Healthcare is changing…
We're changing healthcare.

George S. Barrett
Chairman and Chief Executive Officer

25th Annual Credit Suisse Healthcare Conference
Tuesday, November 8th

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Forward-looking statements and GAAP reconciliation

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, trends 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 projected, anticipated or implied. These risks and uncertainties include competitive pressures in Cardinal Health's various lines of business; the amount or rate of generic and brand pharmaceutical price appreciation or deflation and the timing of and benefit from generic pharmaceutical introductions; the ability to maintain the benefits from the generic sourcing venture with CVS Health; the ability to successfully integrate and realize the benefits from the acquisition of Cordis; the risk of non-renewal or a default under one or more key customer or supplier arrangements or changes to the terms of or level of purchases under those arrangements; uncertainties due to government health care reform including federal health care reform legislation; changes in the distribution patterns or reimbursement rates for health care products and services; the effects of any investigation or action by any regulatory authority; and changes in foreign currency rates and the cost of commodities such as oil-based resins, cotton, latex and diesel fuel. Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports. This presentation reflects management's views as of November 8, 2016. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement. In addition, this presentation contains Non-GAAP financial measures. Cardinal Health provides definitions and reconciliations of the differences between the Non-GAAP financial measures and their most directly comparable GAAP financial measures in the Financial Appendix at the end of this presentation and at ir.cardinalhealth.com. An audio replay of the webcast will be available at ir.cardinalhealth.com.

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For those tasked with navigating the complexities of healthcare…

Cardinal Health brings **scaled solutions** that **help our customers thrive** in a changing world.

Essential facts about Cardinal Health

A global, integrated healthcare products & services company

We provide resources to
MORE THAN 70%
of U.S. hospitals



Serving more than
25,000
U.S. PHARMACIES
NATIONWIDE



$121 billion
in revenue

We support more than
20,000
physician offices nationwide



WE MANUFACTURE OR SOURCE MORE THAN **2.8 billion**
individual consumer healthcare, home medical equipment, and over-the-counter
PRODUCTS
EACH YEAR



We operate in
60
countries

In home healthcare, we serve
2 million
patients with nearly **40,000** products



More than **10,000,000**
TIME-CRITICAL PATIENT-SPECIFIC RADIOPHARMACEUTICAL DOSES
delivered annually.



More than
37,000
employees worldwide

Rapid transformation of healthcare

Demand driven by **DEMOGRAPHICS**

CARE needs to be **MORE COORDINATED**

CARE MUST BE DELIVERED AT THE RIGHT TIME, using the **RIGHT EVIDENCE -BASED PROTOCOLS** and standards and in the **RIGHT SETTING**

MORE ACTIVE GOVERNMENT ROLE in healthcare

GREATER FOCUS ON PATIENT OUTCOMES vs.
activity while ensuring operational excellence and efficiency

Daily reminders of the potential for **SCIENCE AND TECHNOLOGY** to change the healthcare experience

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Our priorities are focused on the right initiatives to help the system deliver the right care, at the right time, in the right setting

Generics



Expand generics customer base & increase scale

Red Oak
Largest U.S. generic sourcing entity

Specialty & Biopharma



Upstream solutions for Biopharma

Increase scale and expand therapeutic reach

Regulatory sciences, 3PL services, Patient HUB (Sonexus)

Alternate Sites of Care



Leverage IDN experience and scale in new channels

Post-acute solutions

Leader in medical products to the home
Cardinal Health at Home

Discharge management
naviHealth

Health System & Hospital Solutions



Develop scaled and standardized solutions

360 Program
Comprehensive suite of solutions

Cardinal Health brand consumables

Physician preference items
Cardiovascular (Cordis), Negative Pressure Wound Therapy and Ortho Trauma

International



Strengthen global product expansion

Cordis
Product presence in over 60 countries

China
Top 10 distributor

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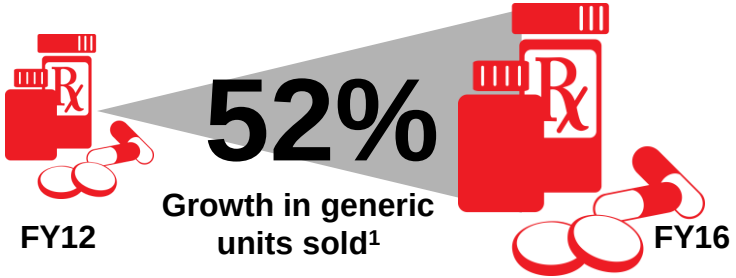
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Pharmaceutical Segment long-term growth drivers

FY16 revenues of $109B, segment profit of $2.5B

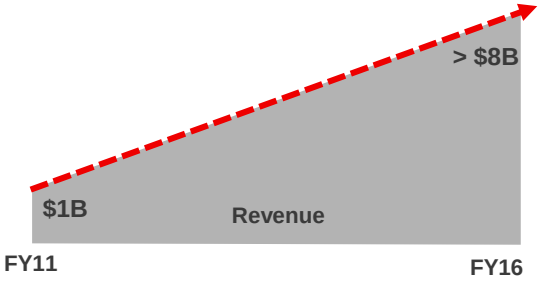
Enable our customers' growth as aging population increases demand





Provide a world-class generics offering

Continue to drive growth in Specialty Solutions



Supplement organic initiatives with acquisitions

[1]*Excludes non-Source sales*

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Medical Segment long-term growth drivers

FY16 revenues of $12B, segment profit of $457M

Deep customer knowledge



We provide products & solutions to

>70%

of U.S. Hospitals



2.0 million

patients served in the home

Maximize the post-acute setting

Support **customer's** with **growth** of Cardinal Health Brand



123%

Growth in segment profit contribution FY12 to FY16[1]



91%

Growth in segment profit contribution FY12 to FY16

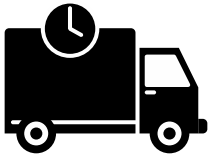
Expand on distribution services[2]

[1] Medical segment profit growth includes Cordis.
[2] Distribution services consists of four core businesses.

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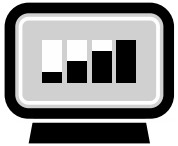
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Cardinal Health offers enterprise-wide capabilities in four areas



Logistics Solutions

Enable a more efficient way of bringing healthcare to market



Business Solutions

Optimize the process and performance of healthcare



Patient Solutions

Connect clinicians and patients for smarter population management, better patient wellness



Product Solutions

Provide a comprehensive healthcare product offering

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Sustained strong financial performance over five years

Diluted EPS from continuing operations growth

9.5%
GAAP CAGR

13.4%
Non-GAAP[1] CAGR

Total shareholder return[4]

90.4%

Dividend per share growth

14.7%
CAGR

Long-term goals

Annual Dividend Payout

30-35%

Multi-Year Non-GAAP EPS CAGR

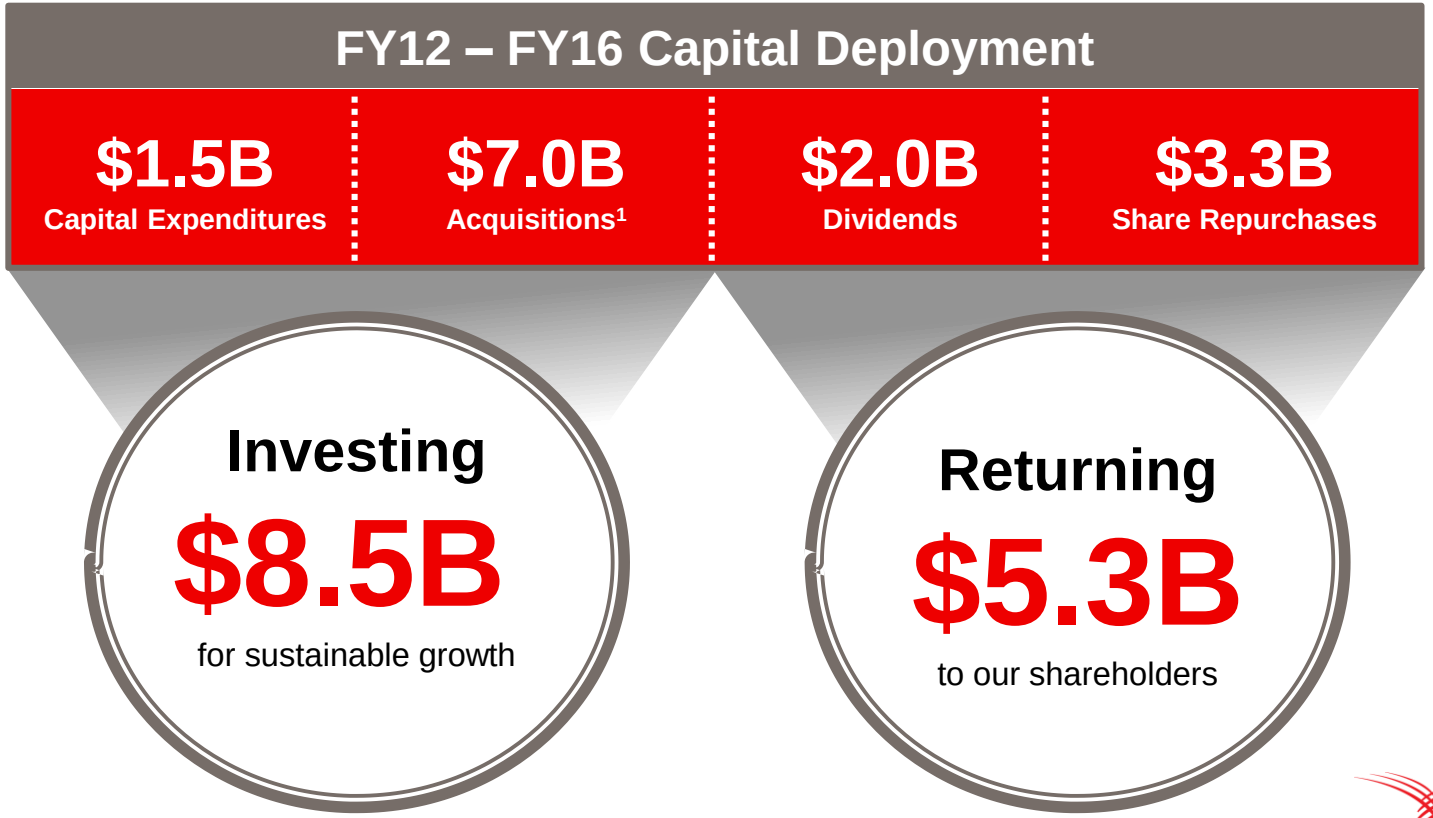
10-15%

[1] *Non-GAAP financial measures. See "Explanation and Reconciliation of Non-GAAP Financial Measures" section for definitions and reconciling information.*
[2] *Based on full year dividends paid in FY16 versus non-GAAP EPS for FY16.*
[3] *Diluted earnings per share from continuing operations attributable to Cardinal Health, Inc.*
[4] *Total shareholder return is the total return of our shares expressed as a percentage (calculated based on changes in stock price over the measurement period and assuming reinvestment of dividends).*

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Capital deployment for the past five years



[1]*Acquisitions are net of divestitures.*

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Q1 FY17 financial summary

	GAAP Basis ($M)	Non-GAAP Basis ($M)
Revenue *% change*	**$32,039** *14% increase YoY*	N/A
Operating Earnings *% change* *Ratio to revenue*	**$535** *14% decrease YoY* *1.67%*	**$669** *9% decrease YoY* *2.09%*
Diluted EPS[1] *% change*	**$0.96** *17% decrease YoY*	**$1.24** *10% decrease YoY*

[1]From continuing operations attributable to Cardinal Health, Inc.
Please see appendix for GAAP to Non-GAAP reconciliations.

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It’s about our people

WORKING MOTHER 100 BEST COMPANIES 2014

2016, 2015, 2014, 2013, 2012



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



2015, 2014



2015, 2014, 2013, 2012

America's Leading 3PLS
2016, 2015
Global Trade magazine and Armstrong & Associates

CORPORATE 101 2015

widen the circle

Founding Member

Corporate 101: America's Most Admired Corporations for Supplier Diversity 2015 from Minority Business News

ESGR EMPLOYER SUPPORT OF THE GUARD AND RESERVE

2015 Employer Support Freedom Award
Secretary of Defense Employer Support Freedom Award, the highest honor the department gives to employers for support of National Guard and Reserve employees

Becker’s Hospital Review/Becker’s ASC Review
150 Great Places to Work in Healthcare

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2014 for LGBT Equality
100% CORPORATE EQUALITY INDEX

2016, 2015, 2014, 2013

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Healthcare is changing…We're changing healthcare.

Our business is positioned to grow WELL into the future

Our strategic priorities are on **the right side** of healthcare trends

We are **excellent, disciplined stewards of capital**

We have strong and valuable **strategic partnerships**

We have a **relentless focus** on serving our **customers**, and the **patients** they care for

We will execute to deliver **meaningful** and **measurable results**

Driven by a team with a proven track record in the business of healthcare

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Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation[1]

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes	Provision for Income Taxes	Net Earnings[1]	Net Earnings[1] Growth Rate	Diluted EPS[1]	Diluted EPS[1] Growth Rate
	First Quarter 2017							
GAAP	**$ 535**	**(14)%**	**$ 494**	**$ 184**	**$ 309**	**(19)%**	**$ 0.96**	**(17)%**
Restructuring and employee severance	**9**		**9**	**4**	**5**		**0.02**	
Amortization and other acquisition-related costs	**122**		**122**	**40**	**82**		**0.25**	
Impairments and (gain)/loss on disposal of assets	**3**		**3**	**1**	**2**		**0.01**	
Litigation (recoveries)/charges, net	**1**		**1**	**-**	**1**		**-**	
Non-GAAP	**$ 669**	**(9)%**	**$ 629**	**$ 229**	**$ 399**	**(13)%**	**$ 1.24**	**(10)%**
	First Quarter 2016							
GAAP	$ 620	33 %	$ 568	$ 184	$ 383	44 %	$ 1.15	47 %
Restructuring and employee severance	12		12	5	7		0.02	
Amortization and other acquisition-related costs	105		105	37	68		0.21	
Impairments and (gain)/loss on disposal of assets	-		-	-	-		-	
Litigation (recoveries)/charges, net	-		-	-	-		-	
Non-GAAP	$ 737	30 %	$ 685	$ 226	$ 458	35 %	$ 1.38	38 %

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

[2] Attributable to Cardinal Health, Inc.

The sum of the components may not equal the total due to rounding.

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

There were no LIFO charges/(credits) or losses on extinguishment of debt during the periods presented.

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Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings[1] Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations[2]	Net Earnings from Continuing Operations[2] Growth Rate	Diluted EPS[1,2]	Diluted EPS[1,2] Growth Rate
				Fiscal Year 2016				
GAAP	**$ 2,459**	**14 %**	**$ 2,276**	**$ 845**	**$ 1,427**	**18 %**	**$ 4.32**	**20 %**
Restructuring and employee severance	**25**		**25**	**9**	**16**		**0.05**	
Amortization and other acquisition-related costs	**459**		**459**	**143**	**316**		**0.96**	
Impairments and (gain)/loss on disposal of assets	**21**		**21**	**6**	**15**		**0.04**	
Litigation (recoveries)/charges, net	**(69)**		**(69)**	**(27)**	**(42)**		**(0.13)**	
Non-GAAP	**$ 2,895**	**17 %**	**$ 2,711**	**$ 976**	**$ 1,732**	**18 %**	**$ 5.24**	**20 %**
				Fiscal Year 2015				
GAAP	$ 2,161	15 %	$ 1,967	$ 755	$ 1,212	4 %	$ 3.61	7 %
Restructuring and employee severance	44		44	15	29		0.09	
Amortization and other acquisition-related costs	281		281	100	181		0.54	
Impairments and (gain)/loss on disposal of assets	(19)		(19)	(10)	(9)		(0.03)	
Litigation (recoveries)/charges, net	5		5	(14)	19		0.06	
Loss on extinguishment of debt	-		60	23	37		0.11	
Non-GAAP	$ 2,472	16 %	$ 2,339	$ 870	$ 1,469	11 %	$ 4.38	14 %
				Fiscal Year 2014				
GAAP	$ 1,885	89 %	$ 1,798	$ 635	$ 1,163	247 %	$ 3.37	247 %
Restructuring and employee severance	31		31	11	20		0.06	
Amortization and other acquisition-related costs	223		223	79	144		0.42	
Impairments and (gain)/loss on disposal of assets	15		15	5	10		0.03	
Litigation (recoveries)/charges, net	(21)		(21)	(8)	(13)		(0.04)	
Non-GAAP	$ 2,133	4 %	$ 2,047	$ 722	$ 1,324	3 %	$ 3.84	3 %

[1] from continuing operations
[2] attributable to Cardinal Health, Inc.

The sum of the components may not equal to the total due to rounding.

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Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation

	Operating Earnings	Operating Earnings Growth Rate	Earnings[1] Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations[2]	Net Earnings from Continuing Operations[2] Growth Rate	Diluted EPS[1,2]	Diluted EPS[1,2] Growth Rate
				Fiscal Year 2013				
GAAP	$ 996	(44)%	$ 888	$ 553	$ 335	(69)%	$ 0.97	(68)%
Restructuring and employee severance	71		71	27	44		0.13	
Amortization and other acquisition-related costs	158		158	52	106		0.31	
Impairments and (gain)/loss on disposal of assets	859		859	37	822		2.39	
Litigation (recoveries)/charges, net	(38)		(38)	(15)	(23)		(0.07)	
Non-GAAP	$ 2,046	10 %	$ 1,938	$ 654	$ 1,284	15 %	$ 3.73	16 %
				Fiscal Year 2012				
GAAP	$ 1,792	18 %	$ 1,698	$ 628	$ 1,070	11 %	$ 3.06	12 %
Restructuring and employee severance	21		21	8	13		0.04	
Amortization and other acquisition-related costs	33		33	9	24		0.07	
Impairments and (gain)/loss on disposal of assets	21		21	8	13		0.04	
Litigation (recoveries)/charges, net	(3)		(3)	(1)	(2)		(0.01)	
Other Spin-Off Costs	2		2	1	1		-	
Non-GAAP	$ 1,866	13 %	$ 1,772	$ 653	$ 1,119	13 %	$ 3.21	15 %
				Fiscal Year 2011				
GAAP	$ 1,514	16 %	$ 1,518	$ 552	$ 966	65 %	$ 2.74	69 %
Restructuring and employee severance	15		15	5	10		0.03	
Amortization and other acquisition-related costs	90		90	22	68		0.19	
Impairments and (gain)/loss on disposal of assets	9		9	3	6		0.02	
Litigation (recoveries)/charges, net	6		6	(1)	7		0.02	
Other Spin-Off Costs	10		10	4	6		0.02	
Gain on sale of CareFusion stock	-		(75)	-	(75)		(0.21)	
Non-GAAP	$ 1,644	18 %	$ 1,573	$ 585	$ 988	22 %	$ 2.80	25 %

[1] from continuing operations
[2] attributable to Cardinal Health, Inc.

The 5-year compound annual growth rate for GAAP and non-GAAP operating earnings was 10.2 percent and 12.0 percent, respectively.

The 5-year compound annual growth rate for GAAP and non-GAAP diluted earnings per share from continuing operations attributable to Cardinal Health, Inc. was 9.5 percent and 13.4 percent, respectively.

The sum of the components may not equal to the total due to rounding.

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Forward Looking non-GAAP Measures

In this presentation, the Company presents its outlook for fiscal 2017 non-GAAP EPS. The Company does not provide EPS outlook, which is the most directly comparable GAAP measure to non-GAAP EPS, because changes in the items that the Company excludes from EPS to calculate non-GAAP EPS, described above, 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, due to their unpredictability, management does not forecast many of the excluded items for internal use and therefore cannot create or rely on an EPS outlook.

The timing and amount of any of the excluded items could significantly impact the Company's fiscal 2017 EPS. Over the past five fiscal years, the excluded items have lowered the Company's EPS from $0.14 to $2.76, which includes a goodwill impairment charge of $2.32 per share related to our Nuclear Pharmacy Services division that we recognized in fiscal 2013.

Definitions

Non-GAAP diluted EPS from continuing operations attributable to Cardinal Health, Inc. or "Non-GAAP diluted EPS": non-GAAP net earnings from continuing operations attributable to Cardinal Health, Inc. divided by diluted weighted-average shares outstanding.

Non-GAAP earnings before income taxes and discontinued operations: earnings before income taxes and discontinued operations excluding (1) LIFO charges/(credits), (2) restructuring and employee severance, (3) amortization and other acquisition-related costs, (4) impairments and (gain)/loss on disposal of assets, (5) litigation (recoveries)/charges, net, and (6) loss on extinguishment of debt.

Non-GAAP gross margin: gross margin excluding LIFO charges/(credits).

Non-GAAP net earnings from continuing operations attributable to Cardinal Health, Inc.: earnings from continuing operations before income taxes excluding (1) LIFO charges/(credits), (2) restructuring and employee severance, (3) amortization and other acquisition-related costs, (4) impairments and (gain)/loss on disposal of assets, (5) litigation (recoveries)/charges, net, and (6) loss on extinguishment of debt.

Non-GAAP operating earnings: operating earnings excluding (1) LIFO charges/(credits), (2) restructuring and employee severance, (3) amortization and other acquisition-related costs, (4) impairments and (gain)/loss on disposal of assets, (5) litigation (recoveries)/charges, net, and (6) other spin off costs.

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.

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