Cardinal Health, Inc.

40th Annual JP Morgan Conference

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Chief Executive Officer

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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 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 the ongoing COVID-19 pandemic and our critical role in the global healthcare supply chain, including our ability to recoup or mitigate cost increases and inflation, including costs to source certain personal protective or other equipment, increased costs for transportation, shipping, freight and commodities, reduced price or demand for certain products, which may result in additional inventory reserves, possible workforce issues resulting from COVID-19 vaccine mandates and the possible impact of disruptions of our distribution or manufacturing facilities; the possibility that our Medical unit goodwill could be impaired due to the decreased outlook for Medical segment profit or possible unfavorable changes in the U.S. statutory tax rate; 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 with CVS Health; risks associated with the distribution of opioids, including the financial impact associated with the proposed settlement agreement and process we have negotiated with governmental authorities, including the risk that we may fail to reach a final settlement agreement or that a significant number of states and subdivisions may not agree to sign on the proposed settlement agreement, the risk that challenges to our plans to take tax deductions for opioid-related losses could adversely impact our financial results and risks arising from the Department of Justice investigation which we believe concerns our anti-diversion program; risks associated with the manufacture and sourcing of certain products, including risks related to our ability and the ability of third-party manufacturers 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 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 January 10, 2022. 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 at ir.cardinalhealth.com.

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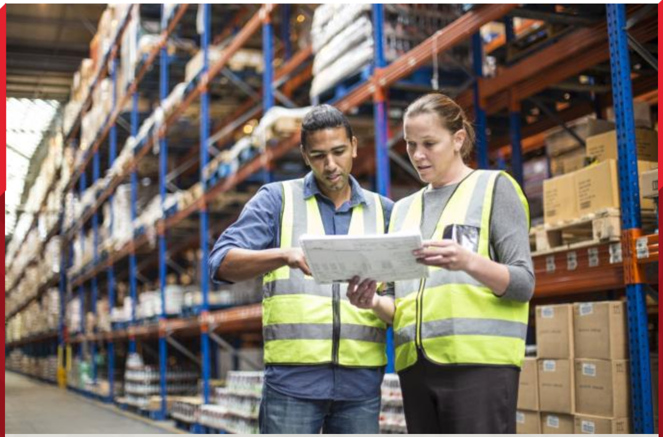
Advancing healthcare to improve lives

Healthcare's partner

A distributor of pharmaceuticals; global manufacturer and distributor of medical and laboratory products; and provider of performance and data solutions for healthcare facilities



50+ years of innovation

Building upon our scale and heritage in distribution, products and solutions

Creating customer-centric solutions

To address healthcare's most complicated challenges

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Essential facts about Cardinal Health

$162B
of revenue in FY21

Operations in more than
30
countries

Approximately
44,000
employees worldwide

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Our breadth and scale

We serve roughly **90%** of U.S. hospitals through our pharmaceutical or medical distribution, products and solutions.

We serve more than **60,000** U.S. pharmacies through distribution and services. These include large chains, grocery stores, retail independents and hospitals.

We serve more than **3.4 million** U.S. patients with more than **46,000** home healthcare products.

We operate a network of more than **130** nuclear pharmacies and more than **30** PET sites and other nuclear manufacturing facilities.

We serve more than **10,000** U.S. specialty physician offices and clinics.

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FY21 highlights

Financial Performance	• Grew revenue 6% versus the prior year to $162B • Grew non-GAAP EPS, despite ~$200M year-over-year COVID-19 non-GAAP operating earnings headwind • Surpassed enterprise cost savings target for third consecutive year • Generated operating cash flow of $2.4B
Capital Deployment	• Returned nearly $800M to shareholders through dividends and share repurchases • Strengthened balance sheet by paying down ~$550M of long-term debt
Portfolio & Strategic Positioning	• As a result of continued portfolio evaluation, agreed to divest Cordis business for ~$1B in proceeds; transaction completed in August 2021 • Continued investments and partnerships in strategic growth areas and innovation
COVID-19 Response & Partnerships	• Partnered with CDC as a network administrator to enable retail independent, small chain and long-term care pharmacy customers to participate in COVID-19 vaccination effort • Awarded Strategic National Stockpile contract to store and distribute PPE

Two financial reporting segments

Pharmaceutical

FY21 revenues	FY21 segment profit
$145.8B	$1.7B

Medical

FY21 revenues	FY21 segment profit
$16.7B	$577M

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Pharmaceutical segment

Pharmaceutical Distribution

Specialty Solutions

Nuclear and Precision Health Solutions

Outcomes

Key capabilities

- Distribute branded, generic and specialty pharmaceuticals and over-the-counter healthcare and consumer products
- Provide end-to-end logistics and technology solutions for manufacturers, pharmacies and healthcare providers
- Manufacture radiopharmaceuticals, operate nuclear pharmacies and support radiopharmaceutical innovation
- Provide pharmacy management, medication therapy management and patient outcomes services to connect hospitals, healthcare providers and payers

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Medical segment

Medical Products

Medical Products Distribution

at-Home Solutions

Medical Services

Key capabilities

- Manufacture, source and distribute Cardinal Health Brand Medical, Surgical and Laboratory Products
- Distribute a broad range of national brand products to acute and alternate sites of care
- Distribute medical products directly to patients’ homes and provide solutions for customers to serve patients in the home
- Provide data-driven supply chain solutions to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers

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FY22 strategic priorities

1 **Optimize core businesses**	• Focus on optimizing our **global supply chain,** prioritizing **customer experience** and driving **commercial excellence** • Maximize **generics program** performance • Deliver cost savings towards our **5-year, $750M goal**
2 **Invest for growth & innovation**	• Fuel growth and innovation in our **five strategic growth areas**: ▪ Specialty ▪ at-Home Solutions ▪ Nuclear ▪ Medical Services ▪ Outcomes • Support **customer driven innovations** by focusing on our technology, including our digital capabilities and ordering platforms
3 **Deploy capital efficiently**	• Prioritize **investment in the business** to drive organic growth • Maintain a **strong balance sheet** by paying down ~$850M of long-term debt • **Return capital to shareholders** by growing the dividend at a modest rate and with ~$1.0B of share repurchases • Continue to evaluate **tuck in M&A** in strategic growth areas

Optimizing core businesses

Across the Enterprise	• Launched initiatives to **deliver additional $250M in savings** by FY23 ($750M cumulative cost savings vs. FY18 baseline) • Investing incremental ~$120M in FY22 in **technology enhancements** to drive growth and efficiencies
Medical	• Taking decisive action to **reposition business for growth**, such as Cordis divestiture completed in Q1 FY22 • **Simplifying our operating model** by significantly reducing our international commercial footprint, including announced exit of 36 initial markets • Further **streamlining our manufacturing footprint** and **modernizing our distribution facilities** • Focusing on **driving mix through commercial excellence,** a significant mid to long-term **profit opportunity** as customers transition from managing COVID-19 response
Pharma	• Supporting **our diverse customer base** through our distribution expertise and by **launching solutions** for retail and other customers • Maximizing our **generics program**, while continuing to see **consistent market dynamics** • Making significant investments to enhance our **technology infrastructure** and improve our **digital capabilities**

Key healthcare trends

Specialty Pharmaceutical Innovation	Rapidly changing patient care with unique needs (e.g., cell and gene therapy, theranostics)
Site of Care Shifts	Healthcare in the home and other non-acute settings, catalyzed by aging population, COVID, and value-based care models
Tech-enabled Supply Chain	Transparency, automation, and enhanced delivery models (e.g., drones, AI)
Consumerism	Expectations surrounding care delivery drive streamlined access and patient engagement

Increasing utilization, data, and technology underpinning key healthcare trends

Investing for growth and innovation

Blending core distribution and product offerings with strategic assets positioned for strong growth

Investing for growth and innovation

Specialty Solutions	Launching **new provider solutions,** continuing **commercial momentum** in upstream services and positioned to support future **growth in biosimilars** and **cell and gene therapy**
at-Home Solutions	Investing ~$20M in **digital and technology** and **expanding warehouse network** to support strong demand
Nuclear and Precision Health Solutions	**Doubling profits by FY26** through investments in **theranostics,** expansion of **PET capabilities** and partnerships supporting **radiopharmaceutical innovation**
Medical Services	Implementing **tech-enabled** OptiFreight® Logistics capabilities and leveraging WaveMark™ **digitally automated supply chain** capabilities
Outcomes	Adding **new payers and PBMs, expanding clinical solutions** for retail chains and independent pharmacies and implementing **new patient adherence programs**

Deploying capital efficiently

Priorities	FY22 guidance assumption
Invest in the business	• Capital expenditures of **\$400M to \$450M** • Incremental technology investments of **~\$120M**
Strengthen our balance sheet	• Total debt paydown of **~\$850M** to complete June 2022 debt tower • **~\$570M** of FY22 debt paydown completed as of Q1[1]
Return cash to shareholders	• **1%** dividend **increase** for FY22[2] • Total share repurchases of **~\$1.0B**; \$500M completed as of Q1[1] • New **\$3.0B** share repurchase authorization expiring December 31, 2024

- Opportunistically evaluate **tuck-in M&A/partnerships** in growth areas

Priorities enabled by continued strong cash flow generation

[1]As of first quarter fiscal 2022 earnings release on November 9, 2021
[2]Dividend increase previously announced on May 6, 2021

Long-term targets

Pharma — **Low-single digit** to **mid-single digit** segment profit growth

1. **Strengthening our core** Pharmaceutical Distribution business
2. Fueling our **growth businesses:** Specialty, Nuclear, Outcomes

Medical — **Mid-single digit** to **high-single digit** segment profit growth

1. Simplifying our **operating model**
2. Focusing on **driving mix** through **commercial excellence**
3. Fueling our **growth businesses:** at-Home Solutions and Medical Services

+ Capital Allocation — **Balanced, disciplined** and **shareholder-friendly capital deployment**

1. Moderating **debt paydown** = greater flexibility for shareholder return
2. Commitment to **dividend**
3. New **$3.0B share repurchase authorization** expiring December 31, 2024

= *Double-digit combined Non-GAAP EPS growth and dividend yield on average*

Environmental, social, and governance priorities: 2030 goals

Diversity, equity and inclusion: Representation matters

Specifically, by 2030, our goals are that our workforce representation changes in the following ways:

+8%

Globally, increased representation of **women** at the manager level and above from **40% to 48%**

+6%

In the U.S., increased representation of **African American and Black** employees at the manager level and above from **5% to 11%**

+6%

In the U.S., increased representation of **Asian, Latinx, Indigenous and all other ethnically diverse groups** at the manager level and above from **17% to 23%**

Working to build a more sustainable future

↓50%

We're committed to reducing our impact on the environment and have set initial targets for **reducing our Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by FY30**, against an FY19 baseline

We are assessing our **Scope 3 emissions** and are working toward validation of a comprehensive Scope 1, 2 and 3 science-based target by the Science-Based Targets initiative (SBTi)

Cardinal Health investment thesis

Favorable healthcare trends

- Increasing demand for our services due to healthcare trends and patient demographics

Valued by customers

- Essential role in the delivery of healthcare as a leader in consolidated industries

Differentiated portfolio in growth areas

- Anticipate continued double-digit growth in higher-growth businesses, enabling long-term growth targets

Focused on driving efficiencies

- On path to achieving 5-year cost savings goal of $750 million by FY23

Attractive valuation

- Stability in Pharma distribution and right plans in place to improve Medical performance

Strong cash flow generation

- Resilient business models generate continued robust operating cash flow

Focused on balanced, disciplined and shareholder-friendly capital deployment

- Including commitment to our dividend and new $3 billion share repurchase authorization

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Appendix

GAAP to non-GAAP reconciliation statements
and supplemental financial information

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/ (Loss) Growth Rate	Earnings/ (Loss) Before Income Taxes	Provision for/ (Benefit from) Income Taxes	Net Earnings/ (Loss)[3]	Net Earnings/ (Loss)[3] Growth Rate	Effective Tax Rate	Diluted EPS[3,4]	Diluted EPS[3] Growth Rate
							Fiscal Year 2021						
GAAP	**$ 6,778**	**(1)%**	**$ 4,533**	**(1)%**	**$ 472**	**N.M.**	**$ 323**	**$ (289)**	**$ 611**	**N.M.**	**(89.7)%**	**$ 2.08**	**N.M.**
Surgical gown recall costs/(income)	**(24)**		**4**		**(28)**		**(28)**	**(7)**	**(21)**			**(0.07)**	
State opioid assessment related to prior fiscal years	**-**		**(38)**		**38**		**38**	**9**	**29**			**0.10**	
Restructuring and employee severance	**-**		**-**		**114**		**114**	**27**	**87**			**0.29**	
Amortization and other acquisition-related costs	**-**		**-**		**451**		**451**	**118**	**333**			**1.13**	
Impairments and (gain)/loss on disposal of assets, net	**-**		**-**		**79**		**79**	**15**	**64**			**0.21**	
Litigation (recoveries)/charges, net[5]	**-**		**-**		**1,129**		**1,129**	**606**	**523**			**1.78**	
Loss on early extinguishment of debt	**-**		**-**		**-**		**14**	**3**	**11**			**0.04**	
(Gain)/Loss on sale of equity interest in naviHealth investment					**-**		**2**	**1**	**1**			**0.01**	
Non-GAAP	**$ 6,754**	**(2)%**	**$ 4,499**	**(1)%**	**$ 2,255**	**(5)%**	**$ 2,122**	**$ 483**	**$ 1,637**	**2 %**	**22.8 %**	**$ 5.57**	**2 %**
							Fiscal Year 2020						
GAAP	$ 6,868	- %	$ 4,572	2 %	$ (4,098)	N.M.	$ (3,772)	$ (79)	$ (3,696)	N.M.	2.1 %	$ (12.61)	**N.M.**
Surgical gown recall costs/(income)	48		(37)		85		85	22	63			0.22	
State opioid assessment related to prior fiscal years	-		(3)		3		3	1	2			0.01	
Restructuring and employee severance	-		-		122		122	29	93			0.31	
Amortization and other acquisition-related costs	-		-		524		524	130	394			1.34	
Impairments and (gain)/loss on disposal of assets, net	-		-		7		7	2	5			0.02	
Litigation (recoveries)/charges, net[5]	-		-		5,741		5,741	514	5,227			17.84	
Loss on early extinguishment of debt	-		-		-		16	4	12			0.04	
(Gain)/Loss on sale of equity interest in naviHealth investment					-		(579)	(86)	(493)			(1.68)	
Transitional tax benefit, net	-		-		-		-	2	(2)			(0.01)	
Non-GAAP	$ 6,916	1 %	$ 4,532	1 %	$ 2,384	1 %	$ 2,147	$ 539	$ 1,605	1 %	25.1 %	$ 5.45	**3 %**

[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 2020, 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 are calculated using a weighted average of 293 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. Fiscal 2020 non-GAAP diluted EPS is calculated using a weighted average of 295 million common shares, which includes potentially dilutive shares.

[5] Litigation (recoveries)/charges, net includes pre-tax charges of $1.17 billion and $5.63 billion recorded in fiscal 2021 and 2020, respectively, related to the opioid litigation. The net tax benefits associated with the opioid litigation charges are $228 million and $488 million for fiscal 2021 and 2020, respectively.

Litigation(recoveries)/charges, includes a tax benefit recorded during fiscal 2021 related to a net operating loss carryback. Our wholly-owned insurance subsidiary recorded a self-insurance pre-tax loss in its fiscal 2020 statutory financial statements primarily related to opioid litigation. This self-insurance pre-tax loss, which did not impact our pre-tax consolidated results, was deducted on our fiscal 2020 consolidated federal income tax return and contributed to a significant net operating loss for tax purposes. The net operating loss was carried back and adjusted our taxable income for fiscal 2015, 2016, 2017 and 2018 as permitted under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act. The total benefit from the net operating loss carryback was $424 million; however, for purposes of Non-GAAP financial measures, we allocated $389 million of the benefit to litigation (recoveries)/charges, net, which is excluded from non-GAAP measures, based on the relative amount of the self-insurance pre-tax loss related to opioid litigation claims versus separate tax adjustments. The tax benefit allocated to the separate tax adjustments of $35 million is included in non-GAAP measures.

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.

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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 2021 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. The excluded items for fiscal 2021 impacted the Company's EPS by $3.49, which includes a $3.21 charge related to the opioid litigation.

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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) and state opioid assessment related to prior fiscal years.

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) restructuring and employee severance, (5) amortization and other acquisition-related costs, (6) impairments and (gain)/loss on disposal of assets, and (7) 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) restructuring and employee severance, (5) amortization and other acquisition-related costs, (6) impairments and (gain)/loss on disposal of assets, (7) litigation (recoveries)/charges, net, (8) loss on early extinguishment of debt and (9) (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) restructuring and employee severance, (5) amortization and other acquisition-related costs, (6) impairments and (gain)/loss on disposal of assets, (7) litigation (recoveries)/charges, net, (8) loss on early extinguishment of debt and (9) (gain)/loss on sale of equity interest in naviHealth, each net of tax, and (10) transitional tax benefit, net.

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

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.

[1] LIFO charges and credits are excluded because the factors relating to 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.

[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 when the underlying assessments were invalidated by a Court or reimbursed by manufacturers.

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

[5] 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.

[6] Impairments and gain or loss on disposal of assets 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.

[7] 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 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.

[8] 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.

[9] (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.

[10] Transitional tax benefit, net related to the Tax Cuts and Jobs Act is excluded because it results from the one-time impact of a very significant change in the U.S. federal corporate tax rate and, due to the significant size of the benefit, obscures analysis of trends and financial performance. The transitional tax benefit includes the initial estimate and subsequent adjustments for the re-measurement of deferred tax assets and liabilities due to the reduction of the U.S. federal corporate income tax rate and the repatriation tax on undistributed foreign earnings.

The tax effect for each of the items listed above, other than the transitional tax benefit item, 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.

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