

cencora

2023

Summary
Annual
Report

Table of contents

03	About Cencora
05	CEO letter
12	Financial highlights
14	Management team
15	Board of Directors
16	GAAP/Non-GAAP financial measures
18	Corporate information

About Cencora

Cencora is a leading global pharmaceutical solutions organization centered on improving the lives of people and animals around the world. We partner with pharmaceutical innovators across the value chain to facilitate and optimize market access to therapies. Care providers depend on us for the secure, reliable delivery of pharmaceuticals, healthcare products, and solutions.

CEO letter

To our shareholders:

Fiscal 2023 was a seminal year for Cencora as we united under our new, globally inclusive identity and took key steps to advance our position at the center of healthcare. Our evolution to Cencora unites our team members under a name that better reflects our impact on healthcare as we continue to build on our commercial strengths.

Guided by our purpose, powered by our foundation in pharmaceutical distribution, and differentiated by the breadth of solutions we provide our partners, we continue to execute on our strategic imperatives to advance our core business and enhance our capabilities to drive value for all our stakeholders.

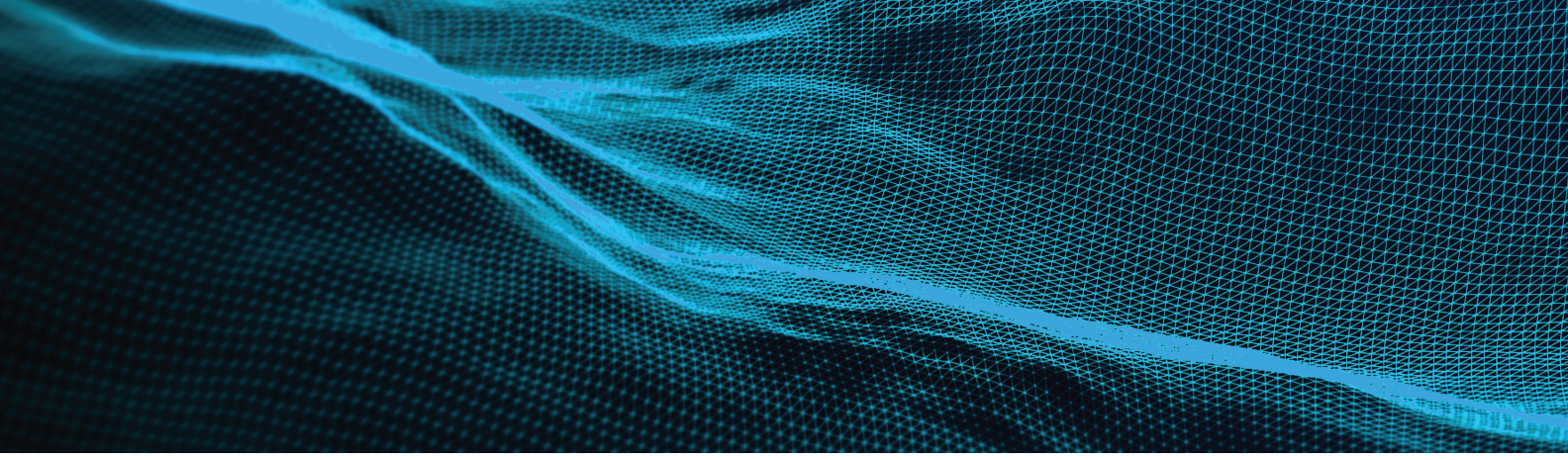
Strong performance and execution on pharmaceutical-centric strategy

Our consolidated revenue was \$262 billion, up 10%, adjusted operating income increased by 4% to \$3.3 billion, and our full year adjusted diluted EPS was \$11.99, an increase of 9%. Solid underlying business fundamentals, broad-based utilization trends, and a continued focus on efficiency allowed us to deliver strong results in the year.

U.S. Healthcare Solutions segment operating income grew 6%, powered by our team's strong execution as we capitalized on our pharmaceutical-centric strategy. We continue to benefit from strong prescription utilization trends and our longstanding leadership in specialty, where innovation and demographic trends support our growth.

Our customers, and ultimately the patients they serve, are at the center of everything we do. Against the backdrop of the ever-changing healthcare landscape, we are uniquely positioned with the infrastructure and expertise to help our customers navigate their challenges, in turn supporting our business growth. We form strategic partnerships with market leaders and invest in creating innovative solutions and services that drive efficiency across the pharmaceutical supply chain, empowering our customers to better meet patient needs.

Growing our leadership in specialty, both up and downstream, is a foundational strategic pillar for Cencora. We made an important step to advance this key priority through our minority investment in OneOncology, which represents another step forward in the evolution of our longstanding leadership in specialty. This investment, with a pathway to full ownership, allows us to deepen our relationships with community oncology practices and expand our commercial solutions to further enhance our oncology platform.



In the International Healthcare Solutions segment, our businesses delivered solid operational performance with constant currency segment operating income growth of 7%. Our global specialty logistics business demonstrated strong performance as complex shipments continue to grow.

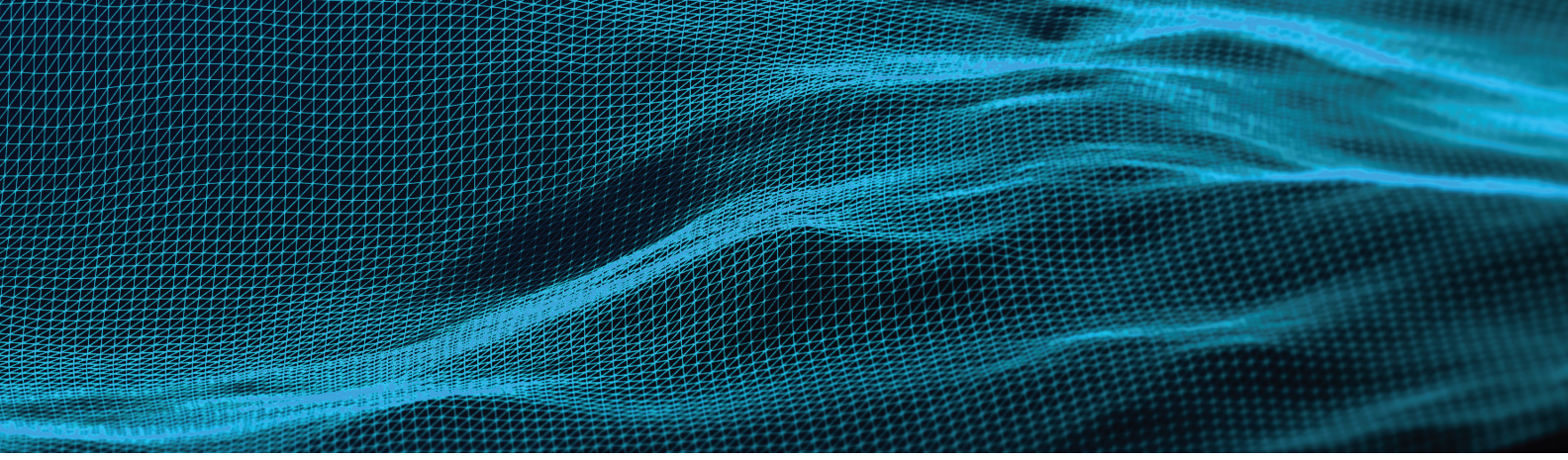
Our acquisition of PharmaLex in early 2023 complements our upstream pharmaceutical solutions in market access strategy, patient access and adherence, and specialty logistics. The business provides us a global platform of solutions to drive our long-term growth as we support pharma partners across the development and commercialization journey.

Innovative partner up and downstream

The complex healthcare environment necessitates that we remain agile and continuously work to advance our capabilities. Each day, we are enhancing our reach and efficiency in the pharmaceutical supply chain, leveraging the breadth of our global healthcare services, and investing in innovation to help our customers navigate the challenges they face.

The value-added services we provide our partners help them meet patient needs and enhance efficiency across the pharmaceutical supply chain. Our global specialty logistics business supports upstream customers through clinical trial logistics and shipping complex, time- and temperature-sensitive products. We continue to enhance our offerings by investing in enhanced cryogenic shipping capabilities and expanding the use of real-time tracking for shipments. Technologies like these are vital, allowing us to transport highly specialized products while giving our customers 24/7 visibility to their critical shipments, enabling them to better serve patients.

Driven by customer and patient needs and our focus on contributing to prescription outcomes, we have forged innovative partnerships aimed at ensuring a stable supply of essential medications. Earlier this year, we announced a relationship with a nonprofit entity that partners with healthcare systems to reduce and prevent drug shortages. As the exclusive distributor of its products, we provide supply chain support and ensure that their crucial products reach their members in a timely and safe manner.



By prioritizing customer centricity, we identify and understand the challenges our customers face and can develop and provide the solutions and services they need to better reach and serve patients, in turn advancing our business. One example is our work to support care providers like pharmacists. Throughout the COVID-19 pandemic, pharmacists provided essential care, including through Test to Treat initiatives, to bridge care gaps. In fiscal 2023, we announced a partnership with a telehealth company to expand the number of Test to Treat services pharmacists can offer in partnership with physicians, enhancing pharmacists' ability to provide high-quality, accessible care.

Cencora hosts and participates in dozens of events every year aimed at educating our customers and promoting efficiency and innovation across healthcare. At our annual ThoughtSpot conference, hosted in partnership with our Good Neighbor Pharmacy network, we brought together thousands of independent community pharmacists and gave them the opportunity to attend education sessions on the evolving healthcare environment and latest technology solutions, connect with and learn from industry peers, and celebrate the positive impact community pharmacies have in healthcare. Our recently launched Cencora Marketplace, which was showcased at the conference, allows our customers to streamline their ordering process for consumer products in one centralized location. The solutions we provide our pharmacy customers allow them to spend more time caring for and better understanding their patients' needs, an important role that has been recognized for the seventh year in a row by JD Power with Good Neighbor Pharmacy ranking number one in Customer Satisfaction among Chain Drug Store Pharmacies in its 2022 U.S. Pharmacy Study.

Hospitals and health systems operate complex businesses that center around treating patients' illnesses, which require them to be agile in the case of an emergency. Reacting to emergencies involves having the necessary medication to treat patients, which must be kept stocked and up to date for immediate use by physicians and nurses. Recognizing the time hospitals spend on inventory management, our teams looked for ways to leverage technology to provide a solution to make this process more seamless. Through Radio-Frequency Identification (RFID) tagging, hospital pharmacists can quickly identify out of stock or soon-to-be expired medications, ensuring that hospital staff has access to the medication they need, when patients need it. This tagging is conveniently done at our distribution sites before medications are delivered to our health system customers. By understanding our customers' needs, our team can leverage

innovation and create solutions to promote efficiency and address their challenges, advancing our shared goal of improving patients' quality of care.

As our customers continue to navigate complexities, we provide unique offerings that empower them to increase their efficiency and ability to provide for patients, which positions us as a partner of choice.

Fostering our legacy of corporate stewardship and purpose-driven teams

Cencora's successful legacy in corporate stewardship prioritizes financial prosperity, our people and culture, and creating sustainable value for all our stakeholders.

In fiscal 2023, we generated \$3.1 billion in adjusted free cash flow, allowing us to make thoughtful investments in our business while returning capital to shareholders. During the fiscal year, we returned nearly \$1.6 billion to our shareholders through \$1.2 billion of share repurchases and \$399 million in dividend payments. We also announced a 5% increase in our quarterly dividend, reflecting our ongoing commitment to maintaining a reasonable, growing dividend. We continue to focus on driving further value now and into the future through our strategic acquisitions and investments, including \$458 million in capital expenditures.



We have also cemented our role at the center of healthcare by building long-term relationships with market-leading customers, which is possible due to the strength and expertise of our team. We are creatively resourceful and next-minded as we assess our talents and strengths and plan for future opportunities for value creation. Since the beginning of fiscal 2023, we have welcomed four new independent directors with valuable experience and backgrounds that add to the strength of our board. These new directors add complementary expertise and diverse perspectives to support our advancement, both internally and externally, as a global healthcare services leader.

Cencora's long-term growth and commitment to creating differentiated value drives our investments internally in our people. Our team members are the core of everything we do, power our purpose and drive our execution with their diverse backgrounds and experiences. We motivate our leaders to foster an environment of inclusion that embraces diversity across the organization. By leveraging the unique, global views across our enterprise, we enhance ways of working, which increases efficiency and differentiates the customer experience for our partners.



Looking ahead as our strategy and purpose drive our long-term sustainable growth

We are very proud of our team, whose dedication and execution powered our successful performance in fiscal 2023. As we move into fiscal 2024, we are inspired by the opportunities we see ahead to support the continued evolution of healthcare. As a global organization united under our new name, we are even better positioned to execute our growth strategy as a leader in pharmaceutical distribution, complemented by our higher-margin, high-growth commercialization solutions.

While our purpose and who we are as an organization remains the same, we are tremendously proud to be moving forward as a united Cencora. We are confident in our strategy, and by building on our foundation and established services, we are expanding, diversifying, and enhancing our position as a partner of choice for our customers and partners, both now and into the future. We are entering the new year with significant momentum and remain focused on advancing our position as a leader in healthcare by executing on our strategic imperatives and fulfilling our purpose by creating healthier futures.

Thank you for your support and investment in Cencora.

Sincerely,

A handwritten signature in black ink that reads "Steven Collis". The signature is written in a cursive, flowing style.

Steven H. Collis
Chairman, President & Chief Executive Officer

The background is an abstract composition of vibrant blue and purple hues. It features numerous diagonal streaks and bands of light, creating a sense of motion and depth. The colors transition from deep indigo and violet in the upper corners to brighter, more saturated blues and purples towards the bottom and center. The overall effect is dynamic and futuristic.

We are inspired by the opportunities we see ahead to support the continued evolution of healthcare.

Financial highlights

FY23 Revenue



- U.S. Healthcare Solutions
\$234,759M
- International Healthcare Solutions
\$27,419M

FY23 Adjusted Operating Income



- U.S. Healthcare Solutions
\$2,597M
- International Healthcare Solutions
\$693M

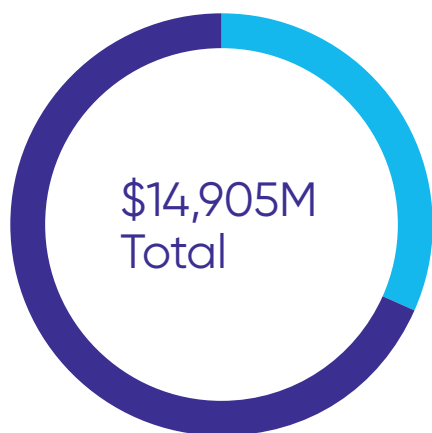
¹ Includes \$4.5M of intersegment eliminations.

² Note: FY23 GAAP Operating Income of \$2,341M.

In an effort to provide additional and useful information regarding Cencora's financial results and other financial information as determined by generally accepted accounting principles (GAAP), certain information presented in this report includes non-GAAP information. A reconciliation of that information to GAAP and other related information is available on pages 16 and 17 of this report.

Value-creating Capital Deployment

Trailing five fiscal years



■ Invested: capex and M&A
\$10,224M

■ Returned: dividends and share repurchases
\$4,681M

Management team

As of January 2024



Steven H. Collis
Chairman, President and
Chief Executive Officer



Silvana Battaglia
Executive Vice President and
Chief Human Resources Officer



**Elizabeth S.
Campbell**
Executive Vice President
and Chief Legal Officer



Gina K. Clark
Executive Vice President
and Chief Communications
and Administration Officer



James F. Cleary
Executive Vice President
and Chief Financial Officer



Leslie E. Donato
Executive Vice President
and Chief Strategy
Officer



Robert P. Mauch
Executive Vice President
and Chief Operating Officer

Board of Directors

As of January 2024



Steven H. Collis
Chairman of the Board,
President and Chief
Executive Officer of
Cencora, Inc.



D. Mark Durcan
Retired Chief Executive
Officer of Micron
Technology, Inc.



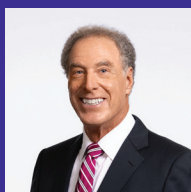
Ornella Barra
COO, International
for Walgreens Boots
Alliance, Inc.



Werner Baumann
Retired Chairman, CEO
and Chief Sustainability
Officer of Bayer AG



Richard W. Gohnauer
Retired Chief Executive
Officer of United Stationers
(now Essendant)



Lon R. Greenberg
Retired Chairman of the
Board and Chief
Executive Officer
of UGI Corporation



Kathleen W. Hyle
Former Senior Vice
President of
Constellation Energy
and Chief Operating
Officer of Constellation
Energy Resources



Lorence H. Kim, M.D.
Venture Partner of
Ascenta Capital



Henry W. McGee
Senior Lecturer, Harvard
Business School and
Retired President of HBO
Home Entertainment



Redonda G. Miller, M.D.
President of The Johns
Hopkins Hospital



Dennis M. Nally
Retired Chairman of
PricewaterhouseCoopers



Lauren M. Tyler
Executive Vice President
& Global Head of Human
Resources at J.P. Morgan
Asset & Wealth
Management

GAAP/Non-GAAP financial measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses the non-GAAP financial measures described below. The non-GAAP financial measures should be viewed in addition to, and not in lieu of, financial measures presented in accordance with GAAP. These supplemental measures may vary from, and may not be comparable to, similarly titled measures by other companies.

Adjusted operating income excludes gains from antitrust litigation settlements; LIFO expense; Turkey highly inflationary impact; acquisition-related intangibles amortization; litigation and opioid-related credit, net; acquisition-related deal and integration expenses; and restructuring and other expenses. Management believes that this non-GAAP financial measure is useful to investors as a supplemental way to evaluate the Company's performance because the adjustments are unusual, non-operating, unpredictable, non-recurring or non-cash in nature.

Adjusted diluted earnings per share excludes the per share impact of adjustments including gains from antitrust litigation settlements; LIFO expense; Turkey highly inflationary impact; acquisition-related intangibles amortization; litigation and opioid-related credit, net; acquisition-related deal and integration expenses; restructuring and other expenses; and gain on divestiture of non-core businesses; in each case net of the tax effect calculated using the applicable effective tax rate for those items. In addition, the per share impact of certain expenses relating to 2020 tax reform in Switzerland is excluded from adjusted diluted earnings per share. Management believes that this non-GAAP financial measure is useful to investors because it eliminates the per share impact of the items that are outside the control of the Company or that we consider to not be indicative of our ongoing operating performance due to their inherent unusual, non-operating, unpredictable, non-recurring, or non-cash nature.

Adjusted free cash flow is a non-GAAP financial measure defined as net cash provided by operating activities, excluding significant unpredictable or non-recurring cash payments or receipts relating to legal settlements, minus capital expenditures. Adjusted free cash flow is used internally by management for measuring operating cash flow generation and setting performance targets and has historically been used as one of the means of providing guidance on possible future cash flows. For the fiscal year ended September 30, 2023, adjusted free cash flow of \$3,130.5 million consisted of net cash provided by operating activities of \$3,911.3 million, minus capital expenditures of \$458.4 million, the gains from antitrust litigation settlements of \$239.1 million, and the receipt of \$83.4 million from the H.D. Smith opioid indemnity escrow.

The Company also presents revenue and operating income on a "constant currency" basis, which are non-GAAP financial measures. These amounts are calculated by translating current period GAAP results at the foreign currency exchange rates used in the comparable period in the prior year. The Company presents such constant currency financial information because it has significant operations outside of the United States reporting in currencies other than the U.S. dollar and management believes that this presentation provides a framework to assess how its business performed excluding the impact of foreign currency exchange rate fluctuations. For fiscal 2023 in the International Healthcare Solutions segment, operating income of \$692.6 million was negatively impacted by foreign currency translation of \$63.0 million, resulting in operating income on a constant currency basis of \$755.6 million.

For more information related to non-GAAP financial measures, refer to the section titled "Supplemental Information Regarding Non-GAAP Financial Measures" attached as an appendix to our Q4 2023 quarterly results presentation posted on our website, investor.cencora.com

GAAP to Non-GAAP Reconciliations

FY 2023¹	Operating Income	Diluted EPS
GAAP	\$2,340,731	\$8.53
Gains from antitrust litigation settlements	(239,092)	(0.90)
LIFO expense	204,595	0.77
Turkey highly inflationary impact	86,967	0.47
Acquisition-related intangibles amortization	551,046	2.04
Litigation and opioid-related credit, net	(24,693)	(0.19)
Acquisition-related deal and integration expenses	139,683	0.52
Restructuring and other expenses	229,884	0.86
Gain on divestiture of non-core businesses	--	(0.20)
Other, net	--	(0.03)
Tax reform	--	0.11
Non-GAAP	\$3,289,121	\$11.99²

Capital deployment

Fiscal years ended September 30¹	2023	2022	2021	2020	2019
Capex	\$458,359	\$496,318	\$438,217	\$369,677	\$310,222
M&A	\$2,153,110	\$152,305	\$5,725,660	\$56,080	\$63,951
Share Repurchases	\$1,180,728	\$483,704	\$82,150	\$420,449	\$674,031
Dividends	\$398,752	\$391,687	\$366,648	\$343,578	\$338,974
Total	\$4,190,949	\$1,524,014	\$6,612,675	\$1,189,784	\$1,387,178

¹ In thousands, except per share amounts.

² The sum of the components does not equal the total due to rounding.

Corporate information

Cautionary note regarding forward-looking statements

Certain of the statements contained in this report 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 “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “on track,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “strive,” “sustain,” “synergy,” “target,” “will,” “would” and similar expressions are intended to identify such forward-looking statements, but the absence of these words does not mean the statement is not forward-looking. 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. A more detailed discussion of the risks and uncertainties that could cause our actual results to differ materially from those indicated is included (i) in the “Risk Factors” and “Management’s Discussion and Analysis” sections in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2023 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.



Stockholder services

Our transfer agent, Computershare, can help you with a variety of stockholder services, including:

- Change of address
 - Stock transfer
 - Lost stock certificates
 - Account consolidation
-

Computershare

Telephone: 866.233.1957 or TDD 800.231.5469
Outside U.S.: 201.680.6578 or TDD 201.680.6610
Internet: www.computershare.com

Mail: Cencora, Inc.
c/o Computershare
P.O. Box 43078 Providence, RI 02940-3078
Email: Support.ServiceCenter@cpushareownerservices.com

Additional information

Financial documents, such as our Annual Report on Form 10-K, and Quarterly Reports on Form 10-Q, and other reports and filings, such as the Company's Code of Ethics and Business Conduct, may be obtained from the Company investor relations website at investor.cencora.com, or by calling the Company's Investor Relations Department at 610.727.7000.

Investor Relations

Stockholders, security analysts, portfolio managers and other investors desiring further information about the Company should contact:

Bennett S. Murphy, SVP, Head of Investor Relations and Treasury
Phone: 610.727.3693
Email: bennett.murphy@cencora.com

Annual meeting of shareholders

Tuesday, March 12, 2024 at 4:00pm Eastern Time
virtualshareholdermeeting.com/COR2024

Independent registered public accounting firm

Ernst & Young LLP
Philadelphia, Pennsylvania

Stock listing

Cencora, Inc. is listed on The New York Stock Exchange under the ticker symbol COR.

cencora

We are united in our responsibility
to create healthier futures