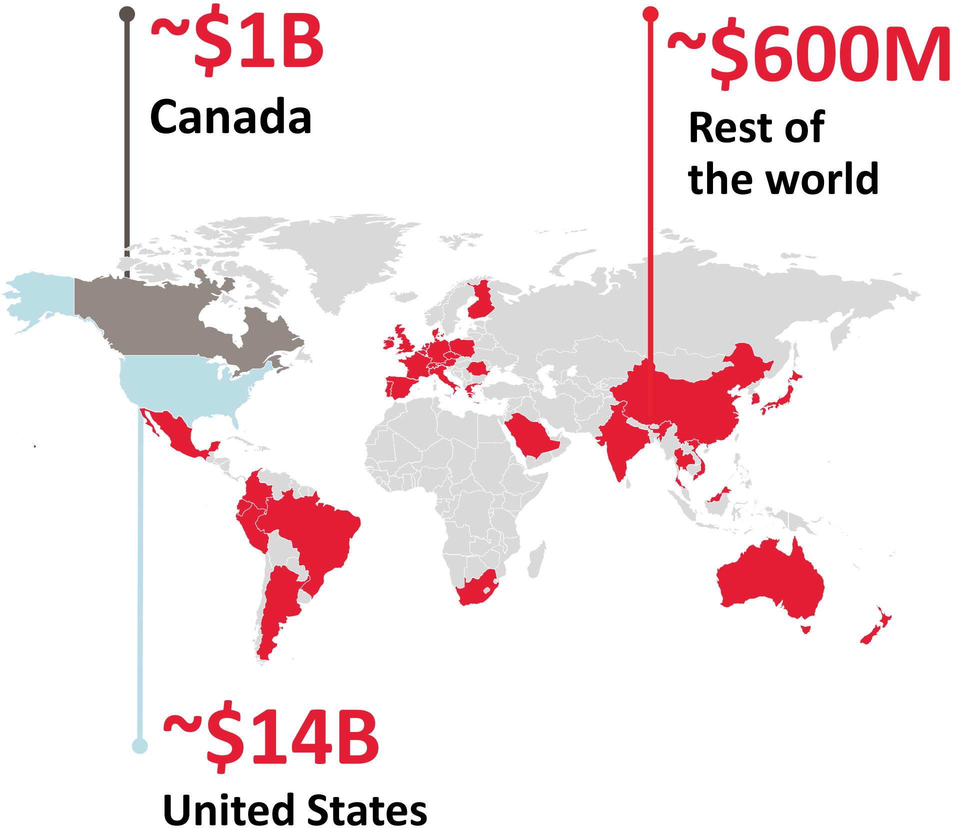


50+ Countries served with products

24,000 Teammates worldwide

85+ Facilities worldwide[3]

Total revenue by region[1]



[1]FY22 Revenue
[2]Direct to Patient: at-Home Solutions, Digital Supply Chain: OptiFreight® Logistics and WaveMark™, Other: primarily 3PL
[3]Includes distribution centers and manufacturing facilities

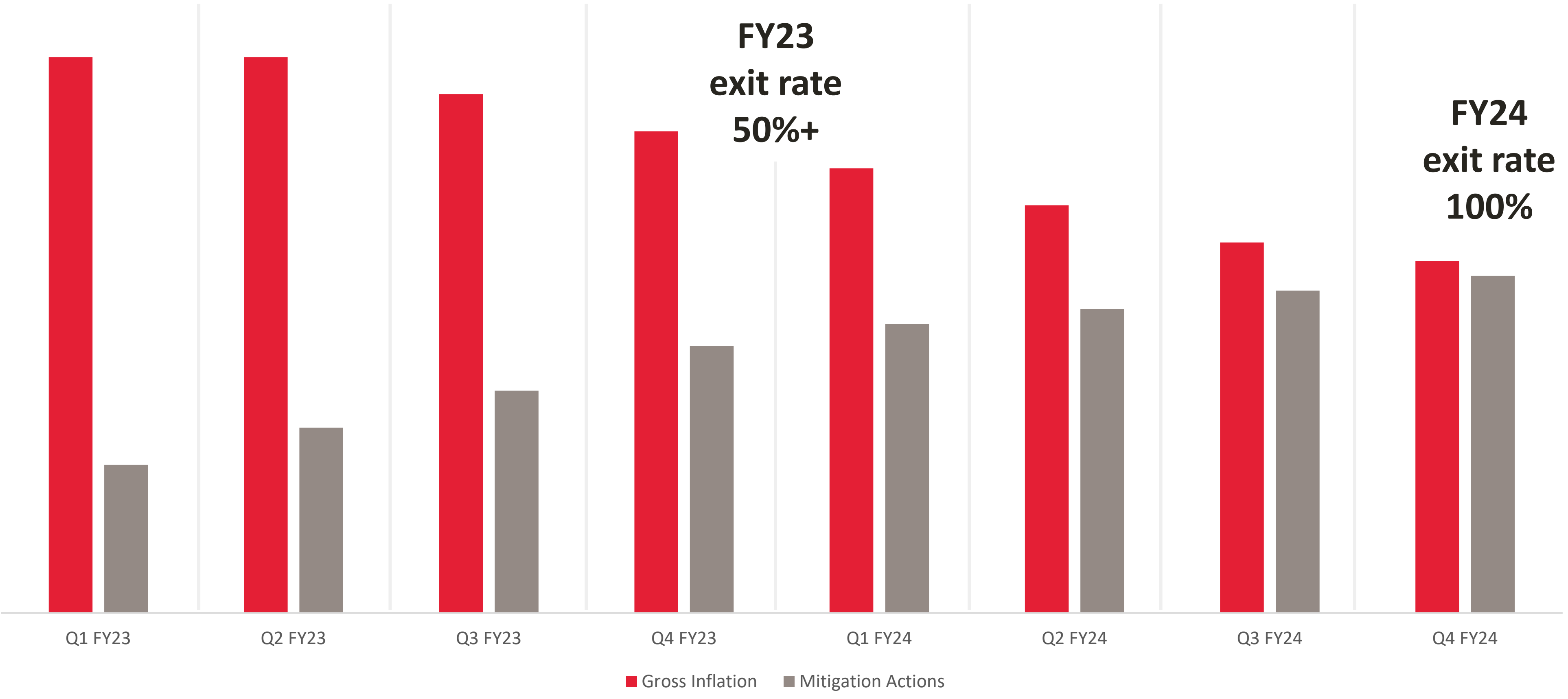
The journey to $650M+ in segment profit by FY26

Strategic priorities	Areas of focus	Original Target FY23-FY25	Status	Updated Target FY23-FY26
1 **Mitigate inflation and global supply chain constraints**	**Fully offset with mitigation initiatives** • Exit FY23 offsetting **at least 50%** of gross impact • Exit FY24 offsetting **100%** of gross impact	**~$300M**	On target	**~$300M**
2 **Optimize and grow Cardinal Health™ Brand portfolio**	**Grow Cardinal Health™ Brand**[1] • New product innovation and investments in new capacity • In-channel and out-of-channel growth	**$75M+**	Extended	**~$50M**
3 **Accelerate growth businesses, primarily at-Home Solutions**	**Total operating Income growth** • Core growth • New technology offerings	**$60M+**	On target	**$75M+**
4 **Drive simplification and continued cost optimization**	**Net cost savings**[2] • Value improvement projects • Sourcing, transportation and manufacturing strategies	**$50M+**	On target	**$60M+**
		$650M+ by FY25		**$650M+ by FY26**

[1]Excludes PPE products and impacts from incremental inflation, global supply chain constraints, and certain portfolio optimization product category exits, on constant-currency basis
[2]Gross Medical segment cost savings, net of operational cost increases

On track to mitigate the impact of inflation on our business

Improving net impact: mitigation actions and cost reductions



- Expect **observed improvements in international freight** to drive the overall cost improvement from Q2 FY23 peak
- **Executed increases** on **~90%** of U.S. Cardinal Health™ Brand product revenue
- **Flexible pricing language** in **~75%** of U.S. Cardinal Health™ Brand contracts
- Implemented **permanent price increases** on **~1/3rd** of U.S. Cardinal Health™ Brand contracts

CardinalHealth

Optimizing and growing Cardinal Health™ Brand

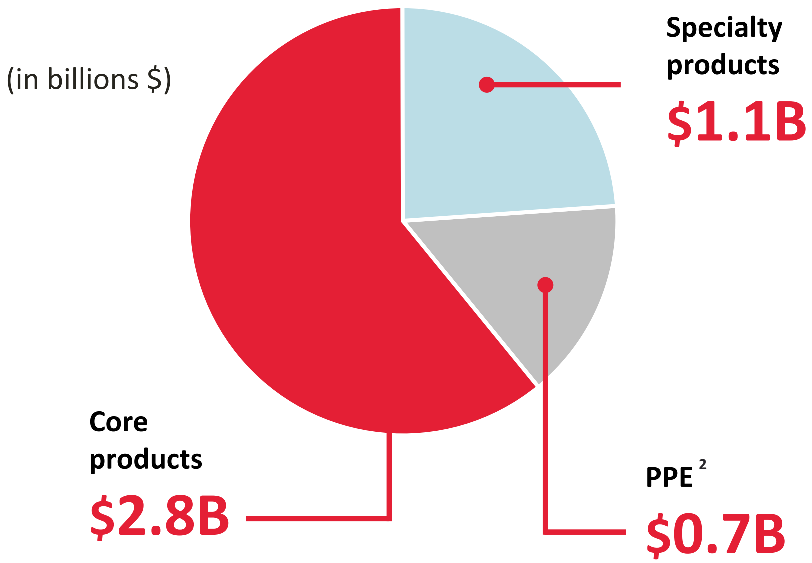
Ben Brinker, President, Global Products & Supply Chain

An integrated manufacturer with distribution

Patients, caregivers and providers worldwide rely upon our products every day

Global products

Total Cardinal Health™ Brand Revenue[1]



25B+

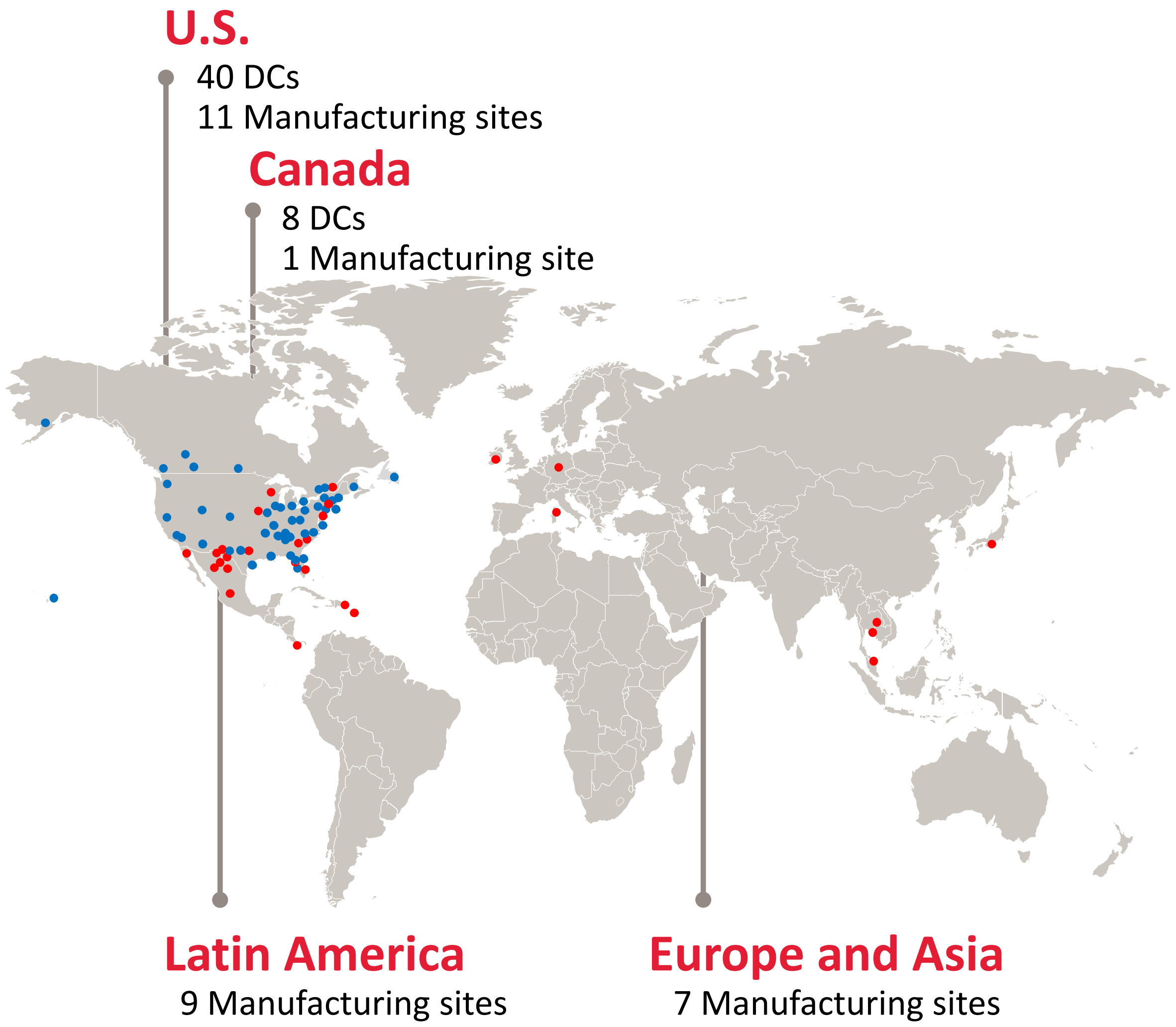
Cardinal Health™ Brand Medical products produced and sourced annually worldwide

30M+

Surgical procedures in U.S. supported by Cardinal Health™ Surgical Gloves and Presource® Packs annually

[1] FY22 global Cardinal Health™ Brand product revenue excluding non-healthcare gloves
[2] Personal protective equipment

Global operations



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FDA and International Regulatory Body approved medical product manufacturing facilities globally

48

Distribution Centers focused on integrated manufacturing network

90k+

U.S. and Canadian Healthcare facilities serviced by distribution

Enabling the backbone and future of healthcare

Core to Distribution Products (backbone of healthcare)


Presource® Procedure Packs


Drapes & Gowns


Incontinence


Infection Control Apparel


Laboratory

Specialty Products (future of healthcare)


Kangaroo™ Enteral Feeding


Kendall™ Electrocardiography


Kendall SCD™ Compression


Protexis™ Surgical Gloves

Placing a renewed focus on new product development

And innovation investments for Cardinal Health™ Brand

Kangaroo OMNI™ Platform is the next generation enteral feeding platform with **wireless connectivity** potential that is designed to **support nutritional needs** for patients from **hospital to home** with the ability to deliver commercially available thick formula

CardinalHealth™

Making deliberate investments

To create the right environment to grow our Cardinal Health™ Brand portfolio

Distribution network

Increasing space in our distribution network

Modernizing our facilities

Driving capacity and product portfolio

Nutritional Delivery

25%+

Capacity increase driven by new manufacturing lines

Fluid Management

35%+

Capacity improvement driven by new automation to increase efficiency in our Jacksonville, TX manufacturing facility

Protexis™ Surgical Gloves

25%+

Capacity increase to support growth in our leading brand

Incontinence

7%

Volume growth driven by investments in line speed and output and launch of new stretch brief

CardinalHealth™

A clear five-point plan to accelerate product growth

Observing improvements across key leading indicators

	1 Customer experience	2 Portfolio and supply chain health	3 New product development and commercialization	4 Commercial structure and incentives	5 Conversion and pipeline close rate
Status					
Progress	10+ point improvement in Customer Loyalty Index (CLI) for distribution in last two years	Highest Cardinal Health™ Brand product service levels in nearly four years	Investments in product development, culminating in new launches planned for FY24 and FY25	The right salesforce structure with clear incentives in place to drive product mix	Largest distribution win in several years with significant product opportunity New Compression win driving strong product category revenue growth in U.S.

Anchored by stable and improving utilization environment, with expected low-single digit market growth

CardinalHealth™

Our at-Home Solutions business continues to accelerate

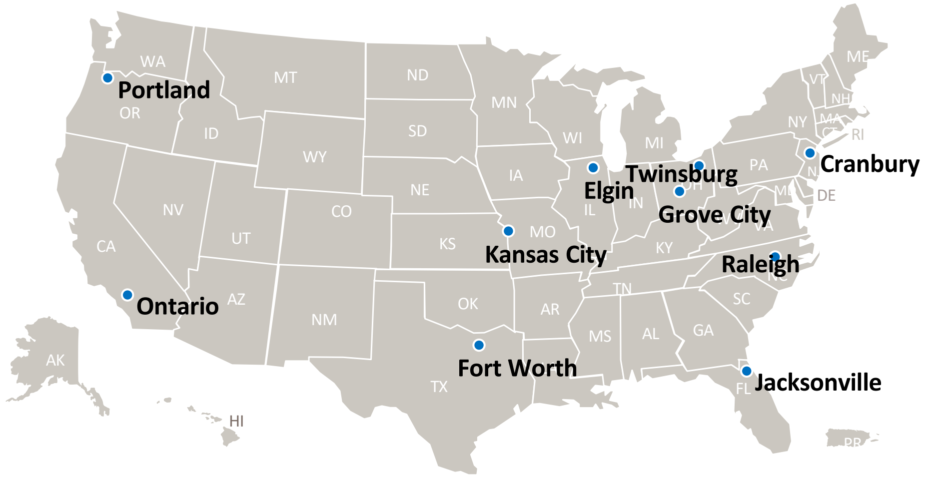
Through focused investments to meet growing demand

Breadth and scale[1]

~4M	patients served in their homes in U.S. annually
40K+	products to choose from
10	distribution centers focused on home network
~15M	packages shipped annually
99%	of population supported with delivery in 1-2 days
~750	strong relationships with manufacturers

[1]Stats based on 2022 customer data

Direct to patient network



National coverage

Customer experience focused

Network capacity and automation

Shipment planning and visibility via Kinaxis™ Platform

Velocare™ Hospital at-Home Fulfillment

CardinalHealth™

Our OptiFreight® Logistics business is driving strong growth

By delivering value and efficiencies for our customers

Breadth and scale[1]

20M+
shipments managed for our customers annually

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

17
of Gartner’s Top 25 Supply Chain Health Systems using our logistics management offering

Digital supply chain solutions

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

Manufacturer

↓

Medical products

↓

Healthcare facility

Customer digital platforms

Real-time TotalVue™ Shipment Tracking

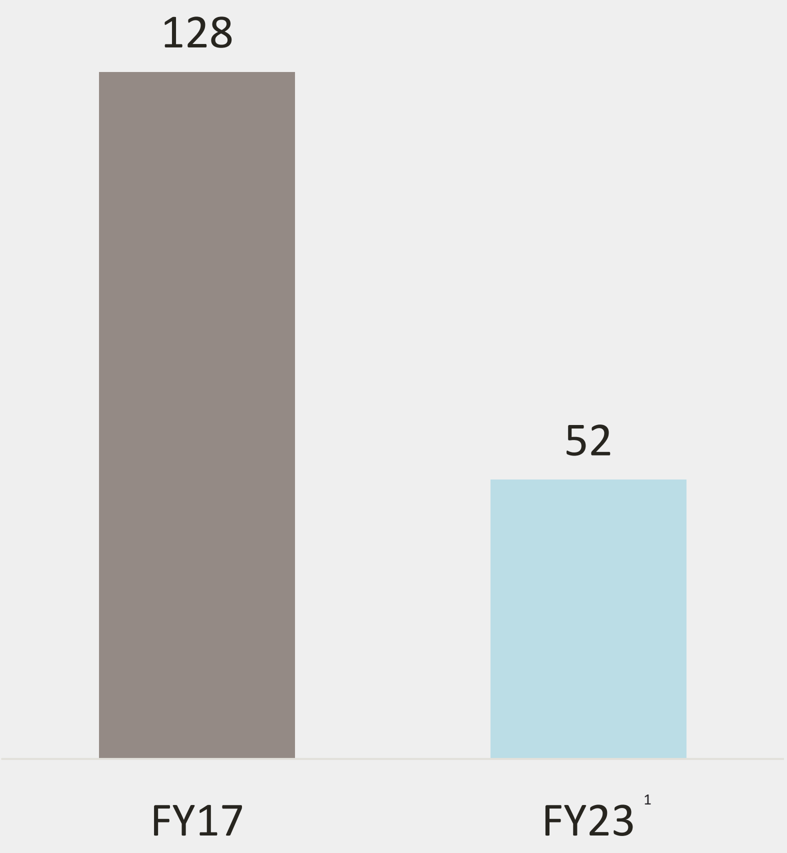
Supply Chain Visibility and Resiliency Platform

[1]Stats based on 2022 customer data

CardinalHealth™

Strong track record of simplification and cost optimization

Countries served with products



Active portfolio management

Classified categories to deploy resources according to value proposition:

- Core to distribution products
- Specialty products
- Exit products

Exits include:

- Cordis
- Non-healthcare disposable gloves portfolio
- Negative Pressure Wound Therapy portfolio

Manufacturing excellence

Assessed make vs. buy decisions and consolidated duplicative operations to deliver the highest quality products at a competitive cost. Since FY17:

1.2M+

square footage reduction to optimize our global footprint

6 **exits of medical product manufacturing facilities globally**

[1]Exiting FY23

CardinalHealth™

Path to $650M+ by FY26

Bringing it all together – **delivering results**

Mitigate inflation

We are **on track to fully offset inflation** by the time we exit FY24 through our **mitigation actions** and **observed improvements** in international freight

Optimize and grow Cardinal Health™ Brand

With **focused commercial actions** and **investments**, our 5-point plan for product growth is clear and we are **gaining momentum**

Accelerate growth businesses

Our growth businesses are aligned with **key industry trends** and continue to **grow according to plan**

Drive simplification and cost optimization

With our **strong track record** of **cost optimization** and **simplification** of our operations, we remain on track and have a **robust pipeline** of opportunities

Value creation

Aaron Alt, CFO

Updated launching point: Narrowing our FY23 guidance

Cardinal Health

non-GAAP EPS:	Adjusted Free Cash Flow:
$5.65 to $5.80 **13% growth at mid-point** *Previously $5.60 to $5.80*	**$2.0 to $2.3B**

Pharmaceutical

Revenue:	Segment Profit:
+14% to 15%	**+11% to 12%** Previously 10.5% to 12%

Medical

Revenue:	Segment Profit[1]:
~(6)%	**~(50)%, ~$108M**

[1]Reflects ~$80M in Q4 segment profit

Value creation framework

CAH

+

Growth from strategic portfolio and customer positioning

+

Improved operational performance and strong execution

+

Operating leverage

=

Sustainable profitable growth

+

Working capital focus

=

Robust cash flow generation

+

Disciplined capital allocation

=

SHAREHOLDER VALUE CREATION

Preliminary Enterprise FY24 guidance

EPS Growth

non-GAAP diluted EPS:
$6.45 to $6.70
FY23: $5.65 to $5.80

+15%
Growth at the mid-points

Cash Flow and Capital

Adjusted free cash flow
~$2B

Capital expenditures
~$500M

Other Assumptions

Interest and other:
$110M to $130M

non-GAAP ETR:
23% to 25%

Diluted weighted average shares outstanding:
250M to 254M

CardinalHealth™

Pharma Segment FY24 guidance

Revenue and segment profit

Revenue growth of	Segment profit growth of
~10%	**4% to 6%**

Key Assumptions:

- Anticipate contribution from manufacturer price increases to be in line with FY22 (do not anticipate repeat of modest FY23 benefit)
- Generics program growth
    - Volume growth
    - Consistent market dynamics
- Increased contributions from Brand and Specialty products (including biosimilars) and Nuclear & Precision Health Solutions
- Current portfolio of businesses and customers

CardinalHealth™

Medical Segment FY24 guidance

Revenue and segment profit

Revenue growth of	Segment profit of
~3%	**~$400M**

Key Assumptions:

- Increased contributions from Medical Improvement Plan initiatives
    - Exit FY24 fully mitigating gross impact of inflation
    - Year-over-year improvement in international freight costs
    - Slight Cardinal Health Brand™ volume growth, primarily in 2H FY24
    - Continued strong growth from at-Home Solutions and OptiFreight® Logistics
    - Continued benefits from simplification and cost optimization
- Current portfolio of businesses and customers

Our long-term targets: FY24-26

(FY23 Baseline)

4% to 6%
Growth CAGR

Pharma Segment Profit

$650M+
in FY26

Medical Segment Profit

at least
$2B

Share repurchases[1]

12% to 14%
Growth CAGR

non-GAAP diluted EPS growth

[1]Includes base share repurchases of $500M per year and $500M of additional share repurchases in Q4 FY23 and/or Q1 FY24

Pharma Segment

Long-term targets

FY24 – FY26

Segment profit CAGR of **4% to 6%**

Key assumptions

~10% revenue CAGR

2% to 3% market growth in generic units

Consistent market dynamics in generics program

Low-single digit profit growth in core Pharmaceutical Distribution

Double-digit profit growth in **Specialty** and **Nuclear**

Potential **M&A not assumed** in target growth rate

Medical Segment

Long-term targets

FY26

Segment profit of **$650M+**

Key assumptions

3% to 4% revenue CAGR

Low-single digit market growth for medical surgical consumable products

~$300M contribution from **inflation mitigation**[1]

~$50M contribution from **2% to 3% Cardinal Health™ Brand** revenue CAGR[1]

$75M+ contribution from **growth businesses:** primarily at-Home Solutions and OptiFreight® Logistics[1]

$60M+ net savings from **simplification** and **cost optimization**[1]

[1]As of FY22 baseline; contributions and net savings are impacts to segment profit

Robust cash flow generation

Anticipate generating **~$6B+** in total adjusted free cash flow **over the next 3 years**

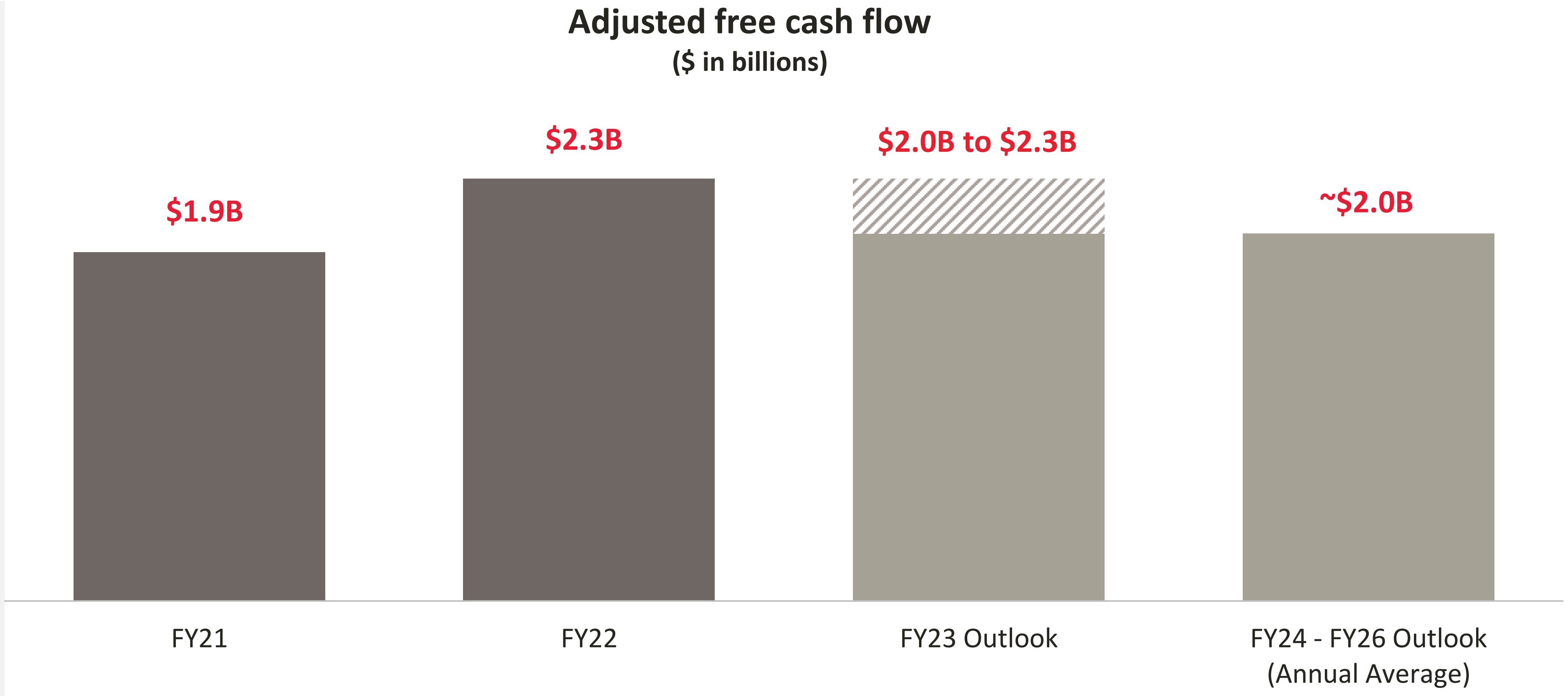
+

~$2B of available opportunistic cash currently on balance sheet

=

~$8B+

available for deployment



Disciplined Capital Allocation Framework

FY24 – FY26

Table stakes

Investing back into the business to drive organic growth

Maintain investment grade balance sheet

Baseline return of capital to shareholders
- Continue to grow the dividend
- Base share repurchases

Opportunistic levers

Active, disciplined and targeted M&A

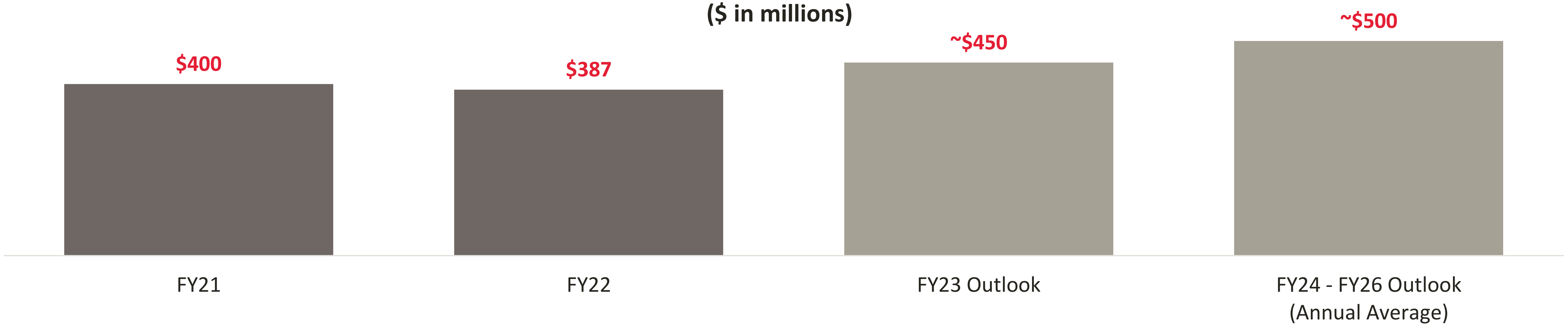
Additional opportunistic share repurchases

Driving organic growth

Investing to support our **customers' needs** while building upon our **technology capabilities**

Strong focus on **return on invested capital** to drive sustainable, **profitable growth**

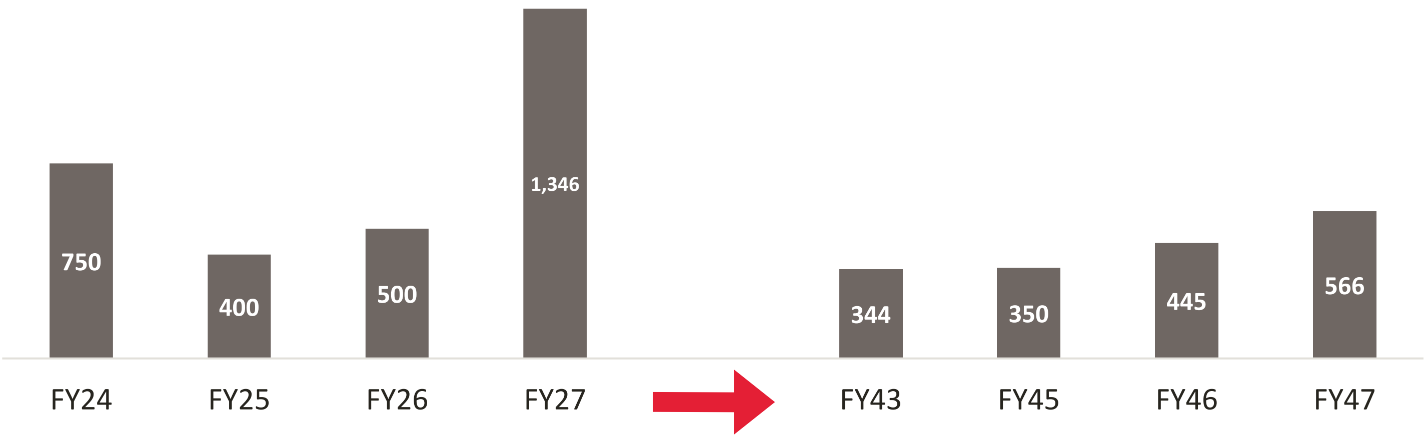
Capital expenditures
($ in millions)



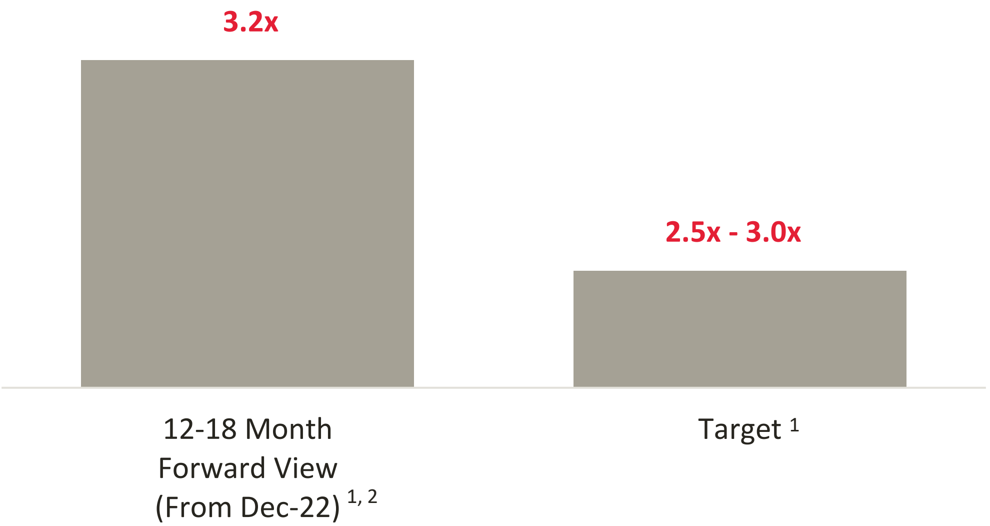
Focus: Maintaining investment grade balance sheet

And our current BBB/Baa2 credit ratings

Outstanding notes
($ in millions)



Moody's CAH Debt/EBITDA
as of March 2023[1]



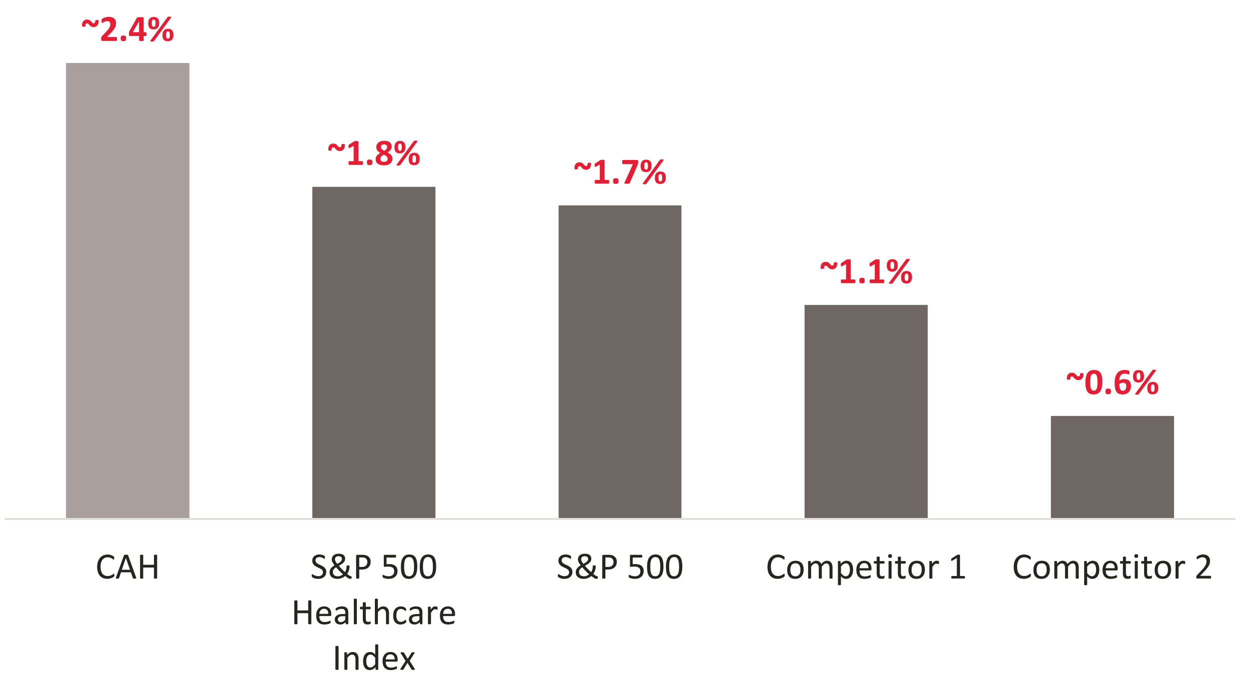
Additional debt paydown not anticipated to be necessary to achieve Moody's 2.5x - 3.0x Debt/EBITDA Target[1]

[1]Source: Moody's credit opinion report for Cardinal Health, Inc. published on March 20, 2023. All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. All projected leverage figures includes the impact of opioid-related settlements. Opioid-related liability is based on Moody's estimate of Cardinal's proportionate share (~$6.0 billion), on an after-tax discounted basis using a 4% discount rate.
[2]Source: Moody's Financial Metrics™. This represents Moody's forward view as of 12/31/2022; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

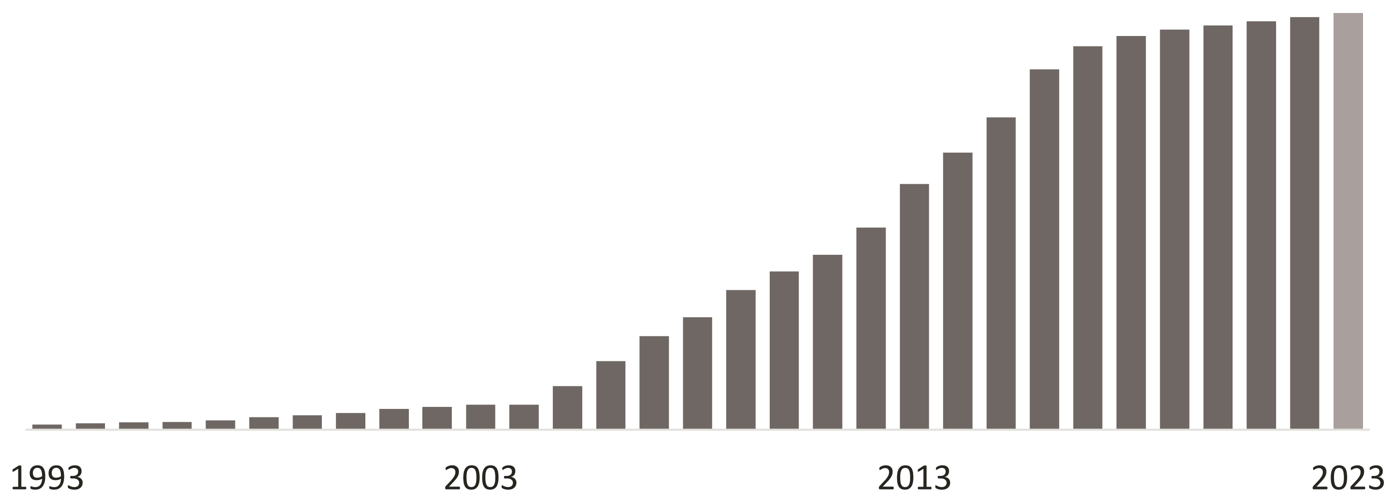
CardinalHealth™

Dividend aristocrat: We've increased our dividend each year for 30+ years

Dividend yield comparison[1]



CAH dividend per share



Committed to growing our dividend as in recent years

[1]CapIQ; closing stock price as of May 31, 2023

Baseline return of capital to shareholders

At a minimum, returning
~$1B to shareholders each year
dividend + base share repurchases

Growing our dividend:

1% dividend increase
announced May 11, 2023

~$500M in total dividend payments expected in FY24

+

Base share repurchases:

Minimum ~$500M
each of the next 3 years

~$1B of baseline return of capital to shareholders = ~50% of average annual adjusted FCF

Active, disciplined and targeted M&A

Prioritizing expansion of Specialty for any potential M&A

M&A framework

Active

Always evaluating potential M&A

Disciplined

M&A must **exceed internal hurdle rates**

Opportunistic with **timing and magnitude**

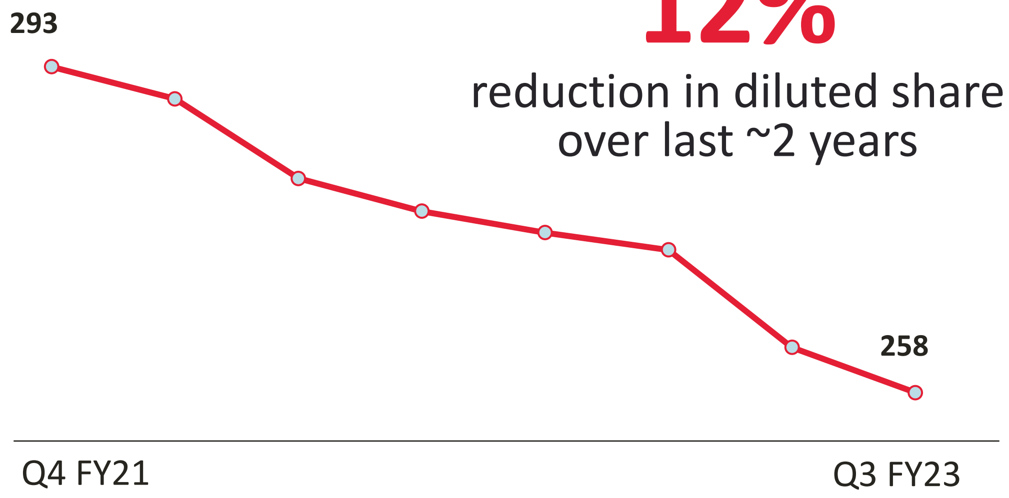
Targeted

View M&A as opportunity to **augment capabilities**

Prioritizing **Pharma Segment (Specialty)**

CardinalHealth™

Opportunistic share repurchases



12%
reduction in diluted share over last ~2 years

New share repurchase authorization:

$3.5B expiring December 31, 2027

Total capacity of **$4.75B**

Share repurchases will **continue to be a key lever** for value creation

Share repurchases framework

~$500M of annual base share repurchases +
additional repurchases to be evaluated opportunistically

Key considerations:

- Availability beyond ~$2.0B cash on hand target
- Intrinsic value of CAH stock
- M&A considerations and timing

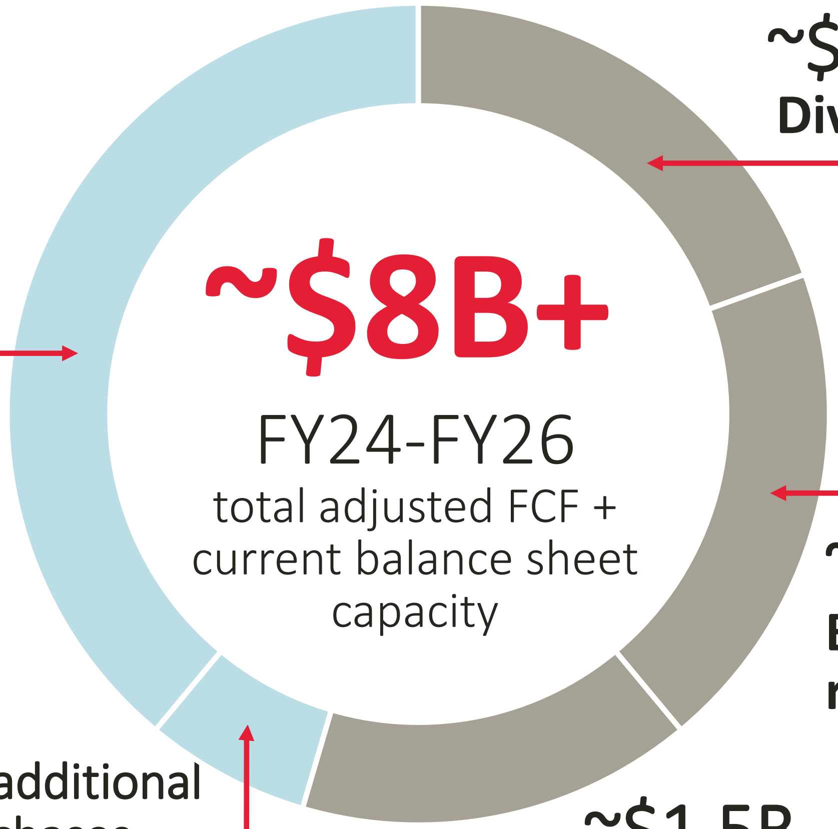
CardinalHealth™

Robust cash flow generation + disciplined capital deployment

FY24-FY26

Remaining opportunistic deployment

~$3.0B+



Baseline return of capital ~$3.0B

~$500M of additional share repurchases
expected during Q4 FY23 and/or Q1 FY24

Opportunistic levers
Active, disciplined and targeted M&A
Additional opportunistic share repurchases

CardinalHealth™

Compelling investment thesis

Moving healthcare forward

Pharma

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

Investing to **further accelerate Specialty** and **Nuclear** growth

Expecting **4% to 6% segment profit growth CAGR** in FY24 and over the long-term

Medical

Executing our plan to **improve Medical performance**

Seeing momentum and sequential improvement

Cash flow

Expect continued robust **adjusted free cash flow generation** of **~$2.0B on average** over the next 3 years

Capital deployment

= Disciplined M&A and **significant return of capital** to shareholders through new share repurchase authorization and dividend

Value creation

Relentlessly focused on **maximizing shareholder value**

Continue to evaluate **additional value creation initiatives**

Double-digit non-GAAP EPS growth opportunity, defensive investment characteristics and attractive valuation

CardinalHealth™

Strategic priorities

Ruthless prioritization, resilient core & relentless focus

1. Build upon the growth and resiliency of Pharmaceutical Segment
2. Execute Medical Improvement Plan initiatives
3. Relentless focus on shareholder value creation

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Appendix

Cardinal Health, Inc. and Subsidiaries

GAAP / Non-GAAP Reconciliation[1]

(in millions, except per common share amounts)	Gross Margin	Gross Margin Growth Rate	SG&A[2]	SG&A[2] Growth Rate	Operating Earnings/ (Loss)	Operating Earnings Growth Rate	Earnings/ (Loss) Before Income Taxes	Provision for/ (Benefit from) Income Taxes	Net Earnings/ (Loss)[3]	Net Earnings[3] Growth Rate	Effective Tax Rate	Diluted EPS[3,4]	Diluted EPS[3] Growth Rate
	Fiscal Year 2022												
GAAP	$ 6,545	(3)%	$ 4,557	1 %	$ (596)	N.M.	$ (769)	$ 163	$ (933)	N.M.	(21.2)%	$ (3.35)	N.M.
Surgical gown recall costs/(income)	1		-		1		1	-	1			-	
Restructuring and employee severance	-		-		101		101	26	75			0.27	
Amortization and other acquisition-related costs	-		-		324		324	84	240			0.87	
Impairments and (gain)/loss on disposal of assets, net[5]	-		-		2,050		2,050	107	1,943			6.93	
Litigation (recoveries)/charges, net[6,7]	-		-		109		109	21	88			0.31	
Loss on early extinguishment of debt	-		-		-		10	3	7			0.03	
(Gain)/Loss on sale of equity interest in naviHealth	-		-		-		(2)	-	(2)			-	
Non-GAAP	$ 6,547	(3)%	$ 4,557	1 %	$ 1,990	(12)%	$ 1,824	$ 404	$ 1,419	(13)%	22.1 %	$ 5.06	(9)%

[1] For more information on these measures, refer to the Use of Non-GAAP Measures and Definitions schedules.
[2] Distribution, selling, general and administrative expenses.
[3] Attributable to Cardinal Health, Inc.

[4] For fiscal 2022, GAAP diluted loss per share attributable to Cardinal Health, Inc. ("GAAP diluted EPS") and the EPS impact from the GAAP to non-GAAP per share reconciling items is calculated using a weighted average of 279 million common shares, which excludes potentially dilutive securities from the denominator due to their anti-dilutive effects resulting from our GAAP net loss for the period. For fiscal 2022, non-GAAP diluted EPS is calculated using a weighted average of 280 million common shares, which includes potentially dilutive shares.

[5] Impairments and (gain)/loss on disposals of assets, net includes pre-tax goodwill impairment charges of $2.1 billion related to our Medical segment recorded in fiscal 2022. For fiscal 2022, the net tax benefit related to these impairments is $150 million and is included in the annual effective tax rate.

[6] Litigation (recoveries)/charges, net for fiscal 2022 does not include a $16 million judgement for lost profits related to an ordinary course intellectual property claim, which positively impacted Pharmaceutical segment profit.

[7] Litigation (recoveries)/charges, net includes a one-time contingent attorneys' fee of $18 million recorded during fiscal 2022 related to the finalization of the Settlement Agreement resulting in the settlement of the vast majority of opioid lawsuits filed by state and local governmental entities. Due to the unique nature and significance of the Settlement Agreement, and the one-time, contingent nature of the fee, this fee was included in litigation (recoveries)/charges, net.

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

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

Cardinal Health, Inc. and Subsidiaries

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

(in millions)	Fiscal Year 2022	Fiscal Year 2021
GAAP - Cash Flow Categories		
Net cash provided by operating activities	$ 3,122	$ 2,429
Net cash provided by/(used in) investing activities	567	(378)
Net cash used in financing activities	(2,463)	(1,317)
Effect of exchange rates changes on cash and equivalents	(25)	11
Cash reclassified from assets held for sale	109	(109)
Net increase in cash and equivalents	**$ 1,310**	**$ 636**
Non-GAAP Adjusted Free Cash Flow		
Net cash provided by operating activities	$ 3,122	$ 2,429
Additions to property and equipment	(387)	(400)
Payments/(receipts) related to matters included in litigation (recoveries)/charges, net	511	(108)
Other significant and unusual or non-recurring items		
U.S. federal tax refund from net operating loss carryback	(966)	-
Non-GAAP Adjusted Free Cash Flow	**$ 2,280**	**$ 1,921**

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

CardinalHealth™

Cardinal Health, Inc. and Subsidiaries

Forward Looking non-GAAP Measures

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

The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact the Company's fiscal 2023 GAAP results. Over the past five fiscal years, the excluded items have impacted the Company's EPS from $0.75 to $18.06, which includes a $17.54 charge related to the opioid litigation we recognized in fiscal 2020.

Cardinal Health, Inc. and Subsidiaries

Definitions

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

Interest and Other, net: other (income)/expense, net plus interest expense, net.

Segment Profit: segment revenue minus (segment cost of products sold and segment distribution, selling, general, and administrative expenses).

Segment Profit margin: segment profit divided by segment revenue.

Non-GAAP gross margin: gross margin, excluding LIFO charges/(credits) and surgical gown recall costs/(income).

Non-GAAP distribution, selling, general and administrative expenses or Non-GAAP SG&A: distribution, selling, general and administrative expenses, excluding surgical gown recall costs/(income), state opioid assessment related to prior fiscal years and shareholder cooperation agreement costs.

Non-GAAP operating earnings: operating earnings/(loss) excluding (1) LIFO charges/(credits), (2) surgical gown recall costs/(income), (3) state opioid assessment related to prior fiscal years, (4) shareholder cooperation agreement costs, (5) restructuring and employee severance, (6) amortization and other acquisition-related costs, (7) impairments and (gain)/loss on disposal of assets, net and (8) litigation (recoveries)/charges, net.

Non-GAAP earnings before income taxes: earnings/(loss) before income taxes excluding (1) LIFO charges/(credits), (2) surgical gown recall costs/(income), (3) state opioid assessment related to prior fiscal years, (4) shareholder cooperation agreement costs, (5) restructuring and employee severance, (6) amortization and other acquisition-related costs, (7) impairments and (gain)/loss on disposal of assets, net, (8) litigation (recoveries)/charges, net, (9) loss on early extinguishment of debt and (10) (gain)/loss on sale of equity interest in naviHealth.

Non-GAAP net earnings attributable to Cardinal Health, Inc.: net earnings/(loss) attributable to Cardinal Health, Inc. excluding (1) LIFO charges/(credits), (2) surgical gown recall costs/(income), (3) state opioid assessment related to prior fiscal years, (4) shareholder cooperation agreement costs, (5) restructuring and employee severance, (6) amortization and other acquisition-related costs, (7) impairments and (gain)/loss on disposal of assets, net, (8) litigation (recoveries)/charges, net, (9) loss on early extinguishment of debt and (10) (gain)/loss on sale of equity interest in naviHealth, each net of tax.

Non-GAAP effective tax rate: provision for income taxes adjusted for the tax impacts of (1) LIFO charges/(credits), (2) surgical gown recall costs/(income), (3) state opioid assessment related to prior fiscal years, (4) shareholder cooperation agreement costs, (5) restructuring and employee severance, (6) amortization and other acquisition-related costs, (7) impairments and (gain)/loss on disposal of assets, net, (8) litigation (recoveries)/charges, net, (9) loss on early extinguishment of debt and (10) (gain)/loss on sale of equity interest in naviHealth divided by (earnings before income taxes adjusted for the ten 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.

Non-GAAP adjusted free cash flow: net cash provided by operating activities less payments related to additions to property and equipment, excluding settlement payments and receipts related to matters included in litigation (recoveries)/charges, net, as defined above, or other significant and unusual or non-recurring cash payments or receipts. For example, the U.S. federal income tax refund of $966 million for the tax benefit from the net operating loss carryback related to a self-insurance pre-tax loss was excluded from the Company's fiscal 2022 non-GAAP adjusted free cash flow.

[1] 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.

[2] Surgical gown recall costs or income includes inventory write-offs and certain remediation and supply disruption costs, net of related insurance recoveries, arising from the January 2020 recall of select Association for the Advancement of Medical Instrumentation ("AAMI") Level 3 surgical gowns and voluntary field actions (a recall of some packs and a corrective action allowing overlabeling of other packs) for Presource Procedure Packs containing affected gowns. Income from surgical gown recall costs represents insurance recoveries of these certain costs. We have excluded these costs from our non-GAAP metrics to allow investors to better understand the underlying operating results of the business and to facilitate comparison of our current financial results to our historical financial results and to our peer group companies' financial results.

[3] 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.

[4] Shareholder cooperation agreement costs includes costs such as legal, consulting and other expenses incurred in relation to the agreement (the "Cooperation Agreement") entered into among Elliott Associates, L.P., Elliott International, L.P. (together, "Elliott") and Cardinal Health, including costs incurred to negotiate and finalize the Cooperation Agreement and costs incurred by the new Business Review Committee of the Board of Directors, which was formed under this Cooperation Agreement. We have excluded these costs from our non-GAAP metrics because they do not occur in or reflect the ordinary course of our ongoing business operations and may obscure analysis of trends and financial performance.

[5] Restructuring and employee severance costs are excluded because they are not part of the ongoing operations of our underlying business.

[6] 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 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.

[7] 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.

[8] 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. During fiscal 2022, we incurred a one-time contingent attorneys' fee of $18 million related to the finalization of the settlement agreement (the "Settlement Agreement") resulting in the settlement of the vast majority of opioid lawsuits filed by state and local governmental entities. Due to the unique nature and significance of the Settlement Agreement, and the one-time, contingent nature of the fee, this fee was included in litigation recoveries or charges, net. Additionally, during fiscal 2022 our Pharmaceutical segment profit was positively impacted by a $16 million judgment for lost profits. This judgment was the result of an ordinary course intellectual property rights claim and, therefore, is not adjusted in calculating the litigation recoveries or charges, net adjustment. During fiscal 2021, we incurred a tax benefit related to a carryback of a net operating loss. Some pre-tax amounts, which contributed to this loss, relate to litigation charges. As a result, we allocated substantially all of the tax benefit to litigation charges.

[9] Loss on early extinguishment of debt is excluded because it does not typically occur in the normal course of business and may obscure analysis of trends and financial performance. Additionally, the amount and frequency of this type of charge is not consistent and is significantly impacted by the timing and size of debt extinguishment transactions.

[10] (Gain)/Loss on sale of equity interest in naviHealth was incurred in connection with the sale of our remaining equity interest in naviHealth in fiscal 2020. The equity interest was retained in connection with the initial sale of our majority interest in naviHealth during fiscal 2019. We exclude this significant gain because gains or losses on investments of this magnitude do not typically occur in the normal course of business and are similar in nature to a gain or loss from a divestiture of a majority interest, which we exclude from non-GAAP results. The gain on the initial sale of our majority interest in naviHealth in fiscal 2019 was also excluded from our non-GAAP measures.

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.

Non-GAAP adjusted free cash flow: We provide this non-GAAP financial measure as a supplemental metric to assist readers in assessing the effects of items and events on our cash flow on a year-over-year basis and in comparing our performance to that of our peer group companies. In calculating this non-GAAP metric, certain items are excluded from net cash provided by operating activities because they relate to significant and unusual or non-recurring events and are inherently unpredictable in timing and amount. We believe adjusted free cash flow is important to management and useful to investors as a supplemental measure as it indicates the cash flow available for working capital needs, debt repayments, dividend payments, share repurchases, strategic acquisitions, or other strategic uses of cash. A reconciliation of our GAAP financial results to Non-GAAP adjusted free cash flow is provided in Schedule 6 of the financial statement tables included with this release.