

Q3 FY2019

Financial Results

August 1, 2019



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," "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 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; continued 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; continued 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; material adverse developments or 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 or enforcement action in connection with the production, labeling or packaging of products compounded by our compounded sterile preparations (CSP) business or the related consent decree; suspension of production of CSPs, including continued suspension at our Memphis facility; 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; 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 (including any additional impairments with respect to foreign operations or PharMEDium), 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 fact that the acquisition of H. D. Smith may make it more difficult to establish or maintain relationships with employees, suppliers, customers and other business partners; 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, 2018 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.

Q3 FY2019 Financial Results: Overview

Continued Strong Performance in Fiscal 2019 Third Quarter

- Raising adjusted diluted EPS guidance range to \$7.00 to \$7.10 (up from \$6.70 to \$6.90)
- Well-positioned heading into the fourth quarter

Pharmaceutical Distribution Services

- Solid results driven by strong specialty product sales, growth of some of our largest customers and overall market growth
- Good overall expense management

Global Commercialization Services & Animal Health “Other”

- Other group achieved double-digit year-over-year operating income growth led by strong performance from MWI
- MWI recorded its first-ever billion dollar revenue quarter

Q3 FY2019 Financial Results

| | GAAP | Adjusted (non-GAAP) ¹ |
|--|------------------|-------------------------------------|
| Revenue <i>% Change (Year-over-Year)</i> | \$45.2B 4.9% | \$45.2B 4.9% |
| Gross Profit <i>% Change</i> | \$1.2B 1.6% | \$1.2B 4.9% |
| Operating Expenses <i>% Change</i> | \$825M 0.3% | \$723M 3.7% |
| Operating Income <i>% Change</i> | \$407M 4.5% | \$507M 6.8% |
| Interest Expense, Net <i>% Change</i> | \$36M (23.8)% | \$36M (23.8)% |
| Effective Tax Rate <i>% Change</i> | 18.6% | 21.0% |
| Net Income Attributable to ABC | \$302M 9.5% | \$372M 9.1% |
| Diluted Earnings Per Share <i>% Change</i> | \$1.43 14.4% | \$1.76 14.3% |
| Diluted Shares Outstanding <i>% Change</i> | 211M (4.3)% | 211M (4.3)% |

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 Company's most recent Current Report on Form 8-K furnished under Item 2.02.

Q3 FY2019 Financial Results: Pharmaceutical Distribution Services Segment

| | Q3 FY2019 | Q3 FY2018 |
|-------------------------------|-----------|-----------|
| Revenue | \$43.5B | \$41.6B |
| Operating Income | \$411.7M | \$392.7M |
| <i>Percentages of Revenue</i> | | |
| Gross Profit | 2.08% | 2.07% |
| Operating Expenses | 1.13% | 1.13% |
| Operating Income | 0.95% | 0.94% |

- Revenue increase primarily due to continued strong specialty product sales, increased volume associated with the growth of some of our largest customers and overall market growth
- Operating income increase primarily due to the increase in gross profit, offset in part by an increase in operating expenses

Q3 FY2019 Financial Results: Other – Global Commercialization Services & Animal Health

| | Q3 FY2019 | Q3 FY2018 |
|-------------------------------|------------------|------------------|
| Revenue | \$1.7B | \$1.6B |
| Operating Income | \$95.1M | \$82.3M |
| <i>Percentages of Revenue</i> | | |
| Gross Profit | 18.77% | 19.40% |
| Operating Expenses | 13.29% | 14.25% |
| Operating Income | 5.48% | 5.15% |

- Other includes MWI, World Courier and AmerisourceBergen Consulting Services
- Revenue increase primarily due to growth at MWI and AmerisourceBergen Consulting Service's growth in its Canadian operations
- Operating income increase primarily due to the results at MWI, which experienced particularly strong growth in companion animal and strength in new customer wins

Differentiated and positioned for growth

Customer Base

- *Key anchor customers*
- *Fast growing*
- *U.S. Pharmaceutical focus*



Innovative Services & Solutions

- *Customer-focused offerings serving manufacturers and provider customers*



Leadership in Specialty Distribution & Services

- *History of investment*
- *Largest footprint*
- *Comprehensive offering*



Successful Financial Stewardship

- *Strong Free Cash Flow*
- *Strategic capital allocation*
- *Proven track record of value creation*



FY19 Financial Guidance

| <i>Expectations on an <u>Adjusted (non-GAAP)</u> Basis^{(1),(2)}</i> | |
|---|----------------------------------|
| Revenue | Mid-single digit percent growth |
| Diluted Earnings Per Share | <i>\$7.00 to \$7.10</i> |
| Operating Expense | Mid-single digit percent growth |
| Operating Income | <i>3% to 4% growth</i> |
| Pharmaceutical Distribution Services Operating Income | <i>2% to 3% growth</i> |
| Global Commercialization Services & Animal Health Operating Income | High-single digit percent growth |
| Effective Tax Rate | <i>~21%</i> |
| Diluted weighted shares outstanding | <i>~212M</i> |
| Free Cash Flow | <i>\$1.5B to \$1.7B</i> |
| Capital Expenditures | <i>~\$300M</i> |

(1) ***Bold, italicized numbers indicate updates to FY2019 financial guidance***

(2) FY2019 financial guidance includes consolidation of Brazil

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.

Appendix

Appendix

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

Three Months Ended June 30, 2019

| | Gross Profit | Operating Expenses | Operating Income | Income Before Income Taxes | Income Tax Expense | Net Income Attributable to Noncontrolling Interest | Net Income Attributable to ABC | Diluted Earnings Per Share |
|--|--------------|--------------------|------------------|----------------------------|--------------------|--|--------------------------------|----------------------------|
| GAAP | \$ 1,231,239 | \$ 824,545 | \$ 406,694 | \$ 371,115 | \$ 69,113 | \$ (43) | \$ 301,959 | \$ 1.43 |
| Gain from antitrust litigation settlements | (3,480) | — | (3,480) | (3,480) | (1,849) | — | (1,631) | (0.01) |
| LIFO credit | (9,913) | — | (9,913) | (9,913) | (3,061) | — | (6,852) | (0.03) |
| PharMEDium remediation costs | 11,698 | (7,646) | 19,344 | 19,344 | 5,301 | — | 14,043 | 0.07 |
| New York State Opioid Stewardship Act | — | — | — | — | (149) | — | 149 | — |
| Acquisition-related intangibles amortization | — | (34,024) | 34,024 | 34,024 | 9,511 | (440) | 24,073 | 0.11 |
| Employee severance, litigation, and other | — | (60,006) | 60,006 | 60,006 | 16,329 | — | 43,677 | 0.21 |
| Impairment of long-lived assets | — | — | — | — | 3,848 | — | (3,848) | (0.02) |
| Gain on sale of an equity investment | — | — | — | — | (93) | — | 93 | — |
| Adjusted Non-GAAP | \$ 1,229,544 | \$ 722,869 | \$ 506,675 | \$ 471,096 | \$ 98,950 | \$ (483) | \$ 371,663 | \$ 1.76 |
| Adjusted Non-GAAP % change vs. prior year period | 4.9% | 3.7% | 6.8% | 9.4% | 13.2% | | 9.1% | 14.3% |

| Percentages of Revenue: | GAAP | Adjusted Non-GAAP |
|-------------------------|-------|-------------------|
| Gross profit | 2.72% | 2.72% |
| Operating expenses | 1.82% | 1.60% |
| Operating income | 0.90% | 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 Company's most recent Current Report on Form 8-K furnished under Item 2.02.

Appendix

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

Three Months Ended June 30, 2018

| | Gross Profit | Operating Expenses | Operating Income | Income Before Income Taxes | Income Tax Expense | Net Income Attributable to Noncontrolling Interest | Net Income Attributable to ABC | Diluted Earnings Per Share |
|--|--------------|--------------------|------------------|----------------------------|--------------------|--|--------------------------------|----------------------------|
| GAAP | \$ 1,211,341 | \$ 822,146 | \$ 389,195 | \$ 345,202 | \$ 67,327 | \$ (2,066) | \$ 275,809 | \$ 1.25 |
| Gain from antitrust litigation settlements | (35,600) | — | (35,600) | (35,600) | (9,678) | — | (25,922) | (0.12) |
| LIFO credit | (16,142) | — | (16,142) | (16,142) | (4,391) | — | (11,751) | (0.05) |
| PharMEDium remediation costs | 12,043 | (3,458) | 15,501 | 15,501 | 3,860 | — | 11,641 | 0.05 |
| Acquisition-related intangibles amortization | — | (45,916) | 45,916 | 45,916 | 11,152 | (402) | 34,362 | 0.16 |
| Employee severance, litigation, and other | — | (75,553) | 75,553 | 75,553 | 19,484 | — | 56,069 | 0.25 |
| Loss on early retirement of debt | — | — | — | — | (376) | — | 376 | — |
| Adjusted Non-GAAP | \$ 1,171,642 | \$ 697,219 | \$ 474,423 | \$ 430,430 | \$ 87,378 | \$ (2,468) | \$ 340,584 | \$ 1.54 |

| Percentages of Revenue: | GAAP | Adjusted Non-GAAP |
|-------------------------|-------|-------------------|
| Gross profit | 2.81% | 2.72% |
| Operating expenses | 1.91% | 1.62% |
| Operating income | 0.90% | 1.10% |

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



AmerisourceBergen®

Where knowledge,
reach and partnership
shape healthcare delivery.