

AmerisourceBergen

Q3 FY2021 Financial Results

August 4, 2021

Cautionary note regarding forward-looking statements

Certain of the statements contained in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"). Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "project," "intend," "plan," "continue," "sustain," "synergy," "on track," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words, and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances and speak only as of the date hereof. These statements are not guarantees of future performance and are based on assumptions and estimates that could prove incorrect or could cause actual results to vary materially from those indicated. Among the factors that could cause actual results to differ materially from those projected, anticipated, or implied are the following: unfavorable trends in brand and generic pharmaceutical pricing, including in rate or frequency of price inflation or deflation; competition and industry consolidation of both customers and suppliers resulting in increasing pressure to reduce prices for our products and services; changes in the United States healthcare and regulatory environment, including changes that could impact prescription drug reimbursement under Medicare and Medicaid; increasing governmental regulations regarding the pharmaceutical supply channel; declining reimbursement rates for pharmaceuticals; continued federal and state government enforcement initiatives to detect and prevent suspicious orders of controlled substances and the diversion of controlled substances; continued prosecution or suit by federal, state and other governmental entities of alleged violations of laws and regulations regarding controlled substances, including due to failure to achieve a global resolution of the multi-district opioid litigation and other related state court litigation, and any related disputes, including shareholder derivative lawsuits; increased federal scrutiny and litigation, including qui tam litigation, for alleged violations of laws and regulations governing the marketing, sale, purchase and/or dispensing of pharmaceutical products or services, and associated reserves and costs; failure to comply with the Corporate Integrity Agreement; material adverse resolution of pending legal proceedings; the retention of key customer or supplier relationships under less favorable economics or the adverse resolution of any contract or other dispute with customers or suppliers; changes to customer or supplier payment terms, including as a result of the COVID-19 impact on such payment terms; the integration of the Alliance Healthcare business into the Company being more difficult, time consuming or costly than expected; the Company's or Alliance Healthcare's failure to achieve expected or targeted future financial and operating performance and results; the effects of disruption from the acquisition and related strategic transactions on the respective businesses of the Company and Alliance Healthcare and the fact that the acquisition and related strategic transactions may make it more difficult to establish or maintain relationships with employees, suppliers and other business partners; the acquisition of businesses, including the acquisition of the Alliance Healthcare businesses and related strategic transactions, that do not perform as expected, or that are difficult to integrate or control, or the inability to capture all of the anticipated synergies related thereto or to capture the anticipated synergies within the expected time period; risks associated with the strategic, long-term relationship between Walgreens Boots Alliance, Inc. and the Company, including with respect to the pharmaceutical distribution agreement and/or the global generic purchasing services arrangement; managing foreign expansion, including non-compliance with the U.S. Foreign Corrupt Practices Act, anti-bribery laws, economic sanctions and import laws and regulations; financial market volatility and disruption; changes in tax laws or legislative initiatives that could adversely affect the Company's tax positions and/or the Company's tax liabilities or adverse resolution of challenges to the Company's tax positions; substantial defaults in payment, material reduction in purchases by or the loss, bankruptcy or insolvency of a major customer, including as a result of COVID-19; the loss, bankruptcy or insolvency of a major supplier, including as a result of COVID-19; financial and other impacts of COVID-19 on our operations or business continuity; changes to the customer or supplier mix; malfunction, failure or breach of sophisticated information systems to operate as designed; risks generally associated with data privacy regulation and the international transfer of personal data; natural disasters or other unexpected events, such as additional pandemics, that affect the Company's operations; the impairment of goodwill or other intangible assets (including any additional impairments with respect to foreign operations), resulting in a charge to earnings; the Company's ability to manage and complete divestitures; the disruption of the Company's cash flow and ability to return value to its stockholders in accordance with its past practices; interest rate and foreign currency exchange rate fluctuations; declining economic conditions in the United States and abroad; and other economic, business, competitive, legal, tax, regulatory and/or operational factors affecting the Company's business generally. Certain additional factors that management believes could cause actual outcomes and results to differ materially from those described in forward-looking statements are set forth (i) in Item 1A (Risk Factors), in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2020 and elsewhere in that report and (ii) in other reports filed by the Company pursuant to the Securities Exchange Act. The Company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by the federal securities laws.

GAAP / non-GAAP Reconciliation

In an effort to provide additional and useful information regarding AmerisourceBergen's financial results and other financial information as determined by generally accepted accounting principles (GAAP), certain materials presented during this event include non-GAAP information. A reconciliation of that information to GAAP and other related information is available in the supplemental material attached as an appendix to this presentation and posted on our website, investor.amerisourcebergen.com.



AmerisourceBergen
is united in our responsibility to
create healthier futures.

AmerisourceBergen drives innovative
partnerships with global manufacturers,
providers, and pharmacies to improve
product access and efficiency throughout
the healthcare supply chain.

Overview

Strong Q3 performance

- Pharmaceutical distribution growth driven by solid performance across the business and specialty product sales
- Growth in Other driven by the Alliance Healthcare acquisition and continued strength at MWI Animal Health and World Courier

Differentiated value proposition

- Industry-leading customer base
- Leadership in specialty distribution and commercialization services
- Best-in-class service and efficiency to support pharmaceutical innovation
- Legacy of corporate stewardship

Fiscal 2021 guidance update

- Updated fiscal 2021 guidance reflects strong performance across businesses and four-month contribution from Alliance Healthcare

Q3 FY2021 financial results

Consolidated results

	GAAP	Adjusted (non-GAAP) ¹
Revenue	\$53.4B	\$53.4B
<i>% Change (Year-over-Year)</i>	17.7%	17.7%
Gross profit	\$1.9B	\$1.6B
<i>% Change</i>	54.0%	32.0%
Operating expenses	\$1,267M	\$996M
<i>% Change</i>	54.4%	37.5%
Operating income	\$621M	\$631M
<i>% Change</i>	53.3%	24.3%
Interest expense, net	\$51M	\$51M
<i>% Change</i>	36.0%	36.0%
Effective tax rate	48.5%	21.0%
Net income attributable to AmerisourceBergen	\$292M	\$452M
<i>% Change</i>	0.9%	18.8%
Diluted earnings per share	\$1.40	\$2.16
<i>% Change</i>	(0.7)%	16.8%
Diluted shares outstanding	209M	209M
<i>% Change</i>	1.6%	1.6%

¹See tables at end of presentation for GAAP to non-GAAP reconciliations

Note: For more information related to non-GAAP financial measures, refer to the section titled "Supplemental Information Regarding Non-GAAP Financial Measures" of the exhibit to the Company's most recent Current Report on Form 8-K furnished under Item 2.02.

Q3 FY2021 financial results

Pharmaceutical Distribution Services segment

	Q3 FY2021	Q3 FY2020
Revenue	\$49.3B	\$43.6B
Operating income	\$484M	\$427M
<i>Percentages of revenue</i>		
Gross profit	2.14%	2.08%
Operating expenses	1.16%	1.10%
Operating income	0.98%	0.98%

- Revenue increase of 13.2% driven by strong specialty product sales, including COVID-19 treatments, and solid performance broadly across pharmaceutical distribution business
- Operating income increase of 13.4% primarily due to the strong performance across pharmaceutical distribution business, including growth in sales of specialty products

Q3 FY2021 financial results

Other — Global Commercialization Services, MWI Animal Health, and Alliance Healthcare

	Q3 FY2021	Q3 FY2020
Revenue	\$4.1B	\$1.8B
Operating income	\$147M	\$83M
<i>Percentages of revenue</i>		
Gross profit	13.92%	18.17%
Operating expenses	10.37%	13.59%
Operating income	3.56%	4.58%

- Other includes Alliance Healthcare, MWI Animal Health, World Courier, and AmerisourceBergen Consulting Services
- Revenue increase of 128.0% due to the acquisition of Alliance Healthcare and growth at all three operating segments
- Operating income increase of 77.2% due to Alliance Healthcare and performance of MWI Animal Health and World Courier

FY2021 guidance

Updated guidance reflects continued strong performance across AmerisourceBergen's businesses¹

Expectations on an *adjusted (non-GAAP)* basis²

Revenue	At least \$210B
Diluted earnings per share	\$9.15 to \$9.30
Operating expense	~\$3.9B
Operating income	~\$2.6B
Pharmaceutical Distribution Services operating income	Low-double digit percent growth
Other operating income (including Alliance Healthcare)	\$610M to \$620M
Global Commercialization Services & MWI Animal Health operating income (Other, excluding Alliance Healthcare)	Low-double digit percent growth
Effective tax rate	21-22%
Diluted weighted average shares outstanding	At least 208M
Free cash flow	~\$1.7B
Capital expenditures	~\$400M

Bold numbers indicate updates to FY2021 financial guidance.

1. In June 2021, AmerisourceBergen updated its fiscal year 2021 financial guidance for revenue, adjusted diluted EPS and weighted average shares following the closing of the Alliance Healthcare acquisition to reflect the expected contribution from Alliance Healthcare and the weighted average share count impact of the 2 million shares of AmerisourceBergen common stock that the Company delivered to Walgreens at closing of the transaction.

2. The Company does not provide forward-looking guidance on a GAAP basis as certain information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Please refer to the exhibit to the Company's most recent Current Report on Form 8-K furnished under Item 2.02 for more information.

Purpose fuels performance

Why we exist

We are united in our responsibility to create healthier futures

Our key strengths



Best customer base



Leader in specialty
distribution and
commercialization



Innovation mindset



Corporate stewardship

Our growth strategies

Customer focus

Further strengthen portfolio of solutions and customer relationships to lead with market leaders

Expand on specialty leadership

Enhance capabilities to support both upstream partners and downstream customers

Execution and innovation

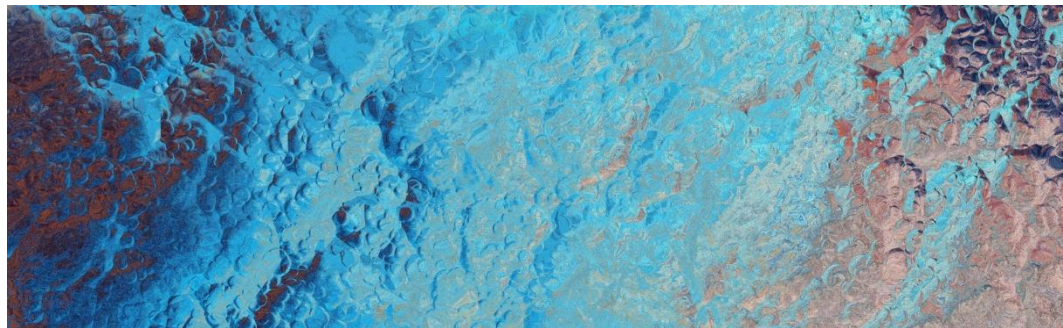
Continue to deliver best-in-class service, set efficiency standards, and develop innovative approaches

Contribute to Rx outcomes

Enable positive outcomes globally by facilitating market access and supporting Rx innovation

Our long-term, sustainable growth is supported by our diverse and inclusive teams and investments in our people and culture

Advancing environmental, social, and governance initiatives to create healthier futures around the world



Environmental

Adapting to a changing climate

- Reduced greenhouse gas emissions by over 5%
- 100+ disaster preparedness plans and climate risk assessments in place to ensure supply chain resiliency
- Transportation, packaging and operational efficiency focus

Social

Investing in our people and communities

- COVID-19 response includes protecting our people, providing global solutions, and making philanthropic contributions
- Long-term diversity and inclusion strategy focused on people, culture, and community
- Committed to enhancing our resources and benefits to enable a high-performance culture

Governance

Embracing a culture of transparency, ethics, and integrity

- Published 5th corporate citizenship report, aligned with GRI, SASB, UN SDGs, and externally assured
- Board oversight of ESG strategy, which is embedded in business
- Chief Financial Officer and Chief Communications & Administration Officer serve as executive sponsors of company's Global ESG Council

AmerisourceBergen

Appendix

AMERISOURCEBERGEN CORPORATION
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share data)
(unaudited)

Three Months Ended June 30, 2021

	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income Attributable to Noncontrolling Interests	Net Income Attributable to ABC	Diluted Earnings Per Share
GAAP	\$ 1,888,206	\$ 1,267,479	\$ 620,727	\$ 573,530	\$ 278,082	\$ (3,326)	\$ 292,122	\$ 1.40
Gains from antitrust litigation settlements	(147,432)	—	(147,432)	(147,432)	(15,266)	—	(132,166)	(0.63)
LIFO credit	(113,920)	—	(113,920)	(113,920)	(6,692)	—	(107,228)	(0.51)
Acquisition-related intangibles amortization	—	(44,282)	44,282	44,282	(4,355)	(890)	47,747	0.23
Employee severance, litigation, and other ¹	—	(226,964)	226,964	226,964	6,034	—	220,930	1.06
Tax reform ²	—	—	—	(6,243)	(136,588)	—	130,345	0.62
Adjusted Non-GAAP	<u>\$ 1,626,854</u>	<u>\$ 996,233</u>	<u>\$ 630,621</u>	<u>\$ 577,181</u>	<u>\$ 121,215</u>	<u>\$ (4,216)</u>	<u>\$ 451,750</u>	<u>\$ 2.16</u> ³
Adjusted Non-GAAP % change vs. prior year	32.0 %	37.5 %	24.3 %	23.1 %	37.3 %		18.8 %	16.8 %
Percentages of Revenue:	GAAP	Adjusted Non-GAAP						
Gross profit	3.54 %	3.05 %						
Operating expenses	2.37 %	1.87 %						
Operating income	1.16 %	1.18 %						

¹ Includes a \$124.3 million legal expense accrual related to our proposed opioid litigation settlement.

² Includes \$127.6 million of expense relating to UK tax reform, \$9.0 million of expense relating to Swiss tax reform, and \$6.2 million of income on the currency remeasurement of the related deferred tax assets, which is recorded within Other (Income) Loss.

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

Note: For more information related to non-GAAP financial measures, refer to the section titled "Supplemental Information Regarding Non-GAAP Financial Measures" of the exhibit to the Company's most recent Current Report on Form 8-K furnished under Item 2.02.

AMERISOURCEBERGEN CORPORATION
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share data)
(unaudited)

Three Months Ended June 30, 2020

	Gross Profit	Operating Expenses	Operating Income	Income Before Income Taxes	Income Tax (Benefit) Expense	Net Loss (Income) Attributable to Noncontrolling Interests	Net Income Attributable to ABC	Diluted Earnings Per Share
GAAP	\$ 1,225,716	\$ 820,885	\$ 404,831	\$ 343,835	\$ 56,567	\$ 2,171	\$ 289,439	\$ 1.41
Gains from antitrust litigation settlements	—	—	—	—	(15)	—	15	—
LIFO expense	6,061	—	6,061	6,061	1,555	—	4,506	0.02
PharMEDium shutdown costs	432	(12,504)	12,936	12,936	3,264	—	9,672	0.05
Acquisition-related intangibles amortization	—	(25,109)	25,109	25,109	6,276	(437)	18,396	0.09
Employee severance, litigation, and other	—	(58,585)	58,585	58,585	14,583	—	44,002	0.21
Impairment of PharMEDium assets	—	—	—	—	638	—	(638)	—
Contingent consideration adjustment	—	—	—	—	(22)	(1,833)	(1,811)	(0.01)
Loss on early retirement of debt	—	—	—	22,175	5,449	—	16,726	0.08
Adjusted Non-GAAP	<u>\$ 1,232,209</u>	<u>\$ 724,687</u>	<u>\$ 507,522</u>	<u>\$ 468,701</u>	<u>\$ 88,295</u>	<u>\$ (99)</u>	<u>\$ 380,307</u>	<u>\$ 1.85</u>
Percentages of Revenue:	GAAP	Adjusted Non-GAAP						
Gross profit	2.70%	2.72%						
Operating expenses	1.81%	1.60%						
Operating income	0.89%	1.12%						

Note: For more information related to non-GAAP financial measures, refer to the section titled "Supplemental Information Regarding Non-GAAP Financial Measures" of the exhibit to the Company's most recent Current Report on Form 8-K furnished under Item 2.02.

AmerisourceBergen

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