

AmerisourceBergen

J.P. Morgan Healthcare Conference

Steve Collis, Chairman, President & CEO

January 9, 2018



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 and Section 21E of the Securities Exchange Act of 1934. Words such as “expect,” “likely,” “outlook,” “forecast,” “would,” “could,” “should,” “can,” “will,” “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 change in circumstances. These statements are not guarantees of future performance and are based on assumptions 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 pharmaceutical market growth rates; 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 and pharmaceutical compounding; declining reimbursement rates for pharmaceuticals; federal and state government enforcement initiatives to detect and prevent suspicious orders of controlled substances and the diversion of controlled substances; increased public concern over the abuse of opioid medications; prosecution or suit by federal, state and other governmental entities of alleged violations of laws and regulations regarding controlled substances, 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, including the reserve recorded in connection with the proceedings with the United States Attorney’s Office for the Eastern District of New York; 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; risks associated with the strategic, long-term relationship between Walgreens Boots Alliance, Inc. and the Company, including principally with respect to the pharmaceutical distribution agreement and/or the global generic purchasing services arrangement; 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; regulatory action in connection with the production, labeling or packaging of products compounded by our compounded sterile preparations (CSP) business; failure to realize the expected benefits from our reorganization and other business process initiatives; managing foreign expansion, including non-compliance with the U.S. Foreign Corrupt Practices Act, anti-bribery laws and economic sanctions and import laws and regulations; declining economic conditions in the United States and abroad; financial market volatility and disruption; substantial defaults in payment, material reduction in purchases by or the loss, bankruptcy or insolvency of a major customer; the loss, bankruptcy or insolvency of a major supplier; 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 that affect the Company’s operations; the impairment of goodwill or other intangible assets, resulting in a charge to earnings; the acquisition of businesses that do not perform as expected, or that are difficult to integrate or control, including the integration of H. D. Smith and PharMEDium, or the inability to capture all of the anticipated synergies related thereto or to capture the anticipated synergies within the expected time period; the effects of disruption from the transactions on the respective businesses of the Company and H. D. Smith and the fact that the transactions may make it more difficult to establish or maintain relationships with employees, suppliers, customers and other business partners; 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; 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, 2017 and elsewhere in that report and (ii) in other reports filed by the Company pursuant to the Securities Exchange Act.

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 to investor.amerisourcebergen.com.

Who is AmerisourceBergen?

Global pharmaceutical sourcing and distribution services company, helping both healthcare providers and pharmaceutical manufacturers improve patient access to products and enhance patient care

\$150B+
in annual revenue

20,000
associates

150+
offices

50+
countries

Daily delivery to **50,000+**
healthcare facilities

1.5M product lines delivered
from **30+** distribution centers

#1 Distributor of Specialty Pharmaceuticals

#1 Distributor of Animal Health Products to **35k customers**

What Differentiates AmerisourceBergen?

Leadership Position
in a
Growing Industry

Customer
Relationships

Strong Operating
Results

Balanced Financial
Policies

- **Global pharmaceutical sourcing & distribution services company**
 - #11 on the 2017 *Fortune* 500
- **Leader in Specialty product distribution and services**
 - Over 20 years of investment and customer relationship development
- **Innovative services and solutions**
 - Customer-focused offerings serving manufacturer and provider customers
- **Large scale and industry-leading distribution network**
 - Highly automated system with next day delivery, 99.9% order accuracy and capacity to support customer growth
- **Invested over \$900 million in the last 2 years**
 - Operational efficiencies, customer support, gross profit improvement and competitive advantage enhancement
- **Long-term distribution & sourcing agreements with key anchor customers**
 - Walgreens Boots Alliance: 2026; Express Scripts: 2022; Kaiser: 2021; Compliant Pharmacy Alliance: 2025
- **Diverse customer base including 4,500+ independent pharmacies** in the *Good Neighbor Pharmacy* network and **Elevate Provider Network**
- **History of revenue and operating income growth, strong operating expense management and free cash flow generation**
- **Disciplined approach** to capital deployment
- Commitment to maintaining a **strong balance sheet** and **investment grade credit ratings**

Strong US Pharmaceutical Market

Drug spend and adherence improve patient outcomes and mitigate overall healthcare spend

Growth Drivers

Demographics



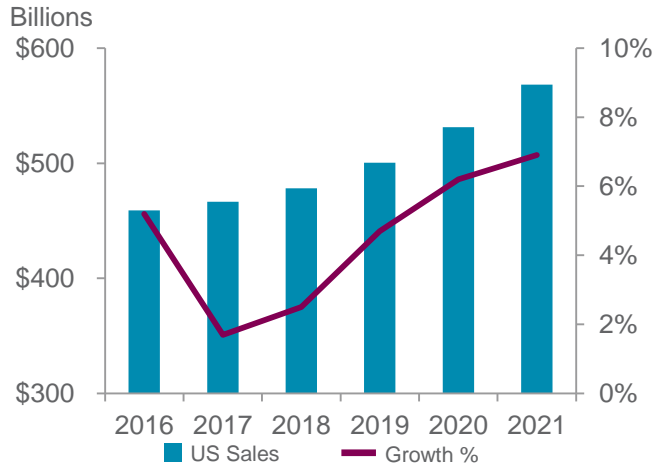
Strengthening economy



New drug launches



Focus on value and outcomes

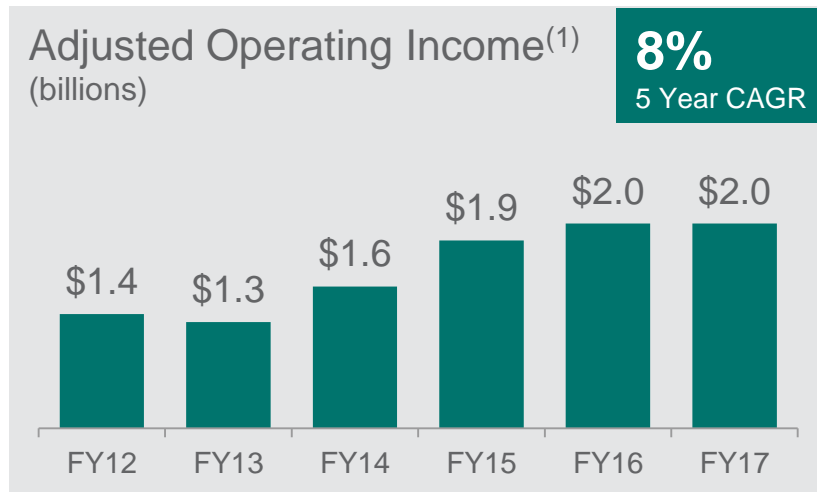
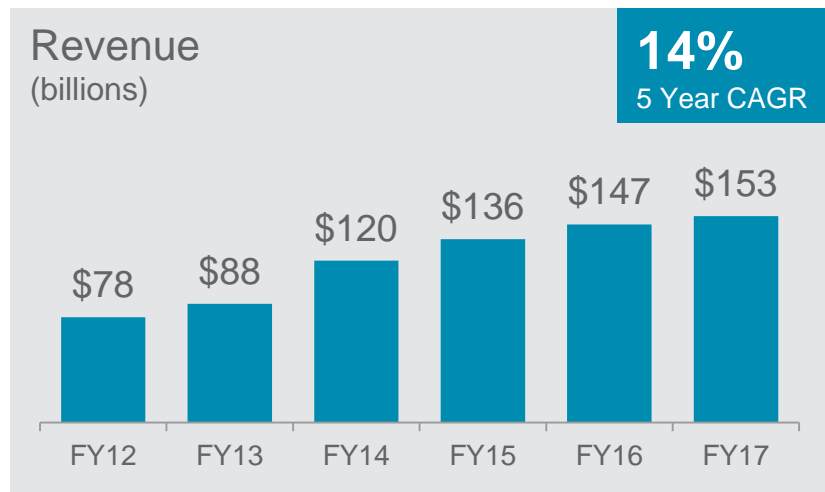


4.4%

5-YEAR CAGR (2016 – 2021)

- **Aging Population**
- **Introduction of New Pharmaceuticals**
 - Innovative new Brand and Specialty Drugs
 - Biosimilars and Follow-on Biologics
- **Increased use of Generic Pharmaceuticals**
- **Increased use of Drug Therapies**

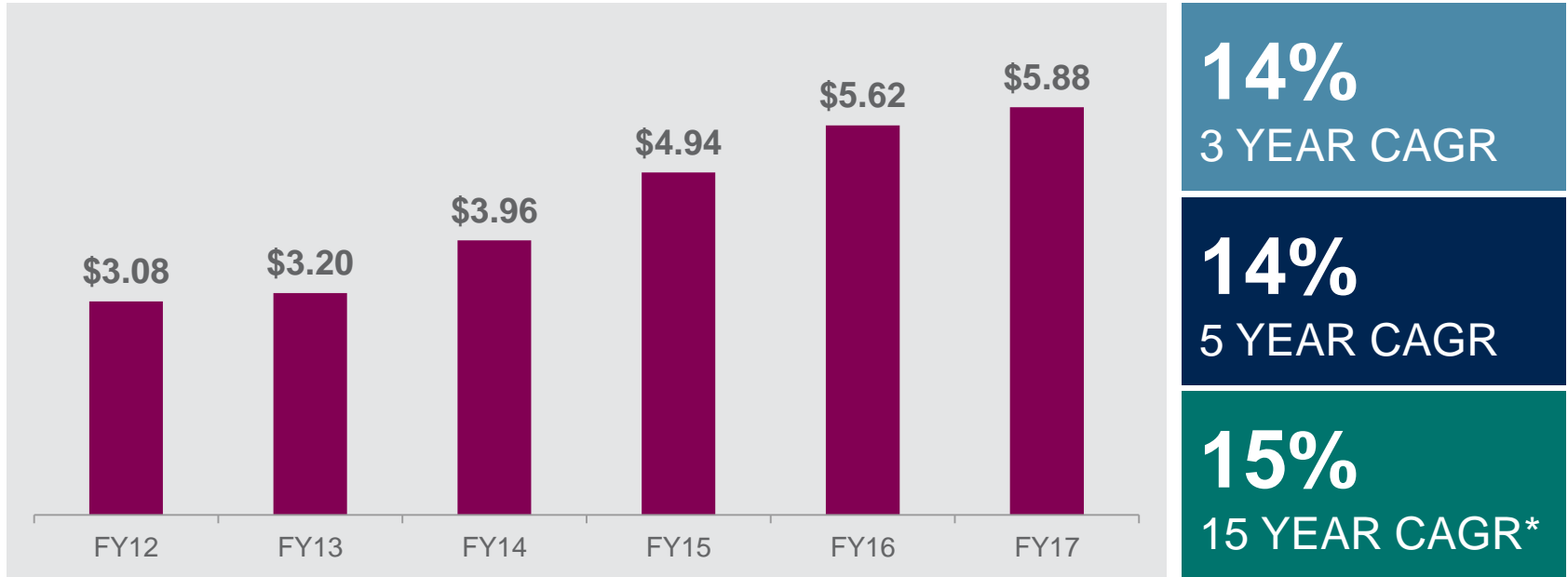
Revenue & Adjusted Operating Income



(1) Adjusted Operating Income adjusted for warrants expense / income; gain from antitrust litigation settlements; LIFO expense / credit; acquisition-related intangibles amortization; employee severance, litigation, and other expenses; and a pension settlement. See tables at end of presentation for GAAP to non-GAAP reconciliations.

Adjusted Diluted EPS

Legacy of successful execution, strategic financial stewardship and shareholder value creation



See tables at end of presentation for GAAP to non-GAAP reconciliation of Adjusted Diluted EPS

*15 Year CAGR is calculated using FY2002 GAAP diluted EPS

Recent Highlights

- January 2018: completed acquisition of H. D. Smith
- AmerisourceBergen continues to execute and deliver in a dynamic healthcare market; in FY2017:
 - Continued year-over-year revenue and adjusted EPS growth
 - Continued to lead the market in Specialty distribution and services
 - Delivered strong performance and growth across Consulting, MWI Animal Health and World Courier
- Investing in the business to further enhance value proposition
 - 6 of 7 planned new Distribution Centers now online
 - Lash Group launch of Fusion – game-changing, innovative patient support technology ecosystem
- Strategic transformation underway – driving enhanced interactions with customers, optimized offerings and long-term growth

Well Positioned to Seize Opportunities

Strategic transformation to further enhance and optimize customer relationships

Pharmaceutical Distribution Services

Scale & Volume

Diversified, growing customer base

Increasing volumes while lowering cost-to-serve

Ability to competitively source generic pharmaceuticals

Specialty Market Leader

Extensive footprint in physician-administered products

High retention of Specialty physician practices

Positioned well for biosimilar opportunity

PharMEDium

Leading provider of ready-to-use Compounded Sterile Preparations

Deepens relationships with health system customers

Focus on quality and patient safety

Well Positioned to Seize Opportunities

Strategic transformation aligns product commercialization and patient support businesses

Global Commercialization Services and Animal Health

Animal Health

Demand creating
salesforce

Serves companion and
production animal
markets

Consulting

Drives patient access &
adherence

Enhances regulatory and
compliance efforts

World Courier

Premier clinical trial
logistics provider

World class white-glove
service

How AmerisourceBergen Will Continue to Drive Value

Leverage Scale

- *Go-to-market strategy*
- *Integrated approach*
- *Seamless customer experience*



Enhance Access

- *Specialty leadership*
- *Grow customer share of wallet*
- *Deepen manufacturer relationships*
- *Build across human & animal health*



Drive Performance & Execute

- *Increased efficiency & effectiveness*
- *IT investments & innovation*
- *Culture & talent*



Expand Advantage

- *Invest in the business*
- *Strategic customer partnerships*
- *Strategic M&A*



Appendix



Adjusted Operating Income

Fiscal Years Ended September 30, 2012 through September 30, 2017 (\$ millions)

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>
GAAP Operating Income	\$ 1,060	\$ 1,526	\$ 422	\$ 782	\$ 902	\$ 1,307
Gain from Antitrust Litigation Settlements	(1)	(134)	(66)	(24)	(23)	(15)
Warrants	-	140	913	423	90	-
Acquisition-related Intangibles Amortization	157	147	54	23	24	18
LIFO	(158)	200	543	348	277	1
Employee Severance, Litigation & Other	959	103	38	8	24	44
Pension Settlement	-	48	-	-	-	-
Adjusted Operating Income	\$ 2,017	\$ 2,030	\$ 1,904	\$ 1,560	\$ 1,294	\$ 1,355

Note: Management considers GAAP financial measures as well as the presented non-GAAP financial measures in evaluating the Company's operating performance. Therefore, the Company believes that the presentation of non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors.

Adjusted Diluted EPS from Continuing Operations

Fiscal Years Ended September 30, 2012 through September 30, 2017

	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
GAAP EPS from Continuing Operations	\$ 1.64	\$ 6.32	\$ (0.63)	\$ 1.20	\$ 2.09	\$ 2.96
Gain from Antitrust Litigation Settlements	-	(0.35)	(0.18)	(0.06)	(0.06)	(0.04)
Warrants ⁽¹⁾	0.02	(1.66)	3.91	1.73	0.32	-
Acquisition-related Intangibles Amortization	0.45	0.39	0.15	0.06	0.06	0.04
LIFO	(0.46)	0.53	1.46	0.92	0.72	-
Employee Severance, Litigation & Other	4.23	0.27	0.10	0.02	0.06	0.11
Pension Settlement	-	0.13	-	-	-	-
Impairment Charge on Equity Investment	-	-	0.13	-	-	-
Loss on Early Retirement of Debt	-	-	-	0.09	-	-
Rounding	-	(0.01)	-	-	0.01	0.01
Adjusted EPS from Continuing Operations	\$ 5.88	\$ 5.62	\$ 4.94	\$ 3.96	\$ 3.20	\$ 3.08

⁽¹⁾ For the reconciling items and the non-GAAP presentation, diluted earnings per share from continuing operations and diluted shares outstanding have been adjusted to exclude the impact from the Warrants and the shares repurchased under special share repurchase programs. In connection with the special share repurchase program, the Company issued \$600 million of 1.15% senior notes that were repaid in May 2017. The interest expense incurred relating to this borrowing has been excluded from the non-GAAP presentation.

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AmerisourceBergen®

Where knowledge,
reach and partnership
shape healthcare delivery.