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DELTA REPORT

10-K

CAH WI - CARDINAL HEALTH INC

10-K - JUNE 30, 2024 COMPARED TO 10-K - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	4189
CHANGES	528
DELETIONS	1206
ADDITIONS	2455

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2023 June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-11373

Cardinal Health, Inc.

(Exact name of registrant as specified in its charter)

Ohio	**31-0958666**
(State or other jurisdiction of incorporation or organization)	***(IRS Employer Identification No.)***
7000 Cardinal Place Dublin , Ohio	**43017**
(Address of principal executive offices)	***(Zip Code)***

(614) 757-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	***Trading Symbol(s)***	***Name of each exchange on which registered***
Common shares (without par value)	**CAH**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes þ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	þ	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

þ

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o þ

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No þ

The aggregate market value of voting stock held by non-affiliates on December 31, 2022 December 31, 2023, was the following: $19,775,475,828. $24,413,491,673.

The number of the registrant's common shares, without par value, outstanding as of July 31, 2023 July 31, 2024, was the following: 250,681,620. 243,845,343.

Documents Incorporated by Reference:

Portions of the registrant's Definitive Proxy Statement to be filed for its 2023 2024 Annual Meeting of Shareholders are incorporated by reference into the sections of this Form 10-K addressing the requirements of Part III of Form 10-K.

Cardinal Health

Fiscal 2023 2024 Form 10-K

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Introduction

References to Cardinal Health and Fiscal Years

As used in this report, "we," "our," "us," "Cardinal Health" and similar pronouns refer to Cardinal Health, Inc. and its majority-owned and consolidated subsidiaries, unless the context requires otherwise. Our fiscal year ends on June 30. References to fiscal 2025, 2024, 2023, 2022, 2021 2020 and 2019 2020 are to the fiscal years ended June 30, 2024 June 30, 2025, 2024, 2023, 2022, 2021 2020 and 2019, 2020, respectively. Except as otherwise specified, information in this report is provided as of June 30, 2023 June 30, 2024.

Non-GAAP Financial Measures

In this report, we use financial measures that are derived from consolidated financial data but are not presented in our financial statements that are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). These measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission ("SEC") rules. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are included in the "Explanation and Reconciliation of Non-GAAP Financial Measures" section following MD&A in this report.

Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations

Our MD&A within this Form 10-K generally discusses fiscal 2024 and fiscal 2023 items and year-over-year comparisons between fiscal 2024 and fiscal 2023. This Form 10-K also includes fiscal 2022 items and discussions of year-over-year comparisons between fiscal 2023 and fiscal 2022. Fiscal 2021 items and discussions of year-over-year comparisons between fiscal 2022 and fiscal 2021 that are not included The periods discussed in this Form 10-K can be found in Management's Discussion and Analysis have been revised herein to correct an error identified during the preparation of Financial Condition and Results of Operations in our Annual Report on this Form 10-K, as well as to correct other unrelated immaterial errors. The revisions ensure comparability across all periods reflected herein. Please refer to Note 1 of the "Notes to the Consolidated Financial Statements" for the fiscal year ended June 30, 2022 (the "Fiscal 2022 Form 10-K"). additional information about these corrections.

Important Information Regarding Forward-Looking Statements

This report (including information incorporated by reference) includes forward-looking statements addressing expectations, prospects, estimates and other matters that are dependent upon future events or developments. Many forward-looking statements appear in MD&A and Risk Factors, but there are others throughout this report, which 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 expense accruals. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. The most significant of these risks and uncertainties are described in "Risk Factors" in this report and in Exhibit 99.1 to the Form 10-K included in this report. Forward-looking statements in this report speak only as of the date of this document. Except to the extent required by applicable law, we undertake no obligation to update or revise any forward-looking statement.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports are available free of charge on our website (www.cardinalhealth.com), under the "Investor Relations — Financial Reporting — SEC Filings" caption, as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. The SEC also maintains a website (www.sec.gov) where you can search for annual, quarterly and current reports, proxy and information statements and other information regarding us and other public companies.

Management's Discussion and Analysis of Financial Condition and Results of Operations

About Cardinal Health

Cardinal Health, Inc., an Ohio corporation formed in 1979, is a global healthcare services and products company providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories, physician offices and patients in the home. We provide pharmaceuticals and medical products and cost-effective solutions that enhance supply chain efficiency. We connect patients, providers, payers, pharmacists and manufacturers for integrated care coordination coordination.

Effective January 1, 2024, we began operating under an updated organizational structure and better patient management. We manage our business and report re-aligned our financial results in reporting structure under two reportable segments: Pharmaceutical and Medical. Specialty Solutions ("Pharma") segment and Global Medical Products and Distribution ("GMPD") segment. All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics.

Pharmaceutical and Specialty Solutions Segment

Our Pharmaceutical and Specialty Solutions segment distributes branded and generic pharmaceutical, specialty pharmaceutical and over-the-counter healthcare and consumer products in the United States. This segment also provides services to pharmaceutical manufacturers and healthcare providers for specialty pharmaceutical products; provides pharmacy management services to hospitals and operates a limited number of pharmacies, including pharmacies in community health centers; operates nuclear pharmacies and radiopharmaceutical manufacturing facilities; and repackages generic pharmaceuticals and over-the-counter healthcare products.

Global Medical Products and Distribution Segment

Our Medical GMPD segment manufactures, sources and distributes Cardinal Health branded brand medical, surgical and laboratory products, which are sold in the United States, Canada, Europe, Asia and other markets. This In addition to distributing Cardinal Health brand products, this segment also distributes a broad range of medical, surgical and laboratory products known as national brand products and provides supply chain services and solutions to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers in the United States and Canada. This segment also distributes medical products to patients' homes in the United States through our Cardinal Health at-Home Solutions division.

Consolidated Results

Fiscal 2023 In connection with the preparation of our Consolidated Financial Statements for fiscal 2024, we identified an accounting error related to revenue recognition from third party payors within the at-Home Solutions operating segment. We evaluated the materiality of the error and determined that the impacts were not material, individually or in the aggregate, to our previously issued Consolidated Financial Statements for any of the prior quarters or annual periods in which they occurred. In this report, we present revised prior period financial statements to correct this error, as well as other unrelated immaterial errors, including an adjustment to an uncertain tax position. These other immaterial errors were previously corrected in the periods they were identified; however, they are now reflected in the periods they originated. The revisions ensure comparability across all periods reflected herein. Refer to Note 1 of the "Notes to Consolidated Financial Statements" for additional information regarding the immaterial corrections to our results of prior periods.

Overview

Revenue

Revenue increased 11 percent to $226.8 billion for fiscal 2024 and 13 percent to $205.0 billion for fiscal 2023 was $205.0 billion, a 13 percent increase compared to their respective prior-year periods, primarily due to branded and specialty pharmaceutical sales growth from the prior year, primarily driven by Pharmaceutical segment sales growth. existing customers.

GAAP and Non-GAAP Operating Earnings/(Loss)

GAAP and Non-GAAP Operating Earnings/(Loss)						GAAP and Non-GAAP Operating Earnings/(Loss)						Change
(in millions)	(in millions)	2023	2022	Change	(in millions)	2024	2023		2022		2024	2023
GAAP operating earnings/(loss)	GAAP operating earnings/(loss)	$ 727	$ (596)	N.M.	GAAP operating earnings/(loss)	$ 1,243	$ $ 752	$	$ (607)	65	65 %	N.M.
Surgical gown recall costs/(income)		—	1									
State opioid assessment related to prior fiscal years												
State opioid assessment related to prior fiscal years												
State opioid assessment related to prior fiscal years	State opioid assessment related to prior fiscal years	(6)	—									
Shareholder cooperation agreement costs	Shareholder cooperation agreement costs	8	—									
Shareholder cooperation agreement costs												
Shareholder cooperation agreement costs												
Restructuring and employee severance												
Restructuring and employee severance												
Restructuring and employee severance	Restructuring and employee severance	95	101									
Amortization and other acquisition-related costs	Amortization and other acquisition-related costs	285	324									
Amortization and other acquisition-related costs												
Amortization and other acquisition-related costs												
Impairments and (gain)/loss on disposal of assets, net												
Impairments and (gain)/loss on disposal of assets, net												

Impairments and (gain)/loss on disposal of assets, net	Impairments and (gain)/loss on disposal of assets, net	**1,250**	2,050								
Litigation (recoveries)/charges, net	Litigation (recoveries)/charges, net	**(302)**	109								
Litigation (recoveries)/charges, net											
Litigation (recoveries)/charges, net											
Non-GAAP operating earnings	**Non-GAAP operating earnings**	**$2,057**	$1,990	**3 %**							
Non-GAAP operating earnings											
Non-GAAP operating earnings					**$**	**2,414**	$ 2,076	$ 1,973	**16**	**%**	5 %

The sum of the components and certain computations may reflect rounding adjustments.

We had GAAP operating earnings of $727 million $1.2 billion and a GAAP operating loss of $596 million $752 million during fiscal 2023 2024 and 2022, 2023, respectively, which included $1.2 billion $675 million and $2.1 billion $1.2 billion pre-tax non-cash goodwill impairment charges related to the Medical segment, respectively. GMPD segment. See the "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A and Note 45 of the "Notes to Consolidated Financial Statements" for additional detail.

GAAP operating earnings during fiscal 2023 were favorably impacted by litigation recoveries as described further in the "Results of Operations" section of this MD&A and Note 78 of the "Notes to Consolidated Financial Statements."

We had a GAAP operating loss of $607 million during fiscal 2022, which included $2.1 billion pre-tax non-cash goodwill impairment charges related to the GMPD segment. See the "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A and Note 5 of the "Notes to Consolidated Financial Statements" for additional detail.

GAAP and Non-GAAP operating earnings increased during fiscal 2024, driven by increases in GMPD and Pharmaceutical and Specialty Solutions segment profit as described further in the "Results of Operations" section of this MD&A.

Non-GAAP operating earnings increased during fiscal 2023, increased 3 percent to $2.1 billion, primarily driven by an increase in Pharmaceutical and Specialty Solutions segment profit, partially offset by a decrease in Medical GMPD segment profit. profit as described further in the "Results of Operations" section of this MD&A.

GAAP and Non-GAAP Diluted EPS

	GAAP and Non-GAAP diluted EPS					GAAP and Non-GAAP diluted EPS			Change	
($ per share)	($ per share)	2023 (2)	2022 (2) (3)	Change	($ per share)	2024 (2)	2023 (2)	2022 (2)(3)	2024	2023
GAAP diluted EPS (1)	**GAAP diluted EPS** (1)	**$1.00**	$(3.35)	**N.M.**	**GAAP diluted EPS** (1)	**$ 3.45**	$ 1.26	$ (3.37)	**N.M.**	N.M.
State opioid assessment related to prior fiscal years	State opioid assessment related to prior fiscal years	**(0.02)**	—							
State opioid assessment related to prior fiscal years										
State opioid assessment related to prior fiscal years										
Shareholder cooperation agreement costs										
Shareholder cooperation agreement costs										
Shareholder cooperation agreement costs	Shareholder cooperation agreement costs	**0.02**	—							

Restructuring and employee severance	Restructuring and employee severance	**0.28**	0.27											
Restructuring and employee severance														
Restructuring and employee severance														
Amortization and other acquisition-related costs														
Amortization and other acquisition-related costs														
Amortization and other acquisition-related costs	Amortization and other acquisition-related costs	**0.80**	0.87											
Impairments and (gain)/loss on disposal of assets, net (4)	Impairments and (gain)/loss on disposal of assets, net (4)	**4.44**	6.93											
Impairments and (gain)/loss on disposal of assets, net (4)														
Impairments and (gain)/loss on disposal of assets, net (4)														
Litigation (recoveries)/charges, net	Litigation (recoveries)/charges, net	**(0.73)**	0.31											
Litigation (recoveries)/charges, net														
Litigation (recoveries)/charges, net														
Loss on early extinguishment of debt														
Loss on early extinguishment of debt														
Loss on early extinguishment of debt	Loss on early extinguishment of debt	—	0.03											
Non-GAAP diluted EPS (1)	**Non-GAAP diluted EPS (1)**	**$5.79**	$ 5.06	**14**	**%**									
Non-GAAP diluted EPS (1)														
Non-GAAP diluted EPS (1)						**$**	**7.53**	$	5.85	$	5.07	**29**	**%**	15 %

The sum of the components and certain computations may reflect rounding adjustments.

(1) Diluted earnings/(loss) per share attributable to Cardinal Health, Inc. ("diluted EPS" or "diluted loss per share").

(2) The reconciling items are presented within this table net of tax. See quantification of tax effect of each reconciling item in our GAAP to Non-GAAP Reconciliations in the section titled "Explanation and Reconciliation of Non-GAAP Financial Measures."

(3) For fiscal 2022, GAAP diluted loss per share attributable to Cardinal Health, Inc. and the EPS impact from the GAAP to non-GAAP per share reconciling items are calculated using a weighted average of 279 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 2022 non-GAAP diluted EPS is calculated using a weighted average of 280 million common shares, which includes potentially dilutive shares.

(4) Impairments For fiscal 2024, 2023 and 2022, impairments and (gain)/loss on disposals of assets, net includes pre-tax goodwill impairment charges of $675 million, $1.2 billion and $2.1 billion, respectively, related to the Medical GMPD segment, recorded during respectively. For fiscal 2024, 2023 and 2022. The 2022, the net tax benefits benefit related to these charges was $58 million, $92 million and $140 million, respectively, and were $82 million and $150 million, respectively. included in the annual effective tax rate.

The increases in fiscal 2024 and 2023 GAAP diluted EPS were primarily due to the factors impacting GAAP operating earnings. During fiscal 2024, 2023 and 2022, GAAP diluted EPS was adversely impacted by the goodwill impairment charges related to the Medical GMPD segment, which had a $(4.38) $(2.50), $(4.33) and $(6.94) $(6.97) per share after-tax impact, impacts, respectively. See the "Critical Accounting Policies and Sensitive

Accounting Estimates" section of this MD&A and Note 45 and Note 89 of the "Notes to Consolidated Financial Statements" for additional detail.

During fiscal 2023, GAAP 2024, non-GAAP diluted EPS was favorably impacted by litigation recoveries. See Note 7 of increased 29 percent to $7.53 due to the "Notes to Consolidated Financial Statements."factors impacting non-GAAP operating earnings described above and a lower share count.

During fiscal 2023, non-GAAP diluted EPS increased 14 15 percent to $5.79 $5.85 due to a lower share count, the factors impacting non-GAAP operating earnings described above and lower interest expense, net.

Cash and Equivalents

Our cash and equivalents balance was $4.0 billion $5.1 billion at June 30, 2024 compared to $4.1 billion at June 30, 2023. During fiscal 2024, net cash provided by operating activities was $3.8 billion, which includes the impact of our annual payment of $378 million and prepayments of $239 million primarily related to the agreement to settle the vast majority of the opioid lawsuits filed by states and local governmental entities (the "National Opioid Settlement Agreement"). During fiscal 2024, we issued additional long-term debt and received net proceeds of $1.14 billion, of which $200 million is invested in short-term time deposits with initial effective maturities of more than three months and classified as prepaid expenses and other in our consolidated balance sheet as of June 30, 2024. In addition, during fiscal 2024 we deployed $1.2 billion for the Specialty Networks acquisition, $783 million for debt repayments, $750 million for share repurchases, $511 million for capital expenditures and $499 million for cash dividends.

Our cash and equivalents balance was $4.1 billion at June 30, 2023 compared to $4.7 billionat June 30, 2022. During fiscal 2023, net cash provided by operating activities was $2.8 billion, which was offset by $2.0 billion in for share repurchases, $579 million in for debt repayments, $525 million of for cash dividends and $481 million of for capital expenditures.

Significant Developments in Fiscal 2023 2024 and Trends

Operating and Segment Reporting Structure Changes

Effective January 1, 2024, we began operating under an updated organizational structure and re-aligned our financial reporting structure under two reportable segments: Pharmaceutical and Specialty Solutions segment and GMPD segment. All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other. The following indicates the changes from the second quarter of fiscal 2024 to the new reporting structure:

- Pharmaceutical and Specialty Solutions segment: This reportable segment is comprised of all businesses formerly within our Pharmaceutical segment except Nuclear and Precision Health Solutions.
- GMPD segment: This reportable segment is comprised of all businesses formerly within our Medical segment except at-Home Solutions and OptiFreight® Logistics.
- Other: This is comprised of the remaining operating segments, Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics.

Our previously reported segment results have been recast to conform to our new reporting structure and reflect changes in the elimination of inter-segment revenue and allocated corporate technology and shared function expenses, which are driven by the reporting structure change.

Pharmaceutical and Specialty Solutions Segment

OptumRx Contracts

On April 22, 2024, we announced that our pharmaceutical distribution contracts with OptumRx would expire at the end of June 2024. Sales to OptumRx generated 17 percent of our consolidated revenue in fiscal 2024; however, due to the class of trade, sales to OptumRx generated a meaningfully lower operating margin than the overall Pharmaceutical and Specialty Solutions segment. We expect the expiration of the OptumRx contracts to adversely impact our results of operations, including segment profit, financial condition and cash flows in fiscal 2025. In particular, we expect the unwinding of the negative net working capital associated with the contract to negatively impact operating cash flow in fiscal 2025.

Specialty Networks Acquisition

On March 18, 2024, we completed the acquisition of Specialty Networks for a purchase price of $1.2 billion in cash, subject to certain adjustments. Specialty Networks creates clinical and economic value for independent specialty providers and partners across multiple specialty group purchasing organizations ("GPOs"): UroGPO, Gastrologix and GastroGPO, and United Rheumatology. Specialty Networks' PPS Analytics platform analyzes data from electronic medical records, practice management, imaging, and dispensing systems and transforms it into meaningful and actionable insights for providers and other stakeholders by using artificial intelligence and modern data analytics capabilities. The acquisition further expands our offerings in key therapeutic areas, accelerates our upstream data and research opportunities with biopharma manufacturers, and creates a platform for our expansion across therapeutic areas. We expect the Specialty Networks acquisition to positively impact Pharmaceutical and Specialty Solutions segment revenue and profit while increasing amortization and other acquisition-related costs during fiscal 2025 and beyond.

Branded Pharmaceuticals

During fiscal 2024, we saw increased demand for GLP-1 pharmaceuticals, and our sales increased significantly, despite periodic supply shortages. These increased sales positively impacted our Pharmaceutical segment and consolidated revenue for the year; however, GLP-1 sales did not meaningfully contribute to segment profit. Future demand for these medications is unpredictable and our ability to meet demand may be impacted by additional supply constraints.

During fiscal 2024, we began distributing commercially available COVID-19 vaccines following U.S. Food and Drug Administration (“FDA”) approval. Distribution of these vaccines had a greater than anticipated benefit to Pharmaceutical and Specialty Solutions segment profit in fiscal year 2024. Updated COVID-19 vaccines for 2025 also require FDA approval. We expect COVID-19 vaccine distribution to favorably impact Pharmaceutical and Specialty Solutions segment profit in fiscal 2025, but to a lesser extent.

Generics Program

The performance of our Pharmaceutical and Specialty Solutions segment generics program positively impacted the year-over-year comparison of Pharmaceutical and Specialty Solutions segment profit in fiscal 2023. profit. The Pharmaceutical and Specialty Solutions segment generics program includes, among other things, the impact of generic pharmaceutical product launches, customer volumes, pricing changes, the Red Oak Sourcing, LLC venture ("Red Oak Sourcing") with CVS Health Corporation ("CVS Health") and generic pharmaceutical contract manufacturing and sourcing costs.

The frequency, timing, magnitude and profit impact of generic pharmaceutical customer volumes, pricing changes, customer contract renewals, generic pharmaceutical manufacturer pricing changes and generic pharmaceutical contract manufacturing and sourcing costs all impact Pharmaceutical and Specialty Solutions segment profit and are subject to risks and uncertainties. These risks and uncertainties may impact Pharmaceutical and Specialty Solutions segment profit and consolidated operating earnings in during fiscal 2024. 2025 and beyond.

Global Medical Products and Distribution Segment

Inflationary Impacts

Beginning in fiscal 2022, Medical GMPD segment profit was negatively affected by incremental inflationary impacts, primarily related to transportation (including ocean and domestic freight), commodities and labor, and global supply chain constraints. Since that time, we have taken actions to partially mitigate these impacts, including implementing certain price increases and evolving our pricing and commercial contracting processes to provide us with greater pricing flexibility. In addition, decreases in some product-related costs have been recognized as the higher-cost inventory moved through our supply chain and was replaced by lower cost lower-cost inventory. These net inflationary impacts negatively affected Medical GMPD segment profit during fiscal 2023. The net inflationary impacts were less significant during fiscal 2024 and had a favorable impact on GMPD segment profit on a year-over-year basis.

We expect these net inflationary impacts to continue to affect Medical GMPD segment profit in fiscal 2024 2025 and beyond, but to a significantly lesser extent than in fiscal 2023 and prior periods, we expect that they will be substantially offset due to our mitigation actions, together with continued decreases in certain product-related costs. actions. However, these inflationary costs are difficult to predict and may be greater than we expect or continue longer than our current expectations. Our actions to increase prices and evolve our contracting strategies are subject to contingencies and uncertainties and it is possible that our results of operations will be adversely impacted to a greater extent than we currently anticipate or that we may not be able to mitigate the negative impact to the extent or on the timeline we anticipate.anticipate.

Volumes within Products and Distribution

Medical GMPD segment profit was adversely impacted during fiscal 2023 on a year-over-year basis in part due to lower volumes, within products and distribution, which includes included our Cardinal Health branded brand medical products. We expect experienced Cardinal Health branded brand medical products sales growth during fiscal 2024 and expect further growth in fiscal 2024 2025 and beyond. The timing, magnitude and profit impact of this anticipated sales growth is subject to risks and uncertainties, which may impact Medical GMPD segment profit.

Medical Unit Goodwill

Due The change in segment structure as discussed above resulted in changes to previously communicated changes the composition of our reporting units. Accordingly, we were required to reallocate the goodwill in our long-term financial plan assumptions, including those related to Cardinal Health branded medical products sales growth, reporting units affected by the change using a relative fair value approach and increases in assess goodwill for impairment both before and after the risk-free interest rate, reallocation. During the three months ended March 31, 2024, we performed allocated $90 million and $48 million of goodwill impairment testing for from the former Medical operating segment (excluding excluding our Cardinal Health at-Home Solutions division) (“Medical Unit” division (the "Medical Unit") during fiscal 2023. This testing resulted to the GMPD reporting unit and the OptiFreight® Logistics reporting unit, respectively. We also assessed GMPD's goodwill for impairment and determined there was an impairment of GMPD’s remaining goodwill balance of $90 million, resulting in cumulative pre-tax charges of $1.2 billion which were included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss). GMPD goodwill being fully impaired. See the "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A and Note 4 5 of the "Notes to Consolidated Financial Statements" for additional detail. Adverse changes in key assumptions or a significant change in industry or economic trends during fiscal 2024 could result in additional goodwill impairment.

Shareholder Cooperation Agreement

In September 2022, we entered into a Cooperation Agreement (the "Cooperation Agreement") with Elliott Associates, L.P. and Elliott International, L.P.(together, (together, "Elliott") under which our Board of Directors (the "Board"), among other things, (1) appointed four new independent directors, including a representative from Elliott, and (2) formed an advisory Business Review Committee of the Board which is tasked with undertaking a comprehensive review of our strategy, portfolio, capital-allocation framework and operations. In May 2023, we extended the term of the Cooperation Agreement until the later of July 15, 2024 or until Elliott's representative ceases to serve on, or

MD&A Overview

resigns from, the Board. In connection with this extension, the Board has extended the term of the Business Review Committee until July 15, 2024. On that date, the Business Review Committee disbanded in accordance with its charter. The Cooperation Agreement remains in effect.

The evaluation and implementation of any actions recommended by the Business Review Committee and the Board have impacted and may continue to impact our business, financial position and results of operations during fiscal 2024 2025 and beyond. During fiscal 2024 and 2023, we incurred $1 million and $8 million of expenses related to the negotiation and finalization of the Cooperation Agreement and other consulting expenses. expenses, respectively. We have incurred, and expect to continue to may incur additional legal, consulting and other expenses related to the Cooperation Agreement and the activities of the Business Review Committee. See "Risk Factors" section for additional detail related to risks associated with the Cooperation Agreement.

MD&A Results of Operations

Results of Operations

Revenue

Revenue						Revenue					Change			
(in millions)	(in millions)	2023	2022	Change	(in millions)	2024	2023		2022		2024		2023	
Pharmaceutical		$190,009	$165,491	15 %										
Medical		15,014	15,887	(5) %										
Pharmaceutical and Specialty Solutions					Pharmaceutical and Specialty Solutions	$ 210,019	$ 188,814		$ 164,596		11	%	15	%
Global Medical Products and Distribution					Global Medical Products and Distribution	12,381	12,222		13,280		1	%	(8)	%
Other					Other	4,512	4,021		3,518		12	%	14	%
Total segment revenue	Total segment revenue	205,023	181,378	13 %	Total segment revenue	226,912	205,057	205,057	181,394	181,394	11	11 %	13	%
Corporate (1)	Corporate (1)	(11)	(14)	N.M.	Corporate (1)	(85)	(78)	(78)	(68)	(68)	N.M.	N.M.		N.M.
Total revenue	Total revenue	$205,012	$181,364	13 %	Total revenue	$ 226,827	$	$ 204,979	$	$ 181,326	11	11 %	13	%

(1) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

Fiscal 2024 Compared to Fiscal 2023

Pharmaceutical Segment and Specialty Solutions

Fiscal 2024 Pharmaceutical and Specialty Solutions segment revenue grew by 11 percent primarily due to branded and specialty pharmaceutical sales growth largely from existing customers, which increased revenue by $20.1 billion.

Global Medical Products and Distribution

Fiscal 2024 GMPD segment revenue increased primarily due to higher volumes from existing customers, which increased revenue by $275 million. The increase was partially offset by the adverse impact of personal protective equipment ("PPE") pricing.

Other

Fiscal 2024 Other revenue increased due to growth across the at-Home Solutions, Nuclear and Precision Health Solutions and OptiFreight® Logistics operating segments.

Fiscal 2023 Compared to Fiscal 2022

Pharmaceutical and Specialty Solutions

Fiscal 2023 Pharmaceutical and Specialty Solutions segment revenue grew by 15 percent primarily due to branded and specialty pharmaceutical sales growth largely from existing and net new customers, which increased revenue by $24.2 billion.

Global Medical Segment Products and Distribution

Fiscal 2023 Medical GMPD segment revenue decrease was driven by products and distribution, which decreased revenue by $1.1 billion, primarily related due to lower sales, largely due to an adverse impact from personal protective equipment ("PPE") of PPE pricing and volumes. This decrease was partially offset by sales

Other

Fiscal 2023 Other revenue increased due to growth in across the Nuclear and Precision Health Solutions, at-Home Solutions which increased revenue by $215 million. and OptiFreight® Logistics operating segments.

Cost of Products Sold

Cost of products sold for fiscal 2023 increased $23.3 billion (13 percent) due to the factors affecting the changes in revenue and gross margin.

Cost of Products Sold

Cost of products sold for fiscal 2024 and 2023 increased $21.3 billion (11 percent) and $23.3 billion (13 percent) compared to their respective prior-year periods as a result of the same factors affecting the changes in revenue and gross margin.

Gross Margin


Consolidated Gross Margin																									
Consolidated Gross Margin																									
												Consolidated Gross Margin												Change	
(in millions)	(in millions)	2023	2022	Change		(in millions)		2024			2023			2022			2024			2023				
Gross margin	Gross margin	$6,889	$6,545	5	%	Gross margin	$	7,414	$	$	6,874	$	$	6,484	8		8	%		6	%			

Fiscal 2024 Compared to Fiscal 2023

Fiscal 2024 consolidated gross margin increased primarily due to the beneficial comparison of the prior-year net inflationary impacts in the GMPD segment and the positive performance of our generics program in the Pharmaceutical and Specialty Solutions segment.

Gross margin rate declined 8 basis points during fiscal 2024 mainly due to changes in overall product mix, primarily driven by increased pharmaceutical distribution branded sales, which have a dilutive impact on our overall gross margin rate. This decline in gross margin rate was partially offset by the beneficial comparison to the prior-year net inflationary impacts in the GMPD segment.

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Fiscal 2023 Compared to Fiscal 2022

Fiscal 2023 consolidated gross margin increased primarily due to the Pharmaceutical and Specialty Solutions segment, which reflected the positive performance of our generics program and a higher contribution from branded and specialty pharmaceutical products. This increase was partially offset by the performance of products and distribution within the Medical GMPD segment, primarily driven by lower volumes and unfavorable product sales mix, partially offset by a net positive contribution from PPE.

Gross margin rate declined 25 23 basis points during fiscal 2023 mainly due to changes in overall product mix, primarily driven by increased pharmaceutical distribution branded sales, which have a dilutive impact on our overall gross margin rate. This decline in gross margin rate was partially offset by a net positive contribution from PPE.

Distribution, Selling, General and Administrative ("SG&A") Expenses

SG&A Expenses						SG&A Expenses						Change
(in millions)	(in millions)	2023	2022	Change	(in millions)	2024	2023	2022	2024		2023	
SG&A expenses	SG&A expenses	$4,834	$4,557	6 %	SG&A expenses	$ 5,000	$ 4,800	$ 4,512	4	4 %	6	%

Fiscal 2024 Compared to Fiscal 2023

Fiscal 2024 SG&A expenses increased primarily due to compensation related costs, investment projects and higher costs to support sales growth. These increases were partially offset by the beneficial impact of enterprise-wide cost-savings measures.

Fiscal 2023 Compared to Fiscal 2022

Fiscal 2023 SG&A expenses increased primarily due to inflationary impacts, primarily related to increased transportation and labor costs, higher operating expenses, including higher costs to support sales growth, compensation related costs and enterprise-wide incentive compensation. inflationary impacts. These increases were partially offset by the beneficial impact of enterprise-wide cost-savings measures.

Segment Profit

We evaluate segment performance based on segment profit, among other measures. See Note 13 14 of the "Notes to Consolidated Financial Statements" for additional information on segment profit.

(in millions)	Segment Profit and Operating Earnings/(Loss) 2024	2023	2022	Change 2024	2023
Pharmaceutical and Specialty Solutions	**$ 2,015**	$ 1,881	$ 1,643	**7 %**	14 %
Global Medical Products and Distribution	**92**	(147)	(64)	**N.M.**	N.M.
Other	**423**	396	390	**7 %**	2 %
Total segment profit	**2,530**	2,130	1,969	**19 %**	8 %
Corporate	**(1,287)**	(1,378)	(2,576)	**N.M.**	N.M.
Total consolidated operating earnings/(loss)	**$ 1,243**	$ 752	$ (607)	**65 %**	N.M.

(in millions)	Segment Profit and Operating Earnings 2023	2022	Change
Pharmaceutical	**$ 1,999**	$ 1,770	**13 %**
Medical	**111**	216	**(49)%**
Total segment profit	**2,110**	1,986	**6 %**
Corporate	**(1,383)**	(2,582)	**N.M.**
Total consolidated operating earnings/(loss)	**$ 727**	$ (596)	**N.M.**

Fiscal 2024 Compared to Fiscal 2023

Pharmaceutical Segment Profit and Specialty Solutions

Fiscal 2024 Pharmaceutical and Specialty Solutions segment profit increased primarily due to the positive performance of our generics program.

Global Medical Products and Distribution

Fiscal 2024 GMPD segment profit increased primarily due to the beneficial comparison to the prior-year inflationary impacts, net of the effects of mitigation actions.

Other

Fiscal 2024 Other segment profit increased primarily due to the performance of OptiFreight® Logistics.

Corporate

The changes in Corporate during fiscal 2024 are due to the factors discussed in the "Other Components of Consolidated Operating Earnings/(Loss)" section that follows.

Fiscal 2023 Compared to Fiscal 2022

Pharmaceutical and Specialty Solutions

Fiscal 2023 Pharmaceutical and Specialty Solutions segment profit increased primarily due to the positive performance of our generics program and an increased contribution from branded and specialty pharmaceutical products, partially offset by inflationary impacts, primarily related to increased transportation and labor costs.

Global Medical Segment Profit Products and Distribution

Fiscal 2023 Medical GMPD segment profit decreased primarily due to the performance of products and distribution, largely driven by net inflationary impacts, lower volumes and unfavorable product sales mix, partially offset by a net positive contribution from PPE.

Other

Fiscal 2023 Other segment profit increased primarily due to the performance of OptiFreight® Logistics.

Corporate

The changes in Corporate during fiscal 2023 are due to the factors discussed in the "Other Components of Consolidated Operating Earnings/(Loss)" section that follows.

Other Components of Consolidated Operating Earnings/(Loss)

In addition to revenue, gross margin and SG&A expenses discussed previously, consolidated operating earnings/(loss) were impacted by the following:

(in millions)	(in millions)	2023	2022	(in millions)	2024	2023	2022
Restructuring and employee severance	Restructuring and employee severance	$ 95	$ 101				
Amortization and other acquisition-related costs	Amortization and other acquisition-related costs	285	324				
Impairments and (gain)/loss on disposal of assets, net	Impairments and (gain)/loss on disposal of assets, net	1,250	2,050				
Litigation (recoveries)/charges, net	Litigation (recoveries)/charges, net	(302)	109				

Restructuring and Employee Severance

Restructuring and employee severance costs during in fiscal 2024, 2023 and 2022 were primarily include costs related to the implementation of certain enterprise-wide cost-savings measures, and the divestiture of the Cordis business. During which include certain initiatives to rationalize our manufacturing operations. The increase in fiscal 2023, we also incurred 2024 restructuring costs are primarily due to estimated severance costs related to these cost-savings measures and costs related to certain projects resulting from the reviews of our strategy, portfolio, capital-allocation framework and operations. During fiscal 2023 and 2022, restructuring and employee severance included costs related to the divestiture of the Cordis business. During fiscal 2022, restructuring also included facility exit facility-exit costs related to decreasing our overall office space.

Amortization and Other Acquisition-Related Costs

Amortization of acquisition-related intangible assets was $264 million, $281 million and $311 million for fiscal 2024, 2023 and 2022, respectively.

Impairments and (Gain)/Loss on Disposal of Assets, Net

During fiscal 2024, 2023 and 2022, we recognized $675 million, $1.2 billion and $2.1 billion of pre-tax non-cash goodwill impairment charges, respectively, related to our Medical GMPD segment, as discussed further in the "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A and Note 4 5 of the "Notes to Consolidated Financial Statements."

Litigation (Recoveries)/Charges, Net

During fiscal 2024, we recognized expense of $340 million in connection with opioid-related matters, including agreements in principle with counsel representing classes of third-party payors and acute care hospitals, the case brought by the City of Baltimore, and a settlement with the State of Alabama. This expense was partially offset by a benefit of $105 million related to certain prepayments and $34 million in insurance recoveries. We also recognized income of $117 million for net recoveries in class action lawsuits in which we were a class member or plaintiff.

During fiscal 2023, we recognized income of $130 million for net recoveries in class action lawsuits in which we were a class member or plaintiff. We recognized income of $103 million, primarily related to a reduction of the reserve for the estimated settlement and defense costs for the Cordis OptEase and TrapEase inferior vena cava ("IVC") product liability due to the execution of certain settlement agreements. We also recognized income of $93 million due to net proceeds from the settlement of a shareholder derivative litigation matter.

During fiscal 2022, we recognized estimated losses and legal defense costs associated with the IVC filter product liability claims of $87 million $70 million. See Note 7 of the "Notes to Consolidated Financial Statements" for additional information.

During fiscal 2023, we We also recognized income of $93 million due to net proceeds from the settlement of a shareholder derivative litigation matter as described further in the "Legal Proceedings" section.

During fiscal 2023 and 2022, we recognized income of $130 million and $18 million, respectively, for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff.

See Note 8 of the "Notes to Consolidated Financial Statements" for additional information.

Other Components of Earnings/(Loss) Before Income Taxes

In addition to the items discussed above, earnings/(loss) before income taxes was impacted by the following:

(in millions)	(in millions)	Earnings/(loss) Before Income Taxes 2023	2022	Change	(in millions)	Earnings/(loss) Before Income Taxes 2024	2023	2022	Change 2024	2023
Other (income)/expense, net	Other (income)/expense, net	**$ (4)**	$ 16	**N.M.**	Other (income)/expense, net	**$ (9)**	$ 5	$ 22	**N.M.**	N.M.
Interest expense, net	Interest expense, net	**93**	149	**(38) %**	Interest expense, net	**51**	84	147	**(39)**	**(39) %**
Loss on early extinguishment of debt	Loss on early extinguishment of debt	**—**	10	**N.M.**	Loss on early extinguishment of debt	**—**	—	10	**N.M.**	**N.M.**
(Gain)/Loss on sale of equity interest in naviHealth	(Gain)/Loss on sale of equity interest in naviHealth	**—**	(2)	**N.M.**	(Gain)/Loss on sale of equity interest in naviHealth	**—**	—	(2)	**N.M.**	**N.M.**

Interest Expense, Net

Fiscal 2024 and 2023 interest expense, net decreased from fiscal 2022 primarily due to increased interest income from cash and equivalents. The decrease in Fiscal 2024 interest expense, net was partially offset by lower interest income from financial instruments.

Loss On Early Extinguishment of Debt

During fiscal 2022, we recognized a loss of $10 million $10 million in connection with the debt redemption as described further in Note 6 7 of the "Notes to Consolidated Financial Statements."

Provision for Income Taxes

Fluctuations in the effective tax rates are primarily due to the impact of the goodwill impairment charges recognized in fiscal 2024, 2023 and 2022 related to the Medical segment . GMPD segment.

A reconciliation of the provision based on the federal statutory income tax rate to our effective income tax rate from continuing operations is as follows (see Note 8 9 of the "Notes to Consolidated Financial Statements" for additional information):

		2023 (1)	2022 (1)		2024 (1)	2023 (1)	2022 (1)
Provision at Federal statutory rate	Provision at Federal statutory rate	**21.0 %**	21.0 %	Provision at Federal statutory rate	**21.0 %**	21.0 %	21.0 %
State and local income taxes, net of federal benefit	State and local income taxes, net of federal benefit	**6.6**	2.2				
Tax effect of foreign operations	Tax effect of foreign operations	**(4.2)**	3.5				
Nondeductible/nontaxable items	Nondeductible/nontaxable items	**(1.1)**	1.2				
Impact of Divestitures							

Impact of Divestitures											
Impact of Divestitures	Impact of Divestitures	—	(4.9)								
Withholding Taxes	Withholding Taxes	**1.0**	(1.1)								
Change in Valuation Allowances	Change in Valuation Allowances	**(5.3)**	3.5								
US Taxes on International Income (2)	US Taxes on International Income (2)	**(0.7)**	3.2								
Impact of Resolutions with IRS and other related matters	Impact of Resolutions with IRS and other related matters	**5.8**	(0.6)								
Opioid litigation	Opioid litigation	**0.1**	(0.5)								
Opioid litigation											
Opioid litigation											
Goodwill Impairment	Goodwill Impairment	**36.9**	(49.5)								
Other	Other	**(1.2)**	0.8								
Other											
Other											
Effective income tax rate	**Effective income tax rate**	**58.9 %**	(21.2)%	**Effective income tax rate**	**28.9**	**%**	50.0	%	(19.5)	%	

(1) This table reflects fiscal 2024 and 2023 pretax income with tax expense and fiscal 2022 pretax loss with tax expense.

(2) Includes the tax impact of Global Intangible Low-Taxed Income ("GILTI") tax, the Foreign-Derived Intangible Income deduction and other foreign income that is taxable under the U.S. tax code.

During fiscal 2024, 2023, and 2022, the effective tax rate was 58.9 28.9 percent, 50.0 percent and (21.2) (19.5) percent, respectively. Included in the effective tax rate for fiscal 2024, 2023, and 2022, was $82 $58 million, $92 million and $150 million $140 million, respectively, of benefit related to the goodwill impairment charges related to the Medical Unit. GMPD.

Ongoing Audits

We file income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and various foreign jurisdictions. With few exceptions, we are subject to audit by taxing authorities for fiscal 2015 through the current fiscal year. Tax laws are complex and subject to varying interpretations. New challenges related to future audits may adversely affect our effective tax rate or tax payments.

Liquidity and Capital Resources

We currently believe that, based on available capital resources and projected operating cash flow, we have adequate capital resources to fund our operations and expected future cash needs as described below. If we decide to engage in one or more acquisitions, depending on the size and timing of such transactions, we may need to access capital markets for additional financing.

Cash and Equivalents

Our cash and equivalents balance was $4.0 billion $5.1 billion at June 30, 2023 June 30, 2024 compared to $4.7 billion $4.1 billion at June 30, 2022 June 30, 2023. Net

During fiscal 2024, net cash provided by operating activities was $2.8 billion $3.8 billion, which includes the impact of our second annual payment of $372 million $378 million and prepayments of $239 million primarily related to the April 2022 agreement to settle the vast majority of the opioid lawsuits filed by states and local governmental entities (the "National National Opioid Settlement Agreement") Agreement. During fiscal 2024, we issued additional long-term debt and received net proceeds of $1.14 billion, of which $200 million is invested in short-term time deposits with initial effective maturities of more than three months and classified as prepaid expenses and other in our consolidated balance sheet as of June 30, 2024. In addition, we deployed $2.0 billion cash of $783 million for debt repayments, $750 million for share repurchases, $579 million for debt repayments, $525 million for dividends and $481 million $511 million for capital expenditures. expenditures and $499 million for cash dividends. At June 30, 2023 June 30, 2024, our cash and equivalents were held in cash depository accounts with major banks or invested in high quality, short-term liquid investments.

On March 18, 2024, we completed the acquisition of Specialty Networks for a purchase price of $1.2 billion in cash, subject to certain adjustments. See Note 2 of the "Notes to Consolidated Financial Statements" for additional information.

At June 30, 2022 June 30, 2023, our cash and equivalents were $4.7 billion $4.1 billion. During fiscal 2022, 2023, net cash provided by operating activities was $2.8 billion, which includes the impact of $3.1 billion included a refund our second annual payment of $966 $372 million for the tax benefit from the net operating loss carryback related to a self-insurance pre-tax loss. We also received proceeds of $923 million, net of cash transferred, from the divestiture of the Cordis business and National Opioid Settlement Agreement. In addition, we deployed $1.0 billion $2.0 billion for share repurchases, $885 million $579 million for debt repayments, $559 million $525 million for cash dividends and $387 million $481 million for capital expenditures.

Changes in working capital, which impact operating cash flow, can vary significantly depending on factors such as the timing of customer payments, inventory purchases, payments to vendors and tax payments in the regular course of business, as well as fluctuating working capital needs driven by customer and product mix. We expect the unwinding of the negative net working capital associated with the OptumRx contract to negatively impact operating cash flow in fiscal 2025.

The cash and equivalents balance at June 30, 2023 included $533 million June 30, 2024 includes $497 million of cash and equivalents held by subsidiaries outside of the United States.

In fiscal 2023, 2024, we returned $189 million $384 million of cash held by foreign subsidiaries to the U.S. United States.

At June 30, 2023 June 30, 2024, foreign earnings of approximately $976 million $1.0 billion are considered indefinitely reinvested for working capital and other offshore investment needs. The computation of tax required if those earnings are repatriated is not practicable. For amounts not considered indefinitely reinvested, we have recorded an immaterial amount of income tax expense in our consolidated financial statements in fiscal 2023. 2024.

Other Financing Arrangements and Financial Instruments

Credit Facilities and Commercial Paper

In addition to cash and equivalents and operating cash flow, other sources of liquidity at June 30, 2023 June 30, 2024 include a $2.0 billion commercial paper program, backed by a $2.0 billion revolving credit facility. We also have a $1.0 billion committed receivables sales facility. At June 30, 2023 June 30, 2024, we had no amounts outstanding under our commercial paper program, revolving credit facility or our committed receivables sales facility. During fiscal 2023, 2024, under our commercial paper program and our committed receivables program, we had maximum combined total daily amounts outstanding of $445 million $1.3 billion.

In February 2023, we extended our revolving credit facility through February 25, 2028. In September 2022, we renewed our committed receivables sales facility program through Cardinal Health Funding, LLC ("CHF") through September 30, 2025. In September 2023, Cardinal Health 23 Funding, LLC was added as a seller under our committed receivables sales facility.

Our revolving credit and committed receivables sales facilities require us to maintain a consolidated net leverage ratio of no more than 3.75-to-1. As of June 30, 2023 June 30, 2024, we were in compliance with this financial covenant.

Long-Term Obligations

At June 30, 2023 June 30, 2024, we had total long-term obligations, including the current portion and other short-term borrowings of $4.7 billion $5.1 billion.

In February 2024, we issued additional debt with the aggregate principal amount of $1.15 billion to fund the repayment of all of the aggregate principal amount outstanding of our 3.5% Notes due 2024 and 3.079% Notes due 2024, at their respective maturities, and for general corporate purposes. In June 2024, we repaid the full principal of $750 million of the 3.079% Notes due 2024. The notes issued are $650 million aggregate principal amount of 5.125% Notes that mature on February 15, 2029 and $500 million aggregate principal amount of 5.45% Notes that mature on February 15, 2034. The proceeds of the notes issued, net of discounts, premiums, and debt issuance costs were $1.14 billion. A portion of the proceeds was invested in short-term time deposits of $550 million with initial effective maturities of more than three months. At June 30, 2024, we had $200 million remaining in those

short-term time deposits and classified as prepaid expenses and other in our consolidated balance sheets.

During fiscal 2023, we repaid the full principal of $550 million of the 3.2% Notes due 2023.

During fiscal 2022, we redeemed all outstanding $572 million principal amount of 2.616% Notes due 2022 and recorded a $10 million loss on early extinguishment of debt. We also repaid the full principal of the $282 million Floating Rate Notes due 2022 as they became due.

The early redemption and repayments were repayment was funded with available cash.

Capital Deployment

Opioid Litigation Settlement Agreement

We had $5.87 have $5.4 billion accrued at June 30, 2023 June 30, 2024 related to certain opioid litigation, as further described within Note 78 of the "Notes to Consolidated Financial Statements." We expect the majority of payments the remaining payment amounts to occur through 2038. During fiscal 2023, 2024, we paid our second annual payment of $372 million under the National Opioid Settlement Agreement. In July 2023, we made our third annual payment of $378 million under the National Opioid Settlement Agreement. In July 2024, we made our fourth annual payment of $366 million under the National Opioid Settlement Agreement. The amounts of these future annual payments may differ from the payments that we have already made.

In January 2024, we made additional payments of approximately $239 million to prepay at a prenegotiated discount certain future payment amounts totaling approximately $344 million owed under each of the National Opioid Settlement Agreement, West Virginia Subdivisions Settlement Agreement and settlement agreements with Native American tribes and Cherokee Nation. The majority of the prepayment relates to the seventh annual payment due under the National Opioid Settlement Agreement. As a result of these prepayments, we recognized income of $105 million in litigation charges/(recoveries), net in our consolidated statements of earnings/(loss) during fiscal 2024.

Capital Expenditures

Capital expenditures during fiscal 2024 and 2023 were $511 million and 2022 were $481 million and $387 million, respectively.

We expect capital expenditures in fiscal 2024 2025 to be approximately between $500 million and $550 million and primarily related to manufacturing and distribution infrastructure projects and technology investments.

Dividends

During fiscal 2023, 2024, we paid quarterly dividends totaling $1.98 $2.00 per share, an increase of 1 percent from fiscal 2022. 2023.

On May 11, 2023 May 7, 2024, our Board of Directors approved a quarterly dividend of $0.5006 $0.5056 per share, or $2.00 $2.02 per share on an annualized basis, which was paid on July 15, 2023 July 15, 2024, to shareholders of record on July 3, 2023.

On August 9, 2023, our Board of Directors approved a quarterly dividend of $0.5006 per share, or $2.00 per share on an annualized basis, which will be paid on October 15, 2023, to shareholders of record on October 3, 2023 July 1, 2024.

Share Repurchases

During fiscal 2023 2024 and 2022, 2023, we deployed $2.0 billion $750 million and $1.0 billion $2.0 billion, respectively, for repurchases of our common shares. shares in the aggregate under accelerated share repurchase ("ASR") programs. We funded the repurchases ASR programs with available cash. See Note 11 12 of the "Notes to Consolidated Financial Statements" for additional information.

On November 4, 2021, our Board of Directors approved a $3.0 billion share repurchase program, which will expire on December 31, 2024. On June 7, 2023, our Board of Directors approved a $3.5 billion share repurchase program, which will expire on December 31, 2027. At June 30, 2023 As of June 30, 2024, we had $4.3 billion $3.5 billion remaining authorized under our existing share repurchase authorization.

Specialty Networks Acquisition

On March 18, 2024, we completed the acquisition of Specialty Networks for share repurchases under these programs. a purchase price of $1.2 billion in cash, subject to certain adjustments. See Note 2 of the "Notes to Consolidated Financial Statements" for additional information.

Contractual Obligations and Cash Requirements

At June 30, 2023June 30, 2024, our contractual obligations and future cash requirements, including estimated payments due by period, were as follows:

(in millions)	(in millions)	2024	2025 to 2026	2027 to 2028	There-after	Total	(in millions)	2025	2026 to 2027	2028 to 2029	There-after	Total
Long-term debt and short-term borrowings (1)	Long-term debt and short-term borrowings (1)	$ 764	$ 917	$1,308	$1,626	**$ 4,615**						
Interest on long-term debt	Interest on long-term debt	218	326	215	1,336	**2,095**						
Finance lease obligations (2)	Finance lease obligations (2)	28	41	16	7	**92**						
Operating lease obligations (3)	Operating lease obligations (3)	113	189	123	97	**522**						
Operating lease obligations (3)	Operating lease obligations (3)											
Purchase obligations and other payments (4)	Purchase obligations and other payments (4)	645	311	188	105	**1,249**						
Opioid litigation settlement agreements (5)	Opioid litigation settlement agreements (5)	426	837	832	3,715	**5,810**						
Total contractual obligations and cash requirements (6)	**Total contractual obligations and cash requirements (6)**	**$2,194**	**$2,621**	**$2,682**	**$6,886**	**$14,383**						

(1) Represents maturities of our long-term debt obligations and other short-term borrowings excluding finance lease obligations described below. See Note 67 of the "Notes to Consolidated Financial Statements" for further information.

(2) Represents minimum finance lease obligations included within current portion of long-term obligations and other short-term borrowings and long-term obligations, less current portion in our consolidated balance sheets and further described in Note 56 of the "Notes to Consolidated Financial Statements."

(3) Represents minimum operating lease obligations included within other accrued liabilities and deferred income taxes and other liabilities in our

consolidated balance sheets and further described in Note 56 of the “Notes to Consolidated Financial Statements.”

(4) A purchase obligation is defined as an agreement to purchase goods or services that is legally enforceable and specifies all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and approximate timing of the transaction. The purchase obligation amounts disclosed above represent estimates of the minimum for which we are obligated and the time period in which cash outflows will occur. Purchase orders and authorizations to purchase that involve no firm commitment from either party are excluded from the above table. In addition, contracts that can be unilaterally canceled with no termination fee or with proper notice are excluded from our total purchase obligations except for the amount of the termination fee or the minimum amount of goods that must be purchased during the requisite notice period. Purchase obligations and other payments also includes quarterly payments to CVS Health in connection with Red Oak Sourcing. See Note 78 of the “Notes to Consolidated Financial Statements” for additional information.

(5) Represents future cash obligations under the National Opioid Settlement Agreement as well as future cash obligations under separate settlement agreements with the States of Oklahoma, Washington and West Virginia and the Cherokee Nation. We have $5.87 billion accrued at June 30, 2023, of which $426 million is included in other accrued liabilities, and the remainder is included in deferred income taxes and other liabilities in our consolidated balance sheets. agreements. See Note 78 of the “Notes to Consolidated Financial Statements” for additional information.

(6) Long-term liabilities, such as unrecognized tax benefits, deferred taxes and other tax liabilities, have been excluded from the above table due to the inherent uncertainty of the underlying tax positions or because of the inability to reasonably estimate the timing of any cash outflows. See Note 89 of the "Notes to Consolidated Financial Statements" for further discussion of income taxes.

Recent Financial Accounting Standards

See Note 1 of the “Notes to Consolidated Financial Statements” for further information.

Critical Accounting Policies and Sensitive Accounting Estimates

Critical accounting policies are those accounting policies that (i) can have a significant impact on our financial condition and results of operations and (ii) require the use of complex and subjective estimates based upon past experience and management’s judgment. Other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Because estimates are inherently uncertain, actual results may differ. In this section, we describe the significant policies applied in preparing our consolidated financial statements that management believes are the most dependent on estimates and assumptions.

In connection with the preparation of our Consolidated Financial Statements for fiscal 2024, we identified an accounting error related to revenue recognition from third party payors within the at-Home Solutions operating segment. We evaluated the materiality of the error and determined that the impacts were not material, individually or in the aggregate, to our previously issued Consolidated Financial Statements for any of the prior quarters or annual periods in which they occurred. Amounts have been revised to correct this error, as well as other unrelated immaterial errors, including an adjustment to an uncertain tax position. These other immaterial errors were previously corrected in the periods they were identified; however, they are now reflected in the periods they originated. See Note 1 of the "Notes "Notes to Consolidated Financial Statements" Statements" for further discussion.

Allowance for Doubtful Accounts

The allowance for doubtful accounts includes general and specific reserves. We determine our allowance for doubtful accounts by reviewing accounts receivable aging, historical write-off trends, payment history, pricing discrepancies, industry trends, customer financial strength, customer credit ratings or bankruptcies. We regularly evaluate how changes in economic conditions may affect credit risks.

A hypothetical 0.1 percent increase or decrease in the reserve as a percentage of trade receivables at June 30, 2023 June 30, 2024, would result in an increase or decrease in bad debt expense operating earnings of $11 million $12 million. We believe the reserve maintained and expenses recorded in fiscal 2023 2024 are appropriate.

At this time, we are not aware of any analytical findings or customer issues that are likely to lead to a significant future increase in the allowance for doubtful accounts as a percentage of revenue. The following table presents information regarding our allowance for doubtful accounts over the past three fiscal years: years.

(in millions, except percentages)	(in millions, except percentages)	2023	2022	2021
(in millions, except percentages)				
(in millions, except percentages)				
Allowance for doubtful accounts at beginning of period				
Allowance for doubtful accounts at beginning of period				
Allowance for doubtful accounts at beginning of period	Allowance for doubtful accounts at beginning of period	**$ 273**	$ 243	$ 207
Charged to costs and expenses	Charged to costs and expenses	**197**	155	130
Charged to costs and expenses				
Charged to costs and expenses				
Reduction to allowance for customer deductions and write-offs				
Reduction to allowance for customer deductions and write-offs				
Reduction to allowance for customer deductions and write-offs	Reduction to allowance for customer deductions and write-offs	**(171)**	(125)	(94)
Allowance for doubtful accounts at end of period	Allowance for doubtful accounts at end of period	**$ 299**	$ 273	$ 243
Allowance for doubtful accounts at end of period				
Allowance for doubtful accounts at end of period				
Allowance as a percentage of customer receivables				
Allowance as a percentage of customer receivables				
Allowance as a percentage of customer receivables	Allowance as a percentage of customer receivables	**2.6 %**	2.6 %	2.7 %
Allowance as a percentage of revenue	Allowance as a percentage of revenue	**0.15 %**	0.15 %	0.15 %
Allowance as a percentage of revenue				
Allowance as a percentage of revenue				

Inventories

LIFO Inventory

A portion of our inventories (55 (50 percent and 52 54 percent at June 30, 2023 June 30, 2024 and 2022, 2023, respectively) are valued at the lower of cost, using the last-in, first-out ("LIFO") method, or market. These are primarily merchandise inventories at the core pharmaceutical distribution facilities within our Pharmaceutical and Specialty Solutions segment (“distribution facilities”). The LIFO impact on the consolidated statements of earnings/(loss) depends on pharmaceutical manufacturer price appreciation or deflation and our fiscal year-end inventory levels, which can be meaningfully influenced by customer buying behavior immediately preceding our fiscal year-end. Historically, prices for branded pharmaceuticals have generally tended to rise, resulting in an increase in cost of products sold, whereas prices for generic pharmaceuticals generally tend to decline, resulting in a decrease in cost of products sold.

Using LIFO, if there is a decrease in inventory levels that have experienced pharmaceutical price appreciation, the result generally will be a decrease in future cost of products sold as our older inventory is held at a lower cost. Conversely, if there is a decrease in inventory levels that have experienced a pharmaceutical price decline, the result generally will be an increase in future cost of products sold as our older inventory is held at a higher cost.

We believe that the average cost method of inventory valuation provides a reasonable approximation of the current cost of replacing inventory within these distribution facilities. As such, the

LIFO reserve is the difference between (a) inventory at the lower of LIFO cost or market and (b) inventory at replacement cost determined using the average cost method of inventory valuation. At June 30, 2023 June 30, 2024 and 2022, 2023, respectively, inventories valued at LIFO cost were $476 million $749 million and $416 476 million higher than the average cost value. We do not record inventories in excess of replacement cost. As such, we did not write-up the value of our inventory from average cost to LIFO cost at June 30, 2023 June 30, 2024 or 2022. 2023.

FIFO Inventory

Our remaining inventory, including inventory in our Medical GMPD segment and certain inventory in our Pharmaceutical and Specialty Solutions segment, that is not valued at the lower of LIFO cost or market is stated at the lower of cost, using the first-in, first-out ("FIFO") method, or net realizable value. We reserve for the lower of cost or net realizable value using the estimated selling prices and estimated sales demand in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. In fiscal 2021, we recorded a reserve of $197 million, primarily related to certain categories of gloves, to reduce the carrying value of certain PPE to its net realizable value. Our estimates for selling prices and demand are inherently uncertain and if our assumptions decline in the future, additional inventory reserves may be required.

Excess and Obsolete Inventory

We reserve for inventory obsolescence using estimates based on historical experience, historical and projected sales trends, specific categories of inventory, age and expiration dates of on-hand inventory and manufacturer return policies. Inventories presented in the consolidated balance sheets are net of reserves

for excess and obsolete inventory which were $149 million and $139 million at June 30, 2024 and $147 million at June 30, 2023 and 2022, 2023, respectively. If actual conditions are less favorable than our assumptions, additional inventory reserves may be required.

Goodwill and Other Indefinite-Lived Intangible Assets

Purchased goodwill and intangible assets with indefinite lives are tested for impairment annually or when indicators of impairment exist. Goodwill impairment testing involves a comparison of the estimated fair value of reporting units to the respective carrying amount, which may be performed utilizing either a qualitative or quantitative assessment. Qualitative factors are first assessed to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. There is an option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test. We have elected to bypass the qualitative assessment for the annual goodwill impairment test in the current year. The quantitative goodwill impairment test involves a comparison of the estimated fair value of the reporting unit to the respective carrying amount. A reporting unit is defined as an operating segment or one level below an operating segment (also known as a component).

We have two operating segments, which are the same as our reportable segments: Pharmaceutical and Medical. These operating segments are comprised of divisions (which are components), for which discrete financial information is available. Components are aggregated into reporting units for purposes of goodwill impairment testing to the extent that they share similar economic characteristics. Our reporting units are: Pharmaceutical operating segment (excluding our Nuclear and Precision Health Solutions division); Nuclear and Precision Health Solutions division; Medical operating segment (excluding our Cardinal Health at-Home Solutions division) ("Medical Unit"); and Cardinal Health at-Home Solutions division.

Goodwill impairment testing involves judgment, including the identification of reporting units, qualitative evaluation of events and circumstances to determine if it is more likely than not that an impairment exists and, if necessary, the estimation of the fair value of the applicable reporting unit.

Our determination qualitative evaluation considers the weight of estimated evidence and significance of all identified events and circumstances and most relevant drivers of fair value, both positive and negative, in determining whether it is more likely than not that the fair value of our a reporting units in fiscal 2023 was based on a combination of the income-based and market-based approaches (using discount rates ranging from 9.5 to 11 percent). We use discount rates that are commensurate with the risks and uncertainty inherent in the respective reporting units and in our internally-developed forecasts. Under the market-based guideline public company method, we determine fair value by comparing our reporting units to similar businesses or guideline companies whose securities are actively traded in public markets. We also use the market-based guideline transaction method to determine fair value based on pricing multiples derived from the sale of companies that are similar to our reporting units. unit is less than its carrying amount.

Estimating the fair value of reporting units requires the use of estimates and significant judgments that are based on a number of factors including actual operating results. The use of alternate estimates and assumptions, changes in the industry or peer groups, or changes in weightings assigned to the discounted cash flow method, guideline public company method or guideline transaction method could materially affect the determination of fair value for each reporting unit and potentially result in goodwill impairment. If a reporting unit fails to achieve expected earnings or operating cash flow, or otherwise fails to meet current financial plans, or if there were changes to any other key assumptions used in the tests, the reporting unit could incur a goodwill impairment in a future period.

We performed annual impairment testing As discussed in fiscal 2023, 2022 the Overview section of this MD&A, effective January 1, 2024, we implemented a new enterprise operating and 2021 segment reporting structure. The updated structure is comprised of two reportable segments: Pharmaceutical and concluded Specialty Solutions segment and Global Medical Products and Distribution segment. All remaining operating segments that there were no impairments are not significant enough to require separate reportable segment disclosures are included in Other.

This change in segment structure resulted in changes to the composition of goodwill for the former Medical Unit. Effective January 1, 2024, our reporting units are: Pharmaceutical operating segment (excluding our and Specialty Solutions, GMPD, Nuclear and Precision Health Solutions, division); Nuclear and Precision Health Solutions division; and Cardinal Health at-Home Solutions division as and OptiFreight® Logistics. GMPD and OptiFreight® Logistics comprised the former Medical Unit.

Accordingly, we allocated $90 million and $48 million of goodwill from the former Medical Unit to GMPD and OptiFreight® Logistics, respectively, based on the estimated relative fair value values of each the reporting unit exceeded its carrying value. See additional detail on units. We also assessed goodwill for impairment for these reporting units before and after the reallocation and determined there was no impairment for the Medical Unit and OptiFreight® Logistics during the three months ended March 31, 2024 as their fair values substantially exceeded their carrying values. However, the quantitative test resulted in an impairment of GMPD's remaining goodwill below. balance of $90 million, resulting in GMPD goodwill being fully impaired as of March 31, 2024.

Our previously reported goodwill balances have been recast to conform to the new structure. Prior-period goodwill impairment charges related to the former Medical Unit

Goodwill

Due to previously communicated changes in our were primarily driven by the performance and long-term financial plan assumptions made during fiscal 2023, including those related of GMPD and have been fully allocated to Cardinal Health branded medical products sales growth and net inflationary impacts, we elected to bypass GMPD under the qualitative assessment and perform quantitative goodwill impairment testing for the Medical Unit at June 30, 2023. This quantitative testing resulted in the carrying amount of the Medical Unit exceeding the fair value, resulting in a pre-tax impairment charge of $368 million in the fourth quarter and cumulative pre-tax impairment charges of $1.2 billion due to the impairment charges recognized during the second and first quarters of fiscal 2023 as described further below. The fourth quarter impairment charge was primarily driven by the impact of the reductions in our long-term financial plan assumptions. The impairment charges are included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss). The carrying value of the Medical Unit at June 30, 2023 after recognizing the impairment charges was $5.7 billion, of which $725 million was goodwill. See Note 4 of the "Notes to Consolidated Financial Statements" for further discussion.new structure.

We performed interim quantitative goodwill impairment testing for the Medical Unit at December 31, 2022 and September 30, 2022, which resulted in pre-tax impairment charges of $709 million and $154 million, respectively. The impairment charge recognized in the second quarter was driven by certain reductions in our long-term financial plan assumptions, and the impairment charge recognized in the first quarter was driven by an increase in the discount rate primarily due to an increase in the risk-free interest rate. We also performed quantitative goodwill annual impairment testing at March 31, 2023 in fiscal 2024, 2023 and 2022 for Pharmaceutical and Specialty Solutions, Nuclear and Precision Health Solutions and at-Home Solutions, and in fiscal 2024 for OptiFreight® Logistics. We concluded that there was were no impairment impairments of goodwill at March 31, 2023 for these reporting units as the estimated fair value of the Medical Unit each reporting unit exceeded its carrying amounts. GMPD had no goodwill balance remaining as of April 1, 2024. See additional detail regarding GMPD goodwill below.

During our fiscal 2024 annual impairment test, at-Home Solutions fair value exceeds its carrying amount by approximately 4 less than 1 percent.

The decrease in at-Home Solutions fair value was primarily due to changes in operating expense estimates to better reflect the fair value from an external perspective. Our determinations determination of the estimated fair value of the Medical Unit were at-Home Solutions was based on a combination of the income-based approach (using a discount rate of 10 percent and a terminal growth rate of 3 percent) and the market-based approach. We assigned a weighting of 75 percent to the discounted cash flow method and 25 percent to the guideline public company method. The goodwill balance as of June 30, 2024 was $1.1 billion. A decrease in future cash flows, an increase in the discount rate or a decrease in the terminal growth rate, among other things, could result in a goodwill impairment for at-Home Solutions. For example, if we were to increase the discount rate by 0.5 percent to 10.5 percent, the carrying amount would have exceeded the fair value for at-Home Solutions by approximately 6 percent for fiscal 2024.

Global Medical Products and Distribution Goodwill

GMPD goodwill was fully impaired in the third quarter of fiscal 2024. Our determination of estimated fair value of GMPD was based on a combination of the income-based approach (using a discount rate of 11 percent and a terminal growth rate of 2 percent), and the market-based approaches. approaches at January 1, 2024. Additionally, we assigned a weighting of 80 percent to the discounted cash flow method, 10 percent to the guideline public company method, and 10 percent to the guideline transaction method. For

During the income-based approach, three months ended December 31, 2023, we did not identify any indicators of impairment within our reporting units.

supply chain and commodities costs and our efforts to mitigate such impact, including price increases or surcharges; further disruptions in the supply chain; manufacturing cost inefficiencies resulting from lower than anticipated sales volume; an increase in the discount rate; a decrease in the terminal growth rate; increases in tax rates; or a significant change in industry or economic trends.

Adverse changes in key assumptions may result in a decline in fair value below the carrying value in the future and therefore, an impairment of our Medical Unit goodwill in future periods, which could adversely affect our results of operations. For example, if we were to increase the discount rate by a hypothetical 0.5 percent to 10.5 percent or decrease the terminal growth rate by a hypothetical 1.75 percent to 0.25 percent, the fair value for the Medical Unit would have further decreased by approximately $250 million. Additionally, a hypothetical 25 basis point decrease in long-term gross margin rates, which could be impacted by changes in Cardinal Health branded medical product sales growth rate assumptions, would have increased the impairment charge by approximately $220 million earnings/(loss).

Other indefinite-lived intangibles

The impairment test for indefinite-lived intangibles other than goodwill (primarily trademarks) involves first assessing qualitative factors to determine if it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If so, then a quantitative test is performed to compare the estimated fair value of the indefinite-lived intangible asset to the respective asset's carrying amount. Our qualitative evaluation requires the use of estimates and significant judgments and considers the weight of evidence and significance of all identified events and circumstances and most relevant drivers of fair value, both positive and negative, in determining whether it is more likely than not that the fair value of the

During the three months ended September 30, 2023, we elected to bypass the qualitative assessment and perform quantitative goodwill impairment testing for the former Medical Unit due to an increase in the risk-free interest rate used in the discount rates rate. The carrying amount exceeded the fair value, which resulted in a pre-tax impairment charge of 10 $585 million for the former Medical Unit, which was recognized during the three months ended September 30, 2023 and is included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss). This impairment charge was driven by an increase of 1 percent 10 percent, 10.5 percent and 10.5 percent for fourth, third, second and first quarters, respectively. The decrease in the discount rate for the testing performed at March 31, 2023 and June 30, 2023 was primarily due to a decrease an increase in the risk-free interest rate.

While During fiscal 2023 and 2022, we consider performed quantitative goodwill impairment testing for the assumptions used former Medical Unit which resulted in cumulative pre-tax impairment charges $1.2 billion and $2.1 billion, respectively, which were included in impairments and (gain)/loss on disposal of assets, net in our determination consolidated statements of the estimated fair value of the Medical Unit to be reasonable and appropriate, they are complex and subjective, and additional adverse changes in one key assumption or a combination of key assumptions during fiscal 2024 may significantly affect future estimates. These assumptions include, among other things, a failure to meet expected earnings or other financial plans, including the execution of key initiatives related to optimizing and growing sales of Cardinal Health branded medical products, increasing growth in certain strategic divisions within our Medical segment, and driving simplification efforts and cost optimization projects, or unanticipated events and circumstances, such as changes in assumptions about the duration and magnitude of increased

indefinite-lived intangible asset is less than its carrying amount.

See Note 1 of "Notes to Consolidated Financial Statements" for additional information regarding goodwill and other intangible assets.

Loss Contingencies and Self-Insurance

We regularly review contingencies and self-insurance accruals to determine whether our accruals and related disclosures are adequate. Any adjustments for changes in reserves are recorded in the period in which the change in estimate occurs.

Loss Contingencies

We accrue for contingencies related to disputes, litigation and regulatory matters if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because these matters are inherently unpredictable and unfavorable developments or outcomes can occur, assessing contingencies is highly subjective and requires judgments about future events.

Examples of such contingencies include various lawsuits related to the distribution of prescription opioid pain medications and the IVC filter lawsuits.

In connection with the opioid litigation as described further in Note 8 of the “Notes to Consolidated Financial Statements," during fiscal 2024, we have reached agreements in principle with counsel representing classes of third-party payors and acute care hospitals, and we are engaged in resolution discussions with the City of Baltimore. As of June 30, 2024, we have accrued $363 million, which reflects our current estimate of probable loss for these matters. The agreements in principle remain subject to contingencies.

We develop and periodically update reserve estimates for all litigation matters, including IVC claims received to date and expected to be received in the future and related costs. In April 2023, we executed a settlement agreement that, if certain conditions are satisfied, will resolve approximately 4,376 4,375 IVC filter product liability claims for $275 million. These settlements will not resolve all IVC filter product liability claims and we intend to continue to vigorously defend ourselves in the remaining lawsuits. To project future IVC claim costs, we use a methodology based largely on recent experience, including claim filing rates, blended average payout influenced by claim severity, historical sales data, implant and injury to report lag patterns and estimated defense costs.

Self-Insurance

We self-insure through a wholly-owned insurance subsidiary for employee healthcare, certain product liability matters, auto liability, property and workers' compensation and maintain insurance for losses exceeding certain limits.

Self-insurance accruals include an estimate for expected settlements on pending claims, defense costs, administrative fees,

claims adjustment costs and an estimate for claims incurred but not reported. For certain types of exposures, we develop the estimate of expected ultimate costs to settle each claim based on specific information related to each claim if available. Other estimates are based on an assessment of outstanding claims, historical analysis and current payment trends. For claims incurred but not reported, the liabilities are calculated and derived in accordance with generally accepted actuarial practices or using an estimated lag period.

The amount of loss may differ materially from these estimates. See Note 7 8 of the “Notes to Consolidated Financial Statements” for additional information regarding loss contingencies and product liability lawsuits.

Provision for Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates in the respective jurisdictions in which we operate. Our income tax expense, deferred income tax assets and liabilities and unrecognized tax benefits reflect management's assessment of estimated future taxes to be paid on items in the consolidated financial statements.

The following table presents information about our tax position at June 30:

(in millions)	(in millions)	2023	2022
(in millions)			
(in millions)			
Total deferred income tax assets (1)			
Total deferred income tax assets (1)			
Total deferred income tax assets (1)	Total deferred income tax assets (1)	**$ 1,540**	$ 1,584
Valuation allowance for deferred income tax assets (2)	Valuation allowance for deferred income tax assets (2)	**(421)**	(468)
Valuation allowance for deferred income tax assets (2)			
Valuation allowance for deferred income tax assets (2)			
Net deferred income tax assets			
Net deferred income tax assets			
Net deferred income tax assets	Net deferred income tax assets	**1,119**	1,116
Total deferred income tax liabilities	Total deferred income tax liabilities	**(3,164)**	(3,110)
Total deferred income tax liabilities			
Total deferred income tax liabilities			
Net deferred income tax liability	Net deferred income tax liability	**$ (2,045)**	$ (1,994)
Net deferred income tax liability			
Net deferred income tax liability			

(1) Total deferred income tax assets included $671 million $512 million and $778 million $672 million of loss and tax credit carryforwards at June 30, 2023 June 30, 2024 and 2022, 2023, respectively.

(2) The valuation allowance primarily relates to federal, state and international loss and credit carryforwards for which the ultimate realization of future benefits is uncertain.

Expiring or unusable loss and credit carryforwards and the required valuation allowances are adjusted quarterly when it is more likely than not that at least a portion of the respective deferred tax assets will not be realized. After applying the valuation allowances, we do not anticipate any limitations on our use of any of the other net deferred income tax assets described previously.

Tax benefits from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination of the technical merits of the position, including resolutions of any related appeals or litigation. The amount

recognized is measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement.

For tax benefits that do not qualify for recognition, we recognize a liability for unrecognized tax benefits.

We operate in a complex multinational tax environment and are subject to tax treaty arrangements and transfer pricing guidelines for intercompany transactions that are subject to interpretation. Uncertainty in a tax position may arise as tax laws are subject to interpretation.

Tax Effects of Goodwill Impairment Charges

During fiscal 2024, 2023, and 2022 we recognized cumulative pre-tax goodwill impairment charges of $675 million, $1.2 billion, and $2.1 billion, respectively, related to the Medical Unit. GMPD segment. The net tax benefits related to these charges were $82 $58 million, $92 million, and $150 million $140 million, respectively.

We file income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and various foreign jurisdictions. With few exceptions, we are subject to audit by taxing authorities for fiscal years 2015 through the current fiscal year. Tax laws are complex and subject to varying interpretations. During fiscal 2021, we resolved all open issues with respect to the Company's activity within fiscal years 2008 through 2014 with the U.S. Internal Revenue Service ("IRS"). This resolution resulted in an adjustment to our provision for income taxes, including an impact to reserves for later years. New challenges related to future audits may adversely affect our effective tax rate or tax payments.

Our assumptions and estimates around uncertain tax positions require significant judgment; the actual amount of tax benefit related to uncertain tax positions may differ from these estimates. See Note 89 of the "Notes to Consolidated Financial Statements" for additional information regarding unrecognized tax benefits.

We believe that our estimates for the valuation allowances against deferred tax assets and unrecognized tax benefits are appropriate based on current facts and circumstances. The amount we ultimately pay when matters are resolved may differ from the

ultimately pay when matters are resolved may differ from the amounts accrued. Changes in our current estimates due to unanticipated market conditions, tax law changes or other factors could have a material effect on our ability to utilize deferred tax assets. For a further discussion on Provision for Income Taxes, see Note 89 of the "Notes to the Consolidated Financial Statements."

The calculation of our tax liabilities includes estimates for uncertainties in the application of broad and complex changes to the U.S. tax code as per the Tax Act as enacted by the United States government on December 22, 2017. We have made reasonable estimates and recorded amounts based on management judgment and our current understanding of the Tax Act which is subject to further interpretation by the IRS. See Note 8 of the "Notes to Consolidated Financial Statements" for additional information.

Explanation and Reconciliation of Non-GAAP Financial Measures

This report, including the "Fiscal 2023 2024 Overview" section within MD&A, contains financial measures that are not calculated in accordance with GAAP.

In addition to analyzing our business based on financial information prepared in accordance with GAAP, we use these non-GAAP financial measures internally to evaluate our performance, engage in financial and operational planning and determine incentive compensation because we believe that these measures provide additional perspective on and, in some circumstances are more closely correlated to, the performance of our underlying, ongoing business. We provide these non-GAAP financial measures to investors as supplemental metrics to assist readers in assessing the effects of items and events on our financial and operating results on a year-over-year basis and in comparing our performance to that of our competitors. However, the non-GAAP financial measures that we use may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The non-GAAP financial measures disclosed by us should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations to those financial statements set forth below should be carefully evaluated.

Exclusions from Non-GAAP Financial Measures

Management believes it is useful to exclude the following items from the non-GAAP measures presented in this report for its own and for investors' assessment of the business for the reasons identified below:

- LIFO charges and credits are excluded because the factors that drive 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. We did not recognize any LIFO charges or credits during the periods presented.
- 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.
- 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 due to changes in estimates or when the underlying assessments were invalidated by a Court or reimbursed by manufacturers.
- Shareholder cooperation agreement costs includes costs such as legal, consulting and other expenses incurred in relation to the agreement (the "Cooperation Agreement") entered into among Elliott Associates, L.P., Elliott International, L.P. (together, "Elliott") and Cardinal Health, including costs incurred to negotiate and finalize the Cooperation Agreement and costs incurred by the Business Review Committee of the Board of Directors, which was formed under this Cooperation Agreement. We have excluded these costs from our non-GAAP metrics because they do not occur in or reflect the ordinary course of our ongoing business operations and may obscure analysis of trends and financial performance.
- Restructuring and employee severance costs are excluded because they are not part of the ongoing operations of our underlying business and include, but are not limited to, costs related to divestitures, closing and consolidating facilities, changing the way we manufacture or distribute our products, moving manufacturing of a product to another location, changes in production or business process outsourcing or insourcing, employee severance and realigning operations.
- 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

Explanation and Reconciliation of Non-GAAP Financial Measures

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.

Explanation and Reconciliation of Non-GAAP Financial Measures

- Impairments and gain or loss on disposal of assets, net 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.
- 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 2022, we incurred a one-time contingent attorneys' fee of $18 million related to the finalization of the settlement agreement (the “National Opioid Settlement Agreement”) resulting in the settlement of the vast majority of opioid lawsuits filed by state and local governmental entities. Due to the unique nature and significance of the National Opioid Settlement Agreement, and the one-time, contingent nature of the fee, this fee was included in litigation recoveries or charges, net. Additionally, during fiscal 2022 our Pharmaceutical segment profit was positively impacted by a $16 million judgment for lost profits. This judgment was the result of an ordinary course intellectual property rights claim and, therefore, is not adjusted in calculating the litigation recoveries or charges, net adjustment. 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.
- 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.
- (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.

The tax effect for each of the items listed above 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.

Definitions

Growth rate calculation calculation: growth rates in this report are determined by dividing the difference between current period results and prior period results by prior period results.

Non-GAAP operating earnings 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)(3) shareholder cooperation agreement costs, (5)(4) restructuring and employee severance, (6)(5) amortization and other acquisition-related costs, (7)(6) impairments and (gain)/loss on disposal of assets, net and (8)(7) litigation (recoveries)/charges, net.

Non-GAAP earnings before income taxes 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)(3) shareholder cooperation agreement costs, (5)(4) restructuring and employee severance, (6)(5) amortization and other acquisition-related costs, (7)(6) impairments and (gain)/loss on disposal of assets, net, (8)(7) litigation (recoveries)/charges, net, (9)(8) loss on early extinguishment of debt and (10)(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)(3) shareholder cooperation agreement costs, (5)(4) restructuring and employee severance, (6)(5) amortization and other acquisition-related costs, (7)(6) impairments and (gain)/loss on disposal of assets, net, (8)(7) litigation (recoveries)/charges, net, (9)(8) loss on early extinguishment of debt and (10)(9) (gain)/loss on sale of equity interest in naviHealth each net of tax.

Explanation and Reconciliation of Non-GAAP Financial Measures

Non-GAAP effective tax rate: provision for/(benefit from) income taxes adjusted for the tax impacts of (1) LIFO charges/(credits), (2) surgical gown recall costs/(income), (3) state opioid assessment related to prior fiscal years, (4)(3) shareholder cooperation agreement costs, (5)(4) restructuring and employee severance, (6)(5) amortization and other

acquisition-related costs, (7) (6) impairments and (gain)/loss on disposal of assets, net, (8) (7) litigation (recoveries)/charges, net, (9) (8) loss on early extinguishment of debt and (10) (9) (gain)/loss on sale of equity interest in naviHealth, divided by (earnings before income taxes adjusted for the ten nine items above).

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.

Explanation and Reconciliation of Non-GAAP Financial Measures

GAAP to Non-GAAP Reconciliations

(in millions, except per common share amounts)	(in millions, except per common share amounts)	Operating Earnings/(Loss)	Operating Earnings/(Loss) Growth Rate	Earnings/(Loss) Before Income Taxes	Provision for/(Benefit From) Income Taxes	Net Earnings/(Loss)[1]	Net Earnings/(Loss)[1] Growth Rate	Effective Tax Rate	Diluted EPS[1,2]	Diluted EPS[1] Growth Rate
(in millions, except per common share amounts)										
(in millions, except per common share amounts)									Operating Earnings/(Loss)	Oper Earnings Growt
		Fiscal Year 2024								
GAAP									GAAP $ 1,243	
		Fiscal Year 2023								
GAAP		$ 727	N.M.	$ 638	$ 376	$ 261	N.M.	58.9 %	$ 1.00	N.M.
State opioid assessment related to prior fiscal years		(6)		(6)	(2)	(4)			(0.02)	
Shareholder cooperation agreement costs										
Shareholder cooperation agreement costs										
Shareholder cooperation agreement costs	Shareholder cooperation agreement costs	8		8	2	6			0.02	
Restructuring and employee severance	Restructuring and employee severance	95		95	21	74			0.28	
Restructuring and employee severance										
Restructuring and employee severance										
Amortization and other acquisition-related costs										
Amortization and other acquisition-related costs										
Amortization and other acquisition-related costs	Amortization and other acquisition-related costs	285		285	74	211			0.80	
Impairments and (gain)/loss on disposal of assets, net[3]	Impairments and (gain)/loss on disposal of assets, net[3]	1,250		1,250	86	1,164			4.44	

Impairments and (gain)/loss on disposal of assets, net [3]

Impairments and (gain)/loss on disposal of assets, net [3]

Litigation (recoveries)/charges, net

Litigation (recoveries)/charges, net

Litigation (recoveries)/charges, net	Litigation (recoveries)/charges, net		(302)				(302)		(109)		(193)					(0.73)		
Non-GAAP	**Non-GAAP**	**$**	**2,057**	**3**	**%**	**$**	**1,968**	**$**	**448**	**$**	**1,519**	**7**	**%**	**22.8**	**% $**	**5.79**	**14**	**%**

Fiscal Year 2022

Non-GAAP

Non-GAAP		**$**	**2,414**

Fiscal Year 2023

Fiscal Year 2023

Fiscal Year 2023

GAAP	GAAP	$	(596)	N.M.		$	(769)	$	163	$	(933)	N.M.		(21.2)	% $	(3.35)	N.M.	
Surgical gown recall costs/(income)			1				1		—		1					—		

GAAP $752 N.M. N.M. $ 663 $ 3

State opioid assessment related to prior fiscal years

Shareholder cooperation agreement costs

Shareholder cooperation agreement costs

Shareholder cooperation agreement costs

Restructuring and employee severance

Restructuring and employee severance

Restructuring and employee severance	Restructuring and employee severance		101				101		26		75					0.27		
Amortization and other acquisition-related costs	Amortization and other acquisition-related costs		324				324		84		240					0.87		

Amortization and other acquisition-related costs

Amortization and other acquisition-related costs

Impairments and (gain)/loss on disposal of assets, net[3]	Impairments and (gain)/loss on disposal of assets, net[3]		2,050				2,050		107		1,943					6.93		
Litigation (recoveries)/charges, net[4,5]			109				109		21		88					0.31		
Loss on early extinguishment of debt			—				10		3		7					0.03		
Loss on sale of equity interest in naviHealth investment			—				(2)		—		(2)					—		

Impairments and (gain)/loss on disposal of assets, net [3]

Impairments and (gain)/loss on disposal of assets, net [3]

Litigation (recoveries)/charges, net

Litigation (recoveries)/charges, net

Litigation (recoveries)/charges, net

Non-GAAP	Non-GAAP	$	1,990	(12)	%	$	1,824	$	404	$	1,419	(13)	%	22.1	% $	5.06	(9)	%

Fiscal Year 2021

GAAP	$	472	N.M.	$	323	$	(289)	$	611	N.M.	(89.7)	% $	2.08	N.M.		

Surgical gown recall costs/(income)		(28)			(28)	(7)	(21)			(0.07)
State opioid assessment related to prior fiscal years		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[6,7]		1,129			1,129	606	523			1.78
Loss on early extinguishment of debt		—			14	3	11			0.04
Loss on sale of equity interest in naviHealth investment		—			2	1	1			0.01
Non-GAAP	Non-GAAP	$ 2,255	(5)	%	$ 2,122	$ 483	$ 1,637	2%	22.8 %	$ 5.57 2 %

Non-GAAP		$ 2,076
	Fiscal Year 2022	
	Fiscal Year 2022	
	Fiscal Year 2022	
GAAP	GAAP	$ (607)
Restructuring and employee severance		
Restructuring and employee severance		
Restructuring and employee severance		
Amortization and other acquisition-related costs		
Amortization and other acquisition-related costs		
Amortization and other acquisition-related costs		
Impairments and (gain)/loss on disposal of assets, net [3]		
Impairments and (gain)/loss on disposal of assets, net [3]		
Impairments and (gain)/loss on disposal of assets, net [3]		
Litigation (recoveries)/charges, net [4,5]		
Litigation (recoveries)/charges, net [4,5]		
Litigation (recoveries)/charges, net [4,5]		
Loss on early extinguishment of debt		
Loss on early extinguishment of debt		
Loss on early extinguishment of debt		
Gain on sale of equity interest in naviHealth investment		
Gain on sale of equity interest in naviHealth investment		
Gain on sale of equity interest in naviHealth investment		
Non-GAAP		
Non-GAAP		
Non-GAAP		$ 1,973

1 Attributable to Cardinal Health, Inc.

2 For fiscal 2022, GAAP diluted loss per share attributable to Cardinal Health, Inc. and the EPS impact from the GAAP to non-GAAP per share reconciling items are calculated using a weighted average of 279 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 2022 non-GAAP diluted EPS is calculated using a weighted average of 280 million common shares, which includes potentially dilutive shares.

3 Impairments For fiscal 2024, 2023 and 2022, impairments and (gain)/loss on disposals of assets, net includes pre-tax goodwill impairment charges of $675 million, $1.2 billion and $2.1 billion, related to the Medical GMPD segment, recorded during fiscal 2023 and 2022, respectively. For fiscal 2024, 2023 and 2022, the net tax benefits benefit related to these charges were $82 was $58 million, $92 million and $150 $140 million, respectively,

and were included in the annual effective tax rate.

4 Litigation (recoveries)/charges, net includes a one-time contingent attorneys' fee of $18 million recorded during fiscal 2022 related to the finalization of the National Opioid Settlement Agreement resulting in the settlement of the vast majority of opioid lawsuits filed by state and local governmental entities. Due to the unique nature and significance of the National Opioid Settlement Agreement, and the one-time, contingent nature of the fee, this fee was included in litigation (recoveries)/charges, net.

5 Litigation (recoveries)/charges, net for fiscal 2022 does not include a $16 million judgement for lost profits related to an ordinary course intellectual property claim, which positively impacted Pharmaceutical and Specialty Solutions segment profit.

6 Litigation (recoveries)/charges, net includes pre-tax charges Amounts have been revised to reflect the correction of $1.17 billion recorded in fiscal 2021, related to the opioid litigation. The net tax benefit associated with the opioid litigation charges was $228 million.

7 Litigation (recoveries)/charges, net, 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 was included in non-GAAP measures.

certain unrelated immaterial misstatements.

The sum of the components and certain computations may reflect rounding adjustments.
We apply varying tax rates depending on the item's nature and tax jurisdiction where it is incurred.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to cash flow and earnings fluctuations as a result of certain market risks. These market risks primarily relate to foreign exchange, interest rate and commodity price-related changes. We maintain a hedging program to manage volatility related to some of these market exposures which employs operational, economic and derivative financial instruments in order to mitigate risk. See Note 1 and Note 10 11 of the "Notes to Consolidated Financial Statements" for further discussion regarding our use of derivative instruments.

Foreign Exchange Rate Sensitivity

By the nature of our global operations, we are exposed to cash flow and earnings fluctuations resulting from foreign exchange rate variation. These exposures are transactional and translational in nature. The following foreign currencies represent the principal drivers of our foreign exchange exposure: Canadian dollar, euro, Thai baht, Mexican peso, Chinese renminbi, Australian dollar, British pound, Japanese yen, Philippine peso, Swiss franc Brazilian real, South Korean won, Costa Rican colon, Singapore dollar, Dominican peso and Indian rupee.

We apply a Value-At-Risk ("VAR") methodology to our transactional and translational exposures. The VAR model is a risk estimation tool and is not intended to represent actual losses in fair value that could be incurred.

Transactional Exposure

Transactional exposure arises from the purchase and sale of goods and services in currencies other than our functional currency or the functional currency of our subsidiaries. At the end of each fiscal year, we perform sensitivity analyses on our forecasted transactional exposure for the upcoming fiscal year. These analyses include the estimated impact of our hedging program, which is designed to mitigate transactional exposure. Applying a VAR methodology to our transactional exposure and including the impact of our hedging program, the potential maximum loss in earnings for the upcoming fiscal year is estimated to be $10 million $13 million, which is based on a one-year horizon and a 95 percent confidence level.

Translational Exposure

We have exposure related to the translation of financial statements of our foreign operations into U.S. dollars, our functional currency. Applying a VAR methodology to our translational exposure, the potential maximum loss in earnings for the upcoming fiscal year is estimated to be $5 million $4 million, which is based on a one-year horizon and a 95 percent confidence level.

Interest Rate Sensitivity

We are exposed to changes in interest rates primarily as a result of our borrowing and investing activities to maintain liquidity and fund operations. The nature and amount of our long-term and short-term debt can be expected to fluctuate as a result of business requirements, market conditions and other factors. Our policy is to manage exposures to interest rates using a mix of fixed and floating rate debt as deemed appropriate by management. We utilize interest rate swap instruments to mitigate our exposure to interest rate movements.

As part of our risk management program related to our debt, we perform an annual sensitivity analysis on our forecasted exposure to interest rates for the upcoming fiscal year. At June 30, 2023 June 30, 2024, a hypothetical increase or decrease of 50 basis points in interest rates would result in an increase or decrease in interest expense of $6 million $8 million, respectively.

We are also exposed to market risk from changes in interest rates related to our cash and cash equivalents, which includes marketable securities that are carried at fair value in the consolidated balance sheets. The fair value of our cash and cash equivalents is subject to change primarily as a result of changes in market interest rates and investment risk related to the issuers' credit worthiness. At June 30, 2023 June 30, 2024, a hypothetical increase or decrease of 50 basis points in interest rates would result in an increase or decrease in interest income of $12 million, $10 million, respectively.

Commodity Price Sensitivity

We are directly exposed to market price changes for certain commodities, including oil-based resins, nitrile, cotton, diesel fuel and latex. We typically purchase raw materials at either market prices or prices tied to a commodity index and some finished goods at prices based in part on a commodity price index. During fiscal 2023, 2024, the prices of certain commodities continued to experience fluctuation due to inflationary impacts.

As part of our risk management program, we perform sensitivity analysis on our forecasted direct commodity exposure for the upcoming fiscal year. Our forecasted direct commodity exposure at June 30, 2023 June 30, 2024 increased approximately $40 million $37 million from June 30, 2022. 2023. There were no outstanding commodity contracts in our hedging program at June 30, 2023 June 30, 2024.

Our forecasted direct commodity exposures for the upcoming fiscal year is $540 million $577 million. The potential gain/loss given a hypothetical 10 percent fluctuation in commodity prices, assuming pricing collectively shifts in the same direction and we are unable to change customer pricing in response to those shifts or otherwise offset, for the upcoming fiscal year is $54 million $58 million at June 30, 2023 June 30, 2024.

Business

General

Cardinal Health, Inc. is a global healthcare services and products company providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories, physician offices and patients in the home. We provide medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiency.

Pharmaceutical and Specialty Solutions Segment

In the United States, our Pharmaceutical and Specialty Solutions segment:

- through its Pharmaceutical Distribution division, distributes branded and generic pharmaceutical and over-the-counter healthcare and consumer products to retailers (including chain and independent drug stores and pharmacy departments of supermarkets and mass merchandisers), hospitals and other healthcare providers. This division:
  - maintains prime vendor relationships that streamline the purchasing process, resulting in greater efficiency and lower costs for our retail, hospital and other healthcare provider customers;
  - provides services to pharmaceutical manufacturers, including distribution, inventory management, data reporting, new product launch support and chargeback administration;
  - distributes specialty pharmaceutical products to hospitals and other healthcare providers and provides consulting, patient support and other services for specialty pharmaceutical products to pharmaceutical manufacturers and healthcare providers;
  - provides pharmacy management services to hospitals and operates a limited number of pharmacies, including in community health centers; and
  - repackages generic pharmaceuticals and over-the-counter healthcare products; products.
- through its Nuclear and Precision Health Specialty Solutions division, operates nuclear division:
  - distributes specialty pharmaceutical products to hospitals, specialty pharmacies, and manufacturing facilities, which manufacture, prepare other healthcare providers and deliver radiopharmaceuticals for use in nuclear imaging provides consulting, patient support and other procedures in hospitals services for specialty pharmaceutical products to pharmaceutical manufacturers and physician offices. This division also contract manufactures a radiopharmaceutical treatment (Xofigo) healthcare providers; and holds the North American rights
  - provides services to manufacture pharmaceutical manufacturers, including distribution, inventory management, data reporting, new product launch support and distribute Lymphoseek, a radiopharmaceutical diagnostic imaging agent. chargeback administration.

See Note 13 14 of the "Notes to Consolidated Financial Statements" for Pharmaceutical and Specialty Solutions segment revenue, profit and assets for fiscal 2024, 2023 2022 and 2021. 2022.

Pharmaceutical and Specialty Pharmaceutical Distribution and Services

Our Pharmaceutical Distribution division's gross margin includes margin from our generic pharmaceutical program, from distribution services agreements with branded pharmaceutical manufacturers, including manufacturers of Specialty pharmaceutical products, and from over-the-counter healthcare and consumer products. It also includes manufacturer cash discounts.

Margin from our generic pharmaceutical program includes price discounts, rebates and service fees from manufacturers and may, in limited instances, include price appreciation. Our earnings on generic pharmaceuticals are generally highest during the period immediately following the initial launch of a product, because generic pharmaceutical selling prices are generally highest during that period and tend to decline over time.

Margin from distribution services agreements with branded pharmaceutical manufacturers is derived from compensation we receive for providing a range of distribution and related services to manufacturers. Our compensation typically is a percentage of the wholesale acquisition cost that is set by manufacturers. In addition, under a limited number of agreements, branded pharmaceutical price appreciation, which is determined by the manufacturers, also serves as part of our compensation.

Specialty pharmaceutical products include oncology, rheumatology, urology, nephrology and other pharmaceutical products. Through our Specialty Solutions division, we also distribute human-derived plasma products to hospitals, dialysis clinics, physician offices and other healthcare providers. Our use of the term "specialty pharmaceutical products" may not be comparable to the terminology used by other industry participants. We also provide consulting, patient support, logistics, group purchasing and other services to pharmaceutical manufacturers and healthcare providers.

Sourcing Venture with CVS Health Corporation

Red Oak Sourcing, LLC ("Red Oak Sourcing"), a U.S.-based generic pharmaceutical sourcing venture with CVS Health, negotiates generic pharmaceutical supply contracts on behalf of both companies. The term of Red Oak Sourcing extends through June 2029.

Global Medical Products and Distribution Segment

Our Medical GMPD segment manufactures and sources Cardinal Health branded general and specialty medical, surgical and laboratory products and devices. These products include exam and surgical gloves; needle, syringe and sharps disposal; compression; incontinence; nutritional delivery; wound care; single-use surgical drapes, gowns and apparel; fluid suction and collection systems; urology; operating room supply; and electrode product lines. Our Cardinal Health Brand brand products are sold directly or through third-party distributors in the United States, Canada, Europe, Asia and other markets. These Cardinal Health brand products are generally higher-margin products.

The Medical GMPD segment also distributes a broad range of medical, surgical and laboratory products known as national brand products and provides supply chain services and solutions to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers in the United States and Canada and this segment also assembles and sells sterile and non-sterile procedure kits.

Through Cardinal Health at-Home Solutions, this segment also distributes medical products to patients' homes in the United States.

The Medical GMPD segment, through its Wavemark division, also provides an automated technology platform for inventory management.

The Medical Other Operating Segments

Our Nuclear and Precision Health Solutions operating segment through its operates nuclear pharmacies and manufacturing facilities, which manufacture, prepare and deliver radiopharmaceuticals for use in nuclear imaging, theranostics, and other procedures in hospitals and physician offices. This segment also contract manufactures a radiopharmaceutical treatment (Xofigo®) and holds the North American rights to manufacture and distribute Lymphoseek®, a radiopharmaceutical diagnostic imaging agent.

Our at-Home Solutions operating segment has two main businesses: Edgepark, a medical supplies provider that specializes in serving patients with chronic conditions in the home; and at-Home, a business-to-business distribution service that delivers medical supplies and over-the-counter products to home medical equipment providers, home health and hospice agencies, and e-commerce providers.

Our OptiFreight® Logistics division, operating segment supports the shipping and logistic logistics needs of healthcare providers by optimizing direct shipments through integrated technology solutions.

This segment serves hospitals, pharmacies, labs and surgery centers.

Acquisitions and Divestitures

Acquisitions

We Over the years, we have acquired made a number of businesses over the years that have enhanced the strategic areas acquisitions, especially in support of Cardinal Health Brand brand medical products generic pharmaceutical distribution and services and specialty pharmaceutical products and services. We expect to continue to pursue additional explore acquisitions in the future. During

In March 2024, we completed the acquisition of Specialty Networks, a technology-enabled multi-specialty group purchasing and practice enhancement organization, for $1.2 billion in cash. We also completed several small acquisitions during the last five fiscal years, we have completed small acquisitions. years.

Date	Company	Location	Lines of Business	Acquisition Price (in billions)
03/18	Specialty Networks	Cleveland, OH	UroGPO, Gastrologix, GastroGPO, and United Rheumatology.	$1.2

Divestitures

Over the past five fiscal years, we have also completed several divestitures. divestitures, and we may explore additional divestitures in the future.

In June 2023, we signed a definitive agreement to contribute our Outcomes™ business to Transaction Data Systems (TDS) ("TDS"), a portfolio company of BlackRock Long Term Private Capital and GTCR, in exchange for a minority stake in the combined entity. The transaction closed in July 2023.

In August 2021, we completed the divestiture of the Cordis business to Hellman & Freidman ("H&F") for net proceeds of $923 million in cash. We have retained certain working capital accounts and product liability for lawsuits related to IVC filters in the U.S. and Canada, as described in Note 78 of the "Notes to the Consolidated Financial Statements." We acquired the Cordis business from Johnson & Johnson for $1.9 billion in October 2015. This divestiture also included Access Closure, Inc., a manufacturer and distributor of extravascular closure devices, that we acquired for approximately $320 million in May 2014.

In August 2018, we completed the sale of our equity interest in naviHealth, Inc. to investor entities controlled by Clayton, Dubilier & Rice, LLC for proceeds of $737 million (after adjusting for certain fees and expenses) and a noncontrolling equity interest in a partnership that owned naviHealth. In May 2020, we sold the remainder of our equity interest in naviHealth.

We had acquired our equity interest in naviHealth through a series of transactions beginning in fiscal 2016, when we acquired a majority equity interest.

Customers

Our largest customers, CVS Health and OptumRx, accounted for 25 24 percent and 16 17 percent of our fiscal 2023 2024 revenue, respectively. In the aggregate, our five largest customers, including CVS Health and OptumRx, accounted for 51 52 percent of our fiscal 2023 2024 revenue. As announced on April 22, 2024, OptumRx's pharmaceutical distribution contracts with us expired at the end of June 2024.

We have agreements with group purchasing organizations ("GPOs") that act as agents to negotiate vendor contracts on behalf of their members. Our two largest GPO relationships in terms of revenue are with Vizient, Inc. and Premier, Inc. Sales to members of these two GPOs, under numerous contracts across our businesses, collectively accounted for 16 percent of our revenue in fiscal 2023. 2024.

Suppliers

We rely on many different suppliers. Products During fiscal 2024, products obtained from our five largest suppliers accounted for an aggregate of 39 36 percent of our revenue during fiscal 2023, and our largest supplier's products accounted for approximately 10 9 percent of revenue.

Competition

We operate in a highly competitive environment in the distribution of pharmaceuticals and consumer healthcare products. We also operate in a highly competitive environment in the manufacturing and distribution of medical devices and surgical products. We compete on many levels, including price, service offerings, support services, customer service, breadth of product lines and product quality and efficacy.

In the Pharmaceutical and Specialty Solutions segment, we compete with wholesale distributors with national reach, including McKesson Corporation and AmerisourceBergen Corporation, Cencora, Inc., regional wholesale distributors, self-warehousing chains, specialty distributors, third-party logistics companies and companies that provide specialty pharmaceutical services and nuclear pharmacies, among others.

competition from a number of organizations offering generic pharmaceuticals, including telemarketers. We also compete with manufacturers that distribute their products directly to customers.

In the Medical GMPD segment, we compete with many diversified healthcare companies and national medical product distributors, such as Medline Industries, Inc., Owens & Minor, Inc. and Becton, Dickinson and Company, as well as regional medical product distributors and companies that are focused on specific product categories. We also

Our other operating segments compete with companies that operate nuclear radiopharmacies and manufacturing facilities, distribute medical products to patients' homes, and third-party logistics companies.

In addition, the Pharmaceutical and Specialty Solutions segment has experienced

Human Capital Management

Employees

Through our employees, we improve the lives of people every day by solving complex healthcare problems. As of June 30, 2023 June 30, 2024, we had approximately 48,000 48,900 employees globally, of which approximately:

- 17,500 18,500 are based outside the United States;
- 98% are full time employees, employees;
- 30,900 32,100 worked in our distribution centers, manufacturing facilities and pharmacies, pharmacies;
- 16,900 16,800 worked in other functions, including finance, information technology, human resources and sales; and
- 11% of whom 10% are covered by collective bargaining agreements or similar representation. The majority of these employees are based outside the United States.

Board Oversight

Our Board of Directors assesses and monitors our corporate culture and how it enables our business strategies. To inform the Board about human capital and cultural health, we have developed and annually share with the Board a culture scorecard.

Additionally, the Human Resources and Compensation Committee of the Board of Directors (the "HRCC") is tasked with, among other things, overseeing and advising the Board about human capital management strategies and policies, including with respect to attracting, developing, retaining and motivating management and employees; workplace diversity, equity and inclusion initiatives and progress; initiatives; employee relations; and workplace safety and culture. The HRCC

Additionally, we have engaged global professional services firms to perform certain business processes on our behalf, including within finance, information technology and human resources.

is also responsible for overseeing the management succession process.

Culture & Talent Focus

Culture

Cardinal Health's culture is rooted in our values and behaviors and aligned to the company's strategic framework. Providing a positive work environment supports our ability to attract, retain and develop

our employees and enables business performance. We reinforce, monitor and assess our culture through a variety of programs and processes which include performance management, talent/succession planning, as well as employee engagement surveys and other listening strategies.

Talent Management and Learning

Cardinal Health's talent management strategy is has a segmented, multi-pronged approach to build capabilities, skills and competencies of leaders and employees throughout the enterprise, ensuring employees capabilities connect to business needs and outcomes. This segmented approach includes broad based employee skill development and learning and manager development.

We monitor our turnover data on a monthly and rolling 12-month basis and benchmark against Bureau of Labor and Statistics and competitor data. Although turnover levels vary by site and region, we primarily look at the connection between key operational metrics and employee turnover.

Compensation and Benefits

Our colleagues employees are essential to our success and we strive to offer comprehensive and competitive wages and benefits. The benefits we offer include annual bonuses and stock awards for eligible employees, 401(k) plans, health care and insurance benefits, paid time off, flexible work schedules, family leave, dependent care resources, employee assistance programs and many others.

Employee Feedback

Cardinal Health solicits feedback from employees through various mechanisms, including our biennial full employee engagement survey, which provides insight into the employee experience. The results of this survey are reviewed with the Board of Directors and at all levels throughout the organization.

Diversity, Equity & Inclusion

At Cardinal Health, we are focused on building a diverse workforce and an inclusive workplace that values the unique perspectives and contributions of all of our employees.

Our work is sponsored by our senior executives, led by our Diversity, Equity and Inclusion ("DE&I") team, including our Chief Diversity Officer and HR organization, with input from our DE&I Steering Council, Black and African American Racial Equity Cabinet and our We have seven Employee Resource Groups ("ERGs").

Additionally, our seven ERGs that include groups focused on with employees of various racial and ethnic groups, members of the LGBTQ community, employees with disabilities, veterans and women, and are designed employees who consider themselves allies. These groups work to promote a foster an inclusive culture of diversity, equity and inclusion. help attract, develop and retain talent.

We also monitor pay equity. We define pay equity as equal pay for people of all gender identities and ethnicities who are performing substantially similar work. We have a pay equity committee, which guides the ongoing analysis and benchmarking, in regular consultation with an independent third-party, to review and help inform our salary and compensation practices. Some of the things we consider include job-related skills, tenure, experience and education level, performance rating and geography.

As of the end of fiscal year 2023, 53% 2024, 50% of our Board of Directors were women and 23% 25% were ethnically diverse. 36% 50% of our executive team (made up of the CEO, his direct reports and business presidents) were women and 18% 10% were ethnically diverse. Approximately 50% 51% of our total employee population were women and 50% 51% of U.S. based employees were ethnically diverse.

Worker Health & Safety

The health, safety and security of our employees and contractors is a priority for us. We employ systems designed to continually monitor our facilities and work environment to promote worker safety and identify and prevent or mitigate any potential risks. This includes procedures and equipment for security. We routinely assess facilities to closely monitor adherence to established security and safety standards. Our workers receive specialized training related to their role, work setting and equipment used in their work environment. As our processes evolve, we update relevant safety training modules, which may include new training programs.

More Information

For more information on our approach to human capital management, please refer to our annual Environmental, Social & Governance Report, which is available on our website.

Intellectual Property

We rely on a combination of trade secret, patent, copyright and trademark laws, nondisclosure and other contractual provisions and technical measures to protect our products, services and intangible assets. We hold patents, and continue to pursue patent protection throughout the world, relating to the manufacture, operation and use of various medical and surgical products, to certain distribution and logistics systems, to the production and distribution of our nuclear pharmacy products and to other service offerings. We also operate under licenses for certain proprietary technologies, and in certain instances we license our technologies to third parties.

We believe that we have taken all necessary steps to protect our proprietary rights, but no assurance can be given that we will be able to successfully enforce or protect our rights in the event that they are infringed upon by a third party. While all of these proprietary rights are important to our operations, we do not consider any particular patent, trademark, license, franchise or concession to be material to our overall business.

Regulatory Matters

Our business is highly regulated in the United States, at both the federal and state level, and in foreign countries. Depending upon the specific business, we may be subject to regulation by government entities including:

- the U.S. Drug Enforcement Administration (the “DEA”);
- certain agencies within the U.S. Department of Health and Human Services, including the U.S. Food and Drug Administration (the “FDA”), the Centers for Medicare and Medicaid Services, the Office of Inspector General and the Office for Civil Rights;
- state and local health departments, insurance departments, Medicaid departments or other comparable state agencies;
- state and local boards of pharmacy and other controlled substance authorities;
- the U.S. Nuclear Regulatory Commission (the “NRC”);
- the U.S. Environmental Protection Agency; Agency and state environmental authorities;
- the U.S. Federal Trade Commission (the "FTC");
- U.S. Customs and Border Protection; and
- agencies comparable to those listed above in markets outside the United States.

These regulatory agencies have a variety of civil, administrative and criminal sanctions at their disposal for failure to comply with applicable legal or regulatory requirements. They can suspend our ability to manufacture and distribute products, restrict our ability to import products, require us to initiate product recalls, seize products or impose criminal, civil and administrative sanctions.

Distribution

State Boards of Pharmacy, FDA, DEA and various other state authorities regulate the marketing, purchase, storage and distribution of pharmaceutical and medical products under various federal and state statutes including the federal Prescription Drug Marketing Act of 1987, Drug Quality and Security Act of 2013 (the “DQSA”) and Controlled Substances Act (the "CSA"). The CSA governs the sale, packaging, storage and distribution of controlled substances. Wholesale distributors of controlled substances must hold valid DEA registrations and state-level licenses, meet various security and operating standards including effective anti-diversion programs and comply with the CSA. They must also comply with state requirements relating to controlled substances that differ from state to state.

The National Opioid Settlement Agreement, as described in Note 78 of the "Notes to Consolidated Financial Statements" includes injunctive relief terms related to settling distributors' controlled substance anti-diversion programs, including with respect to: (1) governance; (2) independence and training of the personnel operating our controlled substances monitoring program; (3) due diligence for new and existing customers; (4) ordering limits for certain products; and (5) suspicious order monitoring. A monitor will oversee compliance with these provisions for a period of five years. In addition, the settling distributors will engage have engaged a third-party vendor to act as a clearinghouse for data aggregation and reporting and will fund the clearinghouse for ten years. See Note 78 of the "Notes to Consolidated Financial Statements" for more information about the National Opioid Settlement Agreement and other opioid-related matters.

Manufacturing, Sourcing and Marketing

We sell our manufactured products in the United States, Canada, Europe, Asia, Latin America and other markets. The FDA and other governmental agencies in the United States, as well as foreign governmental agencies, administer requirements that cover the design, testing, safety, effectiveness, manufacturing (including good manufacturing practices), quality systems, labeling, promotion and advertising (including restrictions on promoting or advertising a product other than for the product's cleared or approved uses), distribution, importation and post-market surveillance for most of our manufactured products. We are also subject to these requirements when we source certain Medical GMPD segment products from third-party manufacturers.

We need specific approval or clearance from, and registrations with, regulatory authorities before we can market and sell some products in the United States and certain other countries, including countries in the European Union ("EU").

In the United States, authorization to commercially market a medical device is generally received in one of two ways. The first, known as pre-market notification or the 510(k) process, requires us to demonstrate that a medical device is substantially equivalent to a legally marketed medical device. The second more rigorous process, known as pre-market approval (“PMA”), requires us to independently demonstrate that a medical device is safe and effective. Many of our Medical segment branded products

are cleared through the 510(k) process and certain products must be approved through the PMA process.

In the EU, we are required to obtain CE Mark Certification in order to market medical devices. In 2017, EU regulatory bodies finalized a new Medical Device Regulation ("MDR") became effective in May 2021. Under the MDR, medical devices marketed in the EU require significant pre-market and post-market requirements.

It can be costly and time-consuming to obtain regulatory approvals, clearances and registrations of medical devices, and they might not be granted on a timely basis, if at all. Even after we obtain approval or clearance to market a product or obtain product registrations, the product and our manufacturing processes are subject to continued regulatory oversight, including periodic inspection of manufacturing facilities by FDA and other regulatory authorities both in the United States and internationally.

From time to time, we may determine that products we manufacture or market do not meet our specifications, regulatory requirements or published standards. When we or a regulatory agency identify a quality or regulatory issue, we investigate and take appropriate corrective action, which may include recalling the

product, correcting the product at the customer location, revising product labeling and notifying customers.

Any adverse regulatory action, depending on its magnitude, may limit our ability to effectively manufacture, source, market and sell our products, limit our ability to obtain future premarket approvals or result in a substantial modification to our business practices and operations. For additional information, please see our Risk Factor entitled *"Our business is subject to rigorous quality regulatory and licensing requirements."*

Privacy and Data Protection

We are subject to various and evolving privacy laws and regulations in many jurisdictions. Because we collect, handle and maintain patient-identifiable health information, we are subject to laws that require specified privacy and security measures and that regulate the use and disclosure of such information, including the U.S. Health Insurance Portability and Accountability Act of 1996

("HIPAA"), as augmented by the Health Information Technology for Economic and Clinical Health Act as well as state laws, in the United States.

We also collect, handle and maintain other personal and financial information. Within the U.S., these activities are regulated by certain federal and state laws. Certain states have recently enacted privacy laws that grant specified rights to consumers over the use of their personal information, including increased transparency. Other states are considering adopting similar or different comprehensive privacy laws and a comprehensive federal privacy bill legislation has been proposed in at the U.S. House of Representatives. federal level. Internationally, we are also subject to privacy and data protection laws that require significant compliance efforts, including the EU's General Data Protection Regulation (GDPR), Canada's Personal Information Protection and Electronic Documents Act, Japan's Act on the Protection of Personal Information and China's Personal Information Protection Law, among many others.

Nuclear Pharmacies and Related Businesses

Our nuclear pharmacies and radiopharmaceutical manufacturing facilities (including for Xofigo) Xofigo®) require licenses or permits and must abide by regulations issued by the NRC, applicable state boards of pharmacy and the radiologic health agency or department of health of each state in which we operate, including pharmacy sterile compounding standards and practices. In addition, our radiopharmaceutical manufacturing facilities also must comply with FDA regulations, including good manufacturing practices.

Product Tracing and Supply Chain Integrity

Title II of the DQSA, known as the Drug Supply Chain Security Act ("DSCSA") or "Track and Trace," Trace" establishes a phased-in national system for tracing pharmaceutical products through the pharmaceutical distribution supply chain to detect, prevent and rapidly respond to the introduction of drugs that may be counterfeit, diverted, stolen, adulterated, subject of a fraudulent transaction or otherwise unfit for distribution. The first phase of implementation began in 2015, and upon full implementation, 2015. Absent an FDA-approved waiver, exemption, or exception, which is planned for late 2023, we have requested and other supply chain stakeholders authorized trading partners may request, upon the end of the stabilization period in late November 2024, we will be required to participate in an electronic interoperable prescription drug tracing system. In addition, the FDA also has issued regulations requiring most medical device labeling to bear a unique device identifier. The MDR, described above, also introduces a new unique device identifier requirement.

Government Healthcare Programs

We are subject to U.S. federal healthcare fraud and abuse laws. These laws generally prohibit persons from soliciting, offering, receiving or paying any compensation in order to induce someone to order, recommend or purchase products or services that are in any way paid for by Medicare, Medicaid or other federally-funded healthcare programs. They also prohibit submitting any fraudulent claim for payment by the federal government. There are similar state healthcare fraud and abuse laws that apply to Medicaid and other state-funded healthcare programs. Violations of these laws may result in criminal or civil penalties, as well as breach of contract claims and qui tam actions (false claims cases initiated by private parties purporting to act on behalf of federal or state governments).

Some businesses within each of our segments businesses are Medicare-certified suppliers or participate in other federal and state healthcare programs, such as state Medicaid programs and the federal 340B drug pricing program. These businesses are subject to accreditation and quality standards and other rules and regulations, including applicable reporting, billing, payment and record-keeping requirements. Other businesses within each segment manufacture pharmaceutical or medical products or repackage pharmaceuticals that are purchased or reimbursed through, or are otherwise governed by, federal or state healthcare programs. Failure to comply with applicable eligibility requirements, standards and regulations could result in civil or criminal sanctions, including the loss of our ability to participate in Medicare, Medicaid and other federal and state healthcare programs. For example, during fiscal year 2022, we agreed to pay approximately $13 million $13 million to the Department of Justice and our Specialty Pharmaceutical Distribution business entered into a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services in connection with an investigation into discounts and rebates offered or provided to certain Specialty customers. See Note 78 of the "Notes to Consolidated Financial Statements" for more information on this matter.

Our U.S. federal and state government contracts are subject to specific procurement requirements. Failure to comply with applicable rules or regulations or with contractual or other requirements may result in monetary damages and criminal or civil penalties as well as termination of our government contracts or our suspension or debarment from government contract work.

Environmental, Health and Safety Laws

In the United States and other countries, we are subject to various federal, state and local environmental laws, including laws regulating the production or use of hazardous substances, as well as laws relating to safe working conditions and laboratory practices. Additionally, industry participants, including us, rely on ethylene oxide ("EtO") and other compounds to sterilize certain medical products that we manufacture or distribute. Regulatory actions have been taken by certain environmental regulatory authorities to reduce EtO emissions during the sterilization and distribution process, including actions intended to regulate facilities that sterilize medical products.

Antitrust Laws

The U.S. federal government, most U.S. states and many foreign countries have laws that prohibit certain types of conduct deemed to be anti-competitive. Violations of these laws can result in various sanctions, including criminal and civil penalties. Private plaintiffs also could bring civil lawsuits against us in the United States for alleged antitrust law violations, including claims for treble damages.

Laws Relating to Foreign Trade and Operations

U.S. and foreign laws require us to abide by standards relating to the import and export of finished goods, raw materials and supplies and the handling of information. We also must comply with various export control and trade embargo laws, which may require licenses or other authorizations for transactions within some countries or with some counterparties.

Similarly, we are subject to U.S. and foreign laws concerning the conduct of our foreign operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other foreign anti-bribery laws. Among other things, these laws generally prohibit companies and their intermediaries from offering, promising or making payments to officials of foreign governments for the purpose of obtaining or retaining business.

Other Information

Certain Commercial Practices

Although our agreements with manufacturers sometimes require us to maintain inventory levels within specified ranges, our distribution businesses are generally not required by our customers to maintain particular inventory levels other than as needed to meet service level requirements. Certain customer contracts require us to maintain sufficient inventory to meet emergency demands, but we do not believe those requirements materially affect inventory levels.

Our customer return policies generally require that the product be physically returned, subject to restocking fees. We only allow customers to return product for credit that can be added back to inventory and resold at full value, or that can be returned to vendors for credit.

We offer market payment terms to our customers.

CEO Equity Award Agreements

On August 13, 2024, the Human Resources and Compensation Committee of Cardinal Health's board of directors approved changes to the forms of restricted share units ("RSUs") and performance shares units ("PSUs") agreements that are expected to be used for future RSU and PSU award grants to our Chief Executive Officer, Jason M. Hollar. Under these forms of award agreements, in the event of a termination of Mr. Hollar's employment by Cardinal Health without "cause" (as such term is defined in the Cardinal Health, Inc. 2021 Long-Term Incentive Plan, as amended) unvested RSU awards held by Mr. Hollar will become vested on a pro-rata basis, based on the portion of the applicable vesting period which has elapsed as of the date of the termination. In addition, PSU awards will remain eligible to vest (based on actual performance) on a pro-rata basis, based on the portion of the applicable performance period which has elapsed as of the date of the termination. This description of the forms of award agreements expected to be used for Mr. Hollar's future grants is qualified in its entirety by the text of the forms of award agreements, which are attached hereto as Exhibits 10.1.10 and 10.1.11 to this Form 10-K.

Rule 10b5-1 Plan Adoptions and Modifications

During the quarter ended June 30, 2023 June 30, 2024, no director or officer adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule10b5-1 trading arrangement" as each term is defined in Section 408(a) of Regulation S-K. S-K under the Exchange Act.

Risk Factors

The risks described below could materially and adversely affect our results of operations, financial condition, liquidity or cash flows. These are not the only risks we face. Our businesses also could be affected by risks we do not currently consider material to our operations or of which we are not presently aware.

Legal, Regulatory & Compliance Risks

Opioid-related legal proceedings and the National Opioid Settlement Agreement we have entered into could have additional or unexpected negative effects on our results of operations or business.

Cardinal Health, along with other pharmaceutical wholesalers and other participants in the pharmaceutical supply chain, has been was named as a defendant in lawsuits related to the distribution of opioid pain medications. Plaintiffs in these lawsuits include included state attorneys general, counties and municipalities, as well as private parties, such as unions and other health and welfare funds, hospital systems and other healthcare providers, businesses and individuals.

We have also received federal grand jury subpoenas issued in connection with investigations being conducted by the U.S. Attorney's Office for the Eastern District of New York and the Fraud Section of the U.S. Department of Justice ("DOJ"). We have also received civil subpoenas and other requests for information from other DOJ offices. municipalities.

In April 2022, an agreement settling the vast majority of opioid-related lawsuits filed against us by state and local governmental entities (the "National Opioid Settlement Agreement") became effective. Under the National Opioid Settlement Agreement, we agreed to pay up to approximately $6.3 billion over 18 years. The National Opioid Settlement Agreement also includes injunctive relief terms relating to distributors' controlled substance anti-diversion programs. A monitor will oversee compliance with these provisions until 2027. In addition, the distributors agreed to engage a third-party vendor to act as a clearinghouse for data aggregation and reporting, which the distributors will fund until 2032. It is possible that the maintenance of the required changes to distributors' controlled substance anti-diversion programs may result in unforeseen costs or operational challenges which could have an adverse impact on our results of operations or performance. If we are unable to comply with these requirements, or are alleged to have failed to comply with these requirements, we could incur unforeseen costs or penalties, and our financial results may be negatively impacted.

In addition to the claims covered by the The National Opioid Settlement Agreement we did not resolve all lawsuits brought by political subdivisions. We continue to engage in resolution discussions with certain nonparticipating political subdivisions. A trial in the case brought by the city of Baltimore, which is the largest remaining nonparticipating subdivision by population, is scheduled to begin in September 2024. We intend to defend ourselves vigorously against all remaining lawsuits; however, litigation is inherently unpredictable and unfavorable developments or resolutions can occur.

We are also being sued by private plaintiffs, such as unions, other health and welfare funds, hospital systems, third party payors, other healthcare providers and individuals alleging personal injury for the same activities and could be named as a defendant in additional lawsuits. We intend to vigorously defend ourselves against these lawsuits; however, legal proceedings are inherently unpredictable and it is possible that these lawsuits, either either individually or in the aggregate, could have a negative impact on our results of operations.

We have also received federal grand jury subpoenas issued in connection with investigations being conducted by the U.S. Attorney's Office for the Eastern District of New York and the Fraud Section of the U.S. Department of Justice ("DOJ"). We have also received civil subpoenas and other requests for information from other DOJ offices.

We are involved in legal proceedings with insurers related to the availability of insurance coverage for some matters described above but the defense and resolution of current and future lawsuits and investigations are subject to uncertainty and could have a material adverse effect on our results of operations, financial condition, cash flows or liquidity beyond the amounts accrued and beyond what we may be able ability to recover losses from our insurers. insurers is uncertain. Additionally, laws governing insurance coverage vary by state and some state courts have interpreted laws and insurance policies in ways that may negatively impact our ability to receive indemnification under our insurance policies.

Other legislative, regulatory or industry measures related to the public health crisis involving the abuse of prescription opioid pain medication and the distribution of these medications could affect our business in ways that we may not be able to predict. For example, several states have adopted or proposed taxes or other fees on the sale of opioids. These laws and proposals vary in the tax amounts imposed and the means of calculation. Liabilities for taxes or assessments under any such laws could have an adverse impact on our results of operations unless we are able to mitigate them through operational changes or commercial arrangements where permitted. Additionally, certain states have proposed legislation that may conflict with certain requirements of the National Opioid Settlement Agreement.

Ongoing unfavorable publicity regarding the abuse or misuse of prescription opioid pain medications and the role of wholesale distributors in the supply chain of such prescription medications as well as the continued proliferation of the opioid lawsuits, investigations, regulations and legislative actions and unfavorable publicity in relation to those lawsuits could continue to have a material an adverse effect on our reputation or results of operations.

Our business is subject to other rigorous quality, regulatory and licensing requirements.

As described in greater detail in the "Business" section, products that we manufacture, source, distribute or market must comply with quality U.S. federal, state and foreign and regulatory requirements. Noncompliance or concerns over noncompliance, including noncompliance by third-party contract manufacturers, suppliers, has in the past, and may in the future result in suspension of our ability to distribute, import, manufacture or source products, as well as product bans, recalls, safety alerts or seizures, or criminal or civil sanctions, which, in turn, could result in product liability claims and lawsuits, including class actions. In addition, it can be costly and time-consuming to obtain regulatory approvals or product registrations to market a medical device or other product, and such approvals or registrations might not be granted on a timely basis, if at all.

Also as described in greater detail in the "Business" section, our business is highly regulated in the United States, at both the federal and state level, and in foreign countries. If we fail to comply with regulatory requirements, or if allegations are made that we fail

to comply, our results of operations and financial condition could be adversely affected.

To lawfully operate our businesses, we are required to obtain and hold permits, product registrations, licenses and other regulatory approvals from, and to comply with operating and security standards of, numerous governmental bodies. Failure to maintain or renew necessary permits, product registrations, licenses or approvals, or to comply with required standards, could have an adverse effect on our results of operations and financial condition.

We and third parties acting on our behalf, collect, handle and maintain patient-identifiable health information and other sensitive personal and financial information which are subject to federal, state and foreign laws that regulate the use and disclosure of such information. Regulations currently in place continue to evolve, and they are extensive and complex. Compliance with these laws is difficult and costly. New laws in this area could further restrict our ability to collect, handle and maintain personal or patient information, or could require us to incur additional compliance costs, either of which could have an adverse impact on our results of operations. From time to time, we become aware of certain isolated alleged violations of federal, state or foreign laws concerning privacy and data protection. When we become aware of such allegations, we investigate and, if warranted, notify affected people, entities and regulatory bodies. As a result of these violations we have been and may in the future be subject to civil or criminal penalties, breach of contract claims, lawsuits, costs for remediation and harm to our reputation.

We are required to comply with laws relating to healthcare fraud and abuse. The requirements of these laws are complex and subject to varying interpretations. From time to time, regulatory authorities investigate our policies or practices, and may challenge them. For example, in November 2023, we received a Civil Investigative Demand ("CID") from the Department of Justice focused on potential violations of the Anti-Kickback Statute and False Claims Act in connection with a 2022 transaction in which we purchased a group purchasing organization and a minority ownership interest in a rheumatology managed services

organization. We are cooperating with this investigation. We are also periodically subject to federal or state government investigations or qui tam actions (false claims cases initiated by private parties purporting to act on behalf of federal or state governments), which could result in civil or criminal sanctions, including the loss of licenses or the ability to participate in Medicare, Medicaid and other federal and state healthcare programs or other remedial measures.

Some businesses within each of our segments businesses are Medicare-certified suppliers or participate in other federal and state healthcare programs, such as state Medicaid programs and the federal 340B drug pricing program. In addition, some businesses manufacture pharmaceutical or medical products or repackage pharmaceuticals that are purchased or reimbursed through, or are otherwise governed by, federal or state healthcare programs. Failure to comply with applicable eligibility requirements, standards and regulations could result in civil or criminal sanctions, including the loss of our ability to participate in Medicare, Medicaid and other federal and state healthcare programs.

Private challenges to government healthcare policy may also have a significant impact on our business. For example, the federal 340B drug pricing program requires pharmaceutical manufacturers to offer discounts on certain drugs purchased by covered entities, and some of our Pharmaceutical and Specialty Solutions segment customers are covered entities or contract pharmacies for covered entities. Over a dozen pharmaceutical manufacturers have unilaterally restricted sales under the 340B drug pricing program to contract pharmacies. These practices are the subject of ongoing litigation; however, if manufacturers continue this practice and if courts uphold this practice, our customers may be adversely impacted, which could adversely impact our business.

We, and third parties acting on our behalf, collect, handle and maintain patient-identifiable health information and other sensitive personal and financial information which are subject to federal, state and foreign laws that regulate the use and disclosure of such information. Regulations currently in place continue to evolve, and they are extensive and complex. Compliance with these laws is difficult and costly. New laws in this area could further restrict our ability to collect, handle and maintain personal or patient information, or could require us to incur additional compliance costs, either of which could have an adverse impact on our results of operations. From time to time, we have become aware of certain isolated alleged violations of federal, state or foreign laws concerning privacy and data protection. When we become aware of such allegations, we investigate and, if warranted, notify affected people, entities and regulatory bodies. As a result of these violations, we have been and may in the future be subject to civil or criminal penalties, breach of contract claims, lawsuits, costs for remediation and harm to our reputation.

Industry participants, including us, rely on ethylene oxide (“EtO”) and per- and polyfluoroalkyl (“PFA”) compounds to sterilize certain medical products, including products that we manufacture or distribute. Regulatory enforcement actions have been taken by certain environmental regulatory authorities to reduce emissions of these compounds during the sterilization and distribution process. If such measures become more widespread, we could experience increased costs to comply with reduced emissions standards and it is possible that we and other industry participants may be unable to effectively sterilize medical products, possibly resulting in supply shortages or an industry-wide reduction in surgical or medical procedures, which would negatively impact demand for our Medical segment’s products. Such increased costs or industry-wide reductions in surgical and medical procedures would have a negative impact on our Medical segment profit. Additionally, we have been named as a defendant in several lawsuits alleging personal injury as a result of EtO emissions. As a result of a notice of violation Additionally, we received from an have incurred, and may incur additional costs associated with modifying certain manufacturing, distribution or replenishment facilities in accordance with state environmental regulator in Georgia, we are making specified changes to a replenishment center in that state. regulators' actions or requirements. It is possible that these or future regulatory actions or lawsuits could adversely impact our ability to procure products to distribute, resulting in increased costs or industry supply disruptions.

Our government contracts are subject to specific procurement requirements. Failure to comply with applicable rules or regulations or with contractual or other requirements may result in monetary damages and criminal or civil penalties as well as termination of our government contracts or our suspension or debarment from government contract work.

Our global operations (including transition services in connection with divestitures) are subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions and U.S. and foreign export control, trade embargo and customs laws. If we fail to comply, or are alleged to fail to comply, with any of these laws, we could be subject to investigations or suffer civil or criminal sanctions.

Supply chain and quality issues could adversely affect operations, profitability, cash flows, and our financial condition.

As described in the "Business" section, products that we manufacture, source, distribute or market must comply with rigorous quality requirements. In addition, no assurance can be given that we will remain in compliance with applicable FDA and other regulatory requirements. These requirements include, among others, regulations regarding manufacturing practices, labeling, advertising, and post marketing reporting, including adverse event reports and field alerts and actions. Several of our facilities and procedures and those of our suppliers are subject to ongoing regulation and periodic inspection by the FDA and other authorities. Actions resulting from non-compliance with FDA and other regulations include fines, warning letters, injunctions, civil penalties, damages, recalls, consent decrees, seizures of products, and civil litigation and/or criminal prosecution. For example, following a facility inspection in December 2023, the FDA issued a warning letter to Cardinal Health in April 2024 related to plastic syringes sourced from a third party manufacturer in China asserting these products did not have appropriate 510(k) clearance and restating some of the observations from the December 2023 inspection. We promptly took action on these

Risk Factors

products and submitted a timely and comprehensive response to the warning letter describing our investigation and corrective actions, and we continue to cooperate with the FDA on this matter.

We are also subject to government import and export controls and regulations, including the requirement that we make a determination, based on the best information that we have available at the time, as to the country of origin of products that we source or manufacture outside the United States. U.S. Customs and Border protection may challenge our determinations, which have resulted in products being detained and supply disruptions, and which could result in the imposition of fines and penalties.

In addition, the Uyghur Forced Labor Prevention Act, which went into effect in June 2022, prohibits the importation of any goods grown, produced, manufactured or mined, wholly or in part, in the Xinjiang Uyghur Autonomous Region of China unless importers can provide clear and convincing evidence that goods were not made using forced labor. We have experienced supply constraints as a result of these and similar regulations, and it is possible that our business or results of operations could be further negatively impacted by future determinations and disruptions.

Such events cause the company to incur additional time, cost and effort to ensure compliance with complex regulations.

Noncompliance or concerns over noncompliance, including by suppliers, as a result of use of third party manufactures, or planned shifts in production sites, has in the past, and may in the future result in substantial modifications to our business practices and operations. These modifications can include suspension of our ability to import and distribute, refunds or recalls, total or partial shutdown of production in one or more facilities while we or our suppliers remedy any actual or potential issues, the inability to obtain future pre-market approvals or marketing authorizations, and withdrawals or suspensions of current products from the market. In addition, it can be costly and time-consuming to obtain regulatory approvals or product registrations to market a medical device or other product, and such approvals or registrations might not be granted on a timely basis, if at all. Any of these supply chain and quality-related events could be disruptive to our business and have a material adverse effect on operations, profitability, cash flows, and our financial condition.

Risk Factors

We could be subject to adverse changes in the tax laws or challenges to our tax positions.

We are a large multinational corporation with operations in the United States and many foreign countries. As a result, we are subject to the tax laws of many jurisdictions.

From time to time, proposals are made in the United States and other jurisdictions in which we operate that could adversely affect our tax positions, effective tax rate or tax payments. Additionally, changes in tax laws or regulatory enforcement priorities may impact our tax position. Specific initiatives that may impact us include possible increases in U.S. or foreign corporate income tax rates or other changes in tax law to raise revenue, the repeal of the LIFO (last-in, first-out) method of inventory accounting for income tax purposes, the establishment or increase in taxation at the U.S. state level on the basis of gross revenues, recommendations of the base erosion and profit shifting project undertaken by the Organization for Economic Cooperation and Development and the European Commission's investigation into illegal state aid. In August 2022, the U.S. federal government enacted the Inflation Reduction Act, which imposed a 15 percent corporate minimum tax on certain large corporations and a 1 percent tax on share repurchases after December 31, 2022. These provisions may adversely impact our financial position and results of operations.

Additionally, in connection with the accruals taken in connection with opioid-related lawsuits in fiscal year 2021, we recorded a net tax benefit, reflecting our current then-current assessment of the estimated future deductibility of the amount that may be paid. We have made reasonable estimates and recorded amounts based on management's judgment and our current understanding of the U.S. Tax Cuts and Jobs Act ("Tax Act"); however, the tax law governing deductibility was changed by the Tax Act, and these estimates require significant judgment and it is possible that they could be subject to challenges by the U.S. Internal Revenue Service ("IRS").

The U.S. tax law governing deductibility was changed by the Tax Act. The taxing authorities could challenge our interpretation of the Tax Act or the estimates and assumptions used to assess the future deductibility of these benefits, or tax law could change again. We also regularly review these estimates and assumptions from time to time and adjust our accruals based on our review, resulting in changes in our tax provisions/(benefit). The actual amount of tax benefit related to uncertain tax positions may differ materially from these estimates. See Note 89 of the "Notes to Consolidated Financial Statements" for more information regarding these matters.

In fiscal year 2021, our provision for income taxes reflected a $424 million $424 million benefit from the tax benefits of a self-insurance pre-tax net operating loss carryback under the Coronavirus Aid, Relief and Economic Security ("CARES") Act. Also, as a result of this net operating loss carryback, we received a U.S. federal income tax refund of $966 million. It $966 million. This fiscal year is being audited by the IRS, and it is possible that the IRS could challenge our tax position with respect to this self-insurance loss. If these initiatives are successful, they do, our effective tax rate or cash flows could be adversely impacted. Additionally, laws governing insurance coverage vary by state and some state courts have interpreted laws and insurance policies in ways that may impact our self-insurance self-insurance loss, which could negatively impact our financial position.

We file income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and various foreign jurisdictions. Tax laws are complex and subject to varying interpretations. With few exceptions, we are subject to audit by taxing authorities for fiscal years 2015 through the current fiscal year. year, including a specific inquiry into a restructuring in connection with integrating the July 2017 acquisition of the Patient Recovery business from Medtronic. Proposed adjustments in ongoing audits may adversely affect our effective tax rate or tax payments.

Changes to the U.S. healthcare environment may not be favorable to us.

Over a number of years, the U.S. healthcare industry has undergone significant changes designed to increase access to medical care, improve safety and patient outcomes, contain costs

and increase efficiencies. These changes include a general decline in Medicare and Medicaid reimbursement levels, efforts by healthcare insurance companies to limit or reduce payments to pharmacies and providers, the basis for payments beginning to transition from a fee-for-service model to value-based payments and risk-sharing models and the industry shifting away from traditional healthcare venues like hospitals and into clinics, physician offices and patients' homes.

We expect the U.S. healthcare industry to continue to change significantly in the future. Possible changes include changes in legislation or regulations governing prescription pharmaceutical pricing, healthcare services, U.S.-based medical product manufacturing, mandated benefits, efforts to promote increased transparency in the pharmaceutical supply chain, including with respect to Pharmacy Benefit Managers, drug shortages, further reduction of or limitations on governmental funding at the state or federal level or efforts by healthcare insurance companies to further limit payments for products and services. These Federal, state, and local governmental entities have also continued to increase their scrutiny of the U.S. healthcare market. For example, the Federal Trade Commission has issued public requests for information related to pharmaceutical wholesalers' and group purchasing organizations' impacts on generic drug shortages and the impact of pharmacy benefits managers on drug affordability and access. Such scrutiny might expose us to additional governmental investigations, qui tam actions, and liability and could require us to make changes in our operations at additional expense. Uncertainty surrounding possible changes and to the uncertainty surrounding these possible healthcare environment, including changes to regulatory enforcement priorities, may directly or indirectly adversely affect us.

Legal proceedings could adversely impact our cash flows or results of operations.

Due to the nature of our business, which includes the distribution of controlled substances and other pharmaceutical products and the sourcing, marketing and manufacturing of medical products, we regularly become involved in disputes, litigation and regulatory matters. Litigation is inherently unpredictable, disruptive, and time consuming and the unfavorable outcome of legal proceedings could adversely affect our results of operations or financial condition.

For example, we are subject to a number of lawsuits and investigations related to the national health crisis involving the abuse of opioid pain medication as described above in the Risk Factor titled "Opioid-related legal proceedings and the National Opioid Settlement Agreement we have entered into could have additional or unexpected negative effects on our results of operations or business" and in Note 78 to the "Notes to Consolidated Financial Statements."

Additionally, some of the products that we distribute or manufacture have been and may in the future be alleged to cause personal injury, subjecting us to product liability claims. For example, since July 2021, we have entered into settlement

agreements to settle approximately 7,300 the vast majority of product liability claims alleging personal injuries associated with the use of Cordis OptEase and TrapEase IVC filter products. Product liability insurance for these types of claims is becoming more limited and may not be available to us at amounts that we historically have obtained or that we would like to obtain and we do not expect insurance coverage to cover all losses incurred for these matters. It is possible that future Future settlements of or judgments for product liability claims may not be covered by insurance or exceed available insurance recoveries. If this happens, and if any such settlement or judgment is in excess of any prior accruals, our results of operations and financial condition could be adversely affected.

We also operate in an industry characterized by extensive intellectual property litigation. Patent litigation can result in significant damage awards and injunctions that could prevent the manufacture and sale of affected products or force us to make royalty payments in order to continue selling the affected products.

In connection with legal proceedings, we occasionally enter into settlement agreements or become subject to consent decrees containing ongoing financial or operational obligations, including the injunctive relief provisions of the National Opioid Settlement Agreement and the Corporate Integrity Agreement mentioned above. Failure to comply with obligations under these agreements or decrees could lead to monetary or other penalties.

We might infringe intellectual property rights or our own intellectual property protections might be insufficient to protect our commercial interests.

As we expand or update our product offerings, we may not be able to timely secure intellectual property protections or customers may prefer certain of our products that are no longer subject to intellectual property protections. Such risks may harm our profit, competitive position and could have an adverse impact on results of operations.

Third parties have in the past and may in the future assert infringement claims against us. Litigation and proceedings related to intellectual property are unpredictable, and we might be required to pay significant damages, develop non-infringing products or services, obtain a license, cease selling or using allegedly infringing products or services, or incur other restrictions on our operations. Trade secret, patent, copyright, and trademark laws, nondisclosure obligations, and other contractual provisions are critical to our business. In addition to contractual and technical measures, we might institute resource-intensive litigation to protect our trade secrets, to enforce our patent, copyright, or trademark rights and to determine the scope and validity of the proprietary rights of third parties. Our efforts to protect our intellectual property might be insufficient, and non-infringing products or services equivalent or superior to ours might be developed by competitors.

Business & Operational Risks

Our business and operations depend on the proper functioning of information systems, critical facilities and distribution networks and could be negatively impacted by events outside of our control.

We rely on our and third-party service providers' information systems for a wide variety of critical operations, including to obtain, rapidly process, analyze and manage data to:

- facilitate the purchase and distribution of inventory items from numerous distribution centers;
- receive, process and ship orders on a timely basis;
- manage accurate billing and collections for thousands of customers;
- process payments to suppliers;
- facilitate manufacturing and assembly of medical products; and
- generate financial information.

Our business also depends on the proper functioning of our and our suppliers' business processes, critical facilities, including our national logistics center, and our distribution networks. Our results of operations could be adversely affected if our or a service provider's business processes, information systems, critical facilities or distribution networks are disrupted (including disruption of access), are damaged or fail, whether due to physical disruptions, such as climate change-related weather events, including wildfires, hurricanes, extreme temperatures or other natural disasters, pandemics (as they were by the COVID-19 pandemic) or power outage, outages, systems updates, or due to cyber-security cybersecurity incidents, ransomware or other actions of third parties, including labor strikes or shortages, political unrest and terrorist attacks. In addition, hardware, software, and other applications and updates procured from third parties may contain defects that have and may in the future unexpectedly restrict or prevent access to or interfere with the proper operation of our information systems and hardware. Manufacturing disruptions also can occur due to regulatory action, production quality deviations, safety issues or raw material shortages or defects, planned shifts in production sites, or because a key product or component is manufactured at a single manufacturing facility with limited alternate facilities. Additionally, we incur costs to remediate these disruptions, and it is possible that these costs could be significant.

Our ability to compete effectively is increasingly dependent on access to and interpretation of data. data, and we may provide services that involve hosting customer data and operating software on third-party or our own systems. Data quality impacts customer ordering, order fulfillment and higher order processing. If we fail to effectively implement and maintain data governance structures across our businesses, or to effectively interpret and utilize such data, or protect the integrity of such data, including systems powered by or incorporating artificial intelligence and machine learning, our operations could be impacted, and we may be at a competitive disadvantage.

Our business and results of operations could be adversely affected if we experience a material cyber-attack or other systems breach.

Our business relies on the secure transmission, storage and hosting of patient-identifiable health information, financial information and other sensitive protected information relating to our customers, company, workforce and individuals with whom we and our customers conduct business. We have programs in place to detect, contain and respond to information security incidents. However, because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, hardware, software or applications developed internally or procured from third parties may contain defects in design or manufacture or other problems beyond our control that could unexpectedly compromise information security.

Unauthorized parties have gained access in the past, and will continue to attempt to gain access, to our or a service provider's systems or facilities through fraud, trickery social engineering or other forms of deception. We and our service providers have been the target of cyber attacks. Although we do not believe these incidents had a material impact on us, either individually or in the aggregate, similar incidents or events in the future may negatively impact our business, reputation or financial results.

Any compromise of our or a service provider's information systems, including unauthorized access to or use or disclosure of sensitive information, could adversely impact our operations, results of operations or our ability to satisfy legal or regulatory requirements, including the EU general data protection regulation (GDPR) and those related to patient-identifiable health information and other sensitive personal and financial information at the state and U.S. federal level as further described in the Risk Factor titled “Our business is subject to other rigorous quality, regulatory and licensing requirements,” above.

In addition, insurance for losses arising from cyber-attacks or other breaches is becoming more costly and limited and may not be available to us at amounts that we historically have obtained or that we would like to obtain. It is possible that we could incur losses that may not be covered by insurance or that would exceed

available insurance recoveries. If this happens, our results of operations and financial condition could be adversely affected.

Our goodwill or other long-lived assets could may be further impaired, which could require us to record additional significant charges to earnings in accordance with generally accepted accounting principles.

U.S. GAAP requires us to test our goodwill for impairment on an annual basis, or more frequently if indicators for potential impairment exist. In addition, we review intangible assets with finite lives and other long-lived assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable.

Due to previously communicated changes in our long-term financial plan assumptions made during In fiscal 2023, including those related to Cardinal Health branded medical products sales growth and net inflationary impacts, 2024, we performed quantitative goodwill annual impairment testing and concluded there were no impairments of goodwill for our reporting units as the Medical Unit for periods ended June 30, 2023, March 31, 2023, December 31, 2022 estimated fair value of each reporting unit exceeded its carrying amount. However, the at-Home Solutions reporting unit estimated fair value exceeds its carrying amount by less than 1 percent and September 30, 2022, and recorded an aggregate $1.2 billion impairment to therefore, its goodwill could be impaired in fiscal year 2023. During fiscal 2022, future periods. The goodwill balance as a result of adverse financial results in our Medical Unit resulting from inflationary impacts and global supply chain constraints, we performed goodwill impairment testing for the Medical Unit and recorded an aggregate $2.1 billion impairment to goodwill in fiscal year 2022. June 30, 2024 was $1.1 billion.

Impairment testing involves estimates and significant judgments by management. We believe our assumptions and estimates are reasonable and appropriate; however, additional adverse changes in key assumptions, a failure to meet expected earnings or other financial plans, including the execution of key initiatives related to optimizing and growing sales of Cardinal Health branded medical products, increasing growth in certain strategic divisions within our Medical segment and driving simplification efforts and cost optimization projects, or unanticipated events and circumstances, such as changes in assumptions about the duration and magnitude of increased supply chain and commodities costs and our efforts to mitigate such impact, including price increases or surcharges; further disruptions in the supply chain; manufacturing cost inefficiencies resulting from lower than anticipated sales volume; an increase in the discount rate; rate, a decrease in the terminal growth rate; rate, increases in tax rates; rates, or a significant change in industry or economic trends could affect the accuracy or validity of such estimates and may result in an additional goodwill impairment in our Medical Unit. at-Home solutions segment. It is also possible that we may record significant charges from impairment to goodwill of other reporting

units, intangibles and other long-lived assets. Any charge or charges could adversely affect our results of operations.

During fiscal 2024, 2023 and 2022, we recorded aggregate goodwill impairment charges of $675 million, $1.2 billion and $2.1 billion, respectively, related to GMPD (our former Medical unit) primarily driven by the performance and long-term financial plan assumptions. GMPD has no goodwill balance remaining at June 30, 2024.

See "Critical Accounting Policies and Sensitive Accounting Estimates" in MD&A above for more information regarding goodwill impairment testing.

Our sales and credit concentration is significant.

In fiscal year 2024, CVS Health and OptumRx are large customers that generate a significant amount of were our revenue. largest customers. CVS Health accounted for 25 24 percent of our fiscal 2023 2024 revenue and 23 22 percent of our gross trade receivable balance at June 30, 2023 June 30, 2024 and OptumRx OptumRX accounted for 16 17 percent of our fiscal 2023 2024 revenue. Our agreement pharmaceutical distribution contracts with OptumRx extends through expired at the end of June 2024. We expect our results of operations including Pharmaceutical and Specialty Solutions segment profit and operating cash flow, to be negatively impacted as a result of this expiration. Additionally, we may not be as successful as anticipated in mitigating the negative impacts from this expiration. If either of these customers significantly CVS or another significant customer reduces their purchases from us, defaults in payment to us, does not renew their agreements or terminates their agreements, whether due to an alleged default by us or otherwise, our results of operations and financial condition could be adversely affected.

Our results of operations or strategic objectives could be adversely impacted if we fail to manage and complete divestitures.

We regularly evaluate our portfolio of businesses to determine whether an asset or business may no longer help us meet our objectives or whether there may be a more advantaged owner for that business. For example, in July 2023, we contributed our Outcomes™ business to Transaction Data Systems in exchange for a minority stake in the combined entity, and in fiscal year 2022, we completed the divestiture of the Cordis business. When we decide to sell assets or a business, we may encounter difficulty finding buyers or alternative exit strategies, which could delay impact the achievement of our strategic objectives. We could also fail to obtain necessary regulatory approval or incur higher costs or charges than planned or incur unexpected charges and could experience greater dis-synergies than expected, which could have a negative impact on our results of operations.

Our ability to manage and complete acquisitions could impact our strategic objectives and financial condition.

From time to time, we look to acquire other businesses that expand or complement our existing businesses. For example, in March 2024, we acquired Specialty Networks, a technology-enabled multi-specialty group purchasing and practice enhancement organization for $1.2 billion. Completion of such acquisitions and the integration of acquired businesses involve a number of risks, including the following: we may overpay for a business or fail to realize the synergies, financial, strategic and other benefits we expect from the acquisition; our management's attention may be diverted to integration efforts; we may fail to retain key personnel of the acquired business; future developments may impair the value of our purchased goodwill or intangible assets; we may face difficulties or delays establishing, integrating or combining operations and systems, including manufacturing facilities; we may assume liabilities related to legal proceedings involving the acquired business; we may face challenges retaining the customers of the acquired business; we may require financing that may not be available on favorable terms; we may not receive regulatory approval necessary to timely complete an acquisition; or we may encounter unforeseen internal control, regulatory or compliance issues. We may also encounter other risks related to a failure to complete an acquisition, including diversion of time and resources of management and failure to achieve strategic objectives. Any of the foregoing may impact our ability to achieve anticipated benefits of an acquisition, which might have an adverse impact on results of operations and financial conditions.

Failure to effectively or efficiently complete or manage critical business processes could have unforeseen consequences.

From time to time, our businesses perform business process improvements or infrastructure modernizations or use service providers for key systems and processes, such as receiving and processing customer orders, customer service and accounts payable. For example, during fiscal 2022, our former Pharmaceutical segment implemented a replacement of certain finance and operating information systems and we have also transitioned certain finance processes to a third-party service provider. These initiatives, transitions, and improvements require an ongoing commitment of resources. If any of these initiatives or similar initiatives, including those related to artificial intelligence and machine learning, are not successfully or efficiently implemented or maintained, or if our relationship with critical third-party service providers deteriorates, we could experience material negative impacts on our business, financial results and our internal control over financial reporting.

Our business could be affected by activist shareholders.
In September 2022, we entered into a Cooperation Agreement with Elliott under which our Board of Directors, among other things, (1) appointed four new independent directors, including a representative from Elliott , and (2) formed an advisory Business Review Committee of the Board, which is was tasked with undertaking a comprehensive review of our strategy, portfolio, capital-allocation framework and operations. In May 2023, we extended the term of the Cooperation Agreement until the later of July 15, 2024 or until an Elliott representative ceases to serve on, or resigns from, our Board of Directors. In connection with this extension, the Board extended the term of the Business Review Committee until July 15, 2024. On that date, the Business Review Committee disbanded in accordance with its charter. The Cooperation Agreement remains in effect.

The Cooperation Agreement may create unintended consequences, such as creating uncertainty about our management, operations or future strategic direction, which could

result in the loss of future business opportunities or negatively impact our ability to attract and retain qualified talent. Additionally, implementing any actions recommended by the Business Review Committee and the Board may be costly and time-consuming, may be disruptive to our ongoing business operations and may ultimately be unsuccessful.

It is possible that activist shareholders may, among other things, attempt to effect additional changes and exert influence over our Board of Directors and management or initiate a proxy contest, which may disrupt our operations by diverting the attention of management and the Board and be costly and time-consuming. Any such proxy contests, actions or requests, or the mere public presence of activist shareholders, may cause the market price for our shares to experience volatility, which could be significant.

Our business could be affected by events outside of our control including global climate change-related physical and transitional risks, public health crises, natural disasters, geopolitical and other catastrophic events.

The long-term impacts of climate change are widespread and difficult to predict. However, we expect to experience climate-related impacts to the business, likely driven by risks related to the physical impacts to our operations and risks related to the transition to a lower-carbon economy. Our properties may be subject to nearer-term impacts from climate change, including physical damage resulting from adverse or extreme weather. Property damage results in increased costs for repairs and may cause disruptions in operations. Transitional risks associated with climate change may cause social and human effects such as shifts in populations, increased costs for critical services such as transportation, and other adverse effects. Climate-related laws and regulations may impose costs, including increased spend associated with carbon pricing mechanisms, data gathering and reporting, third-party attestations, capital expenditures to implement lower greenhouse gas emissions technology, and other measures to reduce emissions. Additionally, the varied timing of climate-related laws and regulations and disparate regulatory approaches in various jurisdictions could complicate our compliance with climate-related laws or regulations, and methodologies for reporting climate-related data may change. We cannot predict the potential impact on our competitive position, results of operations, or financial condition. These factors may negatively impact cost or availability of certain products, commodities, or energy, and could impair our ability to secure goods and services required for the operation of our business at quantities and levels we require. A shift in customer or consumer preference towards low-carbon products and services may also place us at a competitive disadvantage if we fail to effectively adjust for these shifts. Our supply chain is subject to these same physical and transitional risks.

Events outside of our control also have, and will continue to, adversely impact our operations and financial results. These events include those related to public health crises, including epidemics or pandemics; geopolitical events or tensions, including civil unrest, trade wars, armed conflicts, or terrorism; or unstable international governments and legal systems. Among other potential affects, these events may have a disruptive and unpredictable impact on our operations and those of our suppliers and vendors, or customers, hinder manufacturing and transportation, result in significant excess costs, lead to shifts in customer demand, or have a negative impact on capital markets. Such events are inherently unpredictable, and our responses may involve the implementation of measures which may not be as successful as intended in mitigating adverse impacts.

Industry & Economic Risks

We could continue to suffer the adverse effects of competitive pressures.

As described in greater detail in the "Business" section, we operate in markets that are highly competitive and dynamic. In addition, competitive pressures in each of our pharmaceutical and medical segments businesses may be increased by new business models, new entrants, new regulations or changes in enforcement priorities, changes in consumer demand or general competitive dynamics. Additionally, we may not be able to onboard new customers as efficiently as expect due to customer service issues or competitive service level offerings. Our businesses face continued pricing pressure from these factors, which adversely affects our margins. If we are unable to offset margin reductions caused by these pricing pressures through steps such as sourcing or cost control measures, additional service offerings and sales of higher margin products, our results of operations could continue to be adversely affected.

Our Pharmaceutical and Specialty Solutions segment's profit margin could be adversely affected by changes in industry or market dynamics that we are not able to accurately predict.

As has been the case for several years, the The frequency, timing, magnitude and profit impact of generic pharmaceutical customer purchase volumes, pricing changes, customer contract renewals, generic pharmaceutical launches and generic pharmaceutical manufacturer pricing changes, which contribute to the performance of our generic pharmaceutical program, remain uncertain as does their impact on Pharmaceutical segment profit and consolidated operating earnings. uncertain. These factors have contributed to declines in some prior years and have more than offset the benefits from

sourcing generic pharmaceuticals through our Red Oak Sourcing venture with CVS Health. If performance of our generic pharmaceutical program declines in future fiscal years and we are unable to offset the decline, our Pharmaceutical and Specialty Solutions segment profit and consolidated operating earnings will be adversely affected.

With respect to branded pharmaceutical products, compensation under our contractual arrangements with manufacturers for the purchase of branded pharmaceutical products is generally based on the wholesale acquisition cost set by the manufacturer. Sales prices of branded pharmaceutical products to our customers generally are a percentage discount from wholesale acquisition cost.

Also, Additionally, almost all of our distribution services agreements with branded pharmaceutical manufacturers provide that we receive fees from the manufacturers to compensate us for services we provide them. However, under certain agreements, branded pharmaceutical price appreciation, which is determined by the manufacturers, also serves as a part of our compensation. If manufacturers in the aggregate, change their historical approach to setting and increasing wholesale acquisition cost, decide to reduce prices, not to increase prices or to implement only small increases and we are

Risk Factors

unable to negotiate alternative ways to be compensated by manufacturers or customers for the value of our services, our margins could be adversely affected.

We depend on direct and indirect suppliers to make their products and raw materials available to us and are subject to fluctuations in costs, availability and regulatory risk associated with these products and raw materials.

Our manufacturing businesses use oil-based resins, pulp, cotton, latex and other commodities as raw materials in many products. Prices of oil and gas also affect our distribution and transportation costs. Prices of these commodities are volatile and can fluctuate significantly, causing our costs to produce and distribute our products to fluctuate. Beginning in the fourth quarter of fiscal year 2021, we experienced higher supply chain costs, which had a negative impact on our former Medical segment profit in fiscal 2021, 2022, 2023 and 2023. current GMPD segment in 2024. Supply chain constraints have also had a negative impact on sales within our former Medical segment.

We did not offset the full impact of these cost increases in fiscal year 2023; 2023 and 2024; however, we implemented certain cost reductions, price increases and surcharges to mitigate the impact. Due to competitive dynamics and contractual limitations, passing along cost increases is challenging. If we are not able to continue to increase mitigate future cost increases through increased prices as planned where necessary or if supply cost increases do not continue to normalize as expected, Medical GMPD segment profit could be negatively impacted to a greater extent than we currently anticipate. impacted.

We depend on others to manufacture some products, including pharmaceuticals, that we market and distribute. Our operations are also dependent on various components, compounds, raw materials and energy supplied by others. We purchase many of these components, raw materials and energy, and source certain products from numerous suppliers in various countries. In some instances, for reasons of quality assurance, cost effectiveness, or availability, we procure

Risk Factors

certain components and raw materials from a sole supplier. Our supplier relationships could be interrupted, become less favorable to us or be terminated and the supply of these components, compounds, raw materials or products could be interrupted or become insufficient.

These supply interruptions or other disruptions in manufacturing processes could be caused by events beyond our control, including natural disasters, labor disputes, supplier facility shutdowns, defective raw materials, the impact of epidemics or pandemics, such as COVID-19, and actions by U.S. or international governments, including import or export restrictions or tariffs. For example, the Uyghur Forced Labor Prevention Act, which went into effect in June 2022 prohibits the importation of any goods grown, produced, manufactured or mined, wholly or in part, in the Xinjiang Uyghur Autonomous Region of China unless importers can provide clear and convincing evidence that goods were not made using forced labor. We have experienced some supply constraints as a result of these and similar regulations, and it is possible that our business or results of operations could be further negatively impacted by future determinations and disruptions.

In addition, due to the stringent regulatory requirements regarding the manufacture and sourcing of our products, we may not be able to quickly establish additional or replacement sources for certain components, materials or products. A sustained supply reduction or interruption, and an inability to develop alternative and additional sources for such supply, could result in lost sales, increased cost, damage to our reputation, and may have an adverse effect on our business.

Changes or uncertainty in U.S. or international trade policies and exposure to economic, political and currency and other risks could disrupt our global operations or negatively impact our financial results.

We conduct our operations in various regions of the world outside of the United States, including Europe, Asia and Latin America. Global developments can affect our business in many ways. Our global operations are affected by local economic environments, including inflation, recession and competition. Additionally, divergent or unfamiliar regulatory systems and labor markets can increase the risks and burdens of operating in numerous countries.

Our foreign operations expose us to a number of risks related to trade protection laws, tariffs, excise or other border taxes on goods sourced from certain countries or on the importation or exportation of products or raw materials. Changes or uncertainty in U.S. or international trade policies or tariffs could impact our global operations, as well as our customers and suppliers. For example, products and materials sourced, directly or indirectly, from outside the U.S., including from China, may be subject to major changes in tax or trade policy between the U.S. and countries from which we source such products and materials. These changes may include the imposition of additional tariffs or duties on imports, which may require taking certain actions such as raising prices and seeking alternative sources of supply. We may also be required to spend more money to source certain products or materials that we need or to manufacture certain of our products. This could adversely impact our business and results of operations.

In addition, we conduct our business in U.S. dollars and various functional currencies of our foreign subsidiaries. Changes in

Employee attrition may have an adverse impact on our business, results of operations or internal controls.

Our ability to attract, retain and develop qualified and experienced employees, including key executives and other talent, is critical for us to meet our business objectives. We compete with many other businesses to attract and retain employees. It is possible that we could experience loss of key personnel for a variety of causes. If we do not adequately plan for succession of key roles or if we are not successful in attracting or retaining new talent, our performance or internal control over financial reporting could be adversely impacted.

Consolidation in the U.S. healthcare industry may negatively impact our results of operations.

In recent years, U.S. healthcare industry participants, including distributors, manufacturers, suppliers, healthcare providers, insurers and pharmacy chains, among others, have consolidated or formed strategic alliances. Consolidations create larger enterprises with greater negotiating power and also could result in the possible loss of a customer in the situation where the combined enterprise selects one distributor from two incumbents. incumbents or a reduction in our ability to market our products and services to new customers. Consolidations also impact other objectives, including our ability to use acquisitions to expand or complement our existing businesses. If this consolidation trend continues, it could adversely affect our results of operations.

foreign currency exchange rates could adversely affect our financial results, which are reported in U.S. dollars. We may not be able to hedge to protect us against these exposures, and any hedges may not successfully mitigate these exposures.

Geopolitical dynamics caused by political, economic, social or other conditions in foreign countries and regions may continue to impact our business and results of operations. Both Each of our segments have experienced increased costs in fiscal years 2022, 2023 and 2023, 2024, including for fuel, and it is possible that we could experience supply disruptions or shortages if tariffs or other protective measures are enacted.

Cybersecurity

Cybersecurity

Cybersecurity Risk Management

We identify, assess, and manage risks related to cybersecurity through documented policies, standards, and procedures as part of our overall approach to cybersecurity, which is a component of our wider enterprise risk management program. Our approach to detection, mitigation, remediation, and prevention of cybersecurity risks utilizes a range of measures including, among other elements: benchmarking to generally accepted industry standards and frameworks, such as the National Institute of Standards and Technology cybersecurity framework; use of periodic tabletop exercises to promote awareness and improve internal processes; periodic penetration testing; a dedicated staff of cybersecurity professionals; and implementation of security measures and policies intended to identify as well as assist in containing and remediating cybersecurity risks. We maintain cybersecurity incident response, disaster recovery, and business continuity plans that govern activities such as preparation, detection coordination, remediation and recovery, and escalation to senior management and, where appropriate, relevant committees of the Board. These plans are routinely reviewed under the leadership of our Chief Information Security Officer ("CISO"). We also maintain mandatory employee cybersecurity and privacy compliance awareness training requirements, which are supplemented by employee engagement campaigns.

We utilize third parties to assist with, and assess the effectiveness of, our cybersecurity posture, in addition to supporting incident response and mitigation where necessary. We identify and assess third party risks associated with suppliers and service providers across a range of areas, including cybersecurity, through a third-party risk management process that incorporates, among other features, the use of risk assessments and, where appropriate, contractual requirements around evaluations, security, technology, service levels, and other terms.

To date, we are not aware of risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect Cardinal Health. However, the scope and impact of any future incident cannot be predicted. For more information, please see Item 1A “Risk Factors” for the risk factor entitled “Our business and results of operations could be adversely affected if we experience a material cyber-attack or other systems breach.”

Governance

Our CISO, in coordination with our Chief Information Officer (“CIO”) to whom the CISO reports, leads our approach to assessing and managing cybersecurity-related risks. Our CISO has over twenty-five years of experience in information technology (“IT”), with twenty years in IT risk management, compliance, and information security, as well as a background in leading technical infrastructure teams and roles supporting business operations.

As part of management’s oversight of our cybersecurity program, we maintain an IT risk governance process that includes multiple levels of escalation from our IT Risk Advisory Board, which meets on a monthly basis and whose membership includes the CISO and IT functional area leadership, to an executive-level committee to help address cybersecurity risks at an enterprise level.

While the company’s Board oversees our overall risk management process, as part of its oversight, the Board has delegated certain responsibilities to committees of the Board. The Audit Committee of the Board has primary responsibility for discussing with management cybersecurity and other major IT risk exposures and management's steps to monitor and control such exposures. In coordination with the Audit Committee, the Risk Oversight Committee of the Board monitors Cardinal Health’s compliance with applicable legal and regulatory requirements, including with respect to data privacy and security. Our Audit Committee receives quarterly updates from the CISO and CIO and the Board receives at least annual cybersecurity updates. Among other items, these updates cover a range of matters relevant to our cybersecurity program, including: the threat environment and related business risks; the state, priorities of, and investments in our cybersecurity program; the availability of cyber insurance; review of certain cybersecurity incidents that have occurred within the company and the industry; and relevant cybersecurity operational metrics.

Properties

In the United States, at June 30, 2023 June 30, 2024, the Pharmaceutical and Specialty Solutions segment operated one national logistics center; center and a number of primary pharmaceutical and specialty distribution facilities as well as nuclear pharmacy and radiopharmaceutical manufacturing facilities. The Medical GMPD segment operated medical-surgical distribution, assembly, manufacturing and other operating facilities in the United States.

At June 30, 2023 June 30, 2024, our Medical GMPD segment also operated manufacturing facilities in Canada, Costa Rica, the Dominican Republic, Germany, Ireland, Japan, Malaysia, Malta, Mexico, Puerto Rico and Thailand.

Our Other Operating Segments operated facilities throughout the United States.

Our principal executive offices are headquartered in an owned building located at 7000 Cardinal Place in Dublin, Ohio.

We consider our operating properties to be in satisfactory condition and adequate to meet our present needs. However, we regularly evaluate operating properties and may make further additions and improvements or consolidate locations as we seek opportunities to expand or enhance the efficiency of our business.

Properties and Legal Proceedings

Legal Proceedings

In addition to the proceedings described below, the The legal proceedings described in Note 78 of the "Notes to Consolidated Financial Statements" are incorporated in this "Legal Proceedings" section by reference.

Between June 2019 and January 2020, three purported shareholders filed actions on behalf of Cardinal Health, Inc. in the U.S. District Court for the Southern District of Ohio against certain current and former members of our Board of Directors alleging that the defendants breached their fiduciary duties by failing to effectively monitor Cardinal Health's distribution of controlled substances and approving certain payments of executive compensation. In January, 2020, the court consolidated these derivative cases under the caption In re Cardinal Health, Inc. Derivative Litigation and in March 2020, plaintiffs filed an amended complaint. In December 2021, the parties reached an agreement in principle to settle this matter and in October 2022, the court entered an order approving the settlement and dismissing the case. This settlement does not include any admission of liability. Under the settlement, in December 2022, Cardinal Health's director and officer liability insurance carriers, on behalf of the defendants, paid Cardinal Health $124 million, less approximately $31 million in attorneys' fees and expenses awarded by the court to plaintiffs' counsel.

Market for Registrant's Common Equity

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common shares are listed on the New York Stock Exchange under the symbol “CAH.”

At July 31, 2023 July 31, 2024, there were approximately 6,571 6,238 shareholders of record of our common shares.

We anticipate that we will continue to pay quarterly cash dividends in the future. The payment and amount of future dividends remain, however, within the discretion of our Board of Directors and will depend upon our future earnings, financial condition, capital requirements and other factors.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (2)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Programs (3) (in millions)
April 2023	234	$ 79.43	—	$ 1,243
May 2023	137	83.79	—	1,243
June 2023	4,588,337	87.18	4,588,208	4,343
Total	**4,588,708**	**$ 87.18**	**4,588,208**	**$ 4,343**

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (2)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Programs (2) (in millions)
April 2024	157	$ 107.32	—	$ 3,493

May 2024	128		96.95	—	3,493
June 2024	134		101.63	—	3,493
Total	**419**	**$**	**102.33**	**— $**	**3,493**

(1) Reflects 234, 137 157, 128 and 129 134 common shares purchased in April, May and June 2023, 2024, respectively, through a rabbi trust as investments of participants in our Deferred Compensation Plan.

(2) On June 12, 2023, we entered into an accelerated share repurchase ("ASR") program to purchase common shares for an aggregate purchase price of $500 million and received an initial delivery of 4.6 million common shares using a reference price of $87.18. The ASR program is expected to conclude in the first quarter of fiscal 2024. See Note 11 of the "Notes to Consolidated Financial Statements" for additional information.

(3) On November 4, 2021, our Board of Directors approved a $3.0 billion share repurchase program which will expire on December 31, 2024. On June 7, 2023, our Board of Directors approved a new $3.5 billion share repurchase program which will expire on December 31, 2027. As of June 30, 2023 June 30, 2024, we have $4.3 billion had $3.5 billion authorized for share repurchases remaining under these programs. this program.

Market for Registrant's Common Equity

Five Year Performance Graph

The following line graph compares the cumulative total return of our common shares with the cumulative total return of the Standard & Poor's Composite—500 Stock Index (the "S&P 500 Index") and the Standard & Poor's Composite—500 Healthcare Index (the "S&P 500 Healthcare Index"). The line graph assumes, in each case, an initial investment of $100 invested at the closing price on June 30, 2018 June 30, 2019, and is based on the market prices at the end of each fiscal year through and including June 30, 2023 June 30, 2024, and reinvestment of dividends. The S&P 500 Index and S&P 500 Healthcare Index investments are weighted on the basis of market capitalization at the beginning of each period.

	June 30					
	2018	2019	2020	2021	2022	**2023**

	June 30											June 30
	2019						2019	2020	2021	2022	2023	**2024**
Cardinal Health, Inc.	Cardinal Health, Inc.	100.00	100.33	115.58	131.05	124.56	**231.22**					
S&P 500 Index	S&P 500 Index	100.00	110.41	118.68	167.07	149.31	**178.52**					
S&P 500 Healthcare Index	S&P 500 Healthcare Index	100.00	112.99	125.31	160.29	165.69	**174.60**					

Reports

Management Reports

Evaluation of Disclosure Controls and Procedures

We evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of June 30, 2023 June 30, 2024. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of June 30, 2023 June 30, 2024 to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, controls deemed effective now may become inadequate in the future because of changes in conditions, or because compliance with policies or procedures has deteriorated or been circumvented.

Management assessed the effectiveness of our internal control over financial reporting as of June 30, 2023 June 30, 2024. In making this assessment, management used the criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). Based on management's assessment and the COSO criteria, management believes that our internal control over financial reporting was effective as of June 30, 2023 June 30, 2024.

Our independent registered public accounting firm, Ernst & Young LLP, has issued a report on our internal control over financial reporting. Ernst & Young LLP's report appears following this "Management Reports" section and expresses an unqualified opinion on the effectiveness of our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2023 June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Reports

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The To the Shareholders and the Board of Directors of Cardinal Health, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Cardinal Health, Inc. and subsidiaries' internal control over financial reporting as of June 30, 2023 June 30, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Cardinal Health, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of June 30, 2023 June 30, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of June 30, 2023 June 30, 2024 and 2022, 2023, the related consolidated statements of earnings/(loss), comprehensive income/(loss), shareholders' equity/(deficit) and cash flows for each of the three years in the period ended June 30, 2023 June 30, 2024, and the related notes and the financial statement schedule listed in the Index at Item 15(a)(2) and our report dated August 15, 2023 August 14, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control Over Financial Reporting." Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Grandview Heights, Ohio

August 15, 2023 14, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Cardinal Health, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cardinal Health, Inc. and subsidiaries (the Company) as of June 30, 2023 June 30, 2024 and 2022, 2023, the related consolidated statements of earnings/(loss), comprehensive income/(loss), shareholders' equity/(deficit) and cash flows for each of the three years in the period ended June 30, 2023 June 30, 2024, and the related notes and the financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2023 June 30, 2024 and 2022, 2023, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2023 June 30, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2023 June 30, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated August 15, 2023 August 14, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Medical Unit Valuation of Goodwill

Description of the Matter

At June 30, 2023, The Company performed quantitative assessments of goodwill related to for the Company's Global Medical segment, including Products and Distribution (GMPD) and at-Home Solutions reporting units during fiscal year 2024, by comparing the Medical Unit was $2.0 billion. fair values of each of these reporting units with their respective carrying amounts. As discussed in Notes 1 and 4 5 to the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level, or when indicators of impairment exist. During fiscal 2023, 2024, the Company recognized goodwill impairment charges related to GMPD of $675 million, which represented the Medical Unit entire remaining amount of $1.2 billion. goodwill allocated to GMPD. There was no impairment recognized related to at-Home Solutions.

Auditing management's goodwill impairment test for the Medical Unit GMPD and at-Home Solutions was challenging because there is significant judgement required in determining the fair value values of the reporting unit. units. In particular, the fair value estimate was estimates were sensitive to significant judgmental assumptions including the revenue growth rate, gross margin, distribution, selling, general and administrative expenses, and company-specific risk premium, which are affected by expectations about future market or economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment review process. For example, we tested controls over management's review of significant judgmental assumptions, including the revenue growth rate, gross margin, distribution, selling, general and administrative expenses, and company-specific risk premium, among other assumptions.

To test the estimated fair value values of the Company's Medical Unit, GMPD and at-Home Solutions, we performed audit procedures that included, among others, evaluating methodologies used; involving our valuation specialists to assist with our procedures related to the measurement of the fair value; values; and testing the underlying data used by the Company in its analysis for completeness and accuracy. We compared the significant assumptions used by management to current industry and economic trends, recent historical performance, changes to customer base or product mix and other relevant factors. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value values of the reporting unit units that would result from changes in the assumptions. We evaluated the assumptions within the model and tested the model's computational accuracy. In addition, we inspected the Company's reconciliation of the fair value of all reporting units to the market capitalization of the Company and assessed the result. We have also assessed the adequacy of the Company's disclosures included in Notes 1 and 4 5 in relation to this matter.

Uncertain Tax Positions

Description of the Matter

As described in Note 89 to the consolidated financial statements, the Company's unrecognized tax benefits related to its uncertain tax positions were approximately $1.0 billion $981 million at June 30, 2023 June 30, 2024. Uncertain tax positions may arise as tax laws are subject to interpretation. The Company uses significant judgment in (1) determining if the tax position is more likely than not to be sustained upon examination, based on the technical merits of the position and (2) measuring the amount of tax benefit that qualifies for recognition.

Auditing management's estimate of the amount of tax benefit related to the Company's uncertain tax positions that qualified for recognition was challenging because management's estimate required significant judgment in evaluating the technical merits of the positions, including interpretations of applicable tax laws and regulations.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process to assess the technical merits of its uncertain tax positions, including the Company's assessment as to whether a tax position is more likely than not to be sustained and management's process to measure the benefit of its tax positions.

We involved our international tax, transfer pricing, and national tax professionals in assessing the technical merits of certain of the Company's tax positions. Depending on the nature of the specific tax position and, where applicable, developments with the relevant tax authorities relating thereto, our procedures included obtaining and examining the Company's analysis. For example, we evaluated the underlying facts upon which the tax positions are based, and, where applicable, obtained the Company's correspondence with local tax authorities. We used our knowledge of international and local income tax laws, as well as historical settlement activity, where applicable, with local income tax authorities, to evaluate the Company's accounting for its uncertain tax positions. We evaluated developments in the applicable tax jurisdictions to assess potential effects on the Company's positions. We analyzed the Company's assumptions and data used to evaluate the appropriateness of the Company's measurement of tax benefits. We have also evaluated the Company's income tax disclosures in relation to these matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Grandview Heights, Ohio

August 15, 2023 14, 2024

Financial Statements and Supplementary Data

Consolidated Statements of Earnings/(Loss)

(in millions, except per common share amounts)	(in millions, except per common share amounts)	2023	2022	2021	(in millions, except per common share amounts)	2024	2023	2022
Revenue	Revenue	**$205,012**	$181,364	$162,467				
Cost of products sold	Cost of products sold	**198,123**	174,819	155,689				
Gross margin	Gross margin	**6,889**	6,545	6,778				
Operating expenses:	**Operating expenses:**							
Operating expenses:								
Operating expenses:								
Distribution, selling, general and administrative expenses								
Distribution, selling, general and administrative expenses								
Distribution, selling, general and administrative expenses	Distribution, selling, general and administrative expenses	**4,834**	4,557	4,533				
Restructuring and employee severance	Restructuring and employee severance	**95**	101	114				
Amortization and other acquisition-related costs	Amortization and other acquisition-related costs	**285**	324	451				
Impairments and (gain)/loss on disposal of assets, net	Impairments and (gain)/loss on disposal of assets, net	**1,250**	2,050	79				
Litigation (recoveries)/charges, net	Litigation (recoveries)/charges, net	**(302)**	109	1,129				

Operating earnings/(loss)	Operating earnings/(loss)	**727**	(596)	472
Other (income)/expense, net	Other (income)/expense, net	**(4)**	16	(47)
Other (income)/expense, net				
Other (income)/expense, net				
Interest expense, net	Interest expense, net	**93**	149	180
Loss on early extinguishment of debt	Loss on early extinguishment of debt	**—**	10	14
(Gain)/Loss on sale of equity interest in naviHealth	(Gain)/Loss on sale of equity interest in naviHealth	**—**	(2)	2
Earnings/(loss) before income taxes	Earnings/(loss) before income taxes	**638**	(769)	323
Provision for/(benefit from) income taxes		376	163	(289)
Provision for income taxes				
Provision for income taxes				
Provision for income taxes				
Net earnings/(loss)	Net earnings/(loss)	**262**	(932)	612
Less: Net earnings attributable to noncontrolling interests				
Less: Net earnings attributable to noncontrolling interests				
Less: Net earnings attributable to noncontrolling interests	Less: Net earnings attributable to noncontrolling interests	**(1)**	(1)	(1)
Net earnings/(loss) attributable to Cardinal Health, Inc.	**Net earnings/(loss) attributable to Cardinal Health, Inc.**	**$ 261**	$ (933)	$ 611
Earnings/(loss) per common share attributable to Cardinal Health, Inc.	**Earnings/(loss) per common share attributable to Cardinal Health, Inc.**			
Earnings/(loss) per common share attributable to Cardinal Health, Inc.				
Earnings/(loss) per common share attributable to Cardinal Health, Inc.				
Basic				
Basic				
Basic	Basic	**$ 1.00**	$ (3.35)	$ 2.09
Diluted	Diluted	**1.00**	(3.35)	2.08
Weighted-average number of common shares outstanding:	**Weighted-average number of common shares outstanding:**			
Weighted-average number of common shares outstanding:				
Weighted-average number of common shares outstanding:				

Basic									
Basic									
Basic	Basic	**261**	279	292		**245**	261		279
Diluted	Diluted	**262**	279	294	Diluted	**247**	262		279

The accompanying notes are an integral part of these consolidated statements.

Financial Statements

Consolidated Statements of Comprehensive Income/(Loss)

(in millions)	(in millions)	**2023**	2022	2021	(in millions)	**2024**	2023		2022
Net earnings/(loss)	Net earnings/(loss)	**$262**	$ (932)	$612					
Other comprehensive income/(loss):	**Other comprehensive income/(loss):**								
Other comprehensive income/(loss):									
Other comprehensive income/(loss):									
Foreign currency translation adjustments and other									
Foreign currency translation adjustments and other									
Foreign currency translation adjustments and other	Foreign currency translation adjustments and other	**(35)**	(56)	46					
Net unrealized gain/(loss) on derivative instruments, net of tax		**(2)**	(24)	24					
Total other comprehensive income/(loss), net of tax		**(37)**	(80)	70					
Net unrealized loss on derivative instruments, net of tax									
Net unrealized loss on derivative instruments, net of tax									
Net unrealized loss on derivative instruments, net of tax									
Total other comprehensive loss, net of tax									
Total comprehensive income/(loss)									
Total comprehensive income/(loss)									
Total comprehensive income/(loss)	Total comprehensive income/(loss)	**225**	(1,012)	682					

Less: comprehensive income attributable to noncontrolling interests	Less: comprehensive income attributable to noncontrolling interests	**(1)**	(1)	(1)
Less: comprehensive income attributable to noncontrolling interests				
Less: comprehensive income attributable to noncontrolling interests				
Total comprehensive income/(loss) attributable to Cardinal Health, Inc.	**Total comprehensive income/(loss) attributable to Cardinal Health, Inc.**	**$224**	$(1,013)	$681

The accompanying notes are an integral part of these consolidated statements.

Financial Statements

Consolidated Balance Sheets

		June 30			June 30	
(in millions)	(in millions)	**2023**	2022	(in millions)	**2024**	2023
Assets	**Assets**					
Current assets:	**Current assets:**					
Current assets:						
Current assets:						
Cash and equivalents						
Cash and equivalents						
Cash and equivalents	Cash and equivalents	**$ 4,043**	$ 4,717			
Trade receivables, net	Trade receivables, net	**11,344**	10,561			
Inventories, net	Inventories, net	**15,940**	15,636			
Prepaid expenses and other	Prepaid expenses and other	**2,362**	2,021			
Assets held for sale	Assets held for sale	**144**	—			
Total current assets	Total current assets	**33,833**	32,935			
Property and equipment, net	Property and equipment, net	**2,462**	2,361			
Property and equipment, net						
Property and equipment, net						

Goodwill and other intangibles, net	Goodwill and other intangibles, net	**6,081**	7,629
Other assets	Other assets	**1,041**	953
Total assets	**Total assets**	**$43,417**	$43,878
Liabilities and Shareholders' Deficit	**Liabilities and Shareholders' Deficit**		
Liabilities and Shareholders' Deficit			
Liabilities and Shareholders' Deficit			
Current liabilities:	**Current liabilities:**		
Current liabilities:			
Current liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	**$29,813**	$27,128
Current portion of long-term obligations and other short-term borrowings	Current portion of long-term obligations and other short-term borrowings	**792**	580
Other accrued liabilities	Other accrued liabilities	**3,059**	2,842
Liabilities related to assets held for sale	Liabilities related to assets held for sale	**42**	—
Total current liabilities	Total current liabilities	**33,706**	30,550
Long-term obligations, less current portion	Long-term obligations, less current portion	**3,909**	4,735
Long-term obligations, less current portion			
Long-term obligations, less current portion			
Deferred income taxes and other liabilities	Deferred income taxes and other liabilities	**8,653**	9,299
Shareholders' deficit:	**Shareholders' deficit:**		
Shareholders' deficit:			
Shareholders' deficit:			
Preferred shares, without par value:			
Preferred shares, without par value:			
Preferred shares, without par value:	Preferred shares, without par value:		

Authorized—**500 thousand** shares, Issued—**none**	Authorized—**500 thousand** shares, Issued—**none**	—	—
Authorized—**500 thousand** shares, Issued—**none**			
Authorized—**500 thousand** shares, Issued—**none**			
Common shares, without par value:	Common shares, without par value:		
Authorized—755 million shares, Issued— 327 million shares at **June 30, 2023** and 2022		**2,747**	2,813
Authorized—**755 million** shares, Issued— **327 million** shares at **June 30, 2024** and 2023			
Authorized—**755 million** shares, Issued— **327 million** shares at **June 30, 2024** and 2023			
Authorized—**755 million** shares, Issued— **327 million** shares at **June 30, 2024** and 2023			
Accumulated deficit	Accumulated deficit	**(534)**	(280)
Common shares in treasury, at cost: **76 million** shares and 54 million shares at **June 30, 2023** and 2022, respectively		**(4,914)**	(3,128)
Common shares in treasury, at cost: **83 million** shares and 76 million shares at **June 30, 2024** and 2023, respectively			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	**(151)**	(114)
Total Cardinal Health, Inc. shareholders' deficit	**Total Cardinal Health, Inc. shareholders' deficit**	**(2,852)**	(709)
Noncontrolling interests	Noncontrolling interests	**1**	3
Total shareholders' deficit	**Total shareholders' deficit**	**(2,851)**	(706)
Total liabilities and shareholders' deficit	**Total liabilities and shareholders' deficit**	**$43,417**	$43,878

The accompanying notes are an integral part of these consolidated statements.

Financial Statements

Consolidated Statements of Shareholders' Equity/(Deficit)

Common Shares								
(in millions)	Common Shares	Treasury Shares	Accumulated Other Comprehensive Loss	Noncontrolling Interests	**Total Shareholders' Equity/(Deficit)**
Balance at June 30, 2021					
Balance at June 30, 2021					
Balance at June 30, 2021					
Net earnings/(loss)					
Other comprehensive loss, net of tax					

	Common Shares			Treasury Shares		Accumulated		
(in millions)	Shares Issued	Amount	Retained Earnings/(Accumulated Deficit)	Shares	Amount	Other Comprehensive Loss	Noncontrolling Interests	**Total Shareholders' Equity/(Deficit)**
Balance at June 30, 2020	327	$2,789	$ 1,170	(35)	$(2,066)	$ (104)	$ 3	**$ 1,792**
Net earnings			611				1	**612**
Other comprehensive income, net of tax						70		**70**
Employee stock plans activity, net of shares withheld for employee taxes								
Employee stock plans activity, net of shares withheld for employee taxes								
Employee stock plans activity, net of shares withheld for employee taxes	—	17		3	80			**97**
Share repurchase program activity				(4)	(200)			**(200)**
Dividends declared			(576)					**(576)**
Other							(1)	**(1)**
Balance at June 30, 2021	327	2,806	1,205	(36)	(2,186)	(34)	3	**1,794**
Net earnings/(loss)			(933)				1	**(932)**

Other comprehensive loss, net of tax							(80)		**(80)**
Employee stock plans activity, net of shares withheld for employee taxes	—	7		2	58				**65**
Share repurchase program activity				(20)	(1,000)				**(1,000)**
Dividends declared			(552)						**(552)**
Other								(1)	**(1)**
Balance at June 30, 2022									
Balance at June 30, 2022									
Balance at June 30, 2022	Balance at June 30, 2022	327	2,813	(280)	(54)	(3,128)	(114)	3	**(706)**
Net earnings	Net earnings			**261**				**1**	**262**
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax						**(37)**		**(37)**
Purchase of noncontrolling interests	Purchase of noncontrolling interests							**(3)**	**(3)**
Employee stock plans activity, net of shares withheld for employee taxes	Employee stock plans activity, net of shares withheld for employee taxes	**—**	**(66)**		**3**	**121**			**55**
Share repurchase program activity	Share repurchase program activity				**(25)**	**(1,907)**			**(1,907)**
Dividends declared	Dividends declared			**(515)**					**(515)**
Other									
Balance at June 30, 2023	**Balance at June 30, 2023**	**327**	**$2,747**	**$ (534)**	**(76)**	**$(4,914)**	**$ (151)**	**$ 1**	**$ (2,851)**
Balance at June 30, 2023									
Balance at June 30, 2023									
Net earnings									
Other comprehensive loss, net of tax									
Employee stock plans activity, net of shares withheld for employee taxes									
Employee stock plans activity, net of shares withheld for employee taxes									
Employee stock plans activity, net of shares withheld for employee taxes									
Share repurchase program activity									
Dividends declared									

Other
Balance at June 30, 2024
Balance at June 30, 2024
Balance at June 30, 2024

The accompanying notes are an integral part of these consolidated statements.

Financial Statements

Consolidated Statements of Cash Flows

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Cash flows from operating activities:	**Cash flows from operating activities:**							
Net earnings/(loss)	Net earnings/(loss)	**$ 262**	$ (932)	$ 612				
Net earnings/(loss)					Net earnings/(loss)			
Adjustments to reconcile net earnings/(loss) to net cash provided by operating activities:	Adjustments to reconcile net earnings/(loss) to net cash provided by operating activities:							
Depreciation and amortization					Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	**692**	692	783				
Impairments and loss on sale of other investments	Impairments and loss on sale of other investments	**7**	24	—				
Impairments and (gain)/loss on disposal of assets, net	Impairments and (gain)/loss on disposal of assets, net	**1,250**	2,050	79				
(Gain)/Loss on sale of equity interest in naviHealth		**—**	(2)	2				
Gain on sale of equity interest in naviHealth								
Loss on early extinguishment of debt	Loss on early extinguishment of debt	**—**	10	14				
Share-based compensation	Share-based compensation	**96**	81	89				
Provision for/(benefit from) deferred income taxes	Provision for/(benefit from) deferred income taxes	**(31)**	7	496				
Provision for bad debts	Provision for bad debts	**99**	68	65				

Change in operating assets and liabilities, net of effects from acquisitions and divestitures:	Change in operating assets and liabilities, net of effects from acquisitions and divestitures:			
Change in operating assets and liabilities, net of effects from acquisitions and divestitures:				
Change in operating assets and liabilities, net of effects from acquisitions and divestitures:				
Increase in trade receivables	Increase in trade receivables	**(947)**	(1,526)	(904)
Increase in inventories		**(340)**	(1,071)	(1,584)
Increase in trade receivables				
Increase in trade receivables				
(Increase)/decrease in inventories				
Increase in accounts payable	Increase in accounts payable	**2,718**	3,428	2,325
Other accrued liabilities and operating items, net	Other accrued liabilities and operating items, net	**(967)**	293	452
Net cash provided by operating activities	Net cash provided by operating activities	**2,839**	3,122	2,429
Cash flows from investing activities:	**Cash flows from investing activities:**			
Acquisition of subsidiaries, net of cash acquired				
Acquisition of subsidiaries, net of cash acquired				
Acquisition of subsidiaries, net of cash acquired				
Proceeds from divestitures, net of cash sold				
Additions to property and equipment	Additions to property and equipment	**(481)**	(387)	(400)
Proceeds from divestitures, net of cash sold		**—**	923	—
Acquisition of subsidiaries, net of cash acquired		**(10)**	(22)	(3)
Proceeds from disposal of property and equipment	Proceeds from disposal of property and equipment	**12**	31	—
Purchase of other investments		**(7)**	(78)	(22)
Proceeds from sale of investments		**3**	29	47
Purchase of investments				
Proceeds from investments				
Proceeds from net investment hedge terminations	Proceeds from net investment hedge terminations	**29**	71	—

Purchase of short-term investment in time deposit				
Proceeds from short-term investment in time deposit				
Net cash provided by/(used in) investing activities	Net cash provided by/(used in) investing activities	**(454)**	567	(378)
Cash flows from financing activities:	**Cash flows from financing activities:**			
Proceeds from long-term obligations, net of issuance costs				
Proceeds from long-term obligations, net of issuance costs				
Proceeds from long-term obligations, net of issuance costs				
Purchase of noncontrolling interests	Purchase of noncontrolling interests	**(3)**	—	—
Proceeds from interest rate swap terminations		**—**	—	18
Reduction of long-term obligations				
Reduction of long-term obligations				
Reduction of long-term obligations	Reduction of long-term obligations	**(579)**	(885)	(570)
Net tax proceeds/(withholding) from share-based compensation	Net tax proceeds/(withholding) from share-based compensation	**56**	(19)	8
Dividends on common shares				
Dividends on common shares				
Dividends on common shares	Dividends on common shares	**(525)**	(559)	(573)
Purchase of treasury shares	Purchase of treasury shares	**(2,000)**	(1,000)	(200)
Net cash used in financing activities	Net cash used in financing activities	**(3,051)**	(2,463)	(1,317)
Effect of exchange rates changes on cash and equivalents	Effect of exchange rates changes on cash and equivalents	**(8)**	(25)	11
Cash reclassified from/(to) assets held for sale	Cash reclassified from/(to) assets held for sale	**—**	109	(109)
Net increase/(decrease) in cash and equivalents	Net increase/(decrease) in cash and equivalents	**(674)**	1,310	636
Cash and equivalents at beginning of period	Cash and equivalents at beginning of period	**4,717**	3,407	2,771
Cash and equivalents at end of period	**Cash and equivalents at end of period**	**$4,043**	$4,717	$3,407
Supplemental Information:	**Supplemental Information:**			
Cash payments for interest	Cash payments for interest	**$ 203**	$ 153	$ 182
Cash payments for interest				

Cash payments for interest				
Net cash payments/(refunds) for income taxes	Net cash payments/(refunds) for income taxes	**156**	(766)	273

The accompanying notes are an integral part of these consolidated statements.

Notes to Consolidated Financial Statements

1. Basis of Presentation and Summary of Significant Accounting Policies

Cardinal Health, Inc. is a global healthcare services and products company providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices. We provide pharmaceuticals and medical products and cost-effective solutions that enhance supply chain efficiency. References to “we,” “our,” "us," and similar pronouns in these consolidated financial statements are to Cardinal Health, Inc. and its majority-owned or controlled subsidiaries, unless the context otherwise requires.

Our fiscal year ends on June 30. References to fiscal 2024, 2023 2022 and 2021 2022 in these consolidated financial statements are to the fiscal years ended June 30, 2023 June 30, 2024, 2023 and 2022, and 2021, respectively.

Basis of Presentation

Our consolidated financial statements include the accounts of all majority-owned or controlled consolidated subsidiaries, and all significant intercompany transactions and amounts have been eliminated. The results of businesses acquired or disposed of are included in the consolidated financial statements from the date of the acquisition or up to the date of disposal, respectively. Certain prior year amounts have been reclassified to conform to the current year presentation.

Revision of Prior Period Consolidated Financial Statements

In connection with the preparation of our Consolidated Financial Statements for fiscal 2024, we identified an accounting error related to revenue recognition from Home Solutions operating segment. In accordance with ASC 250 – Accounting Changes and Error Corrections and Staff Accounting Bulletins No. 99 – Materiality and No. 108 – Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, we evaluated the materiality of the error and determined that the impacts were not material, individually or in the aggregate, to our previously issued Consolidated Financial Statements for any of the prior quarters or annual periods in which they occurred, but that correcting the error in the current period would be material to our results of operations for fiscal 2024.

We have revised our prior period financial statements to correct this error, as well as other unrelated immaterial errors, including an adjustment to an uncertain tax position. These revisions impacted each quarter of fiscal 2022, 2023 and 2024. These other immaterial errors were previously corrected in the periods they were identified; however, they are now reflected in the periods they originated. Revisions to our previously reported disclosures have been reflected in this Note; Note 3, "Divestitures"; Note 5, “Goodwill and Other Intangible Assets”; Note 6, "Leases"; Note 8, "Commitments, Contingent Liabilities and Litigation"; Note 9, "Income Taxes"; Note12, "Shareholders' Equity/(Deficit)"; Note 13, "Earnings Per Share"; and Note 14 “Segment Information." A summary of the

third party payors within the at-

revisions to the previously reported financial statements is provided below and in Note 16, “Revision of Previously Issued Interim Financial Statements (Unaudited)”.

The following tables set forth our revisions to the consolidated statements of earnings/(loss) for fiscal 2023 and 2022.

	Fiscal 2023			Fiscal 2022		
(in millions, except per common share amounts)	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Revenue	$205,012	$ (33)	$204,979	$181,364	$ (38)	$181,326
Cost of products sold	198,123	(18)	198,105	174,819	23	174,842
Gross margin	6,889	(15)	6,874	6,545	(61)	6,484
Distribution, selling, general and administrative expenses	4,834	(34)	4,800	4,557	(45)	4,512
Impairments and (gain)/loss on disposal of assets, net	1,250	(4)	1,246	2,050	10	2,060
Litigation (recoveries)/charges, net	(302)	(2)	(304)	109	(15)	94
Operating earnings/(loss)	727	25	752	(596)	(11)	(607)
Other (income)/expense, net	(4)	9	5	16	6	22
Interest expense, net	93	(9)	84	149	(2)	147
Earnings/(loss) before income taxes	638	25	663	(769)	(15)	(784)
Provision for/(benefit from) income taxes	376	(44)	332	163	(10)	153
Net earnings/(loss)	262	69	331	(932)	(5)	(937)
Net earnings/(loss) attributable to Cardinal Health, Inc.	261	69	330	(933)	(5)	(938)
Earnings/(loss) per common share attributable to Cardinal Health, Inc.						
Basic	$ 1.00	$ 0.27	$ 1.27	$ (3.35)	$ (0.02)	$ (3.37)
Diluted	1.00	0.26	1.26	(3.35)	(0.02)	(3.37)

Notes to Financial Statements

The following tables set forth our revisions to the consolidated statements of comprehensive income/(loss) for fiscal 2023 and 2022.

	Fiscal 2023	Fiscal 2022

(in millions)	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Net earnings/(loss)	$ 262	$ 69	$ 331	$ (932)	$ (5)	$ (937)
Total comprehensive income/(loss), net of tax	225	69	294	(1,012)	(5)	(1,017)
Total comprehensive income/(loss) attributable to Cardinal Health, Inc.	224	69	293	(1,013)	(5)	(1,018)

The following tables set forth our revisions to the consolidated balance sheets for fiscal 2023.

	June 30, 2023		
(in millions)	As Reported	Adjustment	As Revised
Cash and equivalents	$ 4,043	$ 33	$ 4,076
Trade receivables, net	11,344	(236)	11,108
Inventories, net	15,940	179	16,119
Prepaid expenses and other	2,362	(68)	2,294
Assets held for sale	144	(4)	140
Total current assets	33,833	(96)	33,737
Property and equipment, net	2,462	(1)	2,461
Goodwill and other intangibles, net	6,081	4	6,085
Other assets	1,041	25	1,066
Total assets	43,417	(68)	43,349
Accounts payable	29,813	121	29,934
Other accrued liabilities	3,059	(87)	2,972
Total current liabilities	33,706	34	33,740
Deferred income taxes and other liabilities	8,653	4	8,657
Common shares, without par value	2,747	(1)	2,746
Accumulated deficit	(534)	(108)	(642)
Common shares in treasury, at cost: 83 million shares and 76 million shares at June 30, 2024 and 2023, respectively	(4,914)	3	(4,911)
Total Cardinal Health, Inc. shareholders' deficit	(2,852)	(106)	(2,958)
Total shareholders' deficit	(2,851)	(106)	(2,957)
Total liabilities and shareholders' deficit	43,417	(68)	43,349

The following tables set forth our revisions to the consolidated statements of shareholders' equity/(deficit) for fiscal 2023 and 2022.

	Common Shares			Retained Earnings/(Accumulated Deficit)			Treasury Shares			Total Shareholders' Deficit		
(in millions)	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Balance at June 30, 2021	$ 2,806	$ —	$ 2,806	$ 1,205	$ (172)	$ 1,033	$ (2,186)	$ 1	$(2,185)	$ 1,794	$ (171)	$ 1,623
Net earnings	—	—	—	(933)	(5)	(938)	—	—	—	(932)	(5)	(937)
Employee stock plans activity, net of shares												

withheld for employee taxes	7	—	7	—	—	—	58	(1)	57	65	(1)	64
Other	—	—	—	—	1	1	—	—	—	(1)	1	—
Balance at June 30, 2022	2,813	—	2,813	(280)	(176)	(456)	(3,128)	—	(3,128)	(706)	(176)	(882)
Net earnings	—	—	—	261	69	330	—	—	—	262	69	331
Employee stock plans activity, net of shares withheld for employee taxes	(66)	99	33	—	—	—	121	3	124	55	102	157
Share repurchase program activity	—	(100)	(100)	—	—	—	(1,907)	—	(1,907)	(1,907)	(100)	(2,007)
Other	—	—	—	—	(1)	(1)	—	—	—	—	(1)	(1)
Balance at June 30, 2023	2,747	(1)	2,746	(534)	(108)	(642)	(4,914)	3	(4,911)	(2,851)	(106)	(2,957)

Notes to Financial Statements

The following tables set forth our revisions to the consolidated statements of cash flows for fiscal 2023 and 2022.

	Fiscal 2023			Fiscal 2022		
(in millions)	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Cash flows from operating activities:						
Net earnings/(loss)	$ 262	$ 69	$ 331	$ (932)	$ (5)	$ (937)
Adjustments to reconcile net earnings/(loss) to net cash provided by operating activities:						
Impairments and (gain)/loss						

on disposal of assets, net	1,250	(4)	1,246	2,050	10	2,060
Provision for/(benefit from) deferred income taxes	(31)	(9)	(40)	7	7	14
Provision for bad debts	99	(44)	55	68	(45)	23
Change in operating assets and liabilities, net of effects from acquisitions and divestitures:						
Increase in trade receivables	(947)	(3)	(950)	(1,526)	121	(1,405)
Increase in inventories	(340)	(72)	(412)	(1,071)	(133)	(1,204)
Increase in accounts payable	2,718	98	2,816	3,428	127	3,555
Other accrued liabilities and operating items, net	(967)	(30)	(997)	293	(29)	264
Net cash provided by operating activities	2,839	5	2,844	3,122	53	3,175
Net increase/(decrease) in cash and equivalents	(674)	5	(669)	1,310	53	1,363
Cash and equivalents at beginning of period	4,717	28	4,745	3,407	(25)	3,382
Cash and equivalents at end of period	4,043	33	4,076	4,717	28	4,745

Use of Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The preparation of financial statements in conformity with GAAP requires us to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates, judgments and assumptions are used in the accounting and disclosure related to, among other items, allowance for doubtful accounts, inventory valuation and reserves, goodwill and other intangible asset impairment, vendor reserves, loss contingencies (including product liability and self-insurance accruals) and income taxes. Actual amounts may differ from these estimated amounts.

Updated Segment Reporting Structure

Effective January 1, 2024, we operated under an updated organizational structure and re-aligned our reporting structure under two reportable segments: Pharmaceutical and Specialty Solutions segment and Global Medical Products and Distribution ("GMPD") segment. The remaining operating segments, Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics, are

Cash Equivalents

We consider liquid investments purchased with an initial effective maturity of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Receivables and Allowance for Doubtful Accounts

Trade receivables are reported at their estimated collectible amounts and presented net of an allowance for doubtful accounts of $299 million $233 million and $273 million $240 million at June 30, 2023 June 30, 2024 and 2022, 2023, respectively. In addition to credit losses, the allowance also includes reserves related to customer disputes and late fees billed to customers, which are recognized within our consolidated statements of earnings/(loss) as reductions of revenue. An account is considered past due on the first day after its due date. In accordance with contract terms, we generally have the ability to charge customers service fees or higher prices if an account is considered past due. We regularly monitor past due accounts and establish appropriate reserves to cover potential losses, and consider historical experience, pricing

not significant enough to require separate reportable disclosures and are included in Other. The Pharmaceutical and Specialty Solutions reportable segment consists of all businesses formerly within our Pharmaceutical segment, excluding Nuclear and Precision Health Solutions. The Global Medical Products and Distribution reportable segment consists of all businesses formerly within our Medical segment, excluding at-Home Solutions and OptiFreight® Logistics. Our previously reported segment results have been recast to conform to this re-aligned reporting structure and reflect changes in the elimination of inter-segment revenue and allocated corporate technology and shared function expenses, which are driven by the reporting structure change. See Note 14 for segment results under the new reporting structure.

discrepancies, the current economic environment, customer credit ratings or bankruptcies and reasonable and supportable forecasts to develop our allowance for credit losses. We review these factors quarterly to determine if any adjustments are needed to the allowance. We write off any amounts deemed uncollectible against the established allowance for doubtful accounts.

We provide financing to various customers. Such financing arrangements range from 1 year to 5 years at interest rates that are generally subject to fluctuation. Interest income on these arrangements is recognized as it is earned. The financings may be collateralized, guaranteed by third parties or unsecured. Finance notes, net and related accrued interest were $43 million (current portion $14 million) and $56 million (current portion $9 million) at June 30, 2024 and $63 million (current portion $12 million) at June 30, 2023 and 2022, 2023, respectively, and are included in other assets (current portion is included in prepaid expenses and other) in the consolidated balance sheets. Finance notes receivable

Notes to Financial Statements

allowance for doubtful accounts were $3

allowance for doubtful accounts were $5 million and $6 million at June 30, 2024 and $8 million at June 30, 2023 and 2022. 2023, respectively. We estimate an allowance for these financing receivables based on historical collection rates and the creditworthiness of the customer. We write off any amounts deemed uncollectible against the established allowance for doubtful accounts.

Concentrations of Credit Risk

We maintain cash depository accounts with major banks, and we invest in high quality, short-term liquid instruments, and in marketable securities. Our short-term liquid instruments mature within three months and we have not historically incurred any related losses.

Our trade receivables and finance notes and related accrued interest are exposed to a concentration of credit risk with certain large customers and with customers in the retail and healthcare sectors. Credit risk can be affected by changes in reimbursement and other economic pressures impacting the healthcare industry. With respect to customers in the retail and healthcare sectors, such credit risk is limited due to supporting collateral and the diversity of the customer base, including its wide geographic dispersion. We perform regular credit evaluations of our customers' financial conditions and maintain reserves for losses through the established allowance for doubtful accounts. Historically, such losses have been within our expectations. Refer to the "Receivables and Allowance for Doubtful Accounts" section within this Note for additional information on the accounting treatment of reserves for allowance for doubtful accounts.

Major Customers

CVS Health Corporation ("CVS Health") and OptumRx are our only customers that individually account accounted for at least 10 percent of revenue and and/or gross trade receivables. receivables in fiscal 2024. These customers are were primarily serviced through our Pharmaceutical and Specialty Solutions segment. Our pharmaceutical distribution contracts with OptumRx expired at the end of June 2024.

The following table summarizes historical

percent of revenue and gross trade receivables from CVS Health and OptumRx:

	Percent of Revenue			Percent of Gross Trade Receivables at June 30	
	2023	2022	2021	**2023**	2022
CVS Health	**25 %**	25 %	26 %	**23 %**	24 %
OptumRx	**16 %**	16 %	15 %	**6 %**	4 %

	Percent of Revenue			Percent of Gross Trade Receivables at June 30	
	2024	2023	2022	**2024**	2023
CVS Health	**24 %**	25 %	25 %	**22 %**	23 %
OptumRx	**17 %**	16 %	16 %	**6 %**	6 %

We have entered into agreements with group purchasing organizations ("GPOs") which act as purchasing agents that negotiate vendor contracts on behalf of their members. Vizient, Inc. and Premier, Inc. are our two largest GPO member relationships in terms of revenue. Sales to members of these two GPOs collectively accounted for 16 percent, 19 15 percent and 19 percent of revenue for fiscal 2024, 2023 2022 and 2021, 2022, respectively. Our trade receivable balances are with individual members of the GPO, and therefore no significant concentration of credit risk exists with these types of arrangements.

Inventories

A portion of our inventories (55 (50 percent and 52 54 percent at June 30, 2023 June 30, 2024 and 2022, 2023, respectively) are valued at the lower of cost, using the last-in, first-out ("LIFO") method, or market. These inventories are included within the core pharmaceutical distribution facilities of our Pharmaceutical and Specialty Solutions segment ("distribution facilities") and are primarily merchandise inventories. The LIFO method presumes that the most recent inventory purchases are the first items sold, so LIFO helps us better match current costs and revenue. We believe that the average cost method of inventory valuation provides a reasonable approximation of the current cost of replacing inventory within the distribution facilities. As such, the LIFO reserve is the difference between (a) inventory at the lower of LIFO cost or market and (b) inventory at replacement cost determined using the average cost method of inventory valuation.

At June 30, 2023 June 30, 2024 and 2022, 2023, respectively, inventories valued at LIFO cost were $476 million $749 million and $416 476 million higher than the average cost value. We do not record inventories in excess of replacement cost. As such, we did not write-up the value of our inventory from average cost to LIFO cost at June 30, 2023 June 30, 2024 or 2022. 2023.

Our remaining inventory, including

inventory in our Medical GMPD segment and certain inventory in our Pharmaceutical and Specialty Solutions segment, that is not valued at the lower of LIFO cost or market is stated at the lower of cost, using the first-in, first-out method, or net realizable value. Net realizable value is defined as the estimated selling prices and estimated sales demand in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. During fiscal 2021 we recorded a reserve of $197 million, primarily related to certain categories of gloves, to reduce the carrying value of certain personal protective equipment to its net realizable value.

We reserve for inventory obsolescence using estimates based on historical experience, historical and projected sales trends, specific categories of inventory, age and expiration dates of on-hand on-hand inventory and manufacturer return policies. Inventories presented in the consolidated balance sheets are net of reserves for excess and obsolete inventory which were $149 million and $139 million at June 30, 2024 and $147 million at June 30, 2023 and 2022, 2023, respectively.

Cash Discounts

Manufacturer cash discounts are recorded as a component of inventory cost and recognized as a reduction of cost of products sold as inventory is sold.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Property and equipment held for sale are recorded at the lower of cost less accumulated depreciation before the decision to dispose of the asset was made or fair value less cost to sell. When certain events or changes in operating conditions occur, an impairment assessment may be performed on the recoverability of the carrying amounts.

We capitalize project costs relating to computer software developed or obtained for internal use when the activities related to the project reach the application stage. Costs that are associated with the preliminary stage activities, training,

maintenance and all other post-implementation stage activities are expensed as they are incurred.

Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, including finance lease assets which are depreciated over the terms of their respective leases. We generally use the following range of useful lives for our property and equipment categories: buildings and improvements—3 to 39 years; machinery and equipment—3 to 20 years; capitalized software held for internal use—3 to 7 years; and furniture and fixtures—3 to 7 years. We recorded depreciation and amortization of capitalized software of $441 million $470 million, $412 million $441 million and $377 million $412 million for fiscal 2024, 2023 2022 and 2021, 2022, respectively.

The following table presents the components of property and equipment, net at June 30:

(in millions)	(in millions)	**2023**	2022	(in millions)	**2024**	2023
Land, building and improvements	Land, building and improvements	**$1,785**	$1,724			
Machinery and equipment	Machinery and equipment	**2,206**	2,114			
Capitalized software held for internal use	Capitalized software held for internal use	**1,687**	1,562			
Furniture and fixtures	Furniture and fixtures	**125**	125			
Construction in progress	Construction in progress	**516**	358			
Total property and equipment, at cost	Total property and equipment, at cost	**6,319**	5,883			
Accumulated depreciation and amortization	Accumulated depreciation and amortization	**(3,857)**	(3,522)			
Property and equipment, net	**Property and equipment, net**	**$2,462**	$2,361			

Repairs and maintenance expenditures are expensed as incurred. Interest on long-term projects is capitalized using a rate that approximates the weighted-average interest rate on long-term obligations, which was 5 percent at June 30, 2023 June 30, 2024. The amount of capitalized interest was immaterial for all periods presented.

Business Combinations

The assets acquired and liabilities assumed in a business combination, including identifiable intangible assets, are recorded at their estimated fair values as of the acquisition date. The excess of the purchase price over the estimated fair value of the identifiable net assets acquired is recorded as goodwill. We base the fair values of identifiable intangible assets on detailed valuations that require management to make significant judgments, estimates and assumptions. Critical estimates and assumptions include: expected future cash flows for customer relationships, trade names, developed technology and other identifiable intangible assets; discount rates that reflect the risk factors associated with future cash flows; and estimates of useful lives. When an acquisition involves contingent consideration, we recognize a liability equal to the fair value of the contingent consideration obligation at the acquisition date. The estimate of fair value of a contingent consideration obligation requires subjective assumptions to be made regarding future business results, discount rates, discount periods and probabilities assigned to various potential business result scenarios. See Note 2 for additional information regarding our acquisitions.

Goodwill and Other Intangible Assets

Purchased goodwill and intangible assets with indefinite lives are not amortized, but instead are tested for impairment annually or when indicators of impairment exist.

Purchased goodwill is tested for impairment at least annually. Qualitative factors are first assessed to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. There is an option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test. We have elected to bypass the qualitative assessment for our annual goodwill impairment test in the current year. The quantitative goodwill impairment test involves a comparison of the estimated fair value of the reporting unit to the respective carrying amount.

Goodwill impairment testing involves judgment, including the identification of reporting units, qualitative evaluation of events and circumstances to determine if it is more likely than not that an impairment exists, and, if necessary, the estimation of the fair value of the applicable reporting unit.

We have two Effective January 1, 2024, we implemented a new enterprise operating segments, which are the same as our reportable segments: Pharmaceutical and Medical. These operating segments are comprised of divisions (components), for which discrete financial information is available. Components are aggregated into segment reporting units for purposes of goodwill impairment testing structure. Refer to the extent that they share similar economic characteristics. Our "Updated Segment Reporting Structure" section within this Note for additional information. This change in segment structure resulted in changes to the composition of our former Medical operating segment excluding at-Home Solutions reporting unit ("Medical Unit"). Effective January 1, 2024, our reporting units are: Pharmaceutical operating segment (excluding our and Specialty Solutions, GMPD, Nuclear and Precision Health Solutions, division); Nuclear and Precision Health Solutions division; Medical operating segment (excluding our Cardinal Health at-Home Solutions division) (" and OptiFreight® Logistics. GMPD and OptiFreight® Logistics comprised our former Medical Unit"); and Cardinal Health at-Home Solutions division. Unit.

Fair value can be determined using market, income or cost-based approaches. Our determination of estimated fair value of the reporting units is based on a combination of the income-based and market-based approaches. Under the income-based approach, we use a discounted cash flow model in which cash flows anticipated over several future periods, plus a terminal value at the end of that time horizon, are discounted to their present value using an appropriate risk-adjusted rate of return. We use our internal forecasts to estimate future cash flows, which we believe are consistent with those of a market participant, and include an estimate of long-term growth rates based on our most recent views of the long-term outlook for each reporting unit. Actual results may differ materially from those used in our forecasts. We use discount rates that are commensurate with the risks and uncertainty inherent in the respective reporting units and in our internally-developed forecasts. During fiscal 2023, 2024, discount rates used in our reporting unit valuations ranged from 9.5 10 to 11 11.5 percent. Under the market-based guideline public company method, we determine fair value by comparing our reporting units to similar businesses or guideline companies whose securities are actively traded in public markets. We also use the guideline transaction method to determine fair value based on pricing multiples derived from the sale of companies that are similar to our reporting units. To further confirm fair value, we compare the aggregate fair value of our

reporting units to our total market capitalization. Estimating the fair value of reporting units requires the use of estimates and significant judgments that are based on a number of factors including forecasted operating results. The use of alternate estimates and assumptions or changes in the industry or peer groups could materially affect the determination of fair value for each reporting unit and potentially result in goodwill impairment.

We In fiscal 2024, 2023 and 2022, we performed annual impairment testing in fiscal 2023, 2022 and 2021 and concluded that there were no impairments of goodwill for Pharmaceutical operating segment (excluding our and Specialty Solutions, Nuclear and Precision Health Solutions, division); Nuclear and Precision Health Solutions division; and Cardinal Health at-Home Solutions, division as and OptiFreight® Logistics. However, there was a decline in the at-Home Solutions' estimated fair value resulting in the fair value exceeding the carrying amount by less than 1 percent during our fiscal 2024 annual impairment test. The decrease in at-Home Solutions' estimated fair value was primarily due to changes in operating expense estimates to better reflect the fair value from an external perspective. The fair values of each the other three reporting unit units substantially exceeded its their carrying value. amounts.

As discussed further in Note 45, during fiscal 2024, 2023 and 2022, we recognized goodwill impairment charges related to our Medical Unit of $675 million, $1.2 billion and $2.1 billion, respectively, which related to GMPD. These impairment charges are included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings. There were earnings/(loss). See Note 9 for additional information regarding tax benefits related to these goodwill impairment charges. See Note 8GMPD's goodwill balance was fully impaired as of March 31, 2024, therefore, no impairment test was required for additional information. this reporting unit during our fiscal 2024 annual impairment testing.

The impairment test for indefinite-lived intangibles other than goodwill involves first assessing qualitative factors to determine if it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If so, then a quantitative test is performed to compare the estimated fair value of the indefinite-lived intangible asset to the respective asset's carrying amount. Our qualitative evaluation requires the use of estimates and significant judgments and considers the weight of evidence and significance of all identified events and circumstances and most relevant drivers of fair value, both positive and negative, in determining whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount.

Intangible assets with finite lives, primarily customer relationships; trademarks, trade names and patents; and developed technology, are amortized using a combination of straight-line and accelerated methods based on the expected cash flows from the assets over their estimated useful lives. We review intangible assets with finite lives for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of the future forecasted undiscounted cash flows expected to be generated by the asset group. Actual results may differ materially from those used in our forecasts.

Assets Held for Sale

We classify assets and liabilities (the “disposal group”) as held for sale when management commits to a plan to sell the disposal group in its present condition and at a price that is reasonable in relation to its current fair value. We also consider whether an active program to locate a buyer has been initiated and if it is probable that the sale will occur within one year without significant changes to the plan to sell. Upon classification of the disposal

Notes to Financial Statements

group as held for sale, we test the assets for impairment and cease related depreciation and amortization.

On May 24, 2024, we signed an agreement to sell the West Campus Dublin, Ohio office space. The transaction is subject to certain contingencies. At June 30, 2024, we met the criteria for the related assets to be classified as held for sale. No loss was recognized during fiscal 2024 due to the expected net proceeds exceeding the carrying value of the related assets.

On June 5, 2023, we signed a definitive agreement to contribute our Outcomes™ business to Transaction Data Systems (TDS) ("TDS"), a portfolio company of BlackRock Long Term Private Capital and GTCR, in exchange for a minority stake 16 percent equity interest in the combined entity. Upon signing the agreement, we met the criteria for the related assets and liabilities of the Outcomes™ business to be classified as held for sale. The transaction closed on July 10, 2023. See Note 23 for additional information.

Investments

Investments in non-marketable equity securities are accounted for under the fair value, equity or net asset value method of accounting and are included in other assets in the consolidated balance sheets. For equity securities without a readily determinable fair value, we use the fair value measurement alternative and measure the securities at cost less impairment, if any, including adjustments for observable price changes in orderly transactions for an identical or similar investment of the same issuer. For investments in which we can exercise significant influence but do not control, we use the equity method of accounting. Our share of the earnings and losses are recorded in other (income)/expense, net in the consolidated statements of earnings/(loss). We monitor our investments for impairment by considering factors such as the operating performance of the investment and current economic and market conditions.

Leases

Our leases are primarily for corporate offices, distribution facilities, vehicles and equipment. We determine if an arrangement is a lease at its inception by evaluating whether the arrangement conveys the right to use an identified asset and whether we obtain substantially all of the economic benefits from and have the ability to direct the use of the asset. Our lease agreements generally do not contain any material residual value guarantees or material restrictive covenants.

Operating lease right-of-use assets and corresponding operating lease liabilities are recognized in our consolidated balance sheets at lease commencement date based on the present value of lease payments over the lease term. Operating lease expense for

operating lease assets is recognized on a straight-line basis over the lease term. As most of our leases do not provide an implicit rate, we use our collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. We use the implicit rate if it is readily determinable.

Our lease agreements contain lease components and non-lease components. For all asset classes, we have elected to account for both of these components as a single lease component. We also, from time to time, sublease portions of our real estate property, resulting in sublease income. Sublease income and the related assets and cash flows are not material to the consolidated financial statements at or for the fiscal years ended June 30, 2023 June 30, 2024, 2022 2023 and 2021. 2022.

We apply a practical expedient for short-term leases whereby we do not recognize a lease liability and right-of-use asset for leases with a term of less than 12 months. Short-term lease expense recognized in fiscal 2024, 2023 2022 and 2021 2022 was immaterial.

Our leases have remaining lease terms from less than 1 year up to approximately 20 18 years. Our lease terms may include options to extend or terminate the lease when it is reasonably certain and there is a significant economic incentive to exercise that option.

See Note 5 6 for additional information regarding leases.

Vendor Reserves

In the ordinary course of business, our vendors may dispute deductions taken against payments otherwise due to them or assert other disputes. These disputes are researched and resolved based upon the findings of the research performed. At any given time, there are outstanding items in various stages of research and resolution. In determining appropriate reserves for areas of exposure with our vendors, we assess historical experience and current outstanding claims. We have established various levels of reserves based on the type of claim and status of review. Though the claim types are relatively consistent, we periodically update our reserve estimates to reflect actual historical experience. The ultimate outcome of certain claims may be different than our original estimate and may require an adjustment. Adjustments to vendor reserves are included in cost of products sold. In addition, the reserve balance will fluctuate due to variations of outstanding claims from period-to-period, timing of settlements and specific vendor issues. Vendor reserves were $112 million and $117 million at June 30, 2024 and $105 million at June 30, 2023 and 2022 2023 respectively, excluding third-party returns. See "Third-Party Returns" section within this Note for a description of third-party returns.

Distribution Services Agreement and Other Vendor Fees

Our Pharmaceutical and Specialty Solutions segment recognizes fees received from distribution services agreements and other fees received from vendors related to the purchase or distribution of the vendors' inventory when those fees have been earned and we are entitled to payment. Since the benefit provided to a vendor is related to the purchase and distribution of the vendor's inventory, we recognize the fees as a reduction in the carrying value of the inventory that generated the fees, and as such, a reduction of cost of products sold in our consolidated statements of earnings/(loss) when the inventory is sold.

Loss Contingencies and Self-Insurance

Loss Contingencies

We accrue for contingencies related to disputes, litigation and regulatory matters if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

In connection with the opioid litigation as described further in the Note 7 8, we recorded pre-tax charges of $1.17 billion $5.63 billion during fiscal 2021, which were retained at Corporate. In February 2022, we and two other national distributors announced that each company had determined that a sufficient number of political subdivisions had agreed to participate in the previously disclosed settlement

agreement (the "National Opioid Settlement Agreement") to settle the vast majority of the opioid lawsuits filed by states and local governmental entities. This National Opioid Settlement Agreement became effective on April 2, 2022.

We have reached agreements in principle with counsel representing classes of third-party payors and acute care hospitals, and we are engaged in resolution discussions with the City of Baltimore. In connection with these matters, as of June 30, 2024, we have accrued $363 million, which reflects our current estimate of probable loss for these matters. The agreements in principle remain subject to contingencies.

We develop and periodically update reserve estimates for all litigation matters, including the Cordis OptEase and TrapEase inferior vena cava ("IVC") claims received to date and expected to be received in the future and related costs. To project future IVC claim costs, we use a methodology based largely on recent experience, including claim filing rates, blended average payout influenced by claim severity, historical sales data, implant and injury to report lag patterns and estimated defense costs.

The amount of ultimate loss may differ materially from these estimates. We recognize these estimated loss contingencies, income from favorable resolution of litigation and certain defense costs in litigation (recoveries)/charges, net in our consolidated statements of earnings/(loss). See Note 7 8 for additional information regarding loss contingencies and product liability lawsuits.

Self-Insurance

We self-insure for employee healthcare, general liability, certain product liability matters, auto liability, property and workers' compensation. Self-insurance accruals include an estimate for expected settlements or pending claims, defense costs,

administrative fees, claim adjustment costs and an estimate for claims incurred but not reported.

Because these matters are inherently unpredictable and unfavorable developments or resolutions can occur, assessing contingencies and other liabilities is highly subjective and requires judgments about future events. We regularly review contingencies and our self-insurance accruals to determine whether our accruals and related disclosures are adequate. Any adjustments for changes in reserves are recorded in the period in which the change in estimate occurs.

Guarantees

In the ordinary course of business, we agree to indemnify certain other parties under acquisition and disposition agreements, customer agreements, intellectual property licensing agreements and other agreements. Such indemnification obligations vary in scope and, when defined, in duration. In many cases, a maximum obligation is not explicitly stated, and therefore the overall maximum amount of the liability under such indemnification obligations cannot be reasonably estimated. Where appropriate, such indemnification obligations are recorded as a liability. Historically, we have not, individually or in the aggregate, made payments under these indemnification obligations in any material amounts. In certain circumstances, we believe that existing insurance arrangements, subject to the general deduction and exclusion provisions, would cover portions of the liability that may arise from these indemnification obligations. In addition, we believe that the likelihood of a material liability being triggered under these indemnification obligations is not probable.

From time to time we enter into agreements that obligate us to make fixed payments upon the occurrence of certain events. Such obligations primarily relate to obligations arising under acquisition transactions, where we have agreed to make payments based upon the achievement of certain financial performance measures by the acquired business. Generally, the obligation is capped at an explicit amount. There were no material obligations at June 30, 2023 June 30, 2024.

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates in the respective jurisdictions in which we operate. We assess the realizability of deferred tax assets on a quarterly basis and provide a valuation allowance for deferred tax assets when it is more likely than not that at least a portion of the deferred tax assets will not be realized. The realizability of deferred tax assets depends on our ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction and also considers all available positive and negative evidence.

Deferred taxes for non-U.S. liabilities are not provided on the unremitted earnings of subsidiaries outside of the United States when it is expected that these earnings are indefinitely reinvested.

We operate in a complex multinational tax environment and are subject to tax treaty arrangements and transfer pricing guidelines for intercompany transactions that are subject to interpretation. Uncertainty in a tax position may arise as tax laws are subject to interpretation.

Tax benefits from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination of the technical merits of the position, including resolutions of any related appeals or litigation processes. The amount recognized is measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement. For tax benefits that do not qualify for recognition, we recognize a liability for unrecognized tax benefits.

See Note 8 9 for additional information regarding income taxes.

Other Accrued Liabilities

Other accrued liabilities represent various current obligations, including certain accrued operating expenses, accrued rebates and taxes payable.

Noncontrolling Interests

Noncontrolling interests represent the portion of net earnings, comprehensive income and net assets that is not attributable to Cardinal Health, Inc.

Share-Based Compensation

Share-based compensation provided to employees is recognized in the consolidated statements of earnings/(loss) based on the grant date fair value of the awards. The fair value of restricted share units and performance share units ("RSUs") is determined by the grant date market price of our common shares. The fair value of performance share units ("PSUs"), which include a market-based condition, is determined using a Monte Carlo valuation model. The key assumptions for the Monte Carlo valuation model are as follows:

Award Year	Risk-Free Interest Rate (2)	Expected Volatility (3)
2022	5.28%	22.77 %
2023	3.12%	32.41 %
2023 Modified (1)	5.13%	26.58 %
2024	4.66%	23.99 %

(1) There was a modification of prior year awards in fiscal 2024 that required a new Monte Carlo Simulation valuation model.

(2) Based on the U.S. Treasury yields over a term comparable to the remaining performance period.

(3) Based on historical volatility and implied volatility indications.

The compensation expense associated with nonvested performance share units PSUs is dependent on our periodic assessment of the probability of the targets performance goals being achieved. Based on the extent to which the performance goals are

goals being achieved. Based on the extent to which the performance goals are achieved and our estimate, the Company's total shareholder return ("TSR") relative to the S&P 500 Health Care Index, vested shares may range from zero to 240 percent of the target award amount. Compensation expense is recognized regardless of the extent to which may vary over the market-based condition, the Company's relative TSR, is satisfied.

time, of the number of shares that ultimately will be issued. The compensation expense recognized for share-based awards is net of estimated forfeitures and is recognized ratably over the service period of the awards. All income tax effects of share-based awards are recognized in the consolidated statements of earnings/(loss) as awards vest or are settled. We classify share-based compensation expense in distribution, selling, general and administrative ("SG&A") expenses to correspond with the same line item as the majority of the cash compensation paid to employees. If awards are modified in connection with a restructuring activity, the incremental share-based compensation expense is classified in restructuring and employee severance. See Note 14 15 for additional information regarding share-based compensation.

Dividends

We paid cash dividends per common share of $2.00, $1.98 $1.96 and $1.94 $1.96 in fiscal 2024, 2023 2022 and 2021, 2022, respectively.

Revenue Recognition

We recognize revenue in an amount that reflects the consideration to which we expect to be entitled in exchange for the transfer of goods or services to customers.

Revenue in both Pharmaceutical and Specialty Solutions, GMPD, Nuclear and Precision Health Solutions and at-Home Solutions operating segments is primarily related to the distribution of pharmaceutical and medical products, which include both manufactured and sourced products, and we recognize at a point in time when title transfers to customers and we have no further obligation to provide services related to such merchandise. OptiFreight® Logistics revenue is related to shipping, freight management and logistics management services. Service revenues are recognized over the period that services are provided to the customer. Revenues derived from services from all segments are not material for either segment immaterial for all periods presented.

We are generally the principal in a transaction, therefore our revenue is primarily recorded on a gross basis. When we are a principal in a transaction, we have determined that we control the ability to direct the use of the product or service prior to transfer to a customer, are primarily responsible for fulfilling the promise to provide the product or service to our customer, have discretion in establishing prices and ultimately control the transfer of the product or services provided to the customer.

In connection with the preparation of our Consolidated Financial Statements for fiscal 2024, we identified an accounting error related to revenue recognition from third party payors within the at-Home Solutions operating segment. We have revised our prior period financial statements to correct this error, as well as other unrelated immaterial errors, including an adjustment to an uncertain tax position. These revisions impacted each quarter of fiscal 2022, 2023 and 2024.

Sales Returns and Allowances

Revenue is recorded net of sales returns and allowances. Revenues are measured based on the amount of consideration that we expect to receive, reduced by estimates for return allowances, discounts, rebates and other variable consideration.

a reduction of revenue and cost of products sold for the sales price and cost, respectively. At June 30, 2023 June 30, 2024 and 2022, 2023, the accrual for estimated sales returns and allowances was $474 million $441 million and $617 million $474 million, respectively, which is reflected in trade receivables, net and inventories, net in the consolidated balance sheets. Sales returns and allowances were $2.2 billion, $2.4 billion $2.2 billion and $2.6 billion $2.4 billion, for fiscal 2024, 2023 2022 and 2021, 2022, respectively, and the net impact on net earnings/(loss) in the consolidated statements of earnings/(loss) was immaterial in fiscal 2024, 2023 2022 and 2021. 2022.

Third-Party Returns

We generally do not accept non-merchantable pharmaceutical product returns from our customers, so many of our customers return non-merchantable pharmaceutical products to the manufacturer through third parties. Since our customers generally do not have a direct relationship with manufacturers, our vendors pass the value of such returns to us (usually in the form of an accounts payable deduction). We, in turn, pass the value received to our customer. In certain instances, we pass the estimated value of the return to our customer prior to our receipt of the value from the vendor. Although we believe we have satisfactory protections, from time to time, we could be become subject to claims from customers or vendors if that our administration of this overall process was is deficient in some respect or our contractual terms with vendors are in conflict with our contractual terms with our customers. We have maintained maintain reserves for some of these situations based on their nature and our historical

Sales returns are recorded based on estimates using historical data. Our customer return policies generally require that the product be physically returned, subject to restocking fees. We only allow customers to return products for credit in a condition suitable to be added back to inventory and resold at full value (“merchantable product”) or returned to vendors for credit. Product returns are generally consistent throughout the year and typically are not specific to any particular product or customer.

We accrue for estimated sales returns and allowances at the time of sale based upon historical customer return trends, margin rates and processing costs. Our accrual for sales returns is reflected as

reserves for some of these situations based on their nature and our historical experience with their resolution.

Shipping and Handling

Shipping and handling costs are primarily included in SG&A expenses in our consolidated statements of earnings/(loss) and include all delivery expenses as well as all costs to prepare the product for shipment to the end customer. Shipping and handling costs were $835 million $866 million, $748 million $835 million and $634 million $756 million, for fiscal 2024, 2023 2022 and 2021, 2022, respectively.

Restructuring and Employee Severance

Restructuring activities are programs that are not part of the ongoing operations of our underlying business, such as divestitures, closing and consolidating facilities, changing the way we manufacture or distribute our products, moving manufacturing of a product to another location, changes in production or business process outsourcing or insourcing, employee severance (including rationalizing headcount or other significant changes in personnel) and realigning operations (including realignment of the management structure in response to changing market conditions).

Also included within restructuring and employee severance are employee severance costs that are not incurred in connection with a restructuring activity. See Note 3 4 for additional information regarding our restructuring activities.

Amortization and Other Acquisition-Related Costs

We classify certain costs incurred in connection with acquisitions as amortization and other acquisition-related costs in our consolidated statements of earnings/(loss). These costs consist of amortization of acquisition-related intangible assets, transaction costs, integration costs and changes in the fair value of contingent

consideration obligations. Transaction costs are incurred during the initial evaluation of a potential acquisition and primarily relate to costs to analyze, negotiate and consummate the transaction as well as due diligence activities. Integration costs relate to activities required to combine the operations of an acquired enterprise into our operations and, in the case of the significant acquisitions with international operations, to stand-up the systems and processes needed to support an expanded geographic footprint. We record changes in the fair value of contingent consideration obligations relating to acquisitions as income or expense in amortization and other acquisition-related costs. See Note 4 5 for additional information regarding amortization of acquisition-related intangible assets.

Translation of Foreign Currencies

Financial statements of our subsidiaries outside the United States are generally measured using the local currency as the functional currency. Adjustments to translate the assets and liabilities of these foreign subsidiaries into U.S. dollars are accumulated in shareholders' equity through accumulated and other comprehensive loss ("AOCI") utilizing period-end exchange rates. Revenues and expenses of these foreign subsidiaries are translated using average exchange rates during the year.

The foreign currency translation gains/(losses) included in AOCI at June 30, 2023 June 30, 2024 and 2022 2023 are presented in Note 11 12. Foreign currency transaction gains and losses for the period are included in the consolidated statements of earnings/(loss) in the respective financial statement line item.

Interest Rate, Currency and Commodity Risk

All derivative instruments are recognized at fair value on the consolidated balance sheets and all changes in fair value are recognized in net earnings or shareholders' equity through AOCI, net of tax.

For contracts that qualify for hedge accounting treatment, the hedge contracts must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. Hedge effectiveness is assessed periodically. Any contract not designated as a hedge, or so designated but ineffective, is adjusted to fair value and recognized immediately in net earnings. If a fair value or cash flow hedge ceases to qualify for hedge accounting treatment, the contract continues to be carried on the balance sheet at fair value until settled and future adjustments to the contract's fair value are recognized immediately in net earnings. If a forecasted transaction is probable not to occur, amounts previously deferred in AOCI are recognized immediately in net earnings. Interest payments received from the cross-currency swap are excluded from the net investment hedge effectiveness assessment and are recorded in interest expense, net in the consolidated statements of earnings/(loss).

See Note 10 11 for additional information regarding our derivative instruments, including the accounting treatment for instruments designated as fair value, cash flow, net investment and economic hedges.

Fair Value Measurements

Fair value is defined as the price that would be received upon selling an asset or the price paid to transfer a liability on the measurement date. It focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair values are:

Level 1 - Observable prices in active markets for identical assets and liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

See Note 9 10 for additional information regarding fair value measurements.

Recently Adopted Financial Accounting Standards

There were no accounting standards adopted in fiscal 2023 2024 that had a material impact on our consolidated financial statements.

Recently Issued Financial Accounting Standards and Disclosure Rules Not Yet Adopted

We assess the adoption impacts of recently issued accounting standards by the FASB on our consolidated financial statements as well as material updates to previous assessments, if any, from our fiscal 2022 2023 Form 10-K. There were no accounting standards

Segment Reporting

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which enhances reportable segment disclosure requirements, primarily through disclosures of significant segment expenses. This guidance will be effective for us in

disclosures of significant segment expenses. This guidance will be effective for us in our fiscal 2025 Form 10-K and the guidance must be applied retrospectively to all prior periods presented. We are currently evaluating the impact of adoption of this guidance on our disclosures.

Income Tax Disclosure

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be effective for us in our fiscal 2026 Form 10-K and should be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact of adoption of this guidance on our disclosures.

Climate-Related Disclosures

In March 2024, the SEC issued final rules on climate-related disclosures that will have a require annual disclosure of material climate-related risks and material direct greenhouse gas emissions from operations owned or controlled (Scope 1) and material indirect greenhouse gas emissions from purchased energy consumed in owned or controlled operations (Scope 2). Additionally, the rules require disclosure in the notes to the financial statements of the effects of severe weather events and other natural conditions, subject to certain financial thresholds, as well as amounts related to carbon offsets and renewable energy credits or certificates. These rules also require disclosure of climate risk oversight practices of the Board of Directors and management, and the disclosure of governance, risk management and strategy related to material climate-related risks. In April 2024, the SEC voluntarily stayed the new rules pending the completion of judicial review. We are currently evaluating the impact of adoption of these final rules on our disclosures.

2. Acquisitions

On March 18, 2024, we completed the acquisition of Specialty Networks for a purchase price of $1.2 billion in cash, subject to certain adjustments. Specialty Networks creates clinical and economic value for providers and partners across multiple specialty group purchasing organizations ("GPOs"): UroGPO, Gastrologix and GastroGPO, and United Rheumatology.

Specialty Networks' PPS Analytics platform analyzes data from electronic medical records, practice management, imaging, and dispensing systems and transforms it into meaningful and actionable insights for providers and other stakeholders by using artificial intelligence and modern data analytics capabilities. The acquisition further expands our offering in key therapeutic areas, accelerates our upstream data and research opportunities with biopharma manufacturers, and creates a platform for our expansion across therapeutic areas.

The pro forma results of operations and the results of operations for Specialty Networks have not been separately disclosed because the effects were not significant compared to the consolidated financial statements.

Transaction costs associated with the Specialty Networks acquisition were $16 million during the fiscal year ended June 30, 2024, and are included in amortization and other acquisition-related costs in the consolidated statements of earnings/(loss).

Fair Value of Assets Acquired and Liabilities Assumed

The allocation of the purchase price for the acquisition of Specialty Networks is not yet finalized and is subject to adjustment as we complete the valuation analysis of the acquisition. The purchase price is also subject to adjustment based on working capital requirements as set forth in the acquisition agreement.

The valuation of identifiable intangible assets utilizes significant unobservable inputs and thus represents a Level 3 nonrecurring fair value measurement. The estimated fair value of the identifiable intangible assets was determined using an income-based approach, which includes market participant expectations of the cash flows that an asset could generate over its remaining useful life, discounted back to present value using an appropriate rate of return. The discount rate used to arrive at the present value of the identifiable intangible assets was 10 percent and reflects the internal rate of return and uncertainty in the cash flow projections.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date for Specialty Networks:

(in millions)	Specialty Networks
Identifiable intangible assets:	
Customer relationships (1)	$ 480
Trade names (2)	15
Developed technology and Other (3)	25
Total identifiable intangible assets acquired	520
Identifiable net assets/(liabilities):	
Cash and equivalents	23
Trade receivables, net	17
Prepaid expenses and other	2
Other accrued liabilities	(15)
Deferred income taxes and other liabilities	(127)
Total identifiable net assets/(liabilities) acquired	420
Goodwill	793
Total net assets acquired	**$ 1,213**

(1) The weighted-average useful life of customer relationships is 15 years.

(2) The weighted-average useful life of trade names is 8 years.

(3) The weighted-average useful life of developed technology and other is 8 years.

2. Divestitures

3. Divestitures

Outcomes

On June 5, 2023, we signed a definitive agreement to contribute our the Outcomes™ business to TDS, a portfolio company of BlackRock Long Term Private Capital and GTCR, in exchange for a minority stake 16 percent equity interest in the combined entity. The transaction closed on July 10, 2023 and we expect to recognize recognized a pre-tax gain of approximately $60 million $53 million in the first quarter of fiscal 2024, which will be was included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss).

We classify assets and liabilities (the "disposal group") as held for sale when management commits to a plan to sell This gain includes our initial recognition of an equity method investment in the disposal group in its present condition and at a price that is reasonable in relation to its current fair value. We also consider whether an active program to locate a buyer has been initiated and if it is probable that the sale will occur within one year without significant changes to the plan to sell. Upon classification of the disposal group as held for sale, we assess the assets for impairment and cease related depreciation and amortization. combined entity

During the three months ended June 30, 2023 for $147 million, we met the criteria for the related assets and liabilities of $138 million and $42 million, respectively, of the Outcomes business to be classified as held for sale. which was recorded in Other Assets in our consolidated balance sheets.

We determined that the sale divestiture of the Outcomes Outcomes™ business does not meet the criteria to be classified as discontinued operations. The Outcomes Outcomes™ business operates operated within our former Pharmaceutical segment and its results before the divestiture are reflected within the Pharmaceutical and Specialty Solutions segment.

Cordis

In August 2021, we sold the Cordis business to Hellman & Friedman for proceeds of $923 million, $923 million, net of cash transferred, and we retained certain working capital accounts and certain liabilities. Cardinal Health retained product liability associated with lawsuits and claims related to IVC filters in the U.S. and Canada, as well as authority for these matters discussed in Note 78. The Cordis business operated within our former Medical segment.

During fiscal 2021, we met the criteria for the related assets and liabilities of the Cordis business to be classified as held for sale. We determined that the sale of the Cordis business did not meet the criteria to be classified as discontinued operations. In connection with the divestiture, we recognized a $60 million $51 million pre-tax loss in impairments and (gain)/loss on disposal of assets, net in our consolidated statement of earnings/(loss) in fiscal 2021.

3. 4. Restructuring and Employee Severance

The following table summarizes restructuring and employee severance costs:

(in millions)	(in millions)	**2023**	2022	2021	(in millions)	**2024**	2023	2022
Employee-related costs	Employee-related costs	**$ 39**	$ 35	$ 53				
Facility exit and other costs	Facility exit and other costs	**56**	66	61				
Total restructuring and employee severance	**Total restructuring and employee severance**	**$ 95**	$101	$114				

Employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated, duplicate payroll costs and retention bonuses incurred during transition periods. Facility exit and other costs primarily consist of project consulting fees, accelerated depreciation, professional, project management and other service fees to support divestitures, costs associated with vacant facilities and certain other divestiture-related costs.

In Restructuring and employee severance costs in fiscal 2024, 2023 and 2022 and 2021, restructuring include costs were primarily related to the implementation of certain enterprise-wide cost-savings measures, which include certain initiatives to rationalize our manufacturing operations. The increase in fiscal 2024 restructuring and the divestiture of the Cordis business. During fiscal 2023, we also incurred restructuring employee severance are primarily due to estimated severance costs related to these cost-savings measures and costs related to certain projects resulting from the reviews of our strategy, portfolio, capital-allocation framework and operations. During fiscal 2023 and 2022, restructuring and employee severance included costs related to the divestiture of the Cordis business. During fiscal 2022, restructuring also included facility-exit costs related to decreasing our overall office space.

The following table summarizes activity related to liabilities associated with restructuring and employee severance:

(in millions)	Employee-Related Costs	Facility Exit and Other Costs	**Total**
Balance at June 30, 2022	$ 56	$ 10	**$ 66**
Additions	35	8	**43**
Payments and other adjustments	(47)	(16)	**(63)**
Balance at June 30, 2023	44	2	**46**
Additions	74	13	**87**
Payments and other adjustments	(26)	(10)	**(36)**
Balance at June 30, 2024	**$ 92**	**$ 5**	**$ 97**

(in millions)	Employee-Related Costs	Facility Exit and Other Costs	**Total**

(in millions)	Related Costs	and Other Costs	Total
Balance at June 30, 2021	$ 53	$ 26	**$ 79**
Additions	49	10	**59**
Payments and other adjustments	(46)	(26)	**(72)**
Balance at June 30, 2022	56	10	**66**
Additions	35	8	**43**
Payments and other adjustments	(47)	(16)	**(63)**
Balance at June 30, 2023	**$ 44**	**$ 2**	**$ 46**

4. 5. Goodwill and Other Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill by segment for the two reportable segments and the remaining operating segments, included in Other and in total:

(in millions)	(in millions)	Pharmaceutical (1)	Medical (2)	Total	(in millions)	Pharmaceutical and Specialty Solutions	Global Medical Products and Distribution (1)	Other (2) (3) (4)	Total
Balance at June 30, 2021		$ 2,659	$5,330	**$7,989**					
Balance at June 30, 2022 (5)									
Goodwill acquired, net of purchase price adjustments	Goodwill acquired, net of purchase price adjustments	14	—	**14**					
Foreign currency translation adjustments and other	Foreign currency translation adjustments and other	—	(64)	**(64)**					
Goodwill impairment		—	(2,084)	**(2,084)**					
Balance at June 30, 2022		2,673	3,182	**5,855**					
Goodwill Impairment									
Outcomes goodwill reclassified to assets held for sale									
Balance at June 30, 2023									
Goodwill	Goodwill								

acquired, net of purchase price adjustments	—	15	**15**
Foreign currency translation adjustments and other	—	(6)	**(6)**
Goodwill impairment	—	(1,231)	**(1,231)**
Outcomes goodwill reclassified to assets held for sale	(24)	—	**(24)**
Balance at June 30, 2023	**$ 2,649**	**$1,960**	**$4,609**

Goodwill Impairment

Balance at June 30, 2024

Balance at June 30, 2024

Balance at June 30, 2024

(1) Prior-period goodwill impairment charges related to the former Medical segment were allocated to the GMPD segment. At June 30, 2023 June 30, 2024 and 2022, 2023, the Pharmaceutical GMPD segment accumulated goodwill impairment loss was $829 million. $5.4 billion and $4.7 billion, respectively.

(2) Comprised of the remaining operating segments, Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics.

(3) At June 30, 2023 June 30, 2024 and 2022, the Medical segment 2023, Other accumulated goodwill impairment loss was $4.7 billion and $3.5 billion, respectively.

Due to changes in our long-term financial plan assumptions made during fiscal 2023, including those $829 million which was related to Cardinal Nuclear and Precision Health branded medical products sales growth and net inflationary impacts, we elected Solutions.

(4) Reflects $48 million allocated to bypass the qualitative assessment and perform quantitative goodwill impairment testing for the Medical Unit at June 30, 2023. This quantitative testing resulted in the carrying amount of the Medical Unit exceeding the fair value, resulting in a pre-tax impairment charge of $368 million and cumulative pre-tax impairment charges of $1.2 billion in fiscal 2023, due to the impairment charges recognized during the second and first quarters of fiscal 2023 as described further below. This impairment charge was primarily driven by the impact of the reductions in our long-term financial plan assumptions. The impairment charges were included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss).

We performed interim quantitative goodwill impairment testing for the Medical Unit at December 31, 2022 and September 30, 2022, which resulted in pre-tax impairment charges of $709 million and OptiFreight® Logistics.

$154 (5) Reflects a $110 million respectively. reclassification between Pharmaceutical and Specialty Solutions and Other, which does not impact our previously reported consolidated financial statements or results of our impairment tests.

The increase in the Pharmaceutical and Specialty Solutions segment goodwill is due to the Specialty Networks acquisition. Goodwill recognized in connection with this acquisition primarily represents the expected benefits from anticipated growth from new technology capabilities, synergies of integrating this business and the assembled workforce of the acquired entity.

As a result of the segment change discussed in Note 1, we allocated $90 million and $48 million of goodwill from the former Medical Unit to GMPD and OptiFreight® Logistics, respectively, based on the estimated relative fair values of the reporting units. We also performed interim quantitative assessed goodwill for impairment testing at March 31, 2023 for these reporting units before and concluded that after the reallocation and determined there was no impairment of goodwill at March 31, 2023 as the estimated fair value of for the Medical Unit and OptiFreight® Logistics during the three months ended March 31, 2024 as their fair values substantially exceeded its their carrying value by approximately 4 percent. The values. However, the quantitative test resulted in an impairment charge recognized in the second quarter was driven by certain reductions in our long-term financial plan assumptions, and the impairment charge recognized in the first quarter was driven by an increase in the discount rate primarily due to an increase in the risk-free interest rate. of GMPD's remaining goodwill balance of $90 million.

Our determinations determination of the estimated fair value of the Medical Unit at June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022 were GMPD reporting unit is based on a combination of the income-based approach (using a discount rate of 11 percent and a terminal growth rate of 2 percent), and the market-based approaches. For the income-based approach, we used discount rates of 10 percent, 10 percent, 10.5 percent and 10.5 percent for fourth, third, second and first quarters, respectively. The decrease in the discount rate for the interim testing performed at March 31, 2023 and June 30, 2023 was primarily due to a decrease in the risk-free interest rate. Additionally, we assigned a weighting of 80 percent to the discounted cash flow method, 10 percent to the guideline public company method, and 10 percent to the guideline transaction method. Our fair value estimates utilize significant unobservable inputs and thus represent Level 3 fair value measurements.

During the three months ended December 31, 2023, we did not identify any indicators of impairment within our reporting units. During the three months ended September 30, 2023, we elected to bypass the qualitative assessment and perform quantitative goodwill impairment testing for the former Medical Unit due to an increase in the risk-free interest rate used in the discount rate. The carrying amount exceeded the fair value, which resulted in a pre-tax impairment charge of $585 million for the former Medical Unit, which was recognized during the three months ended September 30, 2023 and is included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss). This impairment charge was driven by an increase of 1 percent in the discount rate primarily due to an increase in the risk-free interest rate.

During fiscal 2023 and 2022, we performed quantitative goodwill impairment testing for the former Medical Unit which resulted in cumulative pre-tax impairment charges $1.2 billion and $2.1 billion, respectively, which were included in impairments and (gain)/loss on disposal of assets, net in our consolidated statements of earnings/(loss).

In connection with the divestiture of the Outcomes business, during fiscal 2023, we allocated and reclassified $24 million $24 million of goodwill from the Pharmaceutical and Specialty Solutions operating segment (excluding our Nuclear and Precision Health Solutions division) to the Outcomes disposal group based on the estimated relative fair values of the business to be disposed of and the portion of the reporting unit that was retained.

Other Intangible Assets

The following tables summarize other intangible assets by class at June 30:

	2023											
	2024						2024					
(in millions)	(in millions)	Gross Intangible	Accumulated Amortization	Net Intangible	Weighted-Average Remaining Amortization Period (Years)	(in millions)	Gross Intangible	Accumulated Amortization		Net Intangible		Weighted-Average Remaining Amortization Period (Years)

Indefinite-life intangibles:	**Indefinite-life intangibles:**																			
Trademarks and patents	Trademarks and patents	**$**	**11**		**$**	**11**	**N/A**													
Trademarks and patents	Trademarks and patents								**$**	**12**		**$**	**—**		**$**	**12**			**N/A**	
Total indefinite-life intangibles	Total indefinite-life intangibles	**11**			**11**		**N/A**		Total indefinite-life intangibles	**12**	**—**		**—**		**12**		**12**	**N/A**		**N/A**
Definite-life intangibles:	**Definite-life intangibles:**																			
Customer relationships	Customer relationships																			
Customer relationships	Customer relationships	**3,174**		**2,274**		**900**	**9**		**3,628**	**2,431**		**2,431**		**1,197**		**1,197**		**11**		**11**
Trademarks, trade names and patents	Trademarks, trade names and patents	**546**		**380**		**166**	**8**		Trademarks, trade names and patents	**561**	**408**		**408**		**153**		**153**	**7**		**7**
Developed technology and other	Developed technology and other	**1,021**		**626**		**395**	**8**		Developed technology and other	**1,047**	**684**		**684**		**363**		**363**	**7**		**7**
Total definite-life intangibles	Total definite-life intangibles	**4,741**		**3,280**		**1,461**	**9**		Total definite-life intangibles	**5,236**	**3,523**		**3,523**		**1,713**		**1,713**	**10**		**10**
Total other intangible assets	**Total other intangible assets**	**$**	**4,752**	**$**	**3,280**	**$**	**1,472**	**N/A**	**Total other intangible assets**	**$**	**5,248**	**$**	**$**	**3,523**	**$**		**$**	**1,725**	**N/A**	**N/A**

		2022			2023						2023		
(in millions)	(in millions)	Gross Intangible	Accumulated Amortization	Net Intangible	(in millions)						Gross Intangible	Accumulated Amortization	Net Intangible
Indefinite-life intangibles:	**Indefinite-life intangibles:**												
Trademarks and patents	Trademarks and patents	$ 11		$ 11									
Trademarks and patents	Trademarks and patents												
Total indefinite-life intangibles	Total indefinite-life intangibles	11		11									
Definite-life intangibles:	**Definite-life intangibles:**												
Customer relationships	Customer relationships												
Customer relationships	Customer relationships	3,272	2,165	1,107									
Trademarks, trade names and patents	Trademarks, trade names and patents	552	360	192									

Developed technology and other	1,038	574	464
Total definite-life intangibles	4,862	3,099	1,763
Total other intangible assets	$ 4,873	$ 3,099	$ 1,774

The increase in definite-life intangibles is due to the Specialty Networks acquisition. Total amortization of intangible assets was $281 million $264 million, $311 million $281 million and $428 million $311 million for fiscal 2024, 2023 2022 and 2021, 2022, respectively. The estimated annual amortization for intangible assets for fiscal 2024 2025 through 2028 2029 is as follows: $255 million, $231 million $244 million, $205 million $217 million, $173 million $190 million and $146 million $186 million.

Notes to Financial Statements

5. 6. Leases

The following table summarizes the components of lease cost:

(in millions)	**2023**	2022	2021
Operating lease cost	**$112**	$117	$119
Finance lease cost			
Finance lease cost	**31**	23	16
Variable lease cost	**21**	13	24
Total lease cost	**$164**	$153	$159

(in millions)	**2024**	2023	2022
Operating lease cost			
Finance lease cost			
Variable lease cost			
Total lease cost			

Variable lease cost primarily includes payments for property taxes, maintenance and insurance.

The following table summarizes supplemental balance sheet and other information related to leases at June 30:

(in millions)	**2023**	2022
Operating Leases		

(in millions)	**2024**	2023
Operating Leases		

Operating lease right-of-use assets	Operating lease right-of-use assets	**$435**	$457
Operating lease right-of-use assets			
Operating lease right-of-use assets			
Current portion of operating lease liabilities			
Current portion of operating lease liabilities			
Current portion of operating lease liabilities	Current portion of operating lease liabilities	**100**	102
Long-term operating lease liabilities	Long-term operating lease liabilities	**375**	388
Total operating lease liabilities	**Total operating lease liabilities**	**475**	490
Finance Leases	**Finance Leases**		
Finance Leases			
Finance Leases			
Finance lease right-of-use assets			
Finance lease right-of-use assets			
Finance lease right-of-use assets	Finance lease right-of-use assets	**82**	68
Current portion of finance lease liabilities			
Current portion of finance lease liabilities			
Current portion of finance lease liabilities	Current portion of finance lease liabilities	**27**	23
Long-term finance lease liabilities	Long-term finance lease liabilities	**59**	49

Total finance lease liabilities	**Total finance lease liabilities**	**$ 86**	$ 72

Weighted-average remaining lease term (years)	**Weighted-average remaining lease term (years)**		
Operating leases	Operating leases	**5.7 years**	6.0 years
Finance leases	Finance leases	**4.1 years**	4.1 years

Weighted-average discount rate	**Weighted-average discount rate**		
Operating leases	Operating leases	**3.6 %**	3.0 %
Finance leases	Finance leases	**3.1 %**	1.8 %

Weighted-average remaining lease term (years)			
Operating leases		**5.5 years**	5.7 years
Finance leases	Finance leases	**4.1 years**	4.1 years

Weighted-average discount rate			
Operating leases		**4.1 %**	3.6 %
Finance leases	Finance leases	**4.4 %**	3.1 %

Operating leases are included in other assets, other accrued liabilities and deferred income taxes and other liabilities in our consolidated balance sheets. Finance leases are included in property and equipment, net, current portion of long-term obligations and other short-term borrowings and long-term obligations, less current portion in our consolidated balance sheets.

The following table summarizes supplemental cash flow information related to leases:

(in millions)	(in millions)	**2023**	2022	2021
(in millions)				
(in millions)		**2024**	2023	2022
Cash paid for lease liabilities:	Cash paid for lease liabilities:			
Operating cash flows paid for operating leases				
Operating cash flows paid for operating leases				
Operating cash flows paid for operating leases	Operating cash flows paid for operating leases	**$119**	$123	$115
Financing cash flows paid for finance leases	Financing cash flows paid for finance leases	**31**	21	15
Financing cash flows paid for finance leases				
Financing cash flows paid for finance leases				
Non-cash right-of-use assets obtained in exchange for lease obligations:	Non-cash right-of-use assets obtained in exchange for lease obligations:			
New operating leases				
New operating leases				
New operating leases	New operating leases	**75**	101	138
New finance leases	New finance leases	**42**	28	45

Future lease payments under non-cancellable leases as of June 30, 2023 June 30, 2024 were as follows:

(in millions)	(in millions)	**Operating Leases**	**Finance Leases**	**Total**
(in millions)				
(in millions)				
2024		$ 113	$ 28	**$ 141**
2025				
2025				
2025	2025	103	24	**127**
2026	2026	86	17	**103**

2026				
2026				
2027				
2027				
2027	2027	68	10	**78**
2028	2028	55	6	**61**
2028				
2028				
2029				
2029				
2029				
Thereafter	Thereafter	97	7	**104**
Thereafter				
Thereafter				
Total future lease payments				
Total future lease payments				
Total future lease payments	Total future lease payments	522	92	**614**
Less: imputed interest	Less: imputed interest	47	6	**53**
Less: imputed interest				
Less: imputed interest				
Total lease liabilities				
Total lease liabilities				
Total lease liabilities	**Total lease liabilities**	**$ 475**	**$ 86**	**$ 561**

6.7. Long-Term Obligations and Other Short-Term Borrowings

The following table summarizes long-term obligations and other short-term borrowings at June 30:

(in millions) (1)	(in millions) (1)	**2023**	2022	(in millions) (1)	**2024**	2023
3.2% Notes due 2023		**$ —**	$ 556			
3.079% Notes due 2024						
3.079% Notes due 2024						
3.079% Notes due 2024	3.079% Notes due 2024	**764**	779			
3.5% Notes due 2024	3.5% Notes due 2024	**404**	407			
3.75% Notes due 2025	3.75% Notes due 2025	**513**	518			
3.41% Notes due 2027	3.41% Notes due 2027	**1,184**	1,193			
5.125% Notes due 2029						
5.45% Notes due 2034						
4.6% Notes due 2043	4.6% Notes due 2043	**306**	321			
4.5% Notes due 2044	4.5% Notes due 2044	**331**	342			
4.9% Notes due 2045	4.9% Notes due 2045	**428**	441			

4.368% Notes due 2047	4.368% Notes due 2047	**561**	560
7.0% Debentures due 2026	7.0% Debentures due 2026	**124**	124
Other Obligations	Other Obligations	**86**	74
Total	Total	**4,701**	5,315
Less: current portion of long-term obligations and other short-term borrowings	Less: current portion of long-term obligations and other short-term borrowings	**792**	580
Long-term obligations, less current portion	**Long-term obligations, less current portion**	**$3,909**	$4,735

(1) Maturities are presented on a calendar year basis.

Maturities of existing long-term obligations and other short-term borrowings for fiscal 2024 2025 through 2028 2029 and thereafter are as follows: $792 million, $428 million, $530 million, $1.3 billion, $6 million and $1.6 billion.

follows: $438 million, $537 million, $1.3 billion, $13 million, $651 million and $2.1 billion.

Long-Term Debt

All the notes represent unsecured obligations of Cardinal Health, Inc. and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The 7.0% Debentures represent unsecured obligations of Allegiance Corporation (a wholly-owned subsidiary), which Cardinal Health, Inc. has guaranteed. None of these obligations are subject to a sinking fund and the Allegiance obligations are not redeemable prior to maturity. Interest is paid pursuant to the terms of the obligations. These notes are effectively subordinated to the liabilities of our subsidiaries, including trade payables of $29.8 billion $31.8 billion and $27.1 billion $29.9 billion at June 30, 2023 June 30, 2024 and 2022, 2023, respectively.

During fiscal 2024, we issued additional debt with the aggregate principal amount of $1.15 billion to fund the repayment of all of the aggregate principal amount outstanding of our 3.5% Notes due 2024 and 3.079% Notes due 2024, at their respective maturities, and for general corporate purposes. During fiscal 2024, we repaid the full principal of $750 million of the 3.079% Notes due 2024 at maturity. The notes issued are $650 million aggregate principal amount of 5.125% Notes that mature on February 15, 2029 and $500 million aggregate principal amount of 5.45% Notes that mature on February 15, 2034. The proceeds of the notes issued, net of discounts, premiums, and debt issuance costs were $1.14 billion. A portion of the proceeds was invested in short-term time deposits of $550 million with initial effective maturities of more than three months. At June 30, 2024, we had $200 million remaining in those short-term time deposits and classified as prepaid expenses and other in our consolidated balance sheets.

During fiscal 2023, we repaid the full principal of $550 million of the 3.2% Notes due 2023 at maturity.

During fiscal 2022, we redeemed all outstanding $572 million $572 million principal amount of 2.616% Notes due 2022 at a redemption price equal to 100% of the principal amount and accrued but unpaid interest, plus the make-whole premium applicable to the notes. In connection with this redemption, we recorded a $10 million loss on early extinguishment of debt. We also repaid the full principal of the $282 million $282 million Floating Rate Notes due 2022 as they became due.

During fiscal 2021, we redeemed all outstanding 3.2% Notes due June 2022 for $238 million and $262 million aggregate principal amount of 2.616% Notes due June 2022 at a redemption price equal to 100% of the principal amount and accrued but unpaid interest, plus the make-whole premium applicable to the notes. In connection with these redemptions, we recorded a $13 million loss on early extinguishment of debt. We also early repurchased $40 million of the Floating Rate Notes due 2022and $2 million of the 2.616% Notes due 2022. In connection with the early debt repurchases, we recorded a $1 millionloss on early extinguishment of debt.

The repayments, redemptions and repurchases were paid for with available cash and other short-term borrowings.

If we undergo a change of control, as defined in the notes, and if the notes receive specified ratings below investment grade by each of Standard & Poor's Ratings Services, Moody's Investors Services and Fitch Ratings, any holder of the notes, excluding the debentures, can require with respect to the notes owned by such holder, or we can offer, to repurchase the notes at 101% of the principal amount plus accrued and unpaid interest.

Other Financing Arrangements

In addition to cash and equivalents and operating cash flow, other sources of liquidity include a $2.0 billion commercial paper program backed by a $2.0 billion revolving credit facility. We also have a $1.0 billion committed receivables sales facility.

In February 2023, we extended our $2.0 billion revolving credit facility through February 25, 2028. In September 2022, we renewed our committed receivables sales facility program through Cardinal Health Funding, LLC (“CHF”) through September 30, 2025. In September 2023, Cardinal Health 23 Funding, LLC ("CH-23 Funding") was added as a seller under our committed receivables sales facility. Each of CHF and CH-23 Funding was organized for the sole purpose of buying receivables and selling undivided interests in those receivables to third-party purchasers. Although consolidated with Cardinal Health,

Inc. in accordance with GAAP, each of CHF and CH-23 Funding is a separate legal entity from Cardinal Health, Inc. and from our respective subsidiary that sells receivables to CHF. CHF or CH-23 Funding, as applicable. Each of CHF and CH-23 Funding is designed to be a special purpose, bankruptcy-remote entity whose assets are available solely to satisfy the claims of its respective creditors.

Our revolving credit and committed receivables sales facilities require us to maintain a consolidated net leverage ratio of no more than 3.75-to-1. As of June 30, 2023 June 30, 2024, we were in compliance with this financial covenant.

At June 30, 2023 June 30, 2024 and 2022, 2023, we had no amounts outstanding under the revolving credit facility; however, availability was reduced by outstanding letters of credit of $1 million at both June 30, 2023 June 30, 2024 and 2022. 2023.

During fiscal 2023, 2024, we had a daily maximum amount outstanding under our commercial paper and committed receivables programs of $445 million $1.2 billion

commercial paper and committed receivables programs of $445 million $1.3 billion.

We had no amounts outstanding as of June 30, 2023 June 30, 2024 under the committed receivables sales facility program; however, availability was reduced by outstanding standby letters of credit of $31 million at both June 30, 2023 June 30, 2024 and 2022. 2023.

We had no amounts outstanding under the commercial paper program as of June 30, 2023 June 30, 2024 and 2022. 2023.

The $86 million $110 million and $74 million $86 million balance of other obligations at June 30, 2023 June 30, 2024 and 2022, 2023, respectively, consisted of finance leases and short-term borrowings.

Notes to Financial Statements

7 8. Commitments, Contingent Liabilities and Litigation

Commitments

Generic Sourcing Venture with CVS Health Corporation

In July 2014, we established Red Oak Sourcing, LLC ("Red Oak Sourcing"), a U.S.-based generic pharmaceutical sourcing venture with CVS Health for an initial term of 10 years. Red Oak Sourcing negotiates generic pharmaceutical supply contracts on behalf of its participants. In August 2021, we amended our agreement to extend the term through June 2029. We are required to make quarterly payments to CVS Health for the term of the arrangement. These payments are included as purchase obligations and other payments in the "Contractual Obligations and Cash Requirements" section of MD&A.

Contingencies

New York Opioid Stewardship Act

In April 2018, the State of New York passed a budget which included the Opioid Stewardship Act (the "OSA"). The OSA, which created an aggregate $100 million annual assessment on all manufacturers and distributors licensed to sell or distribute opioids in New York. Under the OSA, each licensed manufacturer and distributor would be was required to pay a portion of the assessment based on its share of the total morphine milligram equivalents sold or distributed in New York during the applicable calendar year, beginning in 2017. Subsequently, New York passed a new statute that modified the assessment going forward and limited the OSA to two years (2017 and 2018).

We accrue contingencies if it is probable that a liability has been incurred and the amount can be estimated. In connection with the OSA, we recorded an aggregate accrual of $41 million for calendar years 2017 and 2018 during fiscal 2021 based on the probable estimated payment amount. In the second quarter of fiscal year 2022, we paid the State of New York $20 million, our portion of the assessment for calendar year 2017. At June 30, 2022, we had an accrual of $20 million, which represented our estimate of our portion of the assessment for calendar year 2018. During the fiscal 2023, we recorded $6 million of income to reduce this the previously estimated accrual to the invoiced amount for the calendar year 2018 assessment and we paid $11 million. At June 30, 2023, we had an outstanding liability of $3 million, which represented our best estimate of the remaining amount owed for calendar year 2018, and which was paid in full during the first quarter of fiscal 2024.

We, and other distributors, challenged the OSA as unconstitutional. In May 2024, the New York Appellate Division held that the 2017 assessment was unconstitutionally retroactive, directing a refund of assessments paid for calendar year 2017, but upheld the 2018 assessment. Both parties have appealed the decision of the New York Appellate Division to the New York Court of Appeals, the state's highest court. We have not recorded a receivable for any possible recoveries related to these assessments.

Legal Proceedings

We become involved from time to time in disputes, litigation and regulatory matters.

From time to time, we determine that products we distribute, source, manufacture or market do not meet our specifications, regulatory requirements, or published standards. When we or a regulatory agency identify a potential quality or regulatory issue, we investigate and take appropriate corrective action. Such actions have led to product recalls, costs to repair or replace affected products, temporary interruptions in product sales, restrictions on importation, product liability claims and lawsuits and can lead to action by regulators. Even absent an identified regulatory or quality issue or product recall, we can become subject to product liability claims and lawsuits.

From time to time, we become aware through employees, internal audits or other parties of possible compliance matters, such as

complaints or concerns relating to accounting, internal accounting controls, financial reporting, auditing, or other ethical matters or relating to compliance with laws such as healthcare fraud and abuse, anti-corruption or anti-bribery laws. When we become aware of such possible compliance matters, we investigate internally and take appropriate corrective action. In addition, from time to time, we receive subpoenas or requests for information from various federal or state agencies relating to our business or to the business of a customer, supplier or other industry participants. Internal investigations, subpoenas or requests for information could directly or indirectly lead to the assertion of claims or the commencement of legal proceedings against us or result in sanctions.

We have been named from time to time in qui tam actions initiated by private third parties. In such actions, the private parties purport to act on behalf of federal or state governments, allege that false claims have been submitted for payment by the government and may receive an award if their claims are successful. After a private party has filed a qui tam action, the government must investigate the private party's claim and determine whether to intervene in and take control over the litigation. These actions may remain under seal while the government makes this determination. If the government declines to intervene, the private party may nonetheless continue to pursue the litigation on his or her own purporting to act on behalf of the government.

We accrue for contingencies related to disputes, litigation and regulatory matters if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because these matters are inherently unpredictable and unfavorable developments or resolutions can occur, assessing contingencies is highly subjective and requires judgments about future events. We regularly review

subjective and requires judgments about future events. We regularly review contingencies to determine whether our accruals and related disclosures are adequate. The amount of ultimate loss may differ from these estimates.

We recognize income from the favorable outcome of litigation when we receive the associated cash or assets.

We recognize estimated loss contingencies for certain litigation and regulatory matters and income from favorable resolution of

litigation in litigation (recoveries)/charges, net in our consolidated statements of earnings/(loss); however, losses and recoveries of lost profits from disputes that occur in the ordinary course of business are included within segment profit. For example, in the second quarter of fiscal year 2022, our former Pharmaceutical segment profit was positively impacted by a $16 million judgment for lost profits related to an ordinary course intellectual property rights claim.

Opioid Lawsuits and Investigations

Cardinal Health, other pharmaceutical wholesalers and other participants in the pharmaceutical supply chain have been named as a defendant defendants in lawsuits related to the distribution of opioid pain medications. These lawsuits seek equitable relief and monetary damages based on a variety of legal theories, including various common law claims, such as public nuisance, negligence, unjust enrichment, personal injury, as well as violations of controlled

substance laws, the Racketeer Influenced and Corrupt Organizations Act and various other statutes. Plaintiffs in these lawsuits include state attorneys general, counties and municipalities, governmental entities, as well as private parties, such as unions and other health and welfare funds, hospital systems and other healthcare providers, businesses and individuals.

We Additionally, we have also received federal grand jury subpoenas issued in connection with investigations being conducted by the U.S. Attorney's Office for the Eastern District of New York and the Fraud Section of the U.S. Department of Justice ("DOJ"). We have also received civil requests for information, subpoenas and other requests from other DOJ offices. These investigations concern operation of our anti-diversion program, our anti-diversion policies and procedures and distribution of certain controlled substances. We are cooperating with these investigations. We are unable to predict the outcome of any of these investigations.

In total, as of June 30, 2023 June 30, 2024, we have $5.87 $5.4 billion accrued for these matters, of which $426 $643 million is included in other accrued liabilities and the remainder is included in deferred income taxes and other liabilities in our consolidated balance sheets. During fiscal 2024, we recognized expense of $340 million in connection with opioid-related matters, including agreements in principle with counsel representing classes of third-party payors and acute care hospitals, the case brought by the City of Baltimore, and a settlement with the State of Alabama. This expense was partially offset by a benefit of $105 million related to prepayments at a prenegotiated discount of certain future payments totaling $344 million.

Because loss contingencies are inherently unpredictable and unfavorable developments or resolutions can occur, the assessment is highly subjective and requires judgments about future events. We regularly review these opioid litigation matters to determine whether our accrual is adequate. The amount of ultimate loss may differ materially from this accrual, whether as a result of settlement discussions, a judicial decision or verdict or otherwise, but we are not able to estimate a range of reasonably possible additional losses for these matters. We continue to strongly dispute the allegations made in these lawsuits and none of these agreements described below is an admission of liability or wrongdoing. Please see below for additional description of these matters.

States & Political Subdivisions

In February 2022, we along with two other national distributors (collectively, the "Distributors") independently approved a settlement and settlement agreement (the "National entered into the National Opioid Settlement Agreement") Agreement to settle the vast majority of opioid lawsuits and claims brought by states and political subdivisions. This National Opioid Settlement Agreement became effective on April 2, 2022. In addition to the Distributors, parties to the National Opioid Settlement Agreement include 48 states, the District of Columbia and 5 U.S. territories. Over 99 percent of political subdivisions in settling states (by population as calculated under the National Opioid Settlement Agreement) that had brought opioid-related suits against us have chosen to join the National Opioid Settlement Agreement or have had their claims addressed by state legislation (together with settling states and territories, the "Settling Governmental Entities) Entities").

As In February 2024, we finalized an agreement with the Alabama Attorney General, under which we agreed to pay approximately $123 million to the State of Alabama over a period of ten years to resolve opioid-related claims brought by the State and its political subdivisions (the "Alabama Settlement"). During fiscal 2024, we recognized a $22 million charge in litigation (recoveries)/charge, net in the consolidated statements of earnings/(loss) related to this agreement. Including the National Opioid Settlement Agreement, the Alabama Settlement and a prior settlement with the State of West Virginia, we have now resolved opioid-related claims brought by all 50 states and the District of Columbia.

Under the National Opioid Settlement Agreement, through July 2023, 2024, we have paid the Settling Governmental Entities approximately $1.2 $1.9 billion and will which includes the January 2024 prepayment of certain future payment amounts described below. We expect to pay Settling Governmental Entities additional amounts up to $5.2 $4.4 billion through 2038. The National Opioid Settlement Agreement also includes injunctive relief terms related to distributors' controlled substance anti-diversion programs. A monitor will oversee is overseeing compliance with these provisions until 2027. In addition, the Distributors will engage have engaged a third-party vendor to act as a clearinghouse for data aggregation and reporting, which distributors will fund until 2032. for 10 years. As a result of the National Opioid Settlement Agreement, most the vast majority of lawsuits brought against us by states and other political subdivisions have been dismissed. We continue to engage in resolution discussions with certain nonparticipating political subdivisions, including subdivisions. A trial in the Attorney General for case brought by the State city of Alabama, and we Baltimore, which is the largest remaining nonparticipating subdivision by population, is scheduled to begin in September 2024. We intend to defend ourselves vigorously against all remaining lawsuits.

Other Settlements

West Virginia subdivisions and Native American tribes were not a part of the National Opioid Settlement Agreement and we had separate negotiations with these groups. Agreement. In July 2022, a judgment in favor of the Distributors was entered in bench trial before a federal judge in West Virginia in a case brought by Cabell County and City of Huntington. Huntington Plaintiffs have appealed this decision to the Fourth Circuit Court of Appeals.

In July 2022, the Distributors reached an agreement we entered into separate agreements to settle the opioid-related claims of the majority of the remaining West Virginia subdivisions. Under this agreement, we agreed to pay eligible West Virginia subdivisions up to and Native American Tribes for approximately $124 million over an eleven-year period. This agreement became effective in October 2022 when all participating subdivisions dismissed their cases.

In October 2022, we executed a final settlement agreement with the Native American Tribes, pursuant to which we will pay up to approximately eleven years and $136 million over five years. years, respectively.

Prepayment of Future Payment Years

In connection January 2024, we made payments of approximately $239 million to prepay at a prenegotiated discount of certain future payment amounts totaling approximately $344 million owed under each of the National Opioid Settlement Agreement and the settlement agreements with this settlement, the court entered dismissals for the West Virginia subdivisions, Native American tribes cases. and Cherokee Nation. The majority of the prepayment relates to the seventh annual payment as due under the National Opioid Settlement Agreement. As a result of these prepayments, we recognized income of approximately $105 million in litigation charges/(recoveries), net in our consolidated statements of earnings/(loss) during fiscal 2024.

Private Plaintiffs

The National Opioid Settlement Agreement does not address claims by private parties, which includes unions and other health and welfare funds, hospital systems and other healthcare providers, businesses and individuals alleging personal injury. Private parties had Lawsuits brought approximately 403 lawsuits by private plaintiffs that were pending as of August 8, 2023. August 7, 2024 were approximately 371. Of these, 102 98 are purported class actions. The causes of action asserted by these plaintiffs are similar to those asserted by public plaintiffs. We are engaged in resolution discussions with certain private plaintiffs; however, we are vigorously defending ourselves plaintiffs and have reached agreements in all principle with counsel representing classes of these matters. third-party payors and acute care hospitals and have accrued $213 million in connection with those matters, which represents our anticipated share of those settlements. The agreements in principle remain subject to contingencies. A trial involving eight hospital plaintiffs scheduled to begin in Alabama in July 2024 was stayed pending finalization of the proposed settlement.

A trial in a case involving 21 plaintiffs began in state court in Georgia in January 2023 and concluded in March 2023 with a verdict for the company and other defendants on all claims. In July 2023, the judge denied the plaintiffs' motion for a new trial. A trial involving eight hospital plaintiffs that was scheduled to begin Plaintiffs have filed a notice of appeal and defendants have filed a notice of cross-appeal. We are vigorously defending ourselves in Alabama in July 2023 was stayed and we do not know when it will be rescheduled. all of these matters.

Insurance Litigation

We are involved in ongoing legal proceedings with insurers related to their obligations to reimburse us for defense and indemnity costs in connection with the lawsuits described above. During fiscal year 2023, 2024, we received approximately $10 $34 million in insurance recoveries related to these matters, however, we matters. We have not recorded a receivable for any additional recoveries related to these insurance litigation matters as of June 30, 2023 June 30, 2024.

Department of Justice Civil Investigative Demand

In November 2023, we received a Civil Investigative Demand ("CID") from the Department of Justice focused on potential violations of the Anti-Kickback Statute and False Claims Act in connection with a 2022 transaction in which we purchased a minority ownership interest in a rheumatology managed services organization and a group purchasing organization. We are cooperating with this investigation.

Cordis IVC Filter Matters

Product Liability Lawsuits

We have been named as a defendant in approximately 450 product liability lawsuits coordinated in Alameda County Superior Court in California involving claims by approximately 5,000 plaintiffs that allege personal injuries associated with the use of IVC inferior vena cava ("IVC") filter products. These lawsuits sought a variety of remedies, including unspecified monetary damages. The divestiture of the Cordis business did not include product liability related to the IVC filters in the U.S. and Canada, which we retained.

In April 2023, we executed a settlement agreement that, if certain conditions are satisfied, will resolve approximately 4,376 4,375 claims for $275 million. This settlement agreement is subject to certain conditions, including certain opt-in thresholds. Between May and September 2023, we will make made settlement payments totaling $275 million into a qualified settlement fund, which will be disbursed to the plaintiffs if required conditions are satisfied. Since July 2021, while we have also entered into other agreements to settle approximately 2,881 product liability claims. While these settlements will resolve the vast majority of IVC filter IVC-related product liability claims, they these settlements will not resolve all of them, and we intend to continue to vigorously defend ourselves in the remaining lawsuits.

Additionally, in August 2021, the Attorney General for the State of New Mexico filed an action against certain IVC filter manufacturers, including us, alleging claims under New Mexico's Unfair Practices Act, Medicaid Fraud Act and Fraud Against Taxpayers Act. The allegations made are similar to those made in the product liability lawsuits. We intend to vigorously defend ourselves against these claims.

We recognized income of $103 million during fiscal 2023, primarily related to a reduction of the reserve for the estimated settlement and defense costs for these matters due to the execution of the settlements noted above. At June 30, 2023 June 30, 2024, we had a total of $385 $291 million accrued for losses and legal defense costs, related to the IVC filter product liability lawsuits in our consolidated balance sheets.

Shareholder Securities Litigation

In August 2019, the Louisiana Sheriffs' Pension & Relief Fund filed a purported class action complaint against Cardinal Health and certain current and former officers and employees in the United States District Court for the Southern District of Ohio purportedly on behalf of all purchasers of our common shares between March 2015 and May 2018. In June 2020, the court appointed 1199 SEIU Health Care Employees Pension Fund as lead plaintiff and a consolidated amended complaint was filed in September 2020. The amended complaint alleges that the defendants violated Sections 10(b) and 20(a) of the Securities and Exchange Act of 1934 by making misrepresentations and omissions related to the acquisition integration of the Cordis business and inventory and supply chain problems within the Cordis business, and seeks to recover unspecified damages and equitable relief for the alleged misstatements and omissions. The complaint also alleges that one of the individual defendants violated Section 20A of the Exchange Act because he sold shares of Cardinal Health stock during the time period. In February 2023, we reached an agreement in principle with the plaintiffs to settle this matter for $109 million, subject to final approval by the court. The court granted its preliminary approval in April 2023 and will conduct a final hearing in September 2023. If the settlement is approved, our insurance carriers will pay $109 million to the plaintiffs. In fiscal year 2023, we have received approximately $9 million in insurance recoveries for costs incurred in connection with this matter.

Other Civil Litigation

Generic Pharmaceutical Pricing Antitrust Litigation

In December 2019, pharmaceutical distributors including us were added as defendants in a civil class action lawsuit filed by indirect purchasers of generic drugs, such as hospitals and retail pharmacies. The indirect purchaser case is part of a multidistrict litigation consisting of multiple individual class action matters consolidated in the Eastern District of Pennsylvania. The indirect purchaser plaintiffs allege that pharmaceutical distributors encouraged manufacturers to increase prices, provided anti-competitive pricing information to manufacturers and improperly engaged in customer allocation. In May 2020, the court granted our motion to dismiss. In July 2022, the indirect purchasers filed an amended complaint and in August 2022, we filed a motion to dismiss the intended amended complaint. We are vigorously defending ourselves in this matter. matter, which remains pending as of June 30, 2024.

Antitrust Litigation Proceeds

We received and recognized income resulting from settlements of for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff of $130 million $117 million, $18 130 million and $112 million $18 million during fiscal 2024, 2023 2022 and 2021, 2022, respectively.

Shareholder Derivative Litigation

Between June 2019 and January 2020, three purported shareholders filed actions on behalf of Cardinal Health, Inc. in the U.S. District Court for the Southern District of Ohio against certain current and former members of our Board of Directors alleging that the defendants breached their fiduciary duties by failing to effectively monitor Cardinal Health's distribution of controlled substances and approving certain payments of executive compensation. In January 2020, the court consolidated these derivative cases under the caption In re Cardinal Health, Inc. Derivative Litigation and in March 2020, plaintiffs filed an amended complaint.

In October 2022, the court entered an order approving the settlement agreement reached between the parties and dismissing the case. The settlement does not include any admission of liability. Under this settlement, in December 2022, Cardinal Health's director and officer liability insurance carriers, on behalf of the defendants, paid Cardinal Health $124 million, less approximately $31 million in attorneys' fees and expenses awarded by the court to plaintiffs' counsel. Cardinal Health received net cash proceeds resulting from this settlement of $93 million, which was recognized in litigation (recoveries)/charges, net, during the fiscal year 2023.

8. 9. Income Taxes

Earnings/(Loss) before Income Taxes and Provision for/(Benefit From) Income Taxes

The following table summarizes earnings/(loss) before income taxes:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
U.S. operations	U.S. operations	$291	$(1,000)	$ (47)				
Non-U.S. operations	Non-U.S. operations	347	231	370				
Earnings/(loss) before income taxes	**Earnings/(loss) before income taxes**	$638	$ (769)	$323				

The following table summarizes the components of provision for/(benefit from) income taxes:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Current:	**Current:**							
Federal	Federal	$254	$ 34	$(989)				
State and local	State and local	69	29	92				

Non-U.S.	Non-U.S.	**84**	93	112
Total current	Total current	**$407**	$156	$(785)
Deferred:	**Deferred:**			
Deferred:				
Deferred:				
Federal				
Federal				
Federal	Federal	**$ (8)**	$ 30	$ 539
State and local	State and local	**13**	(22)	(28)
Non-U.S.	Non-U.S.	**(36)**	(1)	(15)
Total deferred	Total deferred	**$ (31)**	$ 7	$ 496
Provision for/(benefit from) income taxes	**Provision for/(benefit from) income taxes**	**$376**	$163	$(289)

Tax Effects of Goodwill Impairment Charges

During fiscal 2024, 2023 and 2022, we recognized cumulative pre-tax goodwill impairment charges of $675 million, $1.2 billion and $2.1 billion, respectively, related to the Medical Unit. GMPD. The net tax benefits related to these charges were $82 $58 million, $92 million and $150 $140 million during fiscal 2024, 2023 and 2022, respectively.

Tax Effects of Self-Insurance Pre-Tax Loss

During fiscal 2021, 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 applied to adjust our taxable income for fiscal 2015, 2016, 2017 and 2018 as permitted under the Coronavirus Aid, Relief and Economic Security ("CARES") Act enacted by the United States Congress in March 2020.

Accordingly, our provision for income taxes during fiscal 2021 included a $424 million benefit from the net operating loss carryback primarily to reflect the difference between the federal statutory income tax rate during the fiscal years from 2015 to 2018 (35 percent for fiscal 2015, 2016 and 2017 and 28 percent for fiscal 2018) and the current federal statutory income tax rate of 21 percent.

In fiscal 2021, we filed for a refund of $974 million and in April 2022, we received a payment for $966 million, which was net of certain adjustments. We also increased our non-current deferred tax liability by approximately $700 million during fiscal 2021 related to this matter.

We have made reasonable estimates and recorded amounts based on management's judgment and our current understanding of tax law; however, it is possible that the tax authorities could challenge these tax benefits. The actual amount of the tax benefit may differ materially from these estimates.

Tax Effects of Opioid Litigation Charges

In connection with the $1.17 billion pre-tax charge for the opioid litigation recorded during fiscal 2021, the net tax benefit was approximately $228 million. Our tax benefits are estimates, which reflect our current assessment of the estimated future deductibility of the amount that may be paid under the accrual taken in connection with the opioid litigation and are net of unrecognized tax benefits of $219 million.

We have made reasonable estimates and recorded amounts based on management's judgment and our current understanding of the U.S. Tax Cuts and Jobs Act ("Tax Act"); however, these estimates require significant judgment since the U.S. tax law governing deductibility was changed by the Tax Act. Further, it is possible Congress or the tax authorities could challenge our interpretation of the Tax Act or the estimates and assumptions used to assess the future deductibility of these benefits. The actual amount of the tax benefit may differ materially from these estimates.

Effective Tax Rate

The following table presents a reconciliation of the provision based on the federal statutory income tax rate to our effective income tax rate:

		2023	2022	2021		**2024**	2023	2022
Provision at Federal statutory rate	Provision at Federal statutory rate	**21.0 %**	21.0 %	21.0 %	Provision at Federal statutory rate	**21.0 %**	21.0 %	21.0 %

State and local income taxes, net of federal benefit	State and local income taxes, net of federal benefit	**6.6**	2.2	3.2						
Tax effect of foreign operations	Tax effect of foreign operations	**(4.2)**	3.5	0.7						
Nondeductible/nontaxable items	Nondeductible/nontaxable items	**(1.1)**	1.2	1.6						
Impact of Divestitures	Impact of Divestitures	**—**	(4.9)	7.0						
Withholding Taxes	Withholding Taxes	**1.0**	(1.1)	9.0						
Change in Valuation Allowances	Change in Valuation Allowances	**(5.3)**	3.5	(1.4)						
US Taxes on International Income (2)	US Taxes on International Income (2)	**(0.7)**	3.2	(6.7)						
Impact of Resolutions with IRS and other related matters	Impact of Resolutions with IRS and other related matters	**5.8**	(0.6)	(13.6)						
Impact of Resolutions with IRS and other related matters										
Impact of Resolutions with IRS and other related matters										
Opioid litigation	Opioid litigation	**0.1**	(0.5)	17.7						
Opioid litigation										
Opioid litigation										
Goodwill Impairment	Goodwill Impairment	**36.9**	(49.5)	—						
Loss Carryback Claims		**—**	—	(129.9)						
Other										
Other										
Other	Other	**(1.2)**	**0.8**	**1.7**						
Effective income tax rate	**Effective income tax rate**	**58.9 %**	**(21.2)%**	**(89.7)%**	**Effective income tax rate**	**28.9 %**	**50.0 %**	**(19.5)%**		

(1) This table reflects fiscal 2024 and 2023 pretax income with tax expense, fiscal 2022 pretax loss with tax expense and fiscal 2021 pretax income with tax benefit. expense.

(2) Includes the tax impact of Global Intangible Low-Taxed Income ("GILTI") tax, the Foreign-Derived Intangible Income deduction and other foreign income that is taxable under the U.S. tax code.

The income tax rate was 58.9% 28.9%, 50.0% and (21.2) (19.5)% in fiscal 2024, 2023 and fiscal 2022, compared to an income tax benefit rate of (89.7)% in fiscal 2021. respectively. Fluctuations in the effective tax rates are primarily due to the impact of goodwill impairment in each of these fiscal 2023 and 2022, impact of opioid litigation in fiscal 2021, as well as the impact of the carryback claim filed in accordance with the CARES Act provision in fiscal year 2021. years. Additionally, laws governing insurance coverage vary by state and some state courts have interpreted laws and insurance policies in ways that may impact our self-insurance loss, which could negatively impact our financial position.

Our effective tax rate has benefits from negotiated lower than statutory tax rates in select foreign jurisdictions which individually are not material to our effective tax rate but in aggregate had a favorable tax impact of approximately $27 million $23 million during fiscal 2023. 2024.

As of June 30, 2023 June 30, 2024, foreign earnings of approximately $976 million $1.0 billion are considered indefinitely reinvested for working capital and other offshore investment needs. The computation of tax required if those earnings are repatriated is not practicable. For amounts not considered indefinitely reinvested, we have recorded an immaterial amount of income tax expense in our consolidated financial statements in fiscal 2023. 2024.

Deferred Income Taxes

Deferred income taxes arise from temporary differences between financial reporting and tax reporting bases of assets and liabilities and operating loss and tax credit carryforwards for tax purposes.

Notes to Financial Statements

The following table presents the components of the deferred income tax assets and liabilities at June 30:

(in millions)	(in millions)	2023	2022	(in millions)	2024	2023
Deferred income tax assets:	**Deferred income tax assets:**					
Receivable basis difference	Receivable basis difference					
Receivable basis difference	Receivable basis difference	**$ 44**	$ 41			
Accrued liabilities	Accrued liabilities	**704**	675			
Share-based compensation	Share-based compensation	**29**	34			
Loss and tax credit carryforwards	Loss and tax credit carryforwards	**671**	778			
Deferred tax assets related to uncertain tax positions	Deferred tax assets related to uncertain tax positions	**39**	33			
Other	Other	**53**	23			
Total deferred income tax assets	Total deferred income tax assets	**1,540**	1,584			

Valuation allowance for deferred income tax assets	Valuation allowance for deferred income tax assets	**(421)**	(468)
Net deferred income tax assets	**Net deferred income tax assets**	**$ 1,119**	$ 1,116
Deferred income tax liabilities:	**Deferred income tax liabilities:**		
Deferred income tax liabilities:			
Deferred income tax liabilities:			
Inventory basis differences			
Inventory basis differences			
Inventory basis differences	Inventory basis differences	**$(1,229)**	$(1,164)
Property-related	Property-related	**(336)**	(288)
Goodwill and other intangibles	Goodwill and other intangibles	**(624)**	(683)
Self-Insurance	Self-Insurance	**(975)**	(975)
Total deferred income tax liabilities	**Total deferred income tax liabilities**	**$(3,164)**	$(3,110)
Total deferred income tax liabilities			
Total deferred income tax liabilities			
Net deferred income tax liability	**Net deferred income tax liability**	**$(2,045)**	$(1,994)

Deferred income tax assets and liabilities in the preceding table, after netting by taxing jurisdiction and for uncertain tax positions, are in the following captions in the consolidated balance sheets at June 30:

(in millions)		**2023**	2022	(in millions)	**2024**	2023
Noncurrent deferred income tax asset (1)	Noncurrent deferred income tax asset (1)	**$ 53**	$ 36			
Noncurrent deferred income tax liability (2)	Noncurrent deferred income tax liability (2)	**(2,096)**	(2,030)			
Noncurrent deferred income tax liability transferred to held for sale	Noncurrent deferred income tax liability transferred to held for sale	**(2)**	—			
Net deferred income tax liability	**Net deferred income tax liability**	**$(2,045)**	$(1,994)			

(1) Included in other assets in the consolidated balance sheets.

(2) Included in deferred income taxes and other liabilities in the consolidated balance sheets.

At June 30, 2023 June 30, 2024 we had gross federal, state and international loss and credit carryforwards of $505 million $401 million, $3.4 billion $10.7 billion and $2.1 billion $1.1 billion, respectively, the tax effect of which is an aggregate deferred tax asset of $671 million $512 million. Substantially all of these carryforwards are available for at least three years. Approximately $403 million $288 million of the valuation allowance at June 30, 2023 June 30, 2024 applies to certain federal, state and international loss carryforwards that, in our opinion, are more likely than not to expire unutilized. However, to the extent that tax benefits related to these carryforwards are realized in the future, the reduction in the valuation allowance would reduce income tax expense.

Unrecognized Tax Benefits

We had $981 million, $1.0 billion $943 million and $932 million $948 million of unrecognized tax benefits at June 30, 2023 June 30, 2024, 2022 2023 and 2021, 2022, respectively. The June 30, 2023 June 30, 2024, 2022 2023 and 2021 2022 balances include $873 million $882 million, $858 million $878 million and $849 million $866 million, respectively, of unrecognized tax

benefits that, if recognized, would have an impact on the effective tax rate. The remaining unrecognized tax benefits relate to tax positions for which ultimate deductibility is highly certain but for which there is uncertainty as to the timing of such deductibility. Recognition of these tax benefits would not affect our effective tax rate. We include the full amount of unrecognized tax benefits in deferred income taxes and other liabilities in the consolidated balance sheets. The following table presents a reconciliation of the beginning and ending amounts of unrecognized tax benefits:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Balance at beginning of fiscal year	Balance at beginning of fiscal year	$ 943	$932	$998				
Additions for tax positions of the current year	Additions for tax positions of the current year	25	7	121				
Additions for tax positions of prior years	Additions for tax positions of prior years	133	39	223				
Reductions for tax positions of prior years	Reductions for tax positions of prior years	(16)	(19)	(138)				
Settlements with tax authorities	Settlements with tax authorities	(73)	(12)	(271)				
Expiration of the statute of limitations	Expiration of the statute of limitations	(2)	(4)	(1)				
Balance at end of fiscal year	**Balance at end of fiscal year**	$1,010	$943	$932				

It is reasonably possible that there could be a change in the amount of unrecognized tax benefits within the next 12 months due to activities of the U.S. Internal Revenue Service ("IRS") or other taxing authorities, possible settlement of audit issues,

reassessment of existing unrecognized tax benefits or the expiration of statutes of limitations. We estimate that the range of the possible change in unrecognized tax benefits within the next 12 months is between zero and a net decrease of up to $50 million $20 million, exclusive of penalties and interest.

We recognize accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes. At June 30, 2023 June 30, 2024, 2022 2023 and 2021, 2022, we had $65 million, $48 million $65 million and $49 million $48 million, respectively, accrued for the payment of interest and penalties. These balances are gross amounts before any tax benefits and are included in deferred income taxes and other liabilities in the consolidated balance sheets. As a result of our IRS audit settlements and carryback claim, an immaterial amount of interest was recorded in fiscal 2024, 2023 2022 and 2021. 2022.

Other Tax Matters

We file income tax returns in the U.S. federal jurisdiction, various U.S. state and local jurisdictions and various foreign jurisdictions. With few exceptions, we are subject to audit by taxing authorities for fiscal years 2015 through the current fiscal year.

Expiring or unusable loss and credit carryforwards and the required valuation allowances are adjusted quarterly based on available information. This information may support either an increase or a decrease in the required valuation allowance. After applying the valuation allowances, we do not anticipate any limitations on our use of any of the other net deferred income tax assets described above. We operate in a complex multinational tax environment and are subject to tax treaty arrangements and transfer pricing guidelines for intercompany transactions that are subject to interpretation. Uncertainty in a tax position may arise as tax laws are subject to interpretation.

We are a party to a tax matters agreement with CareFusion Corporation ("CareFusion"), a subsidiary of Becton, Dickinson and Company. Under the tax matters agreement, CareFusion is obligated to indemnify us for certain tax exposures and transaction taxes prior to our fiscal 2010 spin-off of CareFusion. The indemnification receivable was $82 million and $75 million at June 30, 2023 and 2022, respectively, and is included in other assets in the consolidated balance sheets.

9.10. Fair Value Measurements

The following tables present the fair values for assets and liabilities (liabilities) measured on a recurring basis at June 30:

	2023					2024				
(in millions)	(in millions)	Level 1	Level 2	Level 3	Total	(in millions)	Level 1	Level 2	Level 3	Total
Assets:	**Assets:**									
Cash equivalents	Cash equivalents	$1,253	$ —	$ —	$1,253					
						Cash equivalents				
						Cash equivalents				
Other investments (1)	Other investments (1)	101	—	—	101					
						Other investments (1)				
						Other investments (1)				
Liabilities:	**Liabilities:**									
						Forward contracts (2)				
						Forward contracts (2)				
Forward contracts (2)	Forward contracts (2)	—	(73)	—	(73)					

	2022					2023				
		2023								2023
(in millions)	(in millions)	Level 1	Level 2	Level 3	Total	(in millions)	Level 1	Level 2	Level 3	Total
Assets:	**Assets:**									
Cash equivalents	Cash equivalents	$2,425	$ —	$ —	$2,425					
Cash equivalents										
Cash equivalents										
Other investments (1)	Other investments (1)	97	—	—	97					
Other investments (1)										
Other investments (1)										
Liabilities:										
Liabilities:										
Liabilities:										
Forward contracts (2)	Forward contracts (2)	—	15	—	15					
Forward contracts (2)										
Forward contracts (2)										

(1) The other investments balance includes investments in mutual funds, which offset fluctuations in deferred compensation liabilities. These mutual funds invest in the equity securities of companies with both large and small market capitalization and high-quality fixed income debt securities. The fair value of these investments is determined using quoted market prices.

(2) The fair value of interest rate swaps, foreign currency contracts and net investment hedges is determined based on the present value of expected future cash flows considering the risks involved, including non-performance risk, and using discount rates appropriate for the respective maturities. Observable Level 2 inputs are used to determine the present value of expected future cash flows. The fair value of these derivative contracts, which are subject to master netting arrangements under certain circumstances, is presented on a gross basis in prepaid expenses and other, other assets, other accrued liabilities and deferred income taxes and other liabilities within the consolidated balance sheets.

Assets Measured on a Nonrecurring Basis

As discussed further in Note 3, on July 10, 2023, we closed the transaction to contribute the Outcomes™ business to TDS, a portfolio company of BlackRock Long Term Private Capital and GTCR, in exchange for a 16 percent equity interest in the combined entity. We accounted for this investment initially at its fair value using Level 3 unobservable inputs under the discounted cash flow method. Accordingly, we recognized a $147 million equity method investment at closing during the first quarter of fiscal 2024, which was recorded in Other Assets in our consolidated balance sheets.

10.11. Financial Instruments

We utilize derivative financial instruments to manage exposure to certain risks related to our ongoing operations. The primary risks managed through the use of derivative instruments include interest rate risk, currency exchange risk and commodity price risk. We do not use derivative instruments for trading or speculative purposes. While the majority of our derivative instruments are designated as hedging instruments, we also enter into derivative instruments that are designed to hedge a risk but are not designated as hedging instruments. These derivative instruments are adjusted to current fair value through earnings at the end of each period. We are exposed to counterparty credit risk on all of our derivative instruments. Accordingly, we have established and maintain strict counterparty credit guidelines and only enter into derivative instruments with major financial institutions that are rated investment grade or better. We do not have significant exposure to any one counterparty and we believe the risk of loss is remote. Additionally, we do not require collateral under these agreements.

Interest Rate Risk Management

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on cash flows and the market value of our borrowings. We utilize a mix of debt maturities along with both on our fixed-rate and variable-rate debt to manage changes in interest rates. In addition, we enter into interest rate swaps to further manage our exposure to interest rate variations related to our borrowings and to lower our overall borrowing costs.

Currency Exchange Risk Management

We conduct business in several major international currencies and are subject to risks associated with changing foreign exchange rates. Our objective is to reduce earnings and cash flow volatility associated with foreign exchange rate changes to allow management to focus its attention on business operations.

Accordingly, we enter into various contracts that change in value as foreign exchange rates change to protect the value of existing foreign currency assets and liabilities, commitments and anticipated foreign currency revenue and expenses.

Commodity Price Risk Management

We are exposed to changes in the price of certain commodities. Our objective is to reduce earnings and cash flow volatility associated with forecasted purchases of these commodities to allow management to focus its attention on business operations. Accordingly, we enter into derivative contracts when possible to manage the price risk associated with certain forecasted purchases.

The following table summarizes the fair value of our assets and liabilities related to derivatives designated as hedging instruments and the respective line items in which they were recorded in the consolidated balance sheets at June 30:

(in millions)	(in millions)	2023	2022	(in millions)	2024	2023
Assets:	**Assets:**					
Cross-currency swap (1)	Cross-currency swap (1)	$ —	$ 25			
Cross-currency swap (2)		23	29			
Foreign currency contracts (2)		5	7			
				Cross-currency swap (1)		
				Cross-currency swap (1)		
				Foreign currency contracts (1)		
				Pay-floating interest rate swaps (1)		
Total assets	**Total assets**	$ 28	$ 61			
				Total assets		
				Total assets		
Liabilities:						
				Liabilities:		
Liabilities:	**Liabilities:**					
Cross-currency swap (3)		$ 4	$ —			
Foreign currency contracts (3)		4	3			
				Cross-currency swap (2)		
Pay-floating interest rate swaps (3)		93	43			

Cross-currency swap (2)		
Cross-currency swap (2)		
Foreign currency contracts (2)		
Pay-floating interest rate swaps (2)		
Pay-floating interest rate swaps (2)		
Pay-floating interest rate swaps (2)		
Total liabilities	**Total liabilities**	**$101** $46
Total liabilities		
Total liabilities		

(1) Included in other assets in the consolidated balance sheets.
(2) Included in prepaid expenses deferred income taxes and other in the consolidated balance sheets.
(3) Included in other accrued liabilities in the consolidated balance sheets.

Fair Value Hedges

We enter into pay-floating interest rate swaps to hedge the changes in the fair value of fixed-rate debt resulting from fluctuations in interest rates. These contracts are designated and qualify as fair value hedges. Accordingly, the gain or loss recorded on the pay-floating interest rate swaps is directly offset by the change in fair value of the underlying debt. Both the derivative instrument and the underlying debt are adjusted to market value at the end of each period with any resulting gain or loss recorded in interest expense, net in the consolidated statements of earnings/(loss). During fiscal 2024, 2023 2022 and 2021 2022 there were no gains or losses recorded to interest expense as changes in the market value of our derivative instruments offset changes in the market value of the underlying debt.

During fiscal 2024, 2023 2022 and 2021, 2022, we entered into pay-floating interest rate swaps with total notional amounts of $300 million $500 million, $600 million $300 million and $200 $600 million, respectively. These swaps have been designated as fair value hedges of our fixed rate debt and are included in deferred income taxes and other liabilities in the consolidated balance sheets.

During fiscal 2021, we unwound certain interest rate swap contracts with the notional amount of $550 million. In connection with the unwind of these contracts, we received cash proceeds of $18 million. The related gain was recognized in interest expense, net in our consolidated statements of earnings/(loss) over the remaining term of the debt agreement, which matured in March 2023.

The following tables summarize the outstanding interest rate swaps designated as fair value hedges at June 30:

	2024			
(in millions)	Notional Amount	Maturity Date		
Pay-floating interest rate swaps	$ 1,600	Jun 2027	-	Feb 2031

	2023			
(in millions)	Notional Amount	Maturity Date		
Pay-floating interest rate swaps	$ 1,100	Jun 2027	-	Sep 2030

	2022			
(in millions)	Notional Amount	Maturity Date		
Pay-floating interest rate swaps	$ 800	Jun 2027	-	May 2029

The following table summarizes the gain/(loss) recognized in earnings for interest rate swaps designated as fair value hedges:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Pay-floating interest rate swaps (1)	Pay-floating interest rate swaps (1)	$(50)	$(44)	$ (8)				
Fixed-rate debt (1)	Fixed-rate debt (1)	50	44	8				

(1) Included in interest expense, net in the consolidated statements of earnings/(loss).

Cash Flow Hedges

We enter into derivative instruments to hedge our exposure to changes in cash flows attributable to interest rate, foreign currency and commodity price fluctuations associated with certain forecasted transactions. These derivative instruments are designated and qualify as cash flow hedges. Accordingly, the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive loss and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings.

During fiscal 2021, we terminated forward interest rate swaps with a total notional amount of $200 million that were entered into in fiscal 2020 because the forecasted transactions were probable of not occurring. As a result, we reclassified an immaterial deferred gain from accumulated other comprehensive loss into interest expense, net in our consolidated statements of earnings/(loss).

Gains Losses currently included within accumulated other comprehensive loss associated with our cash flow hedges to be reclassified into net earnings within the next 12 months are immaterial. $6 million.

We enter into foreign currency contracts to protect the value of anticipated foreign currency revenues and expenses. At June 30, 2023 June 30, 2024 and 2022, 2023, we held contracts to hedge probable, but not firmly committed, revenue and expenses. The principal currencies hedged are the Canadian dollar, Mexican peso, Chinese renminbi, Thai baht Euro, Japanese yen, Philippine peso, Australian dollar, Indian rupee, British pound and Swiss franc. euro.

We enter into commodity contracts to manage the price risk associated with forecasted purchases of certain commodities used in our Medical GMPD segment.

The following tables summarize the outstanding cash flow hedges at June 30:

	2024		
(in millions)	Notional Amount	Maturity Date	
Foreign currency contracts	$ 401	Jul 2024 -	Jun 2025

	2023		
(in millions)	Notional Amount	Maturity Date	
Foreign currency contracts	$ 376	Jul 2023 -	Jun 2024

	2022		
(in millions)	Notional Amount	Maturity Date	
Foreign currency contracts	$ 327	Jul 2022 -	Jun 2023 2024

The following table summarizes the pre-tax gain/(loss) included in OCI for derivative instruments designated as cash flow hedges:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Forward interest rate swaps		$ —	$ —	$ 16				
Commodity contracts		—	—	1				
Foreign currency contracts	Foreign currency contracts	(2)	3	5				
					Foreign currency contracts			
					Foreign currency contracts			

The following table summarizes the pre-tax gain/(loss) reclassified from AOCI into earnings for derivative instruments designated as cash flow hedges:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Foreign currency contracts (1)								
Foreign currency contracts (1) (2)	Foreign currency contracts (1) (2)	$ 9	$ 5	$(12)				
Foreign currency contracts (2) (3)	Foreign currency contracts (2) (3)	2	1	(2)				
Foreign currency contracts (3)		1	—	4				
Forward interest rate swaps (4)	Forward interest rate swaps (4)	2	2	2				
Commodity contracts (3)		—	—	6				

(1) Included in revenue in the consolidated statements of earnings/(loss).

(2) Included in cost of products sold in the consolidated statements of earnings/(loss).

(3) Included in SG&A expenses in the consolidated statements of earnings/(loss).

(4) Included in interest expense, net in the consolidated statements of earnings/(loss).

Net Investment Hedges

We hedge the foreign currency risk associated with certain net investment positions in foreign subsidiaries. To accomplish this, we enter into cross-currency swaps that are designated as hedges of net investments.

During fiscal In June 2024, we terminated the ¥18 billion ($120 million) cross-currency swaps with a maturity date of June 2027 entered into in September 2023, and received net settlements in cash of $6 million, which was recorded in proceeds from net investment hedge terminations in our consolidated statements of cash flows.

In September 2023, we entered into ¥18 billion ($120 million) cross-currency swaps maturing in September 2025 and ¥18 billion ($120 million) cross-currency swaps maturing in June 2027.

In September 2023, we terminated the ¥38 billion ($300 million) cross-currency swaps entered into in January 2023 and received net settlement in cash of $28 million, recorded in proceeds from net investment hedge terminations in our consolidated statements of cash flows.

In January 2023, we entered into ¥19 billion ($150 million) cross-currency swaps maturing in September 2025 and ¥19 billion ($150 million) cross-currency swaps maturing in June 2027. In March 2023, we entered into €100 million ($107 million) cross-currency swaps maturing in March 2025, €100 million ($107 million) cross-currency swaps maturing in March 2026, ¥19 billion ($150 million) cross-currency swaps maturing in September 2025 2026.

In January and ¥19 billion ($150 million) cross-currency swaps maturing in June 2027.

During fiscal March 2023, we terminated the €200 million ($233 million) cross-currency swap entered into in September 2018 and the ¥48 billion ($400 million) cross-currency swaps entered into in March 2022 and the €200 million ($233 million) cross-currency swap entered into in September 2018, respectively, and received net settlements in cash of $19 $10 million and $10 $19 million, respectively. These were recorded in proceeds from net investment hedge terminations in our consolidated statements of cash flows.

During fiscal In March 2022, we entered into a ¥24 billion ($200 million) cross-currency swap maturing in September 2025 and a ¥24 billion ($200 million) cross-currency swap maturing in June 2027.

During fiscal In March 2022, we terminated the ¥64 billion ($600 million) cross-currency swap entered into in August 2019 and received a net settlement in cash of $71 million recorded in proceeds from net investment hedge terminations in our consolidated statements of cash flows.

Cross-currency swaps designated as net investment hedges are marked-to-market using the current spot exchange rate as of the end of the period, with gains and losses included in the foreign currency translation component of accumulated other comprehensive loss until the sale or substantial liquidation of the underlying net investments. To the extent the cross-currency swaps designated as net investment hedges are not highly effective, changes in carrying value attributable to the change in spot rates are recorded in earnings.

Pre-tax gains and losses from net investment hedges recorded in the foreign currency translation component of accumulated other comprehensive loss were a $26 million gain and a $6 million loss and a $86 million gain during fiscal 2023 2024 and 2022, 2023, respectively. Gains recognized in interest expense, net in the consolidated statements of earnings/(loss) for the portion of the net investment hedges excluded from the assessment of hedge effectiveness were $16 million $14 million and $21 16 million during fiscal 2023 2024 and 2022, 2023, respectively.

Economic (Non-Designated) Hedges

We enter into foreign currency contracts to manage our foreign exchange exposure related to sales transactions, intercompany financing transactions and other balance sheet items subject to revaluation that do not meet the requirements for hedge accounting treatment. Accordingly, these derivative instruments are adjusted to current market value at the end of each period through earnings. The gain or loss recorded on these instruments is substantially offset by the remeasurement adjustment on the foreign currency denominated asset or liability. The settlement of the derivative instrument and the remeasurement adjustment on the foreign currency denominated asset or liability are both recorded in other (income)/expense, net. net in the consolidated statements of earnings/(loss). The principal currencies managed through foreign currency contracts are the Euro, euro, Chinese renminbi, Canadian dollar, Indian rupee and Philippine peso. British pound.

The following tables summarize the outstanding economic (non-designated) derivative instruments at June 30:

	2024	
(in millions)	**Notional Amount**	**Maturity Date**
Foreign currency contracts	**$ 178**	**Jul 2024**

	2023	
(in millions)	Notional Amount	Maturity Date
Foreign currency contracts	$ 137	**July 2023**

	2022	
(in millions)	Notional Amount	Maturity Date
Foreign currency contracts	$ 265	Jul 2022 2023

The following table summarizes the gain/(loss) recognized in earnings for economic (non-designated) derivative instruments:

(in millions)	(in millions)	**2023**	2022	2021	(in millions)	**2024**	2023	2022
Foreign currency contracts (1)		**$ (7)**	$ —	$ (8)				
Foreign currency contracts								

(1) Included in other income, net in the consolidated statements of earnings/(loss).

Fair Value of Financial Instruments

The carrying amounts of cash and equivalents, trade receivables, net, accounts payable and other accrued liabilities at June 30, 2023 June 30, 2024 and 2022 2023 approximate fair value due to their short-term maturities.

The following table summarizes the estimated fair value of our long-term obligations and other short-term borrowings compared to the respective carrying amounts at June 30:

(in millions)	(in millions)	**2023**	2022	(in millions)	**2024**	2023
Estimated fair value	Estimated fair value	**$4,417**	$5,049			
Carrying amount	Carrying amount	**4,701**	5,315			

The fair value of our long-term obligations and other short-term borrowings is estimated based on either the quoted market prices for the same or similar issues or other inputs derived from available market information, which represents a Level 2 measurement.

The following table is a summary of the fair value gain/(loss) of our derivative instruments based upon the estimated amount that we would receive (or pay), considering counter-party credit risk, to terminate the contracts at June 30:

	2023	2022			
2024				**2024**	2023

(in millions)	(in millions)	Notional Amount	Fair Value Gain/(Loss)	Notional Amount	Fair Value Gain/(Loss)	(in millions)	Notional Amount	Fair Value Gain/(Loss)	Notional Amount	Fair Value Gain/(Loss)
Pay-floating interest rate swaps	Pay-floating interest rate swaps	$ 1,100	$ (93)	$ 800	$ (43)					
Foreign currency contracts	Foreign currency contracts	513	1	592	4					
Cross-currency swap	Cross-currency swap	514	19	633	54					
						Cross-currency swap				
						Cross-currency swap				

11.

Notes to Financial Statements

12. Shareholders' Equity/(Deficit)

At June 30, 2023 June 30, 2024 and 2022, 2023, authorized capital shares consisted of the following: 750 million Class A common shares, without par value; 5 million Class B common shares, without par value; and 500 thousand non-voting preferred shares, without par value. The Class A common shares and Class B common shares are collectively referred to below as “common shares”. shares.” Holders of common shares are entitled to share equally in any dividends declared by the Board of Directors and to participate equally in all distributions of assets upon liquidation. Generally, the holders of Class A common shares are entitled to one vote per share, and the holders of Class B common shares are entitled to one-fifth of one vote per share on proposals presented to shareholders for vote. Under certain circumstances, the holders of Class B common shares are entitled to vote as a separate class. Only Class A common shares were outstanding at June 30, 2023 June 30, 2024 and 2022. 2023.

We repurchased $3.1 billion $3.8 billion of our common shares, in the aggregate, through share repurchase programs during fiscal 2023 2024, 2022 2023 and 2021, 2022, as described below. We funded the repurchases with available cash and short-term borrowings. cash. The common shares repurchased are held in treasury to be used for general corporate purposes.

During fiscal 2024, we repurchased 9.0 million common shares having an aggregate cost of $759 million. We repurchased 0.9 million, 5.7 million and 2.4 million common shares under multiple accelerated share repurchase ("ASR") programs with average prices paid per common share of $91.15, $88.22 and $103.67, respectively. These repurchases began on August 16, 2023 and concluded on December 13, 2023.

During fiscal 2023, we repurchased 24.6 million common shares having an aggregate cost of $1.9 billion $2.0 billion. We repurchased 13.6 million, 3.2 million, 13.6 million, 3.2 million, 3.2 million and 4.6 million common shares under multiple accelerated share repurchase ("ASR") ASR programs with average prices paid per common share of $73.36, $77.50, $77.27 and $87.18, respectively. These repurchases began on September 14, 2022 and we expect During fiscal 2021, we repurchased 3.7 million common shares having an

the most recent program to conclude in August 2023. concluded on August 16, 2023.

During fiscal 2022, we repurchased 19.5 million common shares having an aggregate cost of $1.0 billion. We repurchased 9.8 million, 6.1 million and 3.6 million 3.6 million common shares under multiple ASR programs with average prices paid per common share of $51.10, $49.39 and $56.02, respectively. These repurchases began on August 18, 2021 and concluded on April 18, 2022.

aggregate cost of $200 million. The average price paid per common share was $54.40. These repurchases were made under an ASR program, which began on February 9, 2021 and was completed on March 31, 2021.

Accumulated Other Comprehensive Loss

The following table summarizes the changes in the balance of accumulated other comprehensive loss by component and in total:

(in millions)	(in millions)	Foreign Currency Translation Adjustments and Other	Unrealized Gain/(Loss) on Derivatives, net of tax	**Accumulated Other Comprehensive Loss**	(in millions)	Foreign Currency Translation Adjustments and Other	Unrealized Gain/(Loss) on Derivatives, net of tax	**Accumulated Other Comprehensive Loss**
Balance at June 30, 2021		$ (46)	$ 12	**$ (34)**				
Other comprehensive loss, before reclassifications		(56)	(16)	**(72)**				
Amounts reclassified to earnings		—	(8)	**(8)**				
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax expense of $24 million		(56)	(24)	**(80)**				
Balance at June 30, 2022	Balance at June 30, 2022	(102)	(12)	**(114)**				
Other comprehensive loss, before reclassifications	Other comprehensive loss, before reclassifications	(35)	12	**(23)**				
Amounts	Amounts							

reclassified to earnings	reclassified to earnings	—	(14)	**(14)**
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax benefit of $2 million	Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax benefit of $2 million	(35)	(2)	**(37)**
Balance at June 30, 2023	**Balance at June 30, 2023**	**$ (137)**	**$ (14)**	**$ (151)**
Other comprehensive loss, before reclassifications				
Amounts reclassified to earnings				
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax expense of $5 million				
Balance at June 30, 2024				

12.13. Earnings/(Loss) Per Share Attributable to Cardinal Health, Inc.

The following table reconciles the computation of basic and diluted earnings per share attributable to Cardinal Health, Inc.:

(in millions, except per share amounts)	(in millions, except per share amounts)	**2023**	2022	2021	(in millions, except per share amounts)	**2024**	2023	2022
Net earnings/(loss)	Net earnings/(loss)	**$ 262**	$ (932)	$ 612				
Net earnings attributable to noncontrolling interest	Net earnings attributable to noncontrolling interest	**(1)**	(1)	(1)				
Net earnings/(loss) attributable to Cardinal Health, Inc.	**Net earnings/(loss) attributable to Cardinal Health, Inc.**	**$ 261**	$ (933)	$ 611				
Net earnings/(loss) attributable to Cardinal Health, Inc.								
Net earnings/(loss) attributable to Cardinal Health, Inc.								
Weighted-average common shares–basic	Weighted-average common shares–basic	**261**	279	292				
Effect of dilutive securities:	**Effect of dilutive securities:**							

Employee stock options, restricted share units and performance share units	Employee stock options, restricted share units and performance share units			
Employee stock options, restricted share units and performance share units	Employee stock options, restricted share units and performance share units			
Employee stock options, restricted share units and performance share units	Employee stock options, restricted share units and performance share units	**1**	—	2
Weighted-average common shares–diluted	**Weighted-average common shares–diluted**	**262**	279	294
Basic earnings/(loss) per common share attributable to Cardinal Health, Inc.:	**Basic earnings/(loss) per common share attributable to Cardinal Health, Inc.:**	**$1.00**	$(3.35)	$2.09
Diluted earnings/(loss) per common share attributable to Cardinal Health, Inc.:	**Diluted earnings/(loss) per common share attributable to Cardinal Health, Inc.:**	**1.00**	(3.35)	2.08
Diluted earnings/(loss) per common share attributable to Cardinal Health, Inc.:				
Diluted earnings/(loss) per common share attributable to Cardinal Health, Inc.:				

The potentially dilutive employee stock options, restricted share units and performance share units that were anti-dilutive for fiscal 2023 2024, 2023 and 2022 were 1 million, 2 million and 2021 were 2 million, 5 million and 3 million, respectively. During fiscal 2022, there were 1 million potentially dilutive employee stock options, restricted share units and performance share units, not included in the computation of diluted loss per common share attributable to Cardinal Health, Inc. because their effect would be anti-dilutive as a result of the net loss for the fiscal year.

14. Segment Information

Our operations are principally managed on a productsEffective January 1, 2024, we operated under an updated organizational structure and services basis and are comprised of re-aligned our reporting structure under two operating segments, which are the same as our reportable segments: Pharmaceutical and Medical. Specialty Solutions segment and GMPD segment. All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics. The factors for determining the reportable segments include the manner in which management evaluates performance for purposes of allocating resources and assessing performance combined with the nature of the individual business activities.

Revenue Our previously reported segment results have been recast to conform to this re-aligned reporting structure and reflect changes in the elimination of inter-segment revenue and allocated corporate technology and shared function expenses, which are driven by the reporting structure change.

Our Pharmaceutical and Specialty Solutions segment distributes branded and generic pharmaceutical, specialty pharmaceutical and over-the-counter healthcare and consumer products in the United States. This segment also provides services to pharmaceutical manufacturers and healthcare providers for specialty pharmaceutical products; provides pharmacy management services to hospitals and operates a limited number of pharmacies, including pharmacies in community health centers; operates nuclear pharmacies and radiopharmaceutical manufacturing facilities; and repackages generic pharmaceuticals and over-the-counter healthcare products.

Our Medical GMPD segment manufactures, sources and distributes Cardinal Health branded brand medical, surgical and laboratory products, which are sold in the United States, Canada, Europe, Asia and other markets. In addition to distributing Cardinal Health branded brand products, this segment also distributes a broad range of medical, surgical and laboratory products known as national brand products and provides supply chain services and solutions to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers in the United States and Canada. This segment also distributes

The remaining three non-reportable operating segments included in Other are Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics. These operating segments respectively operate nuclear pharmacies and radiopharmaceutical manufacturing facilities, distribute medical products to patients' homes in the United States through and provide supply chain services and solutions to our Cardinal Health at-Home Solutions division. customers.

Revenue

The following table presents revenue for each the two reportable segment segments and the remaining operating segments, included in Other, and Corporate:

(in millions)	(in millions)	**2023**	2022	2021	(in millions)	**2024**	2023	2022
Pharmaceutical		**$190,009**	$165,491	$145,796				
Medical		**15,014**	15,887	16,687				
Pharmaceutical and Specialty Solutions								
Global Medical Products and Distribution								
Other								
Total segment revenue	Total segment revenue	**205,023**	181,378	162,483				
Corporate (1)	Corporate (1)	**(11)**	(14)	(16)				
Total revenue	**Total revenue**	**$205,012**	$181,364	$162,467				

(1) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

The following table presents revenue for each the two reportable segment segments and disaggregated revenue within our two reportable the remaining operating segments, included in Other, and Corporate:

(in millions)	**2023**	2022	2021
Pharmaceutical and Specialty Pharmaceutical Distribution and Services (1)	**$ 188,812**	$ 164,580	$ 144,988
Nuclear and Precision Health Solutions (2)	**1,197**	911	808
Pharmaceutical segment revenue	**190,009**	165,491	145,796
Medical Products and Distribution (3)	**12,374**	13,462	14,485

Cardinal Health at-Home Solutions	**2,640**	2,425	2,202
Medical segment revenue	**15,014**	15,887	16,687
Total segment revenue	**205,023**	181,378	162,483
Corporate (4)	**(11)**	(14)	(16)
Total revenue	**$ 205,012**	$ 181,364	$ 162,467

Notes to Financial Statements

(1) Comprised of all Pharmaceutical segment businesses except for Nuclear and Precision Health Solutions division.

(2) Increase from prior year relates to new product launches and changes in revenue presentation from agent to principal for certain customer contracts.

(3) Comprised of all Medical segment businesses except for Cardinal Health at-Home Solutions division.

(4) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

The following table presents revenue by geographic area:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
United States		**$200,384**	$176,855	$157,756				
International		**4,639**	4,523	4,727				
Pharmaceutical and Specialty Solutions								
Global Medical Products and Distribution								
Nuclear and Precision Health Solutions (2)								
at-Home Solutions								
OptiFreight® Logistics								
Other								
Total segment revenue	Total segment revenue	**205,023**	181,378	162,483				
Corporate (1)	Corporate (1)	**(11)**	(14)	(16)				
Total revenue	**Total revenue**	**$205,012**	$181,364	$162,467				

(1) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

(2) Increase in 2023 relates to new product launches and changes in revenue presentation from agent to principal for certain customer contracts.

The following table presents revenue by geographic area:

(in millions)	2024	2023	2022
United States	**$ 225,231**	$ 203,440	$ 179,471
International	**1,681**	1,617	1,923

Total segment revenue	**226,912**	205,057	181,394
Corporate (1)	**(85)**	(78)	(68)
Total revenue	**$ 226,827**	$ 204,979	$ 181,326

(1) Corporate revenue consists of the elimination of inter-segment revenue and other revenue not allocated to the segments.

Segment Profit

We evaluate segment performance based on segment profit, among other measures. Segment profit is segment revenue, less segment cost of products sold, less segment distribution, selling, general and administrative ("SG&A") expenses. Segment SG&A expenses include share-based compensation expense as well as allocated corporate expenses for technology and shared functions expenses, including corporate management, corporate finance, financial and customer care shared services, human resources, information technology and legal and compliance, including certain litigation defense costs. Corporate expenses are allocated to the operating segments based on headcount, level of benefit provided and other ratable allocation methodologies. The results attributable to noncontrolling interests are recorded within segment profit.

We do not allocate the following items to our segments:

- last-in first-out, or ("LIFO"), inventory charges/(credits);
- surgical gown recall costs/(income);
- shareholder cooperation agreement costs;
- state opioid assessment related to prior fiscal years; in connection with the New York Opioid Stewardship Act as discussed further in
- Note 7; shareholder cooperation agreement costs;
- restructuring and employee severance;
- amortization and other acquisition-related costs;
- impairments and (gain)/loss on disposal of assets, net; in connection with goodwill impairment testing for the Medical Unit GMPD segment as discussed further in Note 45, we recognized cumulative pre-tax goodwill impairment charges of $675 million, $1.2 billion and $2.1 billion during fiscal 2024, 2023 and 2022, respectively;
- litigation (recoveries)/charges, net; in connection with the opioid litigation as discussed further in Note 7, we recognized a pre-tax charge of $1.17 billionduring fiscal 2021;
- other (income)/expense, net;
- interest expense, net;
- loss on early extinguishment of debt;
- (gain)/loss on sale of equity interest in naviHealth; or
- provision for/(benefit from) income taxes

In addition, certain investment spending, certain portions of enterprise-wide incentive compensation and other spending are not allocated to the segments. Investment spending generally includes the first-year spend for certain projects that require incremental investments in the form of additional operating expenses. Because approval for these projects is dependent on executive management, we retain these expenses at Corporate. Investment spending within Corporate was $35 million $59 million, $50 million $35 million and $27 million $50 million for fiscal 2024, 2023 2022 and 2021, 2022, respectively.

The following table presents segment profit by for the two reportable segment segments and the remaining operating segments, included in Other, and Corporate:

(in millions)	(in millions)	**2023**	2022	2021	(in millions)	**2024**	2023	2022
Pharmaceutical		**$1,999**	$1,770	$1,684				
Medical		**111**	216	577				
Pharmaceutical and Specialty Solutions								
Global Medical Products and Distribution								
Other								
Total segment profit	Total segment profit	**2,110**	1,986	2,261				
Corporate	Corporate	**(1,383)**	(2,582)	(1,789)				
Total operating earnings/(loss)	**Total operating earnings/(loss)**	**$ 727**	$ (596)	$ 472				

The following tables present depreciation and amortization and additions to property and equipment by for the two reportable segment segments and the remaining operating segments, included in Other, and Corporate:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Pharmaceutical		$225	$193	$151				
Medical		213	216	226				
Pharmaceutical and Specialty Solutions								
Global Medical Products and Distribution								
Other								
Corporate	Corporate	254	283	406				
Total depreciation and amortization	**Total depreciation and amortization**	**$692**	$692	$783				

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Pharmaceutical		$ 90	$ 79	$ 55				
Medical		209	140	97				
Pharmaceutical and Specialty Solutions								
Global Medical Products and Distribution								
Other								
Corporate	Corporate	182	168	248				
Total additions to property and equipment	**Total additions to property and equipment**	**$481**	$387	$400				

The following table presents total assets for each the two reportable segment segments and the remaining operating segments, included in Other, and Corporate at June 30:

(in millions)	(in millions)	2023	2022	2021
Pharmaceutical		**$ 28,077**	$ 26,409	$ 23,624
Medical (1) (2)		**10,130**	11,632	15,408
(in millions)				
(in millions)				
Pharmaceutical and Specialty Solutions				
Pharmaceutical and Specialty Solutions				
Pharmaceutical and Specialty Solutions				
Global Medical Products and Distribution (1)				
Global Medical Products and Distribution (1)				
Global Medical Products and Distribution (1)				
Other				
Other				
Other				
Corporate				
Corporate				
Corporate	Corporate	**5,210**	5,837	5,421
Total assets	**Total assets**	**$ 43,417**	$ 43,878	$ 44,453
Total assets				
Total assets				

(1) Assets of $1.1 billion related GMPD reflects a $675 million reduction in goodwill due to the Cordis business were included within Medical at June 30, 2021. We sold the Cordis business during fiscal 2022.

(2) Medical reflects $1.2 billion and $2.1 billion cumulative pre-tax goodwill impairment charges recorded in connection with the goodwill impairment testing for the Medical Unit during fiscal 2023 and 2022, respectively. 2024.

The following table presents property and equipment, net by geographic area:

(in millions)	(in millions)	2023	2022	2021
(in millions)				
(in millions)				
United States				
United States				
United States	United States	**$ 2,026**	$ 1,976	$ 1,958
International	International	**436**	385	402
International				
International				
Property and equipment, net	**Property and equipment, net**	**$ 2,462**	$ 2,361	$ 2,360
Property and equipment, net				
Property and equipment, net				

Notes to Financial Statements

15. Share-Based Compensation

We maintain stock incentive plans (collectively, the “Plans”) for the benefit of certain of our officers, directors and employees. At June 30, 2023 June 30, 2024, 21 million 18 million shares remain available for future grants under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan ("2021 LTIP"). Under the 2021 LTIP's fungible share counting provisions, stock options are counted against the plan as one share for every share issued; awards other than stock options are counted against the plan as two and one-half shares for every share issued. This means that only 8 million 7 million shares could be issued under awards other than stock options while 21 million 18 million shares could be issued under stock options. Shares are issued out of treasury shares when stock options are exercised and when restricted share units and performance share units vest. Until the end of fiscal 2018, stock options were granted to our officers and certain employees. There were no stock options granted to employees during fiscal 2024, 2023 2022 or 2021. 2022.

During fiscal 2024, we modified the equity incentive awards of four employees to amend provisions over involuntary termination. We recognized incremental share-based compensation expense of $9 million.

The following table provides total share-based compensation expense by type of award:

(in millions)	(in millions)	**2023**	2022	2021	(in millions)	**2024**	2023	2022
Restricted share unit expense	Restricted share unit expense	**$ 64**	$ 69	$ 73				
Performance share unit expense	Performance share unit expense	**32**	12	16				
Total share-based compensation expense	**Total share-based compensation expense**	**$ 96**	$ 81	$ 89				

The total tax benefit related to share-based compensation was $12 million each $16 million for fiscal 2024 and $12 million for both fiscal 2023 2022 and 2021. 2022.

Restricted Share Units

Restricted share units granted under the Plans generally vest in equal annual installments over three years. Restricted share units

accrue cash dividend equivalents that are payable upon vesting of the awards.

The following table summarizes all transactions related to restricted share units under the Plans:

(in millions, except per share amounts)	(in millions, except per share amounts)	Restricted Share Units	Weighted-Average Grant Date Fair Value per Share	(in millions, except per share amounts)	Restricted Share Units	Weighted-Average Grant Date Fair Value per Share
Nonvested at June 30, 2021		3.0	$ 49.05			
Granted		1.7	51.83			
Vested		(1.5)	49.60			
Canceled and forfeited		(0.5)	50.58			
Nonvested at June 30, 2022	Nonvested at June 30, 2022	2.7	46.03			
Granted	Granted	1.3	70.33			
Vested	Vested	(1.4)	50.11			
Canceled and forfeited	Canceled and forfeited	(0.4)	58.46			
Nonvested at June 30, 2023	**Nonvested at June 30, 2023**	**2.2**	**$ 57.37**			
				Granted		
				Vested		
				Canceled and forfeited		
				Nonvested at June 30, 2024		

The following table provides additional data related to restricted share unit activity:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Total compensation cost, net of estimated forfeitures, related to nonvested restricted share and share unit awards not yet recognized, pre-tax	Total compensation cost, net of estimated forfeitures, related to nonvested restricted share and share unit awards not yet recognized, pre-tax	**$ 73**	$ 73	$ 73				
Weighted-average period in years over which restricted share and share unit cost is	Weighted-average period in years over which restricted share and share unit cost is				Weighted-average period in years over			

expected to be recognized (in years)	expected to be recognized (in years)	**2**	2	2	which restricted share and share unit cost is expected to be recognized (in years)	**2**	2	
Total fair value of shares vested during the year	Total fair value of shares vested during the year	**$58**	$74	$70				

Performance Share Units

Performance share units generally vest over a three-year performance period based on achievement of specific performance goals. Based on the extent to which the targets performance goals are achieved and the Company's TSR relative to the S&P 500 Health Care Index, vested shares may range from zero to 234 240 percent of the target award amount. Performance share units accrue cash dividend equivalents that are payable upon vesting of the awards.

The following table summarizes all transactions related to performance share units under the Plans (based on target award amounts):

(in millions, except per share amounts)	(in millions, except per share amounts)	**Performance Share Units**	**Weighted-Average Grant Date Fair Value per Share**	(in millions, except per share amounts)	**Performance Share Units**	**Weighted-Average Grant Date Fair Value per Share**
Nonvested at June 30, 2021		1.2	$ 54.89			
Granted		0.4	51.91			
Vested		(0.3)	52.36			
Canceled and forfeited		(0.1)	52.66			
Nonvested at June 30, 2022	Nonvested at June 30, 2022	1.2	54.32			
Granted	Granted	0.7	78.07			
Vested	Vested	(0.4)	59.04			
Canceled and forfeited	Canceled and forfeited	(0.3)	65.52			
Nonvested at June 30, 2023	**Nonvested at June 30, 2023**	**1.2**	**$ 82.17**			
				Granted		
				Vested		
				Canceled and forfeited		
				Nonvested at June 30, 2024		

The following table provides additional data related to performance share unit activity:

(in millions)	(in millions)	2023	2022	2021	(in millions)	2024	2023	2022
Total compensation cost, net of estimated forfeitures, related to nonvested performance share units not yet recognized, pre-tax	Total compensation cost, net of estimated forfeitures, related to nonvested performance share units not yet recognized, pre-tax	**$38**	$17	$26				
Weighted-average period over which performance share unit cost is expected to be recognized (in years)	Weighted-average period over which performance share unit cost is expected to be recognized (in years)	**2**	2	2	Weighted-average period over which performance share unit cost is expected to be recognized (in years)	**2**	2	
Total fair value of shares vested during the year	Total fair value of shares vested during the year	**$23**	$14	$ 1				

Employee Retirement Savings Plans

Substantially all of our domestic non-union employees are eligible to be enrolled in our company-sponsored contributory retirement savings plans, which include features under Section 401(k) of the Internal Revenue Code of 1986 and provide for matching and discretionary contributions by us. The total expense for our employee retirement savings plans was $66 million $65 million, $60 million $66 million and $55 million $60 million for fiscal 2024, 2023 2022 and 2021, 2022, respectively.

Notes to Financial Statements

16. Revision of Previously Issued Financial Statements (Unaudited)

The amounts below reflect the unaudited interim periods within fiscal 2024 and include the revisions to previously filed unaudited interim condensed consolidated financial data to correct immaterial prior period errors as discussed in Note 1. We intend to reflect these revisions in our Quarterly Reports to be filed on Form 10-Q in fiscal 2025.

The following tables set forth our revisions to the condensed consolidated statements of earnings/(loss) for each of the first three quarters in fiscal 2024 and fiscal 2023.

	Three Months Ended September 30, 2023			Three Months Ended December 31, 2023			Three Months Ended March 31, 2024		
(in millions, except per common share amounts)	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Revenue	$ 54,763	$ (113)	**$ 54,650**	$ 57,445	$ (3)	**$ 57,442**	$ 54,911	$ (43)	**$ 54,868**
Cost of products sold	52,995	(88)	**52,907**	55,599	(11)	**55,588**	52,964	(31)	**52,933**
Gross margin	1,768	(25)	**1,743**	1,846	8	**1,854**	1,947	(12)	**1,935**
Distribution, selling, general and administrative expenses	1,197	(11)	**1,186**	1,283	(15)	**1,268**	1,282	(13)	**1,269**

Impairments and (gain)/loss on disposal of assets, net	537	4	**541**	1	—	**1**	84	—	**84**
Litigation (recoveries)/charges, net	(41)	—	**(41)**	(11)	—	**(11)**	81	(1)	**80**
Operating earnings/(loss)	(14)	(18)	**(32)**	482	23	**505**	367	2	**369**
Other (income)/expense, net	(2)	3	**1**	(16)	6	**(10)**	(7)	6	**(1)**
Interest expense, net	14	(3)	**11**	8	(5)	**3**	33	(5)	**28**
Earnings/(loss) before income taxes	(26)	(18)	**(44)**	490	22	**512**	341	1	**342**
Provision for/(benefit from) income taxes	(32)	(1)	**(33)**	136	7	**143**	82	(2)	**80**
Net earnings/(loss)	6	(17)	**(11)**	354	15	**369**	259	3	**262**
Net earnings/(loss) attributable to Cardinal Health, Inc.	5	(17)	**(12)**	353	15	**368**	258	3	**261**
Earnings/(loss) per common share attributable to Cardinal Health, Inc.									
Basic	$ 0.02	$ (0.07)	**$ (0.05)**	$ 1.44	$ 0.06	**$ 1.50**	$ 1.06	$ 0.01	**$ 1.07**
Diluted	0.02	(0.07)	**(0.05)**	1.43	0.07	**1.50**	1.05	0.02	**1.07**

Notes to Financial Statements

(in millions, except per common share amounts)	Three Months Ended September 30, 2022			Three Months Ended December 31, 2022			Three Months Ended March 31, 2023		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Revenue	$ 49,603	$ (11)	$ 49,592	$ 51,469	$ (1)	$ 51,468	$ 50,487	$ 11	$ 50,498
Cost of products sold	47,989	7	47,996	49,806	(22)	49,784	48,702	(14)	48,688
Gross margin	1,614	(18)	1,596	1,663	21	1,684	1,785	25	1,810
Distribution, selling, general and administrative expenses	1,197	(2)	1,195	1,191	(12)	1,179	1,179	(7)	1,172
Litigation (recoveries)/charges, net	27	(2)	25	(207)	—	(207)	(76)	—	(76)
Operating earnings/(loss)	137	(14)	123	(119)	33	(86)	572	32	604
Other (income)/expense, net	2	1	3	(7)	1	(6)	—	2	2
Interest expense, net	25	(1)	24	25	(1)	24	28	(2)	26
Earnings/(loss) before income taxes	110	(14)	96	(137)	33	(104)	544	32	576
Provision for/(benefit from) income taxes	(1)	(2)	(3)	(7)	(20)	(27)	197	12	209
Net earnings/(loss)	111	(12)	99	(130)	53	(77)	347	20	367
Net earnings/(loss) attributable to Cardinal Health, Inc.	110	(12)	98	(130)	53	(77)	345	20	365
Earnings/(loss) per common share attributable to Cardinal Health, Inc.									
Basic	$ 0.41	$ (0.05)	$ 0.36	$ (0.50)	$ 0.20	$ (0.30)	$ 1.35	$ 0.08	$ 1.43
Diluted	0.40	(0.04)	0.36	(0.50)	0.20	(0.30)	1.34	0.07	1.41

The following tables set forth our revisions to the condensed consolidated statements of comprehensive income/(loss) for each of the first three quarters in fiscal 2024 and fiscal 2023.

(in millions)	Three Months Ended September 30, 2023			Three Months Ended December 31, 2023			Three Months Ended March 31, 2024		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised

Net earnings/(loss)	$ 6	$ (17)	**$ (11)**	$ 354	$ 15	**$ 369**	$ 259	$ 3	**$ 262**
Total comprehensive income/(loss), net of tax	(8)	(17)	**(25)**	364	15	**379**	254	3	**257**
Total comprehensive income/(loss) attributable to Cardinal Health, Inc.	(9)	(17)	**(26)**	363	15	**378**	253	3	**256**

	Three Months Ended September 30, 2022			Three Months Ended December 31, 2022			Three Months Ended March 31, 2023		
(in millions)	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Net earnings/(loss)	$ 111	$ (12)	$ 99	$ (130)	$ 53	$ (77)	$ 347	$ 20	$ 367
Total comprehensive income/(loss), net of tax	49	(12)	37	(100)	53	(47)	351	20	371
Total comprehensive income/(loss) attributable to Cardinal Health, Inc.	48	(12)	36	(100)	53	(47)	349	20	369

Schedule II **Valuation and Qualifying Accounts**

Cardinal Health, Inc. and Subsidiaries

Schedule II - Valuation and Qualifying Accounts

(in millions)	(in millions)	Balance at Beginning of Period	Charged to Costs and Expenses (1)	Charged to Other Accounts (2)	Deductions (3)	Balance at End of Period	(in millions)	Balance at Beginning of Period	Charged to Costs and Expenses (1)	Charged to Other Accounts (2)	Deductions (3)	Balance at End of Period
Fiscal 2023												
Fiscal 2024												
Accounts receivable	Accounts receivable	**$ 273**	**$ 197**	**$ —**	**$ (171)**	**$ 299**						
Finance notes receivable	Finance notes receivable	**8**	**—**	**—**	**(2)**	**6**						
Sales returns and allowances	Sales returns and allowances	**617**	**2,217**	**—**	**(2,360)**	**474**						
		$										
		$										
		$										
		$ 898	**$ 2,414**	**$ —**	**$ (2,533)**	**$ 779**						
Fiscal 2022												
Fiscal 2023												
Fiscal 2023												
Fiscal 2023												
Accounts receivable	Accounts receivable	$ 243	$ 154	$ 1	$ (125)	$ 273						

Finance notes receivable	Finance notes receivable	12	1	—	(5)	8
Sales returns and allowances	Sales returns and allowances	689	2,359	—	(2,431)	617
		$				
		$				
		$				
		$ 944	$ 2,514	$ 1	$ (2,561)	$ 898
Fiscal 2021						
Fiscal 2022						
Fiscal 2022						
Fiscal 2022						
Accounts receivable						
Accounts receivable						
Accounts receivable	Accounts receivable	$ 207	$ 129	$ 1	$ (94)	$ 243
Finance notes receivable	Finance notes receivable	27	5	—	(20)	12
Sales returns and allowances	Sales returns and allowances	495	2,568	—	(2,374)	689
		$ 729	$ 2,702	$ 1	$ (2,488)	$ 944
		$				
		$				
		$				

(1) Fiscal 2024, 2023 and 2022 accounts receivable operating earnings impacts include $74 million, $109 million and 2021 include $98 million, $87 million and $70 million, respectively, for reserves related to service charges and customer pricing disputes, excluded from provision for bad debts on the consolidated statements of cash flows and classified as a reduction in revenue in the consolidated statements of earnings/(loss).

(2) Recoveries of amounts provided for or written off in prior years was were immaterial in fiscal 2024 and 2023 and $1 million in each fiscal year 2023, 2022 and 2021. 2022.

(3) Write-off of uncollectible accounts or actual sales returns.

Amounts have been revised to reflect the correction of certain immaterial misstatements. Refer to Note 1 of the "Notes to Consolidated Financial Statements" for additional information.

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

Directors, Executive Officers and Corporate Governance

Information About Our Executive Officers

The following is a list of our executive officers:

Name	Age	Position
Jason M. Hollar	50 51	Chief Executive Officer
Aaron E. Alt	51 52	Chief Financial Officer
Deborah L. Weitzman	58 59	Chief Executive Officer, Pharmaceutical and Specialty Solutions segment
Stephen M. Mason	52 53	Chief Executive Officer, Medical GMPD segment
Ola M. Snow	56 57	Chief Human Resources Officer
Jessica L. Mayer	54 55	Chief Legal and Compliance Officer
Michelle D. Greene	53 54	Executive Vice President, Chief Information Officer and Customer Support Services

The business experience summaries provided below for our executive officers describe positions held during the last five years (unless otherwise indicated).

Mr. Hollar has served as Chief Executive Officer since September 2022. From May 2020 through August 2022, Mr. Hollar served as Chief Financial Officer. Prior to that, Mr. Hollar served as the Executive Vice President and Chief Financial Officer of Tenneco Inc. ("Tenneco") from July 2018. From June 2017 to June 2018, Mr. Hollar was Senior Vice President Finance at Tenneco. Prior to that, Mr. Hollar served as Chief Financial Officer of Sears Holding Corporation ("Sears") from October 2016 to April 2017. Sears filed for Chapter 11 bankruptcy in October 2018.

Mr. Alt has served as Chief Financial Officer since February 2023. Prior to that, Mr. Alt served as Executive Vice President and Chief Financial Officer of Sysco Corporation from December 2020. From October 2018 to November 2020, Mr. Alt served as Senior Vice President and Chief Financial Officer of Sally Beauty Holdings, Inc. and President of Sally Beauty Supply. Prior to that, Mr. Alt was Sally Beauty Holdings' Senior Vice President, Chief Financial Officer and Chief Administrative Officer from May 2018 to October 2018.

Ms. Weitzman has served as Chief Executive Officer, Pharmaceutical and Specialty Solutions segment (formerly Pharmaceutical segment) since September 2022. From July 2017 until September 2022, Ms. Weitzman served as the President of our Pharmaceutical Distribution division.

Mr. Mason has served as Chief Executive Officer, GMPD segment (formerly Medical segment segment) since August 2019. From September 2016 through August 2019, Mr. Mason served as President of Cardinal Health at-Home Solutions within our former Medical segment.

Ms. Snow has served as Chief Human Resources Officer since October 2018. From January 2016 through September 2018, Ms. Snow served as our Senior Vice President, Human Resources, Total Rewards, Talent Acquisition and Corporate Business Partner.

Ms. Mayer has served as Chief Legal and Compliance Officer since March 2019. Ms. Mayer served as Executive Vice President, Deputy General Counsel and Secretary from September 2017 through March 2019.

Ms. Greene has served as Executive Vice President, Chief Information Officer and Customer Support Services since August 2022. From February 2021 until August 2022, Ms. Greene served as the Senior Vice President of our former Pharmaceutical segment Information Technology. Prior to joining Cardinal Health, Ms. Greene served as Vice President, Information Technology, at Masco Corporation from March 2018 through February 2021.

Directors and Corporate Governance

We have adopted *Standards of Business Conduct* that apply to all of our directors, officers and employees. The *Standards of Business Conduct* outline our corporate values and standards of integrity and behavior and are designed to protect and promote our reputation. The full text of the *Standards of Business Conduct* is posted on our website at www.cardinalhealth.com under “About Us — Ethics and Compliance.”

Any waiver of the *Standards of Business Conduct* for directors or executive officers must be approved by the Risk Oversight Committee. As required under SEC and New York Stock Exchange rules, we will disclose future amendments to our *Standards of Business Conduct* and waivers from the *Standards of Business Conduct* for our principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions, and our other executive officers and directors on our website within four business days following the date of the amendment or waiver.

Directors, Executive Officers, and Corporate Governance

We have adopted an Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by directors, officers and employees and by the Company. The Insider Trading Policy is designed to promote compliance with insider trading laws, rules, and regulations and any applicable listing standards. A copy of our Insider Trading Policy is filed with this Annual Report on Form 10-K as Exhibit 19.

The other information called for by Item 10 of Form 10-K is incorporated by reference to our Definitive Proxy Statement (which will be filed with the SEC pursuant to Regulation 14A under the Exchange Act) relating to our 2023 2024 Annual Meeting of Shareholders (our “2023 “2024 Proxy Statement”) under the captions “Corporate Governance” and “Share Ownership Information.”

The other information called for by Item 12 of Form 10-K is incorporated by reference to our 2023 2024 Proxy Statement under the caption "Share Ownership Information."

Exhibits

Exhibits, Financial Statement Schedules

(a)(1) The following financial statements are included in the "Financial Statements" section of this report:

(a)(2) The following Supplemental Schedule is included in this report:

All other schedules not listed above have been omitted as not applicable or because the required information is included in the Consolidated Financial Statements or in the Notes thereto.

Exhibit Number	Exhibit Description
2.1.1 1.1	Stock and Asset Purchase Underwriting Agreement, dated April 18, 2017 February 14, 2024, between among Cardinal Health, Inc., BofA Securities, Inc., Goldman Sachs & Co. LLC, MUFG Securities Americas Inc. and Medtronic plc Wells Fargo Securities, LLC (incorporated by reference to Exhibit 2.1 1.1 to Cardinal Health's Current Report on Form 8-K filed on April 18, 2017, File No. 1-11373)
2.1.2	Amendment No. 1, dated as of July 28, 2017, to Stock and Asset Purchase Agreement, dated April 18, 2017, between Cardinal Health, Inc. and Medtronic plc (incorporated by reference to Exhibit 2.2.2 to Cardinal Health's Annual Report on Form 10-K for the year ended June 30, 2017 February 20, 2024, File No. 1-11373)
3.1	Amended and Restated Articles of Incorporation of Cardinal Health, Inc., as amended (incorporated by reference to Exhibit 3.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, File No. 1-11373)
3.2	Cardinal Health, Inc. Restated Code of Regulations (incorporated by reference to Exhibit 3.1 to Cardinal Health's Current Report on Form 8-K filed on May 11, 2023 May 11, 2023, File No. 1-11373)
4.1	Specimen Certificate for Common Shares of Cardinal Health, Inc. (incorporated by reference to Exhibit 4.01 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2001, File No. 1-11373)
4.2.1	Indenture, dated as of June 2, 2008, between Cardinal Health, Inc. and The Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to Cardinal Health's Current Report on Form 8-K filed on June 2, 2008, File No. 1-11373)
4.2.2	Form of 3.200% Notes due 2022 (incorporated by reference to Exhibit 4.2 to Cardinal Health's Current Report on Form 8-K filed on May 21, 2012, File No. 1-11373)
4.2.3	Form of 3.200% Notes due 2023 (incorporated by reference to Exhibit 4.2 to Cardinal Health's Current Report on Form 8-K filed on February 22, 2013, File No. 1-11373)
4.2.4	Form of 4.600% Notes due 2043 (incorporated by reference to Exhibit 4.3 to Cardinal Health's Current Report on Form 8-K filed on February 22, 2013, File No. 1-11373)
4.2.5	Form of 3.500% Notes due 2024 (incorporated by reference to Exhibit 4.2 to Cardinal Health's Current Report on Form 8-K filed on November 19, 2014, File No. 1-11373)
4.2.6	Form of 4.500% Notes due 2044 (incorporated by reference to Exhibit 4.3 to Cardinal Health's Current Report on Form 8-K filed on November 19, 2014, File No. 1-11373)
4.2.7	Form of 3.750% Notes due 2025 (incorporated by reference to Exhibit 4.2 to Cardinal Health's Current Report on Form 8-K filed on June 23, 2015, File No. 1-11373)
4.2.8	Form of 4.900% Notes due 2045 (incorporated by reference to Exhibit 4.3 to Cardinal Health's Current Report on Form 8-K filed on June 23, 2015, File No. 1-11373)
4.2.11	Form of 2.616% notes due 2022 (incorporated by reference to Exhibit 4.2 to Cardinal Health's Current Report on Form 8-K filed on June 12, 2017, File No. 1-11373)
4.2.12	Form of Floating rate notes due 2022 (incorporated by reference to Exhibit 4.3 to Cardinal Health's Current Report on Form 8-K filed on June 12, 2017, File No. 1-11373)
4.2.13	Form of 3.079% notes due 2024 (incorporated by reference to Exhibit 4.4 to Cardinal Health's Current Report on Form 8-K filed on June 12, 2017, File No. 1-11373)
4.2.14	Form of 3.410% notes due 2027 (incorporated by reference to Exhibit 4.5 to Cardinal Health's Current Report on Form 8-K filed on June 12, 2017, File No. 1-11373)

Exhibits

4.2.15	Form of 4.368% notes due 2047 (incorporated by reference to Exhibit 4.6 to Cardinal Health's Current Report on Form 8-K filed on June 12, 2017, File No. 1-11373)

Exhibits

4.2.16	First Supplemental Indenture, dated as of February 20, 2024, between Cardinal Health, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Cardinal Health's Current Report on Form 8-K filed on February 20, 2024, File No. 1-11373)
4.2.17	Form of 5.125% Senior Notes due 2029 (incorporated by reference to Exhibit 4.3 to Cardinal Health's Current Report on Form 8-K filed on February 20, 2024, File No. 1-11373)
4.2.18	Form of 5.450% Senior Notes due 2034 (incorporated by reference to Exhibit 4.4 to Cardinal Health's Current Report on Form 8-K filed on February 20, 2024, File No. 1-11373)
4.3	Agreement to furnish to the Securities and Exchange Commission upon request a copy of instruments defining the rights of holders of certain long-term debt of Cardinal Health, Inc. and consolidated subsidiaries (incorporated by reference to Exhibit 4.07 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, File No. 1-11373)
4.4	Description of Securities (incorporated by reference to Exhibit 4.4 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, File No. 1-11373)
10.1.1	Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on November 9, 2021, File No. 1-11373)*
10.1.2	Form of Restricted Share Units Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.2 10.2.2 to Cardinal Health's Quarterly Report on Form 10-Q filed on February3, 2022February 3, 2022, File No. 1-11373)*
10.1.3	Form of Performance Share Units Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3.210.3.2 to Cardinal Health's Quarterly Report on Form 10-Q filed on February3, 2022February 3, 2022, File No. 1-11373)*
10.1.4	Form of Nonqualified Stock Option Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4.2 to Cardinal Health's Quarterly Report on Form 10-Q filed on February 3, 2022.February 3, 2022, File No. 1-11373)*
10.1.5	Form of Directors' Restricted Share Units Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to Cardinal Health's Current Report on Form 8-K filed on November 9, 2021, File No. 1-11373)
10.1.6	10.1.6First Amendment to the Cardinal Health, Inc. 2021 Long-Term Incentive Plan, effective as of January 29, 2024 (as amended, the "2021 LTIP") (incorporated by reference to Exhibit 10.1.1 to Cardinal Health's Quarterly Report on Form 10-Q filed on May 2, 2024, File No. 1-11373)*
10.1.7	Form of Nonqualified Stock Option Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1.2 to Cardinal Health's Quarterly Report on Form 10-Q filed on May 2, 2024, File No. 1-11373)*
10.1.8	Form of Performance Share Units Agreement under theCardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1.3 to Cardinal Health's Quarterly Report on Form 10-Q filed on May 2, 2024, File No. 1-11373)*
10.1.9	Form of Restricted Share Units Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1.4 to Cardinal Health's Quarterly Report on Form 10-Q filed on May 2, 2024, File No. 1-11373)*
10.1.10	Form of Performance Share Units Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Planfor grants to Jason M. Hollar*
10.1.11	Form of Restricted Share Units Agreement under the Cardinal Health, Inc. 2021 Long-Term Incentive Planfor grants to Jason M. Hollar*
10.1.12	Cardinal Health, Inc. Management Incentive Plan (incorporated by reference to Exhibit 10.6 to Cardinal Health's Current Report on Form 8-K filed on November 9, 2021, File No. 1-11373)*
10.1.13	First Amendment to the Cardinal Health, Inc. Management Incentive Plan, effective as of January 29, 2024 (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q filed on May 2, 2024, File No. 1-11373)*
10.2.1	Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K/A filed on November 4, 2011, File No. 1-11373)*
10.2.2	First Amendment to Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1.2 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2014)*
10.2.3	Form of Nonqualified Stock Option Agreement under the Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to Cardinal Health's Current Report on Form 8-K/A filed on November 4, 2011, File No. 1-11373)*
10.2.4	Form of Nonqualified Stock Option Agreement under the Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1.3 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2012, File No. 1-11373)*
10.2.5	Form of Amendment to Stock Option and Restricted Share Units Agreements under the Cardinal Health, Inc. 2011 Long-Term Incentive Plan, the Cardinal Health, Inc. 2005 Long-Term Incentive Plan and the

	Cardinal Health, Inc. 2007 Nonemployee Directors Equity Incentive Plan (incorporated by reference to Exhibit 10.1.9 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2013, File No. 1-11373)*
10.3.1	Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on November 7, 2016, File No. 1-11373)*
10.3.2	First Amendment to Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.2 to Cardinal Health's Annual Report on Form 10-K for the fiscal year end June 30, 2017, File No. 1-11373)*
10.3.3	Second Amendment to the Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 3019, File No. 1-11373)*
10.3.4	Form of Nonqualified Stock Option Agreement under the Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.3 to Cardinal Health's Annual Report on Form 10-K for the fiscal year end June 30, 2017, File No. 1-11373)*
10.3.5	Form of Restricted Share Units Agreement under the Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.4 to Cardinal Health's Annual Report on Form 10-K for the fiscal year end June 30, 2017, File No. 1-11373)*
10.3.6	Form of Restricted Share Units Agreement under the Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporate by reference to Exhibit 10.3 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2019, File No. 1-11373)*
10.3.7	Form of Performance Share Units Agreement under the Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.5 to Cardinal Health's Annual Report on Form 10-K for the fiscal year end June 30, 2017, File No. 1-11373)*
10.3.8 10.3.6	Form of Performance Share Units Agreement under the Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, File No. 1-11373)
10.3.9	Form of Directors Restricted Share Units Agreement under the Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2018, File No. 1-11373)
10.4.1	Cardinal Health, Inc. 2007 Nonemployee Directors Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2007, File No. 1-11373)*
10.4.2	First Amendment to Cardinal Health, Inc. 2007 Nonemployee Directors Equity Incentive Plan (incorporated by reference to Exhibit 10.2.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, File No. 1-11373)*

10.4.3	Second Amendment to the Cardinal Health, Inc. 2007 Nonemployee Directors Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to Cardinal Health's Quarterly Report on Form 10-Q for the Quarter ended December 31, 2011, File No. 1-11373)*
10.5.1	Cardinal Health Deferred Compensation Plan, Amended and Restated effective January 1, 2020 (incorporated by reference to Exhibit 10.4 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2019, File No. 1-11373)*
10.5.2	First Amendment to the Cardinal Health Deferred Compensation Plan, as amended and restated on January 1, 2020 (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, File No. 1-11373)*
10.5.3	Second Amendment to the Cardinal Health Deferred Compensation Plan, as amended and restated on January 1, 2020, dated November 4, 2022 (incorporated by reference to Exhibit 10.210.2 to Cardinal Health's Quarterly Report on Form 10-Q for the for the quarter ended December 31, 2022)*
10.6.1	Cardinal Health, Inc. Senior Executive Severance Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on September 26, 2018, File No. 1-11373)

10.6.2	First Amendment to the Cardinal Health, Inc. Senior Executive Severance Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2019, File No. 1-11373)
10.6.3	Second Amendment to the Cardinal Health, Inc. Senior Executive Severance Plan(incorporated by reference to Exhibit 10.6.3 to Cardinal Health's Annual Report on Form10-K for the fiscal year ended June 30, 2023, File No. 1-11373)

10.6.4	Third Amendment to the Cardinal Health, Inc. Senior Executive Severance Plan (incorporated by reference to Exhibit 10.1 to Cardinal Health's Quarterly Report on Form 10-Q filed on November 3, 2023, File No. 1-11373)*
10.7	Cardinal Health, Inc. Policy Regarding Shareholder Approval of Severance Agreements (incorporated by reference to Exhibit 10.09 to Cardinal Health's Current Report on Form 8-K filed on August 7, 2006, File No. 1-11373)*
10.8.1	Confidentiality and Business Protection Agreement, effective as of February 15, 2010, between Cardinal Health, Inc. and Michael C. Kaufmann (incorporated by reference to Exhibit 10.15 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2010, File No. 1-11373)*
10.8.2	Confidentiality and Business Protection Agreement, between Cardinal Health, Inc. and Aaron E. Alt (incorporated by reference to Exhibit 10.2 to Cardinal Health's Current Report on Form 8-K filed on December 19, 2022, File No. 1-11373)*
10.8.2	Aircraft Time Sharing Agreement, effective as of February 8, 2018, by and between Cardinal Health, Inc. and Michael C. Kaufmann (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, File No. 1-11373)
10.8.3	Aircraft Time Sharing Agreement, effective as of January 1, 2022, by and between Cardinal Health, Inc. and Michael C. Kaufmann (incorporated by reference to Exhibit 10.7 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, File No. 1-11373)*
10.8.4	Aircraft Time Sharing Agreement, dated as of November 7, 2022, by and among Cardinal Health, Inc. and Jason M. Hollar (incorporated by reference to Exhibit 10.1 to Cardinal Health's Quarterly Report on Form 10-Q for the for the quarter ended December 31, 2022)*
10.9.1	Confidentiality and Business Protection Agreement, effective as of November 1, 2018, between Cardinal Health, Inc. and Victor L. Crawford (incorporated by reference to Exhibit 10.13.1 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, File No. 1-11373)*
10.9.2	Letter Agreement, dated October 30, 2018, between Cardinal Health, Inc. and Victor L. Crawford (incorporated by reference to Exhibit 10.13.2 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, File No. 1-11373) *
10.9.3	Letter Agreement, dated March 9, 2020, between Cardinal Health, Inc. and Jason Hollar (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on March 19, 2020, File No. 1-11373)*
10.9.4 10.9.2	Letter Agreement, dated December 12, 2022, between Cardinal Health, Inc. and Aaron E. Alt (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on December 19, 2022, File No. 1-11373)*
10.9.5 10.9.3	Confidentiality and Business Protection Agreement, effective as of April 27, 2020, between Cardinal Health, Inc. and Jason Hollar (incorporated by reference to Exhibit 10.2 to Cardinal Health's Current Report on Form 8-K filed on March 19, 2020, File No. 1-11373)*
10.9.4	Confidentiality and Business Protection Agreement, effective as of August 16, 2019, between Cardinal Health, Inc. and Stephen M. Mason*
10.9.5	Confidentiality and Business Protection Agreement, effective as of September 19, 2022, between Cardinal Health, Inc. and Deborah L. Weitzman*
10.10	Form of Indemnification Agreement between Cardinal Health, Inc. and certain individual directors (incorporated by reference to Exhibit 10.38 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, File No. 1-11373)
10.11.1	Issuing and Paying Agency Agreement, dated August 9, 2006, between Cardinal Health, Inc. and The Bank of New York (incorporated by reference to Exhibit 10.01 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2006, File No. 1-11373)
10.11.2	First Amendment to Issuing and Paying Agency Agreement, dated February 28, 2007, between Cardinal Health, Inc. and The Bank of New York (incorporated by reference to Exhibit 10.01 to Cardinal Health's Current Report on Form 8-K filed on March 6, 2007, File No. 1-11373)
10.11.3	Second Amendment to Issuing and Paying Agency Agreement, effective as of December 1, 2016, between Cardinal Health, Inc. and The Bank of New York (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016, File No. 1-11373)
10.11.4	Third Amendment to Issuing and Paying Agency Agreement, dated September 15, 2017, between Cardinal Health, Inc. and The Bank of New York (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, File No. 1-11373)
10.11.5	Commercial Paper Dealer Agreement, dated August 9, 2006, between Cardinal Health, Inc. and J.P. Morgan Securities Inc. (incorporated by reference to Exhibit 10.02 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2006, File No. 1-11373)
10.11.6	First Amendment to Commercial Paper Dealer Agreement, dated February 28, 2007, between Cardinal Health, Inc. and J.P. Morgan Securities Inc. (incorporated by reference to Exhibit 10.02 to Cardinal Health's Current Report on Form 8-K filed on March 6, 2007, File No. 1-11373)
10.11.7	Second Amendment to Commercial Paper Dealer Agreement, effective as of December 31, 2012, between Cardinal Health, Inc. and J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) (incorporated by reference to Exhibit 10.4 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, File No. 1-11373)
10.11.8	Commercial Paper Dealer Agreement between Cardinal Health, Inc. and J.P. Morgan Securities LLC, effective as of December 1, 2016 (incorporated by reference to Exhibit 10.6 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016, File No. 1-11373)
10.11.9	Commercial Paper Dealer Agreement, dated August 9, 2006, between Cardinal Health, Inc. and Banc of America Securities LLC (incorporated by reference to Exhibit 10.03 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2006, File No. 1-11373)
10.11.10	First Amendment to Commercial Paper Dealer Agreement, dated February 28, 2007, between Cardinal Health, Inc. and Banc of America Securities LLC (incorporated by reference to Exhibit 10.03 to Cardinal Health's Current Report on Form 8-K filed on March 6, 2007, File No. 1-11373)
10.11.11	Second Amendment to Commercial Paper Dealer Agreement, effective as of December 31, 2012, between Cardinal Health, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, f/k/a Banc of America Securities LLC (incorporated by reference to Exhibit 10.5 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, File No. 1-11373)
10.11.12	Commercial Paper Dealer Agreement between Cardinal Health, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, effective as of December 1, 2016 (incorporated by reference to Exhibit 10.3 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016, File No. 1-11373)
10.11.13	Commercial Paper Dealer Agreement, dated August 9, 2006, between Cardinal Health, Inc. and Wachovia Capital Markets, LLC (incorporated by reference to Exhibit 10.04 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2006, File No. 1-11373)

Exhibits

10.11.14	First Amendment to Commercial Paper Dealer Agreement, dated February 28, 2007, between Cardinal Health, Inc. and Wachovia Capital Markets, LLC (incorporated by reference to Exhibit 10.04 to Cardinal Health's Current Report on Form 8-K filed on March 6, 2007, File No. 1-11373)
10.11.15	Second Amendment to Commercial Paper Dealer Agreement, effective as of December 31, 2012, between Cardinal Health, Inc. and Wells Fargo Securities, LLC, as successor in interest to Wachovia Capital Markets, LLC (incorporated by reference to Exhibit 10.6 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, File No. 1-11373)
10.11.16	Commercial Paper Dealer Agreement between Cardinal Health, Inc. and Wells Fargo Securities, LLC, effective as of December 1, 2016 (incorporated by reference to Exhibit 10.5 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016, File No. 1-11373)

Exhibits

10.11.17	Commercial Paper Dealer Agreement, dated August 9, 2006, between Cardinal Health, Inc. and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.05 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2006, File No. 1-11373)
10.11.18	First Amendment to Commercial Paper Dealer Agreement, dated February 28, 2007, between Cardinal Health, Inc. and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.05 to Cardinal Health's Current Report on Form 8-K filed on March 6, 2007, File No. 1-11373)
10.11.19	Second Amendment to Commercial Paper Dealer Agreement, effective as of December 31, 2012, between Cardinal Health, Inc. and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.7 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, File No. 1-11373)
10.11.20	Commercial Paper Dealer Agreement between Cardinal Health, Inc. and Goldman Sachs & Co., effective as of December 1, 2016 (incorporated by reference to Exhibit 10.4 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016, File No. 1-11373)
10.11.21	Form of Commercial Paper Dealer Agreement between Cardinal Health, Inc. and SunTrust Robinson Humphrey, Inc. (incorporated by reference to Exhibit 10.2 to Cardinal Health's Current Report on Form 8-K filed on April 21, 2009, File No. 1-11373)
10.11.22	Form of First Amendment to Commercial Paper Dealer Agreement between Cardinal Health, Inc. and SunTrust Robinson Humphrey, Inc. (incorporated by reference to Exhibit 10.8 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, File No. 1-11373)
10.11.23	Commercial Paper Dealer Agreement between Cardinal Health, Inc. and SunTrust Robinson Humphrey, Inc., effective as of December 1, 2016 (incorporated by reference to Exhibit 10.7 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016, File No. 1-11373)
10.12.1	Second Amended and Restated Five-Year Credit Agreement, dated as of June 27, 2019, among JPMorgan Chase Bank, N.A. as Administrative Agent, Joint Lead Arranger and Joint Book Manager, Bank of America, N.A. as Syndication Agent, MUFG Bank, Ltd. as Syndication Agent, Joint Lead Arranger and Joint Book Manager, Barclays Bank PLC, Deutsche Bank AG New York Branch, Goldman Sachs Bank USA, HSBC Bank USA, N.A. and Wells Fargo Bank, N.A., as Documentation Agents, and BOFA Securities, Inc., as Joint Lead Arranger and Joint Book Manager (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on June 28, 2019, File No. 1-11373)
10.12.2	Third Amended and Restated Five-Year Credit Agreement, dated as of February 27, 2023 (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on March 2, 2023, File No. 1-11373)
10.13.1	Fourth Amended and Restated Receivables Purchase Agreement, dated as of November 1, 2013, among Cardinal Health Funding, LLC, as Seller, Griffin Capital, LLC, as Servicer, the Conduits party thereto, the Financial Institutions Party thereto, the Managing Agents party thereto, and LC Banks party thereto and the Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as the Agent (incorporated by reference to Exhibit 10.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, File No. 1-11373)
10.13.2	First Amendment and Joinder, dated as of November 3, 2014, to the Fourth Amended and Restated Receivables Purchase Agreement, dated as of November 1, 2013 (incorporated by reference to Exhibit 10.3 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, File No. 1-11373)
10.13.3	Second Amendment, dated as of November 14, 2016, to the Fourth Amended and Restated Receivables Purchase Agreement, dated as of November 1, 2013 (incorporated by reference to Exhibit 10.4.3 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, File No. 1-11373)
10.13.4	Third Amendment, dated as of August 30, 2017, to the Fourth Amended and Receivables Purchase Agreement, dated as of November 1, 2013 (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on August 31, 2017, File No. 1-11373)
10.13.5	Fourth Amendment and Joinder, dated September 30, 2019, to the Fourth Amended and Restated Receivables Purchase Agreement (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on October 2, 2019, File No. 1-11373)
10.13.6	Fifth Amendment, dated as of May 13, 2022, to the Fourth Amended and Restated Receivables Purchase Agreement (incorporated by reference to Exhibit 10.14.6 to Cardinal Health's Annual Report on Form10-K for the fiscal year ended June 30, 2022, File No. 1-11373)
10.13.7	Sixth Amendment to the Fourth Amended and Restated Receivables Purchase Agreement, dated September 30, 2022 (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on October 4, 2022, File No. 1-11373)
10.13.8	Fifth Amended and Restated Receivables Purchase Agreement, dated September 1, 2023 (incorporated by reference to Exhibit 10.2 to Cardinal Health's Quarterly Report on Form 10-Q filed on November 3, 2023, File No. 1-11373)
10.13.7	Sixth Amendment to the Fourth Amended and Restated Receivables Purchase Agreement, dated September 30, 2022 (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on October 4, 2022, File No. 1-11373)
10.14.1	Seventh Amended and Restated Performance Guaranty, dated as of November 14, 2016, executed by Cardinal Health, Inc. in favor of Cardinal Health Funding, LLC (incorporated by reference to Exhibit 10.5.1 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, File No. 1-11373)
10.14.2	Amendment No. 1 to Seventh Amended and Restated Performance Guaranty, dated as of November 14, 2016 (incorporated by reference to Exhibit 10.5.2 to Cardinal Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, File No. 1-11373
10.14.3	Amendment No. 2 to Seventh Amended and Restated Performance Guaranty, dated as of November 6, 2018 (incorporated by reference to Exhibit 10.4 to Cardinal Health's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2018, File No. 1-11373)
10.14.4	Amendment No. 3 to Seventh Amended and Restated Performance Guaranty (incorporated by reference to Exhibit 10.2 to Cardinal Health's Current Report on Form 8-K filed October 2, 2019, File No. 1-11373)
10.14.5	Consent to Amendment of Performance Guarantee (incorporated by reference to Exhibit 10.1 to Cardinal Health's Quarterly Report on Form 10-Q filed on February 1, 2024, File No. 1-11373)
10.14.6	Performance Guaranty, dated September 1, 2023 (incorporated by reference to Exhibit 10.2 to Cardinal Health's Current Report on Form 8-K filed on September 6, 2023, File No. 1-11373)
10.15.1	Tax Matters Agreement, dated as of August 31, 2009, by and between Cardinal Health, Inc. and CareFusion Corporation (incorporated by reference to Exhibit 10.3 to Cardinal Health's Current Report on Form 8-K filed on September 4, 2009, File No. 1-11373)
10.15.2	First Amendment to Tax Matters Agreement, dated as of May 28, 2012, by and between Cardinal Health, Inc. and CareFusion Corporation (incorporated by reference to Exhibit 10.20.2 to Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2012, File No. 1-11373)
10.16	Cooperation Agreement, dated as of September 5, 2022, by and among Cardinal Health, Inc., Elliott Associates, L.P. and Elliott International, L.P. (incorporated by reference to Exhibit 10.1 to Cardinal Health's Form 8-K filed September 6, 2022, File No. 1-11373)

Exhibits

10.17	First Amendment to the Cooperation Agreement, dated as of May 3, 2023, by and among Elliott Associates, L.P., Elliott International, L.P., and Elliott International Capital Advisors Inc., and Cardinal Health, Inc. (incorporated by reference to Exhibit 10.1 to Cardinal Health's Form 8-K filed May 4, 2023, File No. 1-11373)
19	Restrictions on buying and selling stock and securities (Insider Trading) policy
21.1	List of Subsidiaries of Cardinal Health, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Cardinal Health, Inc. Clawback Policy
99.1	Statement Regarding Forward-Looking Information
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
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Exhibits

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101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - formatted in Inline XBRL (included as Exhibit 101)
	* Management contract or compensatory plan or arrangement.

Form 10-K Cross Reference Index

Form 10-K Cross Reference Index

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N/A Not applicable

(a) The information called for by Item 11 of Form 10-K is incorporated by reference to our 2023 2024 Proxy Statement under the captions “Corporate Governance” and “Executive Compensation.”

(b) The information called for by Item 12 of Form 10-K is incorporated by reference to our 2023 2024 Proxy Statement under the captions "Executive Compensation" and "Share Ownership Information."

(c) The information called for by Item 13 of Form 10-K is incorporated by reference to our 2023 2024 Proxy Statement under the caption "Corporate Governance."

(d) The information called for by Item 14 of Form 10-K is incorporated by reference to our 2023 2024 Proxy Statement under the caption “Audit Committee Matters.”

Signatures

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on August 15, 2023 August 14, 2024.

Cardinal Health, Inc.

By: /s/ JASON M. HOLLAR

JASON M. HOLLAR

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed below by the following persons on behalf of the registrant and in the capacities indicated on August 15, 2023 August 14, 2024.

Name	Title
/s/ JASON M. HOLLAR **Jason M. Hollar**	Chief Executive Officer and Director (principal executive officer)
/s/ AARON E. ALT **Aaron E. Alt**	Chief Financial Officer (principal financial officer)
/s/ MARY C. SCHERER **Mary C. Scherer**	Senior Vice President and Chief Accounting Officer (principal accounting officer)
/s/ ROBERT W. AZELBY **Robert W. Azelby**	Director
/s/ STEVEN K. BARG **Steven K. Barg**	Director
/s/ MICHELLE M. BRENNAN **Michelle M. Brennan**	Director
/s/ SUJATHA CHANDRASEKARAN **Sujatha Chandrasekaran**	Director
/s/ CARRIE S. COX **Carrie S. Cox**	Director
/s/ BRUCE L. DOWNEY **Bruce L. Downey**	Director
/s/ SHERI H. EDISON **Sheri H. Edison**	Director
/s/ DAVID C. EVANS **David C. Evans**	Director
/s/ PATRICIA A. HEMINGWAY HALL **Patricia A. Hemingway Hall**	Director
/s/ AKHIL JOHRI **Akhil Johri**	Director
/s/ GREGORY B. KENNY **Gregory B. Kenny**	Director
/s/ NANCY KILLEFER **Nancy Killefer**	Director
/s/ CHRISTINE A. MUNDKUR **Christine A. Mundkur**	Director

Exhibit 10.6.3 10.1.10

SECOND AMENDMENT TO THE
CARDINAL HEALTH, INC.
PERFORMANCE SHARE UNITS AGREEMENT

SENIOR EXECUTIVE SEVERANCE PLAN

WHEREAS, This Performance Share Units Agreement (this "Agreement") is entered into in Franklin County, Ohio. On [grant date] (the "Grant Date"), Cardinal Health, Inc., an Ohio corporation (the "Company" "Company"), has awarded to [employee name] ("Awardee") [target # of units] performance-based Stock Units (the "Performance Share Units" or "Award"). The Performance Share Units have been granted pursuant to the Cardinal Health, Inc. 2021 Long-Term Incentive Plan, as amended (the "Plan"), and are subject to all provisions of the Plan, all of which are incorporated in this Agreement by reference and are subject to the provisions of this Agreement. Capitalized terms used in this Agreement which are not specifically defined have the meanings ascribed to them in the Plan.

1. Vesting of Performance Share Units. Subject to the provisions of this Agreement, zero to [maximum percentage] of the Performance Share Units vest when the Administrator certifies the payout level ("Payout Level") as a result of achievement of specific performance criteria (the "Performance Goals") for a performance period ("Performance Period") set forth in the Statement of Performance Goals provided to the Awardee with respect to the Award and approved by the Committee (the "Statement of Performance Goals").

2. Transferability. The Performance Share Units are not transferable other than by beneficiary designation, will, or by the laws of descent or distribution.

3. Termination of Employment.

(a) General. Except to the extent that vesting occurs pursuant to Paragraphs 3(b), (c), (d) or (e) or Paragraph 5 or as provided in a plan or agreement described in Paragraph 17 below, if a Termination of Employment occurs prior to the [applicable payment date in Paragraph 6(a) (the "Payment Date")][1] / [First Payment Date (as defined in Paragraph 6(a))][2] associated with a Performance Period, any Performance Share Units allocated to that Performance Period, whether vested or unvested, are forfeited by Awardee.

(b) Death or Disability. If a Termination of Employment by reason of Awardee's death occurs after the Grant Date or a Termination of Employment by reason of Awardee's Disability occurs at least 6 months after the Grant Date, then the outstanding unvested Performance Share Units for a Performance Period will vest (or in the case of an ongoing Performance Period, be eligible to vest) as if Awardee had remained employed through the [First][2] Payment Date.

(c) [Retirement. If a Termination of Employment by Awardee by reason of Retirement occurs at least 6 months after the Grant Date, then the outstanding unvested Performance Share Units for a Performance Period will be eligible to vest in an amount equal to the number of Performance Share Units that would have vested if Awardee had remained employed through the [First][2] Payment Date multiplied by a fraction, the numerator of which is the number of days in the Performance Period up to the date of such Termination of Employment, and the denominator of which is the total number of days in such Performance Period.][3]

(d) Involuntary Termination with Separation Agreement. If (i) Paragraphs 3(b), 3(c), 3(e) and 5(b)(ii) are not applicable, (ii) a Termination of Employment by the Cardinal Group (other than a Termination for Cause) occurs, and (iii) no later than 45 days after the Termination of Employment, Awardee enters into a written separation agreement and general release with the Cardinal Group (in such form as may reasonably be presented by the Company) (a "Separation Agreement"), and Awardee does not timely revoke such Separation Agreement, then the outstanding unvested Performance Share Units for a Performance Period will be eligible to vest in an amount equal to the number of Performance Share Units that would have vested if Awardee had remained employed through the [First][2] Payment Date multiplied by a fraction, the numerator of which is the number of days in the Performance Period up to the date of such Termination of Employment, and the denominator of which is the total number of days in such Performance Period.

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[1] For awards without deferred settlement.

[2] For awards with deferred settlement.

[3] This provision is an alternative that may not be included in every award agreement.

(e) Involuntary Termination After Completion of a Performance Period. If a Termination of Employment by the Cardinal Group (other than a Termination for Cause) occurs after the completion of a Performance Period but prior to the [First][2] Payment Date, then the Performance Share Units for the applicable Performance Period will vest as if Awardee had remained employed through the [First][2] Payment Date.

4. Special Forfeiture and Repayment Rules. This Agreement contains special forfeiture and repayment rules intended to encourage conduct that protects the Cardinal Group's legitimate business assets and discourage conduct that threatens or harms those assets. The Company does not intend to have the benefits of this Agreement reward or subsidize conduct detrimental to the Company, and therefore will require the forfeiture of the benefits offered under this Agreement and the repayment of gains obtained from this Agreement, according to the rules specified below. Activities that trigger the forfeiture and repayment rules are divided into two categories: Misconduct and Competitor Conduct. Awardee also agrees to application of the Company's Clawback Policy described in Section 4(d) below.

(a) Misconduct. During employment with the Cardinal Group and with respect to clauses (A), (D), (E), (F) and (G), for three years after the Termination of Employment for any reason, Awardee agrees not to engage in Misconduct. If Awardee engages in Misconduct during employment or within three years after the Termination of Employment for any reason, then

(i) Awardee immediately forfeits the Performance Share Units that have not yet vested or that vested at any time within three years prior to the date the Misconduct first occurred and have not yet been paid pursuant to Paragraph 6, and those forfeited Performance Share Units automatically terminate, and

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash an amount equal to: (A) the gross gain to Awardee resulting from the payment of the Performance Share Units pursuant to Paragraph 6 that had vested at any time within three years prior to the date the Misconduct first occurred less (B) $1.00. The gross gain is the Fair Market Value of the Shares represented by the Performance Share Units on the [Payment Date][1] / [applicable payment date][2].

As used in this Agreement, "**Misconduct**" means

(A) disclosing or using any of the Cardinal Group's confidential information (as defined by the applicable Cardinal Group policies and agreements) without proper authorization from the Cardinal Group or in any capacity other than as necessary for the performance of Awardee's assigned duties for the Cardinal Group;

(B) violation of the Standards of Business Conduct or any successor code of conduct or other applicable Cardinal Group policies, including but not limited to conduct which would constitute a breach of any representation or certificate of compliance signed by Awardee;

(C) fraud, gross negligence or willful misconduct by Awardee, including but not limited to fraud, gross negligence or willful misconduct causing or contributing to a material error resulting in a restatement of the financial statements of any member of the Cardinal Group;

(D) directly or indirectly soliciting or recruiting for employment or contract work on behalf of a person or entity other than a member of the Cardinal Group, any person who is an employee, representative, officer or director in the Cardinal Group or who held one or more of those positions at any time within the 12 months prior to Awardee's Termination of Employment;

(E) directly or indirectly inducing, encouraging or causing an employee of the Cardinal Group to terminate his/her employment or a contract worker to terminate his/her contract with a member of the Cardinal Group;

(F) any action by Awardee and/or his or her representatives that either does or could reasonably be expected to undermine, diminish or otherwise damage the relationship between the Cardinal Group and any of its customers, prospective customers, vendors, suppliers or employees known to Awardee; or

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(G) breaching any provision of any employment or severance agreement with a member of the Cardinal Group.

Nothing in this Agreement will prevent Awardee from testifying truthfully as required by law, prohibit or prevent Awardee from filing a charge with or participating, testifying or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state or local government agency (e.g., Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, etc.), or prevent Awardee from disclosing Cardinal Group's confidential information in confidence to a federal, state or local government official for the purpose of reporting or investigating a suspected violation of law.

(b) Competitor Conduct. If Awardee engages in Competitor Conduct during employment or within one year after the Termination of Employment for any reason, then

(i) Awardee immediately forfeits the Performance Share Units that have not yet vested or that vested at any time within one year prior to the date the Competitor Conduct first occurred and have not yet been paid pursuant to Paragraph 6, and those forfeited Performance Share Units automatically terminate, and

(ii) Awardee shall, within 30 days following written notice from the Company, pay the Company an amount equal to: (A) the gross gain to Awardee resulting from the payment of Performance Share Units pursuant to Paragraph 6 that had vested at any time since the earlier of one year prior to the date the Competitor Conduct first occurred or one year prior to the Termination of Employment, if applicable, less (B) $1.00. The gross gain is the Fair Market Value of the Shares represented by the Performance Share Units on the **[**Payment Date][1] / [applicable payment date][2].

As used in this Agreement, "**Competitor Conduct**" means accepting employment with, or directly or indirectly providing services to, a Competitor in the United States. If Awardee has a Termination of Employment and Awardee's responsibilities to the Cardinal Group were limited to a specific territory or territories within or outside the United States during the 24 months prior to the Termination of Employment, then Competitor Conduct is limited to that specific territory or territories. A "Competitor" means any person or business that competes with the products or services provided by a member of the Cardinal Group for which Awardee had business responsibilities within 24 months prior to Termination of Employment or about which Awardee obtained confidential information (as defined by the applicable Cardinal Group policies or agreements).

(c) General.

(i) Nothing in this Paragraph 4 constitutes or is to be construed as a “noncompete” covenant or other restraint on employment or trade. The provisions of this Paragraph 4 do not prevent, nor are they intended to prevent, Awardee from seeking or accepting employment or other work outside the Cardinal Group. The execution of this Agreement is voluntary. Awardee is free to choose to comply with the terms of this Agreement and receive the benefits offered or else reject this Agreement with no adverse consequences to Awardee’s employment with the Cardinal Group.

(ii) Awardee agrees to provide the Company with at least 10 days written notice prior to accepting employment with or providing services to a Competitor within one year after Termination of Employment.

(iii) Awardee acknowledges receiving sufficient consideration for the requirements of this Paragraph 4, including Awardee's receipt of the Performance Share Units. Awardee further acknowledges that the Company would not provide the Performance Share Units to Awardee without Awardee’s promise to abide by the terms of this Paragraph 4. The parties also acknowledge that the provisions contained in this Paragraph 4 are ancillary to, or part of, an otherwise enforceable agreement at the time this Agreement is made.

(iv) Awardee may be released from the obligations of this Paragraph 4 if and only if the Administrator determines, in writing and in the Administrator’s sole discretion, that a release is in the best interests of the Company.

(d) Clawback Policy. Awardee acknowledges and agrees that, in addition to the other provisions of this Paragraph 4, Awardee and this Award will be subject to the terms of the Clawback Policy adopted by the Company, as required by New York Stock Exchange listing standards and as may be in effect from time to time, and Awardee agrees to comply with the requirements of such policy. In its discretion, moreover, the Administrator may require repayment to the Company of all or any portion of this Award if the amount of the Award was calculated based upon the achievement of financial results that were subsequently the subject of a restatement of the Company’s financial statements, Awardee engaged in misconduct that caused or contributed to the need for the restatement of the financial statements, and the amount payable to Awardee would have been lower than the amount actually paid to Awardee had the financial results been properly reported. This Paragraph 4(d) is not the Company’s exclusive remedy with respect to such matters.

5. Change of Control.

(a) Valuation. In the event of a Change of Control prior to [a Payment Date][2] / [the First Payment Date][3], the Administrator, as constituted immediately before such Change of Control, shall determine and certify the Payout Level (the “Change of Control Payout Level”) based on (i) actual performance through the most recent date prior to the Change of Control for which achievement of the Performance Goals can reasonably be determined; and (ii) the expected performance for the remainder of the Performance Period based on information reasonably available.

(b) Vesting and Substitute Awards.

(i) In the event of a Change of Control prior to [a Payment Date][1] / [the First Payment Date][2], the percentage of the Performance Share Units determined in accordance with the Statement of Performance Goals at the Change of Control Payout Level vests unless an award meeting the requirements of Paragraph 5(b)(ii) (a “Substitute Award”) is provided to Awardee to replace or adjust the Award. If a Substitute Award is provided, any Performance Share Units that (A) except to the extent that clause (B) applies, would vest in accordance with Paragraphs 3(b) or (c) in connection with Awardee’s Retirement or Disability if Awardee’s Termination of Employment occurred on the date of the Change of Control or (B) are eligible to vest in accordance with Paragraph 3(d) as a result of Awardee’s Termination of Employment that actually occurs prior to the Change of Control, vest at the time of the Change of Control. No Substitute Award will be provided in the event of Awardee’s Termination of Employment by reason of death, Disability, Retirement, or the circumstances described in Paragraph 3(d) prior to a Change of Control.

(ii) An award meets the conditions of this Paragraph 5(b)(ii) (and hence qualifies as a Substitute Award) if, as determined by the Administrator as constituted immediately before the Change of Control, (A) it has a value at the time of grant or adjustment at least equal to the value of the Performance Share Units that would vest under Paragraph 5(b)(i) if there were no Substitute Award; (B) it is paid in publicly traded equity securities of the Company or its successor in the Change of Control or another entity that is affiliated with the Company or its successor following the Change of Control; (C) it is a restricted stock unit award with vesting and payment not conditioned on the achievement of any performance criteria or conditions; (D) it vests in full upon (1) a Termination for Good Reason by Awardee, (2) a Termination of Employment by the Company or its successor in the Change of Control other than a Termination for Cause, or (3) Awardee’s death or Disability, in each case, occurring at or during the period of two years after the Change of Control; (E) if Awardee is subject to U.S. federal income tax under the Code, the tax consequences to Awardee under the Code of the Substitute Award are not less favorable to Awardee than the tax consequences of the Award; and (F) its other terms and conditions are not less favorable to Awardee than the terms and conditions of the Award (including the provisions that would apply in the event of a subsequent Change of Control). Without limiting the generality of the foregoing, the Substitute Award may take the form of a continuation of the Award if the requirements of the preceding sentence are satisfied.

6. Payment.

(a) General. [The Company shall pay Performance Share Units in Shares. Subject to the provisions of Paragraph 4 and Paragraphs 6(b) and (c), Awardee is entitled to receive from the Company (without any payment on behalf of Awardee other than as described in Paragraph 10) one Share for each vested Performance Share Unit not later than the 60th day after the end of a Performance Period, except that if Awardee's Termination of Employment occurs due to death after the end of the Performance Period, Awardee is entitled to receive, with respect to any Performance Shares Units which are not subject to a

"substantial risk of forfeiture" as determined for purposes of Section 409A of the Code on the date of Awardee's death, the corresponding Shares from the Company on the date of death.][1] / [The Company shall pay Performance Share Units in Shares. Subject to the provisions of Paragraph 4, Awardee is entitled to receive from the Company (without any payment on behalf of Awardee other than as described in Paragraph 10) one Share for each vested Performance Share Unit. Subject to the provisions of Paragraph 6(b) and (c), payment with respect to any vested Performance Share Units shall be made in three installments. The first installment, which shall be with respect to [percentage] of the total number of vested Performance Share Units, shall be paid no later than the 60th day after the end of the Performance Period (the "First Payment Date"). The second installment, which shall be with respect to [percentage] of the total number of vested Performance Share Units, shall be paid on the first anniversary of the last day of the Performance Period. [The third installment, which shall be with respect to [percentage] of the total number of vested Performance Share Units, shall be paid on the second anniversary of the last day of the Performance Period.] Notwithstanding the above, in the event of an Awardee's death after the end of the Performance Period, Awardee is entitled to receive, with respect to any Performance Shares Units which are not subject to a "substantial risk of forfeiture" as determined for purposes of Section 409A of the Code on the date of Awardee's death, corresponding Shares from the Company on account of any vested Performance Share Units which have not yet been paid as soon as practical following the date of death. Payment shall be made at each of the times specified above unless the Administrator makes a finding that the number of vested Performance Share Units shall be reduced pursuant to Paragraph 4 due to Misconduct or Competitor Conduct.][2]

(b) Change of Control. Notwithstanding Paragraph 6(a) but subject to the provisions of Paragraph 4, to the extent that the Performance Share Units are not subject to a "substantial risk of forfeiture" as determined for purposes of Section 409A of the Code on the dates set forth below, payment with respect to such Performance Share Units will be made as follows:

(i) On the date of a Change of Control, Awardee is entitled to receive one Share for each such Performance Share Unit, subject to any adjustments made pursuant to Section 16(a) of the Plan, from the Company; provided, however, that if such Change of Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution as a deferral of compensation, Awardee is entitled to receive the corresponding Shares from the Company on the date that would have otherwise applied pursuant to Paragraphs 6(a), 6(b)(i), 6(b)(ii), or 6(b)(iii).

(ii) If Awardee's separation from service occurs during the period of two years following a Change of Control (and such Change of Control constitutes a change of control event as defined in accordance with Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder), Awardee is entitled to receive one Share for each such Performance Share Unit from the Company on the date of Awardee's separation from service; provided, in such event that if Awardee on the date of separation from service is a "specified employee" (certain employees of the Cardinal Group within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), Awardee is entitled to receive the corresponding Shares from the Company on the first day of the seventh month after the date of Awardee's separation from service or, if earlier, the date of Awardee's death.

(iii) On the date of Awardee's Termination of Employment due to death following a Change of Control, Awardee is entitled to receive one Share for each such Performance Share Unit from the Company on the date of death.

(c) Elections to Defer Receipt. Elections to defer receipt of the Shares beyond the [Payment Date][1] / [applicable payment date][2] applicable payment date may be permitted in the discretion of the Administrator pursuant to procedures established by the Administrator in compliance with the requirements of Section 409A of the Code. [Any election to defer will be valid only if the elected payment date is a date that is later than the date payment would have otherwise occurred.][2]

7. Dividend Equivalents. Awardee is not entitled to receive cash dividends on the Performance Share Units but will receive a dividend equivalent payment from the Company in an amount equal to the dividends that would have been paid on each Share underlying the Performance Share Units if it had been outstanding between the Grant Date and the [applicable][2] payment date of any such Share (i.e., based on the record date for cash dividends). Subject to an election to defer receipt as permitted under Paragraph 6(c), the Company shall pay dividend equivalent payments in cash (without interest) as soon as reasonably practicable after the [applicable][2] payment date of (and to the same extent as) the Performance Share Units to which such dividend equivalents relate.

8. Right of Set-Off. By accepting the Performance Share Units, Awardee consents to a deduction from, and set-off against, any amounts owed to Awardee that are not treated as "non-qualified deferred compensation" under Section 409A of the Code by any member of the Cardinal Group from time to time (including, but not limited to, amounts owed to Awardee as wages, severance payments or other fringe benefits) to the extent of the amounts owed to the Cardinal Group by Awardee, subject to Applicable Law.

9. No Shareholder Rights. Awardee has no rights of a shareholder with respect to the Performance Share Units, including no right to vote any Shares represented by the Performance Share Units, until such Shares are paid to Awardee.

10. Withholding Tax.

(a) Generally. Awardee is liable and responsible for all taxes owed in connection with the Performance Share Units (including taxes owed with respect to the cash payments described in Paragraph 7), regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Performance Share Units. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of any tax withholding in connection with the grant, vesting or payment of the Performance Share Units or the subsequent sale of Shares issuable pursuant to vested Performance Share Units. The Company does not commit and is under no obligation to structure the Performance Share Units to reduce or eliminate Awardee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Performance Share Units (e.g., vesting or payment) that the Company determines may result in any domestic or foreign tax withholding amounts being paid by the Company, whether national, federal, state or local, including any employment tax obligation (the "Tax Withholding Obligation"), Awardee is required to arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Awardee's acceptance of this Agreement constitutes Awardee's instruction and authorization to the Company to withhold on Awardee's behalf the number of Shares from those Shares issuable to Awardee under this Award as the Company determines to be sufficient to satisfy the Tax Withholding Obligation. In the case of any amounts withheld for taxes pursuant to this provision in the form of Shares, the amount withheld may not exceed the amount legally required and withholding above the minimum withholding requirements shall be available only if and to the extent that the Administrator has authorized such. The Company has the right to deduct from all cash payments paid pursuant to Paragraph 7 the amount of any taxes which the Company is required to withhold with respect to such payments.

11. Governing Law/Venue for Dispute Resolution/Costs and Legal Fees. This Agreement is governed by the laws of the State of Ohio, without regard to principles of conflicts of law, except to the extent superseded by the laws of the United States of America. **The parties agree and acknowledge that the laws of the State of Ohio bear a substantial relationship to the parties and/or this Agreement and that the Performance Share Units and benefits granted in this Agreement would not be granted without the governance of this Agreement by the laws of the State of Ohio. In addition, all legal actions or proceedings relating to this Agreement must be brought exclusively in state or federal courts located in Franklin County, Ohio and the parties executing this Agreement hereby consent to the personal jurisdiction of such courts.** Awardee acknowledges that the provisions of Paragraph 4 are reasonable in nature, are fundamental for the protection of the Company's legitimate business and proprietary interests, and do not adversely affect Awardee's ability to earn a living. If it becomes necessary for the Company to institute legal proceedings under this Agreement, Awardee is responsible to the Company for all costs and reasonable legal fees incurred by the Company in connection with the proceedings. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable or to disqualify the Award under any Applicable Law should be construed or limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by the provision, without invalidating or rendering unenforceable the remaining provisions of this Agreement.

12. Defend Trade Secrets Act Notice. Under the U.S. Defend Trade Secrets Act of 2016, Awardee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) is made to Awardee's attorney in relation to a lawsuit for retaliation against Awardee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

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13. Action by the Administrator. The parties agree that the interpretation of this Agreement rests exclusively and completely within the sole discretion of the Administrator. The parties agree to be bound by the decisions of the Administrator regarding the interpretation of this Agreement and regarding all matters set forth in this Agreement. In fulfilling its responsibilities under this Agreement, the Administrator may rely upon documents, written statements of the parties, financial reports or other material as the Administrator deems appropriate. The parties agree that there is no right to be heard or to appear before the Administrator and that any decision of the Administrator relating to this Agreement, including whether conduct constitutes Misconduct or Competitor Conduct, is final and binding. The Administrator may delegate its functions under this Agreement to an officer of the Cardinal Group designated by the Administrator, to the extent permitted under the Plan.

14. Prompt Acceptance of Agreement. The Performance Share Units grant evidenced by this Agreement will, at the discretion of the Administrator, be forfeited if this Agreement is not manually executed and returned to the Company, or electronically executed by Awardee by indicating Awardee's acceptance of this Agreement in accordance with the acceptance procedures set forth on the Company's third-party equity plan administrator's web site, within 90 days of the Grant Date.

15. Electronic Delivery and Consent to Electronic Participation. The Company may, in its sole discretion, decide to deliver any documents related to the Performance Share Unit grant under and participation in the Plan or future Performance Share Units that may be granted under the Plan by electronic means or to request Awardee's consent to participate in the Plan by electronic means. Awardee hereby consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, including the acceptance of performance share unit grants and the execution of performance share unit agreements through electronic signature.

16. Notices. All notices, requests, consents, and other communications required or provided under this Agreement to be delivered by Awardee to the Company will be in writing and will be deemed sufficient if delivered by hand, nationally recognized overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and will be effective upon delivery to the Company at the address set forth below:

Cardinal Health, Inc.
7000 Cardinal Place
Dublin, Ohio 43017
Attention: Corporate Secretary

All notices, requests, consents, and other communications required or provided under this Agreement to be delivered by the Company to Awardee may be delivered by e-mail or in writing and will be deemed sufficient if delivered by e-mail, hand, facsimile, nationally recognized overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and will be effective upon delivery to Awardee.

17. Employment Agreement, Offer Letter or Other Arrangement. To the extent a written employment agreement, offer letter or other arrangement ("Employment Arrangement") that was approved by the Human Resources and Compensation Committee or the Board of Directors or that was approved in writing by an officer of the Company pursuant to delegated authority of the Human Resources and Compensation Committee provides for greater benefits to Awardee with respect to vesting of the Award on Termination of Employment by reason of specified events than provided in this Agreement or in the Plan, then the terms of such Employment Arrangement with respect to vesting of the Award on Termination of Employment by reason of such specified events supersede the terms of this Agreement to the extent permitted by the terms of the Plan. If Awardee is eligible for severance benefits under the Cardinal Health, Inc. Senior Executive Severance Plan, (as previously as amended, by the First Amendment thereto, the "Plan"); such plan also constitutes an "Employee Arrangement" for purposes of this section.

WHEREAS,18. Amendment. Any amendment to the Human Resources Plan is deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment may impair the rights of Awardee with respect to an outstanding Performance Share Unit unless agreed to by Awardee and Compensation Committee of the Board of Directors of the Company, has determined which agreement must be in writing and signed by Awardee and the Company. Other than following a Change of Control, no such agreement is required if the Administrator determines in its sole discretion that it would be such amendment either (a) is required or advisable and in the best interest of order for the Company, to amend the Plan or the Performance Share Units to provide for certain outplacement services; and satisfy any Applicable Law or to meet the requirements of any accounting standard

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NOW, THEREFORE,or (b) is not reasonably likely to significantly diminish the benefits provided under the Performance Share Units, or that any such diminishment has been adequately compensated, including pursuant to Section 8.2 16(c) of the Plan, the Plan is hereby amended as follows:

Plan.

1. 19. A new Section 5.1(f) is added to the Plan, as follows:

(f) The Company will provide and pay for outplacement services to the Participant through a nationally recognized firm selected by the Company which specializes in outplacement services which services shall extend for twelve months from the Termination Date, up to a maximum value of $25,000.

2. A new Section 5.2(f) is added to the Plan, as follows:

(f) The Company will provide and pay for outplacement services to the Participant through a nationally recognized firm selected by the Company which specializes in outplacement services which services shall extend for twelve months from the Termination Date, up to a maximum value of $25,000.

3. Miscellaneous.

(a) Full Force and Effect Adjustments. Except as expressly amended by this Second Amendment, all The number of Shares issuable for each Performance Share Unit and the other terms and conditions of the Award evidenced by this Agreement are subject to adjustment as provided in Section 16 of the Plan.

20. Compliance with Section 409A of the Code. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code. This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Awardee).

21. Review. The Awardee agrees and represent that the Awardee has been advised to consult with an attorney prior to executing this Agreement and fully understands the Awardee's right to discuss all aspects of this Agreement with an attorney of the Awardee's choice. The Awardee's execution of this Agreement establishes that, if the Awardee wishes the advice of an attorney, the Awardee has done so by the date the Awardee signed the Agreement, and that the Awardee was given at least 14 days to consider whether to sign. The Awardee may sign this Agreement before the end of the 14-day period and the Awardee agrees that if the Awardee decides to shorten this time period for signing, the Awardee's decision was knowing and voluntary. The parties agree that a change, whether material or immaterial, does not restart the running of said period.

22. No Right to Future Awards or Employment. The grant of the Performance Share Units under this Agreement to Awardee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Performance Share Units and any payments made under this Agreement will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement confers upon Awardee any right to be employed or remain employed by the Company or any of its Affiliates, nor limits or affects in any manner the right of the Company or any of its Affiliates to terminate the employment or adjust the compensation of Awardee.

23. Successors and Assigns. Without limiting Paragraph 2, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Awardee, and the successors and assigns of the Company.

CARDINAL HEALTH, INC.

By:
Its:

ACCEPTANCE OF AGREEMENT AND APPLICATION OF CLAWBACK POLICIES

Awardee hereby: (a) acknowledges that he or she has received a copy of the Plan, a copy of the Company's most recent annual report to shareholders and other communications routinely distributed to the Company's shareholders, and a copy of the Plan Description pertaining to the Plan; (b) accepts this Agreement and the Performance Share Units granted to him or her under this Agreement subject to all provisions of the Plan and this Agreement, including the provisions in this Agreement regarding "Special Forfeiture and Repayment Rules" set forth in Paragraph 4; (c) represents that he or she understands that the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if he or she manually signed the Agreement; (d) agrees that no transfer of the Shares delivered in respect of the Performance Share Units may be made unless the Shares have been duly registered under all applicable Federal and state securities laws pursuant to a then-effective registration which contemplates the proposed transfer or unless the Company has received a written opinion of, or satisfactory to, its legal counsel that the proposed transfer is exempt from such registration; and (e) acknowledges that any awards granted to Awardee under any incentive plan, agreement or arrangement of the Company are subject to the forfeiture and repayment rules set forth in such plan, agreement or arrangement and, if applicable, to the Cardinal Health, Inc. Clawback Policy as in effect from time to time and agrees to be bound by these provisions with respect to any such awards.

[
Awardee's Signature

Date]

CARDINAL HEALTH, INC.
RESTRICTED SHARE UNITS AGREEMENT

This Restricted Share Units Agreement (this "Agreement") is entered into in Franklin County, Ohio. On [grant date] (the "Grant Date"), Cardinal Health, Inc., an Ohio corporation (the "Company"), has awarded to [employee name] ("Awardee") [# of shares] Stock Units (the "Restricted Share Units" or "Award"), representing an unfunded unsecured promise of the Company to deliver common shares, without par value, of the Company (the "Shares") to Awardee as set forth in this Agreement. The Restricted Share Units have been granted pursuant to the Cardinal Health, Inc. 2021 Long-Term Incentive Plan, as amended (the "Plan"), and are subject to all provisions of the Plan, all of which are incorporated in this Agreement by reference and are subject to the provisions of this Agreement. Capitalized terms used in this Agreement which are not specifically defined have the meanings ascribed to such terms in the Plan.

1. Vesting of Restricted Share Units.

(a) General. [CLIFF ALTERNATIVE: The Restricted Share Units vest on the [ ] anniversary of the Grant Date (the "Vesting Date"), subject to the provisions of this Agreement, including those relating to Awardee's continued employment with the Company and its Affiliates (collectively, the "Cardinal Group").] [INSTALLMENT ALTERNATIVE: The Restricted Share Units vest in [ ] installments, which will be as nearly equal as possible, on the [ ] anniversaries of the Grant Date (each a "Vesting Date" with respect to the portion of the Restricted Share Units scheduled to vest on such date), subject in each case to the provisions of this Agreement, including those relating to Awardee's continued employment with the Company and its Affiliates (collectively, the "Cardinal Group").]

(b) Change of Control. In the event of a Change of Control prior to a Termination of Employment, the Restricted Share Units (to the extent not previously vested or forfeited) vest in full, force except to the extent that a Replacement Award is provided to Awardee in accordance with Section 16(b) of the Plan. Any Replacement Award must vest in full upon (i) a Termination for Good Reason by Awardee, (ii) a Termination of Employment by the Company or its successor in the Change of Control other than a Termination for Cause, or (iii) Awardee's death or Disability, in each case, occurring at or during the period of two years after the Change of Control. In addition, if a Replacement Award is provided, any Restricted Share Units that would vest in accordance with Paragraphs 3(b) or (c)in connection with Awardee's Retirementor Disability if Awardee's Termination of Employment occurred on the date of the Change of Control will for purposes of this Agreement vest at the time of the Change of Control.

2. Transferability. The Restricted Share Units are not transferable other than by beneficiary designation, will, or by the laws of descent or distribution.

3. Termination of Employment.

(a) General. Except as set forth in Paragraphs 1(b) and effect. 3(b), (c) and (d) or as provided in a plan or agreement described in Paragraph 16 below, if a Termination of Employment occurs, then any unvested Restricted Share Units are forfeited by Awardee immediately upon such Termination of Employment.

(b) Death or Disability. If a Termination of Employment by reason of Awardee's death occurs after the Grant Date or a Termination of Employment by reason of Awardee's Disability occurs at least 6 months after the Grant Date, then any outstanding unvested Restricted Share Units immediately vest in full and are not forfeited.

(c) Retirement. If a Termination of Employment by Awardee by reason of Retirement occurs at least 6 months after the Grant Date, then a Ratable Portion of each unvested installment of the outstanding Restricted Share Units immediately vests and is not forfeited. Such "Ratable Portion," with respect to the applicable installment, is an amount (rounded down to the nearest whole Share) equal to such installment of the Restricted Share Units scheduled to vest on a future Vesting Date multiplied by a fraction, the numerator of which is the number of days from the Grant Date through the date of the Termination of Employment, and the denominator of which is the number of days from the Grant Date through such Vesting Date.[1]

[1] This provision is an alternative that may not be included in every award agreement.

(d) Involuntary Termination with Separation Agreement. If (i) Paragraphs 1(b), 3(b) and 3(c) are not applicable, (ii) a Termination of Employment by the Cardinal Group (other than a Termination for Cause), and (iii) no later than 45 days after the Termination of Employment, Awardee enters into a written separation agreement and general release of claims with the Cardinal Group (in such form as may reasonably be presented by the Company) (a "Separation Agreement"), and Awardee does not timely revoke such Separation Agreement, then a Ratable Portion of each unvested installment of the outstanding Restricted Share Units immediately vests and is not forfeited upon the effectiveness of the Separation Agreement.

4. Special Forfeiture and Repayment Rules. This Agreement contains special forfeiture and repayment rules intended to encourage conduct that protects the Cardinal Group's legitimate business assets and discourage conduct that threatens or harms those assets. The Company does not intend to have the benefits of this Agreement reward or subsidize conduct detrimental to the Company, and therefore will require the forfeiture of the benefits offered under this Agreement and the repayment of gains obtained from this Agreement, according to the rules specified below. Activities that trigger the forfeiture and repayment rules are divided into two categories: Misconduct and Competitor Conduct. Awardee also agrees to application of the Company's Clawback Policy described in Paragraph 4(d) below.

(a) Misconduct. During employment with the Cardinal Group and with respect to clauses (A), (D), (E), (F) and (G), for three years after the Termination of Employment for any reason, Awardee agrees not to engage in Misconduct. If Awardee engages in Misconduct during employment or within three years after the Termination of Employment for any reason, then

(i) Awardee immediately forfeits the Restricted Share Units that have not yet vested or that vested at any time within three years prior to the date the Misconduct first occurred and have not yet been paid pursuant to Paragraph 5, and those forfeited Restricted Share Units automatically terminate, and

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash an amount equal to (A) the gross gain to Awardee resulting from the payment of Restricted Share Units pursuant to Paragraph 5 that had vested at any time within three years prior to the date the Misconduct first occurred less (B) $1.00. The gross gain is the Fair Market Value of the Shares represented by the Restricted Share Units on the date of receipt.

As used in this Agreement, "**Misconduct**" means

(A) disclosing or using any of the Cardinal Group's confidential information (as defined by the applicable Cardinal Group policies and agreements) without proper authorization from the Cardinal Group or in any capacity other than as necessary for the performance of Awardee's assigned duties for the Cardinal Group;

(B) violation of the Standards of Business Conduct or any successor code of conduct or other applicable Cardinal Group policies, including but not limited to conduct which would constitute a breach of any representation or certificate of compliance signed by Awardee;

(C) fraud, gross negligence or willful misconduct by Awardee, including but not limited to fraud, gross negligence or willful misconduct causing or contributing to a material error resulting in a restatement of the financial statements of any member of the Cardinal Group;

(D) directly or indirectly soliciting or recruiting for employment or contract work on behalf of a person or entity other than a member of the Cardinal Group, any person who is an employee, representative, officer or director in the Cardinal Group or who held one or more of those positions at any time within the 12 months prior to Awardee's Termination of Employment;

(E) directly or indirectly inducing, encouraging or causing an employee of the Cardinal Group to terminate his/her employment or a contract worker to terminate his/her contract with a member of the Cardinal Group;

(F) any action by Awardee and/or his or her representatives that either does or could reasonably be expected to undermine, diminish or otherwise damage the relationship between the Cardinal Group and any of its customers, prospective customers, vendors, suppliers or employees known to Awardee; or

(G) breaching any provision of any employment or severance agreement with a member of the Cardinal Group.

Nothing in this Agreement will prevent Awardee from testifying truthfully as required by law, prohibit or prevent Awardee from filing a charge with or participating, testifying or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state or local government agency (e.g., Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, etc.), or prevent Awardee from disclosing Cardinal Group's confidential information in confidence to a federal, state or local government official for the purpose of reporting or investigating a suspected violation of law.

(b) Competitor Conduct. If Awardee engages in Competitor Conduct during employment or within one year after the Termination of Employment for any reason, then

(i) Awardee immediately forfeits the Restricted Share Units that have not yet vested or that vested at any time within one year prior to the date the Competitor Conduct first occurred and have not yet been paid pursuant to Paragraph 5, and those forfeited Restricted Share Units automatically terminate, and

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash an amount equal to (A) the gross gain to Awardee resulting from the payment of Restricted Share Units pursuant to Paragraph 5 that had vested at any time since the earlier of one year prior to the date the Competitor Conduct first occurred or one year prior to the Termination of Employment, if applicable, less (B) $1.00. The gross gain is the Fair Market Value of the Shares represented by the Restricted Share Units on the date of receipt.

As used in this Agreement, "**Competitor Conduct**" means accepting employment with, or directly or indirectly providing services to, a Competitor in the United States. If Awardee has a Termination of Employment and Awardee's responsibilities to the Cardinal Group were limited to a specific territory or territories within or outside the United States during the 24 months prior to the Termination of Employment, then Competitor Conduct will be limited to that specific territory or territories. A "Competitor" means any person or business that competes with the products or services provided by a member of the Cardinal Group for which Awardee had business responsibilities within 24 months prior to Termination of Employment or about which Awardee obtained confidential information (as defined by the applicable Cardinal Group policies or agreements).

(c) General.

(i) Nothing in this Paragraph 4 constitutes or is to be construed as a "noncompete" covenant or other restraint on employment or trade. The provisions of this Paragraph 4 do not prevent, nor are they intended to prevent, Awardee from seeking or accepting employment or other work outside the Cardinal Group. The execution of

this Agreement is voluntary. Awardee is free to choose to comply with the terms of this Agreement and receive the benefits offered or else reject this Agreement with no adverse consequences to Awardee's employment with the Cardinal Group.

(ii) Awardee agrees to provide the Company with at least 10 days' written notice prior to accepting employment with or providing services to a Competitor within one year after Termination of Employment.

(iii) Awardee acknowledges receiving sufficient consideration for the requirements of this Paragraph 4, including Awardee's receipt of the Restricted Share Units. Awardee further acknowledges that the Company would not provide the Restricted Share Units to Awardee without Awardee's promise to abide by the terms of this Paragraph 4. The parties also acknowledge that the provisions contained in this Paragraph 4 are ancillary to, or part of, an otherwise enforceable agreement at the time this Agreement is made.

(iv) Awardee may be released from the obligations of this Paragraph 4 if and only if the Administrator determines, in writing and in the Administrator's sole discretion, that a release is in the best interests of the Company.

(d) Clawback Policy. Awardee acknowledges and agrees that, in addition to the other provisions of Paragraph 4, Awardee and this Award will be subject to the terms of the Clawback Policy adopted by the Company, as required by New York Stock Exchange listing standards and as may be in effect from time to time, and Awardee agrees to comply with the requirements of such policy. In its discretion, moreover, the Administrator may require repayment to the Company of all or any portion of this Award if the amount of the Award was calculated based upon the achievement of financial results that were subsequently the subject of a restatement of the Company's financial statements, Awardee engaged in misconduct that caused or contributed to the need for the restatement of the financial statements, and the amount payable to Awardee would have been lower than the amount actually paid to Awardee had the financial results been properly reported. This Paragraph 4(d) is not the Company's exclusive remedy with respect to such matters.

5. Payment.

(a) General. Subject to the provisions of Paragraph 4 and Paragraphs 5(b), (c), (d) and (e), Awardee is entitled to receive from the Company (without any payment by or on behalf of Awardee other than as described in Paragraph 9) the Shares represented by the vested Restricted Share Units on the Vesting Date.

(a) Death. To the extent that Restricted Share Units are vested on the date of Awardee's Termination of Employment due to death, Awardee's estate or designated beneficiary is entitled to receive the corresponding Shares from the Company on the date of death.

(b) Disability, Retirementand Other Separations from Service. To the extent that Restricted Share Units are vested as the result of Disability, Retirement or otherwise on the date of, or in connection with, Awardee's "separation from service" (determined in accordance with Section 409A of the Code), Awardee is entitled to receive the corresponding Shares from the Company on the date that is not later than 60 days after Awardee's "separation from service"; provided, however, that if the 60-day period crosses two calendar tax years, payment will be made in the later year; provided, further, that if Awardee on the date of separation from service is a "specified employee" (certain employees of the Cardinal Group within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), in either case to the extent necessary to avoid the imposition of tax under Section 409A of the Code, Awardee is entitled to receive the corresponding Shares from the Company six months after the date of Awardee's separation from service or, if earlier, the date of Awardee's death.

(c) Change of Control. To the extent that Restricted Share Units are vested on the date of a Change of Control, Awardee is entitled to receive the corresponding Shares from the Company on the date of the Change of Control; provided, however, that if such Change of Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution as a deferral of compensation, Awardee is entitled to receive the corresponding Shares from the Company on the date that would have otherwise applied pursuant to Paragraphs 5(a), (b) or (c).

(d) Elections to Defer Receipt. Elections to defer receipt of the Shares beyond the date of payment provided in this Agreement may be permitted in the discretion of the Administrator pursuant to procedures established by the Administrator in compliance with the requirements of Section 409A of the Code.

6. Dividend Equivalents. Awardee is not entitled to receive cash dividends on the Restricted Share Units but will receive a dividend equivalent payment from the Company in an amount equal to the dividends that would have been paid on each Share underlying the Restricted Share Units if it had been outstanding between the Grant Date and the payment date of any such Share (i.e., based on the record date for cash dividends). Subject to an election to defer receipt if permitted under Paragraph 5(e), the Company shall pay dividend equivalent payments in cash as soon as reasonably practicable after the payment date of the Restricted Share Units to which such dividend equivalents relate.

7. Right of Set-Off. By accepting the Restricted Share Units, Awardee consents to a deduction from, and set-off against, any amounts owed to Awardee that are not treated as "non-qualified deferred compensation" under Section 409A of the

Code by any member of the Cardinal Group from time to time (including, but not limited to, amounts owed to Awardee as wages, severance payments or other fringe benefits) to the extent of the amounts owed to the Cardinal Group by Awardee under this Agreement, subject to Applicable Law.

8. No Shareholder Rights. Awardee has no rights of a shareholder with respect to the Restricted Share Units, including no right to vote the Shares represented by the Restricted Share Units, until such Shares vest and are paid to Awardee.

9. Withholding Tax.

(a) Generally. Awardee is liable and responsible for all taxes owed in connection with the Restricted Share Units (including taxes owed with respect to the cash payments described in Paragraph 6), regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Restricted Share

Units. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of any tax withholding in connection with the grant, vesting or payment of the Restricted Share Units or the subsequent sale of Shares issuable pursuant to the Restricted Share Units. The Company does not commit and is under no obligation to structure the Restricted Share Units to reduce or eliminate Awardee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Restricted Share Units (e.g., vesting or payment) that the Company determines may result in any domestic or foreign tax withholding amounts being paid by the Company, whether national, federal, state or local, including any employment tax obligation (the "Tax Withholding Obligation"), Awardee is required to arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Awardee's acceptance of this Agreement constitutes Awardee's instruction and authorization to the Company to withhold on Awardee's behalf the number of Shares from those Shares issuable to Awardee under this Award as the Company determines to be sufficient to satisfy the Tax Withholding Obligation. In the case of any amounts withheld for taxes pursuant to this provision in the form of Shares, the amount withheld may not exceed the amount legally required and withholding above the minimum withholding requirements shall be available only if and to the extent that the Administrator has authorized such. The Company has the right to deduct from all cash payments paid pursuant to Paragraph 6 the amount of any taxes which the Company is required to withhold with respect to such payments.

10. Governing Law Law/Venue for Dispute Resolution/Costs and Legal Fees. This Amendment shall be Agreement is governed by the substantive laws but not the choice of law rules, of the State of Ohio, without regard to principles of conflicts of law, except to the extent superseded by the laws of the United States of America. **The parties agree and acknowledge that the laws of the State of Ohio bear a substantial relationship to the parties and/or this Agreement and that the Restricted Share Units and benefits granted in this Agreement would not be granted without the governance of this Agreement by the laws of the State of Ohio. In addition, all legal actions or proceedings relating to this Agreement must be brought exclusively in state or federal courts located in Franklin County, Ohio and the parties executing this Agreement hereby consent to the personal jurisdiction of such courts.** Awardee acknowledges that the provisions of Paragraph 4 are reasonable in nature, are fundamental for the protection of the Company's legitimate business and proprietary interests, and do not adversely affect Awardee's ability to earn a living. If it becomes necessary for the Company to institute legal proceedings under this Agreement, Awardee is responsible to the Company for all costs and reasonable legal fees incurred by the Company in connection with the proceedings. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable or to disqualify the Award under any Applicable Law should be construed or limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by the provision, without invalidating or rendering unenforceable the remaining provisions of this Agreement.

11. Defend Trade Secrets Act Notice. Under the U.S. Defend Trade Secrets Act of 2016, Awardee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) is made to Awardee's attorney in relation to a lawsuit for retaliation against Awardee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

12. Action by the Administrator. The parties agree that the interpretation of this Agreement rests exclusively and completely within the sole discretion of the Administrator. The parties agree to be bound by the decisions of the Administrator

Adopted regarding the interpretation of this Agreement and regarding any and all matters set forth in this Agreement. In fulfilling its responsibilities under this Agreement, the Administrator may rely upon documents, written statements of the parties, financial reports or other material as the Administrator deems appropriate. The parties agree that there is no right to be heard or to appear before the Administrator and that any decision of the Administrator relating to this Agreement, including whether conduct constitutes Misconduct or Competitor Conduct, is final and binding. The Administrator may delegate its functions under this Agreement to an officer of the Cardinal Group designated by the Administrator, to the extent permitted under the Plan.

13. Prompt Acceptance of Agreement. The Restricted Share Unit grant evidenced by this Agreement will, at the discretion of the Administrator, be forfeited if this Agreement is not manually executed and returned to the Company, or electronically executed by Awardee by indicating Awardee's acceptance of this Agreement in accordance with the acceptance procedures set forth on the Company's third-party equity plan administrator's web site, within 90 days of the Grant Date.

14. Electronic Delivery and Consent to Electronic Participation. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Share Unit grant under and participation in the Plan or future Restricted Share Units that may be granted under the Plan by electronic means or to request Awardee's consent to participate in the Plan by electronic means. Awardee hereby consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, including the acceptance of restricted share unit grants and the execution of restricted share unit agreements through electronic signature.

15. Notices. All notices, requests, consents, and other communications required or provided under this Agreement to be delivered by Awardee to the Company will be in writing and will be deemed sufficient if delivered by hand, nationally recognized overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and will be effective upon delivery to the Company at the address set forth below:

Cardinal Health, Inc.
7000 Cardinal Place
Dublin, Ohio 43017
Attention: Corporate Secretary

All notices, requests, consents, and other communications required or provided under this Agreement to be delivered by the Company to Awardee may be delivered by e-mail or in writing and will be deemed sufficient if delivered by e-mail, hand, facsimile, nationally recognized overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and will be effective upon delivery to Awardee.

16. Employment Agreement, Offer Letter or Other Arrangement. To the extent a written employment agreement, offer letter or other arrangement ("Employment Arrangement") that was approved by the Human Resources and Compensation Committee or the Board of Directors or that was approved in writing by an officer of the Company

pursuant to delegated authority of the Human Resources and Compensation Committee provides for greater benefits to Awardee with respect to vesting of the Award on May 8, 2023 Termination of Employment by reason of specified events than provided in this Agreement or in the Plan, then the terms of such Employment Arrangement with respect to vesting of the Award on Termination of Employment by reason of such specified events supersede the terms of this Agreement to the extent permitted by the terms of the Plan. If Awardee is eligible for severance benefits under the Cardinal Health, Inc. Senior Executive Severance Plan, as amended, such plan also constitutes an "Employee Arrangement" for purposes of this section.

17. Amendment. Any amendment to the Plan is deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment may impair the rights of Awardee with respect to an outstanding Restricted Share Unit unless agreed to by Awardee and the Company, which agreement must be in writing and signed by Awardee and the Company. Other than following a Change of Control, no such agreement is required if the Administrator determines in its sole discretion that such amendment either (a) is required or advisable in order for the Company, the Plan or the Restricted Share Units to satisfy any Applicable Law or to meet the requirements of any accounting standard or (b) is not reasonably likely to significantly diminish the benefits provided under the Restricted Share Units, or that any such diminishment has been adequately compensated, including pursuant to Section 16(c) of the Plan.

18. Adjustments. The number of Shares issuable for each Restricted Share Unit and the other terms and conditions of the Award evidenced by this Agreement are subject to adjustment as provided in Section 16 of the Plan.

19. Compliance with Section 409A of the Code. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code. This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Awardee).

20. No Right to Future Awards or Employment. The grant of the Restricted Share Units under this Agreement to Awardee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Restricted Share Units and any payments made under this Agreement will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement confers upon Awardee any right to be employed or remain employed by the Company or any of its Affiliates, nor limits or affects in any manner the right of the Company or any of its Affiliates to terminate the employment or adjust the compensation of Awardee.

21. Review. The Awardee agrees and represent that the Awardee has been advised to consult with an attorney prior to executing this Agreement and fully understands the Awardee's right to discuss all aspects of this Agreement with an attorney of the Awardee's choice. The Awardee's execution of this Agreement establishes that, if the Awardee wishes the advice of an attorney, the Awardee has done so by the date the Awardee signed the Agreement, and that the Awardee was given at least 14 days to consider whether to sign. The Awardee may sign this Agreement before the end of the 14-day period and the Awardee agrees that if the Awardee decides to shorten this time period for signing, the Awardee's decision was knowing and voluntary. The parties agree that a change, whether material or immaterial, does not restart the running of said period.

22. Successors and Assigns. Without limiting Paragraph 2, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Awardee, and the successors and assigns of the Company.

CARDINAL HEALTH, INC.

By:
Its:

ACCEPTANCE OF AGREEMENT AND APPLICATION OF CLAWBACK POLICIES

Awardee hereby: (a) acknowledges that he or she has received a copy of the Plan, a copy of the Company's most recent annual report to shareholders and other communications routinely distributed to the Company's shareholders, and a copy of the Plan Description pertaining to the Plan; (b) accepts this Agreement and the Restricted Share Units granted to him or her under this Agreement subject to all provisions of the Plan and this Agreement, including the provisions in the Agreement regarding "Special Forfeiture and Repayment Rules" set forth in Paragraph 4; (c) represents that he or she understands that the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if he or she manually signed the Agreement; (d) agrees that no transfer of the Shares delivered in respect of the Restricted Share Units may be made unless the Shares have been duly registered under all applicable Federal and state securities laws pursuant to a then-effective registration which contemplates the proposed transfer or unless the Company has received a written opinion of, or satisfactory to, its legal counsel that the proposed transfer is exempt from such registration; and (e) acknowledges that any awards granted to Awardee under any incentive plan, agreement or arrangement of the Company are subject to the forfeiture and repayment rules set forth in such plan, agreement or arrangement and, if applicable, to the Cardinal Health, Inc. Clawback Policy as in effect from time to time and agrees to be bound by these provisions with respect to such awards.

[
Awardee's Signature

Date]

Confidentiality and Business Protection Agreement

This Confidentiality and Business Protection Agreement (“Agreement”) is hereby entered into by and between Stephen M. Mason (“Executive”) and Cardinal Health, Inc., an Ohio Corporation (the “Company”), effective as of August 16, 2019.

It is hereby agreed as follows:

1. Consideration and Acknowledgements. The parties acknowledge that the provisions and covenants contained in this Agreement are ancillary and material to, and in consideration of, the promotion of Executive to Chief Executive Officer, Medical Segment, and that the limitations contained herein are reasonable in geographic and temporal scope and do not impose a greater restriction or restraint than is necessary to protect the goodwill and other legitimate business interests of the Company. The parties also acknowledge and agree that the provisions of this Agreement do not adversely affect Executive's ability to earn a living in any capacity that does not violate the covenants contained herein. The parties further acknowledge and agree that the provisions of Section 9(a) below are accurate and necessary because (i) this Agreement is entered into in the State of Ohio, (ii) Ohio has a substantial relationship to the parties and to this transaction, (iii) Ohio is the headquarters state of the Company, which has operations worldwide and has a compelling interest in having its employees treated uniformly, (iv) the use of Ohio law provides certainty to the parties in any covenant litigation in the United States, and (v) enforcement of the provisions of this Agreement would not violate any fundamental public policy of Ohio or any other jurisdiction.

2. Confidential Information. Executive shall hold in a fiduciary capacity for the benefit of the Company and all of its subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates (collectively, the "Cardinal Group"), all secret or confidential information, knowledge or data relating to the Cardinal Group and its businesses (including, without limitation, any proprietary and not publicly available information concerning any processes, methods, trade secrets, research, secret data, costs, names of users or purchasers of their respective products or services, business methods, operating procedures or programs or methods of promotion and sale) that Executive has obtained or obtains during Executive's employment by the Cardinal Group and that is not public knowledge (other than as a result of Executive's violation of this Agreement) ("Confidential Information"). For the purposes of this Agreement, information shall not be deemed to be publicly available merely because it is embraced by general disclosures or because individual features or combinations thereof are publicly available. Executive shall not communicate, divulge or disseminate Confidential Information at any time during or after Executive's employment with the Cardinal Group, except with prior written consent of the applicable Cardinal Group company, or as otherwise required by law or legal process. All records, files, memoranda, reports, customer lists, drawings, plans, documents and the like that Executive uses, prepares or comes into contact with during the course of Executive's employment shall remain the sole property of the Company or the Cardinal Group company, as applicable, and shall be turned over to the applicable Cardinal Group company upon termination of Executive's employment.

Under the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to Executive’s attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Nothing in this Agreement shall (a) prevent Executive from testifying truthfully as required by law (b) prohibit or prevent Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency (e.g. EEOC, NLRB, SEC, etc.), or (c) prevent Executive from disclosing Company information in confidence to a federal, state, or local government official for the purpose of reporting or investigating a suspected violation of law.

3. Non-Recruitment of Cardinal Group Employees, etc. Executive shall not, at any time during the Restricted Period (as defined below), without the prior written consent of the Company, engage in the following conduct (a "Solicitation"): (i) directly or indirectly, including via social media or professional networking services, solicit, recruit or employ (whether as an employee, officer, director, agent, consultant or independent contractor) any person who is or was at any time during the previous twelve months an employee, representative, officer or director of the Cardinal Group; or (ii) take any action to

encourage or induce any employee, representative, officer or director of the Cardinal Group to cease his or her relationship with the Cardinal Group for any reason. A "Solicitation" does not include any recruitment of employees within or for the Cardinal Group. The "Restricted Period" means the period from the date of this Agreement until twenty-four months after Executive’s date of termination of employment or date of retirement, as applicable. The Restricted Period shall be extended and its expiration tolled by the time period in which Executive is in breach of any covenant in this Agreement to ensure that Executive does not benefit from any breach and that the Company receives the full benefit of two years protection from unfair competition on which it has relied in entering into this Agreement.

4. No Competition -- Solicitation of Business. During the Restricted Period, Executive shall not (either directly or indirectly or as an officer, agent, employee, partner, consultant or director of any other company, partnership or entity) solicit, service or accept on behalf of any competitor of the Cardinal Group the business of (i) any customer of the Cardinal Group during the time of Executive's employment or at date of termination of employment, or (ii) any potential customer of the Cardinal Group which Executive knew to be an identified, prospective purchaser of products or services of the Cardinal Group.

5. No Competition -- Employment by Competitor. During the Restricted Period, Executive shall not invest in (other than in a publicly traded company with a maximum investment of no more than 1% of outstanding shares), counsel, advise or be otherwise engaged or employed by any entity or enterprise that is in competition with the business conducted by any member of the Cardinal Group (other than a business that is not a significant business to the Cardinal Group as a whole or to the entity or enterprise as a whole).

6. No Disparagement.

(a) Executive and the Company shall at all times refrain from taking actions or making statements, written or oral, that (i) denigrate, disparage or defame the goodwill or reputation of Executive or the Cardinal Group, as the case may be, or any of its trustees, officers, security holders, partners, agents or former or current employees and directors, or (ii) are intended to, or may be reasonably expected to, adversely affect the morale of the employees of the Cardinal Group. Executive further agrees not to make any negative statements to third parties relating to Executive's employment or any aspect of the businesses of the Cardinal Group and not to make any statements to third parties about the circumstances of the termination of Executive's employment or about the Cardinal Group or its trustees, directors, officers, security holders, partners, agents or former or current employees and directors, except as may be required by a court or governmental body.

(b) Executive further agrees that, following termination of employment for any reason, Executive shall assist and cooperate with the Company with regard to any matter or project in which Executive was involved during Executive's employment with the Company, including but not limited to any litigation that may be pending or may arise after such termination of employment. Further, Executive agrees to notify the Company at the earliest opportunity of any contact that is made by any third parties concerning any such matter or project. The Company shall not unreasonably request such cooperation of Executive and shall cooperate with Executive in scheduling any assistance by Executive, taking into account Executive's business and personal affairs, and shall compensate Executive for any lost wages or expenses associated with such cooperation and assistance.

7. Inventions. All plans, discoveries and improvements, whether patentable or unpatentable, made or devised by Executive, whether alone or jointly with others, from the date of Executive's initial employment by the Company and continuing until the end of any period during which Executive is employed by the Cardinal Group, relating or pertaining in any way to Executive's employment with or the business of the Cardinal Group, shall be promptly disclosed in writing to the Company's Chief Legal and Compliance Officer and are hereby transferred to and shall redound to the benefit of the Company, and shall become and remain its sole and exclusive property. Executive agrees to execute any assignment to the Company or its nominee, of Executive's entire right, title and interest in and to any such discoveries and improvements and to execute any other instruments and documents requisite or desirable in applying for and obtaining patents, trademarks or copyrights, at the expense of the Company, with respect thereto in the United States and in all foreign countries, that may be required by the Company. Executive further agrees at all times to cooperate to the extent and in the manner required by the Company in the prosecution or defense of any patent or copyright claims or any litigation or other proceeding involving any trade secrets, processes, discoveries or improvements covered by this Agreement, but all necessary expenses thereof shall be paid by the Company.

8. Acknowledgement and Enforcement. Executive acknowledges and agrees that: (a) the purpose of the foregoing covenants, including without limitation the noncompetition covenants of Sections 4 and 5, is to protect the goodwill, trade secrets and other Confidential Information of the Company; (b) because of the nature of the business in which the Cardinal Group is engaged and because of the nature of the Confidential Information to which Executive has access, the Company would suffer irreparable harm and it would be impractical and excessively difficult to determine the actual damages of the Cardinal Group in the event Executive breached any of the covenants of this Agreement; and (c) remedies at law (such as monetary damages) for any breach of Executive's obligations under this Agreement would be inadequate. Executive therefore agrees and consents that if Executive commits any breach of a covenant under this Agreement or threatens to commit any such breach, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage. If any of the covenants contained in this Agreement are finally held by a court to be invalid, illegal or unenforceable (whether in whole or in part), such covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining covenants shall not be affected thereby; provided, however, that if any of such covenants is finally held by a court to be invalid, illegal or unenforceable because it exceeds the maximum scope or duration determined to be acceptable to permit such provision to be enforceable, such covenant will be deemed to be modified to the minimum extent necessary to modify such scope or duration in order to make such provision enforceable hereunder.

9. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without reference to principles of conflict of laws. If, under any such law, any portion of this Agreement is at any time deemed to be in conflict with any applicable statute, rule, regulation or ordinance, such portion shall be deemed to be modified or altered to conform thereto. The parties hereto irrevocably agree to submit to the jurisdiction and venue of the courts of the State of Ohio in any action or proceeding brought with respect to or in connection with this Agreement. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. This Agreement is the product of negotiation and shall not be construed strictly for or against any party.

(b) All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: At the most recent address on file for Executive at the Company

If to the Company: Cardinal Health, Inc.

7000 Cardinal Place
Dublin, Ohio 43017
Attention: Chief Legal and Compliance Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with the law.

(d) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and the Company has caused these presents to be executed in its name and on its behalf, all as of the day and year first above written.

/s/ Stephen M. Mason
Stephen M. Mason
Execution Date: 10-7-19

CARDINAL HEALTH, INC.

/s/ Ola M. Snow
By: Ola M. Snow
Its: Chief Human Resources Officer
Execution Date: 10-7-19

Exhibit 10.9.5

Confidentiality and Business Protection Agreement

This Confidentiality and Business Protection Agreement (“Agreement”) is hereby entered into by and between Deborah L. Weitzman (“Executive”) and Cardinal Health, Inc., an Ohio Corporation (the “Company”), effective as of September 19, 2022.

It is hereby agreed as follows:

1. Consideration and Acknowledgements. The parties acknowledge that the provisions and covenants contained in this Agreement are ancillary and material to, and in consideration of, the promotion of Executive to Chief Executive Officer, Pharmaceutical Segment, and that the limitations contained herein are reasonable in geographic and temporal scope and do not impose a greater restriction or restraint than is necessary to protect the goodwill and other legitimate business interests of the Company. The parties also acknowledge and agree that the provisions of this Agreement do not adversely affect Executive's ability to earn a living in any capacity that does not violate the covenants contained herein. The parties further acknowledge and agree that the provisions of Section 9(a) below are accurate and necessary because (i) this Agreement is entered into in the State of Ohio, (ii) Ohio has a substantial relationship to the parties and to this transaction, (iii) Ohio is the headquarters state of the Company, which has operations worldwide and has a compelling interest in having its employees treated uniformly, (iv) the use of Ohio law provides certainty to the parties in any covenant litigation in the United States, and (v) enforcement of the provisions of this Agreement would not violate any fundamental public policy of Ohio or any other jurisdiction.

2. Confidential Information. Executive shall hold in a fiduciary capacity for the benefit of the Company and all of its subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates (collectively, the "Cardinal Group"), all secret or confidential information, knowledge or data relating to the Cardinal Group and its businesses (including, without limitation, any proprietary and not publicly available information concerning any processes, methods, trade secrets, research, secret data, costs, names of users or purchasers of their respective products or services, business methods, operating procedures or programs or methods of promotion and sale) that Executive has obtained or obtains during Executive's employment by the Cardinal Group and that is not public knowledge (other than as a result of Executive's violation of this Agreement) ("Confidential Information"). For the purposes of this Agreement, information shall not be deemed to be publicly available merely because it is embraced by general disclosures or because individual features or combinations thereof are publicly available. Executive shall not communicate, divulge or disseminate Confidential Information at any time during or after Executive's employment with the Cardinal Group, except with prior written consent of the applicable Cardinal Group company, or as otherwise required by law or legal process. All records, files, memoranda, reports, customer lists, drawings, plans, documents and the like that Executive uses, prepares or comes into contact with during the course of

Executive's employment shall remain the sole property of the Company or the Cardinal Group company, as applicable, and shall be turned over to the applicable Cardinal Group company upon termination of Executive's employment.

Notwithstanding any other provision of this Agreement, however, under the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law or this or any other agreement for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to Executive's attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Nothing in this Agreement shall (a) prevent Executive from testifying truthfully as required by law (b) prohibit or prevent Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency (e.g. EEOC, NLRB, SEC, etc.), or (c) prevent Executive from disclosing Company information in confidence to a federal, state, or local government official for the purpose of reporting or investigating a suspected violation of law.

3. Non-Recruitment of Cardinal Group Employees, etc. Executive shall not, at any time during the Restricted Period (as defined below), without the prior written consent of the Company, engage in the following conduct (a

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"Solicitation"): (i) directly or indirectly, including via social media or professional networking services, solicit, recruit or employ (whether as an employee, officer, director, agent, consultant or independent contractor) any person who is or was at any time during the previous twelve months an employee, representative, officer or director of the Cardinal Group; or (ii) take any action to encourage or induce any employee, representative, officer or director of the Cardinal Group to cease his or her relationship with the Cardinal Group for any reason. A "Solicitation" does not include any recruitment of employees within or for the Cardinal Group. The "Restricted Period" means the period from the date of this Agreement until twenty-four months after Executive's date of termination of employment or date of retirement, as applicable. The Restricted Period shall be extended and its expiration tolled by the time period in which Executive is in breach of any covenant in this Agreement to ensure that Executive does not benefit from any breach and that the Company receives the full benefit of two years protection from unfair competition on which it has relied in entering into this Agreement.

4. No Competition -- Solicitation of Business. During the Restricted Period, Executive shall not (either directly or indirectly or as an officer, agent, employee, partner, consultant or director of any other company, partnership or entity) solicit, service or accept on behalf of any competitor of the Cardinal Group the business of (i) any customer of the Cardinal Group during the time of Executive's employment or at date of termination of employment, or (ii) any potential customer of the Cardinal Group which Executive knew to be an identified, prospective purchaser of products or services of the Cardinal Group.

5. No Competition -- Employment by Competitor. During the Restricted Period, Executive shall not invest in (other than in a publicly traded company with a maximum investment of no more than 1% of outstanding shares), counsel, advise or be otherwise engaged or employed by any entity or enterprise that is in competition with the business conducted by any member of the Cardinal Group (other than a business that is not a significant business to the Cardinal Group as a whole or to the entity or enterprise as a whole).

6. No Disparagement. Executive shall at all times refrain from taking actions or making statements, written or oral, that (i) denigrate, disparage or defame the goodwill or reputation of the Cardinal Group, as the case may be, or any of its trustees, officers, security holders, partners, agents or former or current employees and directors, or (ii) are intended to, or may be reasonably expected to, adversely affect the morale of the employees of the Cardinal Group. Executive further agrees not to make any negative statements to third parties relating to Executive's employment or any aspect of the businesses of the Cardinal Group and not to make any statements to third parties about the circumstances of the termination of Executive's employment or about the Cardinal Group or its trustees, directors, officers, security holders, partners, agents or former or current employees and directors, except as may be required by a court or governmental body.

7. Cooperation. Executive agrees that, following termination of employment for any reason, Executive shall assist and cooperate with the Company with regard to any matter or project in which Executive was involved during Executive's employment with the Company, including but not limited to any litigation that may be pending or may arise after such termination of employment. Further, Executive agrees to notify the Company at the earliest opportunity of any contact that is made by any third parties concerning any such matter or project unless prohibited by law. The Company shall not unreasonably request such cooperation of Executive and shall cooperate with Executive in scheduling any assistance by Executive, considering Executive's business and personal affairs, and shall compensate Executive for any lost wages or expenses associated with such cooperation and assistance.

8. Work Product and Inventions. All of the following that the Executive creates, makes, compiles, prepares, or contributes to, solely or in collaboration with others, during the course of Executive's employment are the sole property of the Company: all works of authorship, plans, records, drawings, data, designs, inventions, discoveries, improvements, and trade secrets; all derivatives and modifications thereof and thereto; and all copyrights, patents and other intellectual property rights therein whether registrable or unregistered, patentable or unpatentable, made or devised by Executive, from the date of Executive's initial employment by the Company and continuing until the end of any period during which Executive is employed by the Cardinal Group, relating or pertaining in any way to Executive's employment with or the business of the Cardinal Group (collectively, "Work Product"). The Executive shall promptly disclose all Work Product to the Company. The Executive agrees that all of the Work Product in fixed form constitutes "collective

works," "supplementary works," "compilations," and/or "instructional texts" as those terms are used under the Copyright Act of 1976, and all such Work Product that the Service Provider creates, makes, compiles, prepares, or contributes to, solely or

in collaboration with others, shall be considered "works made for hire" under the laws of the United States and that the Company shall be considered the author of such works made for hire. Executive further agrees to assign and transfer (or cause to be assigned and transferred), and does hereby assign and transfer, fully and permanently to the Company, all of Executive's other rights, titles and interests in and to any and all Work Product without need for a separate writing or additional consideration and to execute any other instruments and documents requisite or desirable to the Company in applying for and obtaining patents, trademarks or copyrights or otherwise reasonably related to a business purpose, at the expense of the Company, with respect thereto in the United States and in all foreign countries. Executive further agrees at all times to cooperate to the extent and in the manner required by the Company in the prosecution or defense of any patent, trademark, copyright, trade secret, or unfair competition claims or any litigation or other proceeding involving any Work Product covered by this Agreement, but all necessary expenses thereof shall be paid by the Company. For the avoidance of doubt, "Work Product" does not include subject matter created by Executive on Executive's own time without the use of Company equipment, property, or resources, and that does not relate to Executive's work for the Company and is not otherwise based on Executive's duties for or to the Company or knowledge of the Company.

9. Acknowledgement and Enforcement. Executive acknowledges and agrees that: (a) the purpose of the foregoing covenants, including without limitation the noncompetition covenants of Sections 4 and 5, is to protect the goodwill, trade secrets and other Confidential Information of the Company; (b) because of the nature of the business in which the Cardinal Group is engaged and because of the nature of the Confidential Information to which Executive has access, the Company would suffer irreparable harm and it would be impractical and excessively difficult to determine the actual damages of the Cardinal Group in the event Executive breached any of the covenants of this Agreement; and (c) remedies at law (such as monetary damages) for any breach of Executive's obligations under this Agreement would be inadequate. Executive therefore agrees and consents that if Executive commits any breach of a covenant under this Agreement or threatens to commit any such breach, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage. If any of the covenants contained in this Agreement are finally held by a court to be invalid, illegal or unenforceable (whether in whole or in part), such covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining covenants shall not be affected thereby; provided, however, that if any of such covenants is finally held by a court to be invalid, illegal or unenforceable because it exceeds the maximum scope or duration determined to be acceptable to permit such provision to be enforceable, such covenant will be deemed to be modified to the minimum extent necessary to modify such scope or duration in order to make such provision enforceable hereunder.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without reference to principles of conflict of laws. If, under any such law, any portion of this Agreement is at any time deemed to be in conflict with any applicable statute, rule, regulation or ordinance, such portion shall be deemed to be modified or altered to conform thereto. The parties hereto irrevocably agree to submit to the jurisdiction and venue of the federal and state courts in the State of Ohio in any action or proceeding brought with respect to or in connection with this Agreement. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. This Agreement is the product of negotiation and shall not be construed strictly for or against any party.

(b) All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: At the most recent address on file for Executive at the Company

If to the Company: Cardinal Health, Inc.

7000 Cardinal Place
Dublin, Ohio 43017
Attention: Corporate Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with the law.

(d) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and the Company has caused these presents to be executed in its name and on its behalf, all as of the day and year first above written.

EXECUTIVE

/s/ Deborah L. Weitzman
Deborah L. Weitzman

Execution Date: 9/8/2022

CARDINAL HEALTH, INC.

/s/ Ola M. Snow
By: Ola M. Snow
Its: Chief Human Resources Officer
Execution Date: 9/8/2022

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Exhibit 19

Restrictions on buying and selling stock and securities
(Insider trading) policy

Policy Statement
No employee, officer, member of the Board of Directors or consultant (individually referred to as a “person” or “you” and collectively referred to as “persons”) of Cardinal Health who is aware of material nonpublic information about Cardinal Health may, directly or indirectly, including through family members or other persons or entities, (a) buy, sell or engage in any other transactions involving securities of Cardinal Health, (b) suggest to anyone else that they buy or sell securities of Cardinal Health, or (c) communicate that information to (1) any other Cardinal Health personnel unless that person requires the information to perform their business duties, or (2) anyone outside Cardinal Health other than in accordance with Cardinal Health policies regarding protection or external disclosure of information.

In addition, no person who learns of material nonpublic information about another company, including a customer, supplier or competitor of Cardinal Health, in the course of working for Cardinal Health, may, directly or indirectly, including through family members or other persons or entities, (a) buy, sell or engage in any other transactions involving securities of the other company, (b) suggest to anyone else that they buy or sell securities of the other company, or (c) communicate that information to (1) any other Cardinal Health personnel unless that person requires the information to perform their business duties, or (2) anyone outside Cardinal Health other than in accordance with Cardinal Health policies regarding protection or external disclosure of information.

The trading and communication prohibitions discussed above apply until the information becomes public (as discussed below) or is no longer material. In addition, the trading prohibitions apply to all securities of Cardinal Health and other companies such as stock, bonds, debentures, options, puts and calls.

Cardinal Health will not engage in transactions in its securities while aware of material nonpublic information related to Cardinal Health or its securities.

There is no exception to this policy for transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure). But, as explained below, there is an exception for buying or selling under a trading plan that complies with Securities and Exchange Commission (“SEC”) Rule 10b5-1, in accordance with any applicable Cardinal Health guidelines.

Material Information
Information is considered “material” if there is a substantial likelihood that a reasonable investor would consider that information important in deciding to buy, hold, or sell securities. Although not the only factor to consider, any information expected to affect a company’s stock price, whether positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material are:

- Quarterly earnings or earnings guidance;
- Projections of future earnings or losses that are inconsistent with guidance or expectations;
- A pending or proposed significant merger or acquisition;
- A pending or proposed acquisition or disposition of a significant asset(s) or pending or proposed significant expansion or curtailment of operations;
- A significant change in dividend policy or the declaration of a stock split;
- A significant change in executive management;
- A significant regulatory or litigation development;
- A significant cybersecurity incident;
- A decision by Cardinal Health to borrow a significant amount of money;
- A decision by Cardinal Health to offer securities to the public or repurchase or redeem any Cardinal Health securities currently owned by the public;
- Impending bankruptcy or the existence of severe liquidity problems;
- Gain or loss of a significant customer; and
- A significant change in Cardinal Health’s capital expenditure program.

The foregoing are merely examples and should not be treated as an all-inclusive list. Depending on the circumstances, information about other events or about other possible changes or developments not listed above also may be regarded as material. When in doubt whether nonpublic information is material, it is best not to engage in a transaction.

Twenty-Twenty Hindsight
Remember, anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

When Information is "Public"
If you are aware of material nonpublic information, you may not trade until the information has been disclosed broadly to the marketplace and the investing public has had time to absorb the information fully. To avoid the appearance of impropriety, information should not be considered fully absorbed by the marketplace until the completion of at least one complete trading day (i.e., from 9:30 a.m. to 4:00 p.m. Eastern time) after the information is released. For example, if an announcement is made on a Monday before the market opens (i.e., before 9:30 a.m.), a person would not be able to trade on Monday but would be able to trade on Tuesday. But if an announcement is made on a Monday at any time after the market opens (i.e., after 9:30 a.m.), a person would not be able to trade on Monday or Tuesday but would be able to trade on Wednesday.

It is important to note that information is not necessarily public merely because it has been discussed in the press or on social media, which will sometimes report rumors. You should presume that information is nonpublic, unless you can point to the official release of that information by Cardinal Health in at least one of the following ways:

a. publicly available filings with the SEC; or
b. issuance of press releases via major newswire.

Transactions by Family Members and Controlled Entities
This policy applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in company securities). This policy also applies to (a) any entities you or your family members control, such as partnerships, trusts, and corporations, and (b) brokerage accounts maintained for the benefit of you or your family members if anyone has discretion over the accounts. You are responsible for the transactions of these other persons and entities and therefore should make them aware of the need to confer with you before they trade in Cardinal Health securities.

Transactions under Company Plans

1. 401(k) Savings Plan
   Under this policy, you are prohibited, while aware of material nonpublic information or subject to a Blackout Period (as discussed below), from:
   a. selecting the Cardinal Health stock fund as an investment election;
   b. increasing or decreasing the percentage of your periodic contributions to the Cardinal Health stock fund, other than decreasing to zero (that is, ceasing entirely) future contributions to the Cardinal Health stock fund;
   c. making an intra-plan transfer of an existing account balance into or out of the Cardinal Health stock fund;
   d. electing to borrow money against your 401(k) Savings Plan account if the loan will result in a liquidation of some or all your Cardinal Health stock fund; and
   e. electing to prepay a plan loan if the prepayment will result in a change in your Cardinal Health stock fund balance.

   But this restriction does not prohibit continuing transactions in the Cardinal Health stock fund that occur under an investment election that you made when you were not aware of material nonpublic information or subject to a Blackout Period.

2. Restricted Share Units and Performance Share Units
   Under this policy, you are prohibited, while aware of material nonpublic information or subject to a Blackout Period, from selling any shares underlying restricted share units or performance share units awarded to you. But this restriction does not prohibit the receipt or vesting of restricted share units or performance share units or the withholding by Cardinal Health of shares otherwise issuable under an award to satisfy tax withholding requirements upon the vesting of restricted share units or performance share units.

3. Stock Option Exercises

Under this policy, you are prohibited, while aware of material nonpublic information or subject to a Blackout Period, from selling shares as part of a broker-assisted cashless exercise of an option, or any other market sale to generate cash needed to pay the exercise price of or taxes on an option. But this restriction does not prohibit (a) the exercise of a stock option, if you pay the exercise price and applicable taxes in cash or already-owned shares and do not engage in a transaction in the shares issued upon exercise of the stock option while aware of material nonpublic information or subject to a Blackout Period or (b) the receipt or vesting of stock options.

4. Deferred Compensation Plan

Under this policy, you are prohibited, while aware of material nonpublic information or subject to a Blackout Period, from:

a. selecting the Cardinal Health stock account as an investment election;
b. increasing or decreasing the percentage of your periodic contributions to the Cardinal Health stock account, other than decreasing to zero (that is, ceasing entirely) future contributions to the Cardinal Health stock account; and
c. making an intra-plan transfer of an existing account balance into or out of the Cardinal Health stock account.

But this restriction does not prohibit continuing transactions in the Cardinal Health stock account that occur under an investment election that you made when you were not aware of material nonpublic information or subject to a Blackout Period.

Gifts of Company Securities

You may not make a gift of Cardinal Health securities while aware of material nonpublic information or subject to a Blackout Period, unless (a) the gift is made to a family member or to an entity that you or your family members control (such as a trust, foundation or other organization over which you exercise control with respect to the sale of the gifted securities), and (b) you ensure that the recipient does not sell such securities during any period when you are not permitted to sell Cardinal Health securities under this policy. As noted below, directors and Section 16 officers also must obtain pre-clearance from the Chief Legal and Compliance Officer before making any gift of Cardinal Health securities.

Short-Term, Speculative and Hedging Transactions

Directors, officers, and employees (and their family members and controlled entities that are subject to this policy) are prohibited from engaging in short sales, publicly traded options, puts and calls, forward sale contracts and other swap, hedging and derivative transactions involving or relating to Cardinal Health securities.

Blackout Periods

Directors, Section 16 officers, and certain other persons designated by the Chief Legal and Compliance Officer (collectively, “Covered Individuals”), as well as their family members and controlled entities that are subject to this policy, may not purchase or sell securities in the open market during a no-trade period (“Blackout Period”). An exception to this prohibition applies for transactions effected under a trading plan that complies with SEC Rule 10b5-1, in accordance with any applicable Cardinal Health guidelines, as discussed below. The quarterly Blackout Period begins on the fifth calendar day of the third month of every fiscal quarter and continues until one complete trading day after Cardinal Health’s earnings for that quarter are publicly released. The Chief Legal and Compliance Officer may impose additional Blackout Periods for all or some Covered Individuals and other employees as he or she may deem necessary or appropriate. All Covered Individuals also are subject to all other restrictions in this policy. “Section 16 officers” are officers who are subject to the reporting and “short-swing profit” liability provisions of Section 16 of the Securities Exchange Act of 1934, as designated by the Board of Directors.

Post-Termination Transactions

This policy continues to apply to your transactions in Cardinal Health securities even after termination of your employment or service with Cardinal Health. If you are aware of material nonpublic information about Cardinal Health when your employment or service terminates, you may not trade in Cardinal Health securities until that information has become public or is no longer material, except as otherwise specified in this policy under the headings “Transactions Under Company Plans” and “Rule 10b5-1 Plans.” Subject to the preceding sentence, if you are a Covered Individual subject to a regular quarterly Blackout Period and your service terminates during the regular quarterly Blackout Period, you may not engage in a transaction in Cardinal Health securities until the end of the regular quarterly Blackout Period.

Pre-Clearance and Prohibitions for Directors and Section 16 Officers

Each director and Section 16 officer must obtain pre-clearance from the Chief Legal and Compliance Officer before engaging in any transactions in or transfers of Cardinal Health securities, including purchases, sales, option exercises, transactions in the 401(k) Savings Plan or Deferred Compensation Plan, stock gifts and transactions by their family members and controlled entities that are subject to this policy. See also pre-clearance requirements under Rule 10b5-1 plans below. In addition, directors, and Section 16 officers (and their family members and controlled entities that are subject to this policy) are prohibited from holding Cardinal Health securities in margin accounts or pledging Cardinal Health securities as collateral for a loan.

Rule 10b5-1 Plans

Under SEC Rule 10b5-1, a person can raise an affirmative defense from insider trading liability for transactions in Cardinal Health securities that occur under a contract or plan meeting specific requirements.

Directors, Section 16 officers, and other Covered Individuals (and their family members and controlled entities that are subject to this policy) and all other employees must obtain pre-clearance from the Chief Legal and Compliance Officer of any Rule 10b5-1 plan relating to Cardinal Health securities prior to entry into the plan.

Directors and Section 16 officers should be aware that Cardinal Health is required to make quarterly disclosuresregardingallRule10b5-1plansenteredinto,amended,orterminatedbysuchpersonsandsuch disclosures must include the material terms of such plans, other than pricing information.

All10b5-1plansmustmeettherequirementsofRule10b5-1andCardinalHealth'sguidelinesforRule10b5-1 plans,whicharesummarizedintheFAQsavailableonCardinalHealth'sinternalwebsite. The Chief Legal and Compliance Officer may establish additional requirements or guidelines for Rule 10b5-1 plans.

Consequences of Violations

Violation of this policy may subject a person to sanctions by Cardinal Health, including dismissal for cause, whether the person's failure to comply results in a violation of law. In addition, violation of insider trading laws can result in civil and criminal penalties, including disgorgement of gains or of any losses avoided, significant fines and imprisonment.

Scope

This policy applies to employees, officers, members of the Board of Directors and consultants of Cardinal Health, Inc., its divisions and majority-owned or controlled subsidiaries. Consultants are not Cardinal Health employees, and nothing in this policy should be construed to the contrary.

Effective date

May 7, 2024

Responsible party

The Chief Legal and Compliance Officer is responsible for administering this policy. The Chief Legal and Compliance Officer may delegate such administration to one or more members of the Legal Department.

Exhibit 21.1

Subsidiaries of the Registrant

Listed below are majority-owned subsidiaries of Cardinal Health, Inc. as of June 30, 2023 June 30, 2024. Subsidiaries excluded from the list below would not, considered in the aggregate as a single subsidiary, constitute a "significant subsidiary" of Cardinal Health, Inc. as that term is defined in Rule 1-02(w) of SEC Regulation S-X.

Subsidiary Name	State/Jurisdiction of Incorporation
A+ Secure Packaging, LLC	Tennessee
Aero-Med, LLC	Connecticut
Allegiance Corporation	Delaware
Cardinal Health 2, LLC	Nevada
Cardinal Health 3, LLC	Delaware
Cardinal Health 5, LLC	Delaware
Cardinal Health 6, Inc.	Nevada
Cardinal Health 7, LLC	Delaware
Cardinal Health 23, LLC	Nevada
Cardinal Health 23 Funding, LLC	Nevada
Cardinal Health 100, LLC	Indiana
Cardinal Health 104 LP	Ohio
Cardinal Health 105, LLC	Ohio
Cardinal Health 107, LLC	Ohio
Cardinal Health 108, LLC	Delaware
Cardinal Health 110, LLC	Delaware
Cardinal Health 112, LLC	Delaware
Cardinal Health 113, LLC	Wisconsin
Cardinal Health 114, Inc.	Delaware
Cardinal Health 115, LLC	Ohio
Cardinal Health 116, LLC	Delaware
Cardinal Health 118, LLC	Delaware
Cardinal Health 119, LLC	Delaware
Cardinal Health 121, LLC	Delaware
Cardinal Health 122, LLC	Delaware
Cardinal Health 123, LLC	Delaware
Cardinal Health 124, LLC	Delaware
Cardinal Health 126, LLC	Delaware
Cardinal Health 127, Inc.	Kansas
Cardinal Health 132, LLC	Delaware
Cardinal Health 200, LLC	Delaware
Cardinal Health 201, LLC	Delaware
Cardinal Health 222 (Thailand) Ltd.	Thailand
Cardinal Health Funding, LLC	Nevada
Cardinal Health Germany 507 GmbH	Germany
Cardinal Health Germany Manufacturing GmbH	Germany
Cardinal Health International India Private Limited	India
Cardinal Health International Philippines, Inc.	Philippines
Cardinal Health IPS, LLC	Delaware
Cardinal Health Ireland 419 Designated Activity Company	Ireland
Cardinal Health Ireland 508 Limited	Ireland
Cardinal Health Ireland Unlimited Company	Ireland
Cardinal Health Italy 509 Srl	Italy
Cardinal Health Japan G.K.	Japan
Cardinal Health K.K.	Japan
Cardinal Health Korea Limited	Korea
Cardinal Health Malaysia 211 Sdn. Bhd.	Malaysia
Cardinal Health Malta 212 Limited	Malta
Cardinal Health Managed Care Services, LLC	Delaware
Cardinal Health Mexico 514 S. de R.L. de C.V.	Mexico
Cardinal Health Middle East FZ-LLC	United Arab Emirates
Cardinal Health Netherlands 502 B.V.	Netherlands
Cardinal Health Pharmaceutical Contracting, LLC	Delaware
Cardinal Health Pharmacy Services, LLC	Delaware
Cardinal Health P.R. 120, Inc.	Puerto Rico
Cardinal Health P.R. 218, Inc.	Puerto Rico
Cardinal Health P.R. 220, LLC	Puerto Rico
Cardinal Health Singapore 225 Pte. Ltd.	Singapore
Cardinal Health Spain 511 S.L.	Spain
Cardinal Health Sweden 512 A.B.	Sweden

Cardinal Health 247, Inc.	Colorado
Cardinal Health 249, LLC	Delaware
Cardinal Health 414, LLC	Delaware
Cardinal Health Australia 503 Pty. Ltd.	Australia
Cardinal Health Austria 504 GmbH	Austria
Cardinal Health Belgium 505 BVBA	Belgium
Cardinal Health Canada Inc.	Canada
Cardinal Health Canada Holdings Cooperative U.A.	Netherlands
Cardinal Health Chile Limitada	Chile
Cardinal Health Colombia S.A.S.	Colombia
Cardinal Health do Brasil Ltd.	Brazil
Cardinal Health D.R. 203 II Ltd.	Bermuda
Cardinal Health Denmark ApS	Denmark

Subsidiary Name	State/Jurisdiction of Incorporation
Cardinal Health Finland Oy	Finland
Cardinal Health Foundation	Ohio
Cardinal Health France 506 SAS	France
Cardinal Health Sweden 512 AB	Sweden
Cardinal Health Switzerland 515 GmbH	Switzerland
Cardinal Health Systems, Inc.	Ohio
Cardinal Health Technologies, LLC	Nevada
Cardinal Health Technologies Switzerland GmbH	Switzerland
Cardinal Health U.K. 432 Limited	United Kingdom
Cardinal Health Medical Equipment Consulting (Shanghai) Co., Ltd.	China
Cirpro de Delicias S.A. de C.V.	Mexico
Convertors de Mexico S.A. de C.V.	Mexico
Cordis Corporation	Florida
Cordis (Shanghai) Medical Devices Co., Ltd.	China
Cornerstone Rheumatology, L.P.	Tennessee
Covidien Manufacturing Solutions, S.A.	Costa Rica
EPIC Insurance Company	Vermont
Especialidades Medicas Kenmex S.A. de C.V.	Mexico
GetOutcomes, GastroGPO, LLC	Delaware

Subsidiary Name	State/Jurisdiction of Incorporation
Gastrologix, LLC	Delaware
Griffin Capital, LLC	Nevada
Innovative Therapies, LLC	Delaware
Instant Diagnostic Systems, Inc.	Alabama
Kendall-Gammatron Limited	Thailand

Subsidiary Name	State/Jurisdiction of Incorporation
KPR Australia Pty. Ltd.	Australia
KPR U.S., LLC	Delaware
Leader Drugstores, Inc.	Delaware
Ludlow Technical Products Canada, Ltd.	Canada
Marin Apothecaries	California
Medicine Shoppe International, Inc.	Delaware
Mediquip Sdn. Bhd.	Malaysia
Mirixa Corporation	Delaware
MosaicGPO, LLC	Delaware
mscripts, LLC	Delaware
One Cloverleaf, LLC	Delaware
Outcomes Incorporated	Iowa
Pinnacle Intellectual Property Services, Inc.	Nevada
Pinnacle Intellectual Property Services-International, Inc.	Nevada
Quiroproductos de Cuauhtemoc S. de R.L. de C.V.	Mexico
RainTree GPO, LLC	Delaware
Renal Purchasing Group, LLC	Tennessee
RGH Enterprises, LLC	Ohio
Rxealtime, Inc.	Nevada
Sonexus Health, LLC	Texas

TelePharm, Specialty Networks Urology Registry, LLC	Iowa Delaware
The Harvard Drug Group, L.L.C.	Michigan
Traverse GPO, LLC	Delaware
United Rheumatology, LLC	Delaware
UroGPO, LLC	Delaware
WaveMark, Inc.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements on Form S-3 No. 333-233377 and No. 333-268327 of Cardinal Health, Inc.,

(2) Registration Statements on Form S-4 No. 333-62938 and No. 333-74761 of Cardinal Health, Inc., and

(3) Registration Statements on Form S-8:

S-8 Registration Number	Description
33-42357	Cardinal Distribution, Inc. Profit Sharing and Retirement Savings Plan
333-90423	Cardinal Health, Inc. Incentive Deferred Compensation Plan, As Amended
333-38192	Cardinal Health, Inc. Outside Directors Equity Incentive Plan
333-38198	Cardinal Health, Inc. Profit Sharing and Retirement Savings Plan, As Amended
333-56010	Cardinal Health, Inc. Profit Sharing, Retirement and Savings Plan for Employees of Puerto Rico
333-129725	Cardinal Health, Inc. 2005 Long-Term Incentive Plan
333-149107	Cardinal Health Deferred Compensation Plan, as amended and restated effective January 1, 2005 Cardinal Health 401(k) Savings Plan (as amended and restated January 1, 2006) Cardinal Health 401(k) Savings Plan For Employees of Puerto Rico (as amended and restated January 1, 2005) Syncor International Corporation Employees' Savings and Stock Ownership Plan, as amended and restated effective January 1, 1997
333-155156	Cardinal Health, Inc. 2005 Long-Term Incentive Plan, (As Amended and Restated as of November 5, 2008)
333-163128	Cardinal Health, Inc. 2005 Long-Term Incentive Plan Cardinal Health, Inc. 2007 Nonemployee Directors Equity Plan
333-164736	Cardinal Health Deferred Compensation Plan, as amended and restated effective January 1, 2009 (as amended) Cardinal Health 401(k) Savings Plan, as amended and restated

	January 1, 2006 (as amended)
333-177728	Cardinal Health, Inc. 2011 Long-Term Incentive Plan
333-183471	Cardinal Health Deferred Compensation Plan Cardinal Health 401(k) Savings Plan
333-206339	Cardinal Health Deferred Compensation Plan Cardinal Health 401(k) Savings Plan Cardinal Health 401(k) Savings Plan for Employees of Puerto Rico
333-206340	Cardinal Health, Inc. 2011 Long-Term Incentive Plan

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Exhibit 23.1

333-214412	Amended Cardinal Health, Inc. 2011 Long-Term Incentive Plan
333-219892	Cardinal Health Deferred Compensation Plan Cardinal Health 401(k) Savings Plan Cardinal Health 401(k) Savings Plan for Employees of Puerto Rico
333-233380	Cardinal Health Deferred Compensation Plan Cardinal Health 401(k) Savings Plan Cardinal Health 401(k) Savings Plan for Employees of Puerto Rico
333-260921	Cardinal Health, Inc. 2021 Long-Term Incentive Plan, As Amended
333-268236	Cardinal Health 401(k) Savings Plan Cardinal Health 401(k) Savings Plan for Employee of Puerto Rico

of our reports dated August 15, 2023 August 14, 2024, with respect to the consolidated financial statements and schedule of Cardinal Health, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Cardinal Health, Inc. and subsidiaries, included in this Annual Report (Form 10-K) of Cardinal Health, Inc. and subsidiaries for the year ended June 30, 2023 June 30, 2024.

/s/ Ernst & Young LLP

Grandview Heights, Ohio
August 15, 2023 14, 2024

Exhibit 31.1

I, Jason M. Hollar, certify that:

1. I have reviewed this Form 10-K of Cardinal Health, Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 15, 2023 August 14, 2024

/s/ JASON M. HOLLAR

Jason M. Hollar

Chief Executive Officer

I, Aaron E. Alt, certify that:

1. I have reviewed this Form 10-K of Cardinal Health, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 15, 2023 August 14, 2024

/s/ AARON E. ALT

Aaron E. Alt

Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer and the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Jason M. Hollar, Chief Executive Officer of Cardinal Health, Inc. (the "Company") and Aaron E. Alt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K for the fiscal year ended June 30, 2023 June 30, 2024 containing the financial statements of the Company (the "Annual Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 15, 2023 August 14, 2024

/s/ JASON M. HOLLAR
Jason M. Hollar
Chief Executive Officer

/s/ AARON E. ALT
Aaron E. Alt
Chief Financial Officer

Cardinal Health, Inc.

Clawback Policy

The Board of Directors (the "Board") of Cardinal Health, Inc. (the "Company") believes it is appropriate for the Company to adopt this Clawback Policy (the "Policy") to be applied to the Executive Officers of the Company and adopts this Policy to be effective as of the Effective Date.

1. Definitions

For purposes of this Policy, the following definitions shall apply:

a) "Committee" means the Human Resources and Compensation Committee of the Board.

b) "Company Group" means the Company and each of its Subsidiaries, as applicable.

c) "Covered Compensation" means any Incentive-Based Compensation granted, vested, or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was received (i) on or after the Effective

Date, (ii) after the person became an Executive Officer, and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association.

d) "Effective Date" means October 2, 2023.

e) "Erroneously Awarded Compensation" means the amount of Covered Compensation granted, vested, or paid to a person during the fiscal period when the applicable Financial Reporting Measure relating to such Covered Compensation was attained that exceeds the amount of Covered Compensation that otherwise would have been granted, vested, or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was granted, vested, or paid and the Committee shall maintain documentation of such determination and provide such documentation to the NYSE.

f) "Exchange Act" means the Securities Exchange Act of 1934.

g) "Executive Officer"means each "officer" of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act, which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act. Both current and former Executive Officers are subject to this Policy in accordance with its terms.

h) "Financial Reporting Measure" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price, or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company's financial statements, such as in Managements' Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.

i) "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting, or payment of the Incentive-Based Compensation occurs after the end of that period.

j) "Lookback Period" means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Restatement; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.

k) "NYSE" means the New York Stock Exchange.

l) "Restatement" means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (sometimes referred to as a "Big R" restatement), or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (sometimes referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

m) "SEC" means the United States Securities and Exchange Commission.

n) "Subsidiary" means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust, or unincorporated organization "affiliated" with the Company, that is, directly or indirectly, through one or more intermediaries, "controlling," "controlled by," or "under common control with," the Company. "Control" for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract, or otherwise.

2. Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited, and (b) that has been paid to any person subject to this Policy shall be subject to reasonably prompt repayment to the Company Group in accordance with Section 3 of this Policy. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid

to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered (following reasonable attempts by the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the NYSE); or (ii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

3. Means of Repayment

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company Group, to require the forfeiture of any award granted by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the Internal Revenue Code and the regulations and guidance thereunder. If the Committee does not specify a repayment timing or manner in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash, or cashier's check no later than thirty (30) days after receipt of such notice.

4. No Indemnification

No person shall be indemnified, insured, or reimbursed by the Company Group in respect of any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

5. Miscellaneous

This Policy generally will be administered and interpreted by the Committee. Any determination by the Committee with respect to this Policy shall be final, conclusive, and binding on all interested parties. The determinations of the Committee under this Policy need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the NYSE.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement is in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

6. Amendment and Termination

To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Committee may terminate, suspend, or amend this Policy at any time in its discretion.

7. Successors

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators, or other legal representatives with respect to any Covered Compensation granted, vested, or paid to or administered by such persons or entities.

Cardinal Health, Inc.

Clawback Policy

ACKNOWLEDGMENT, CONSENT, AND AGREEMENT

I acknowledge that I have received and reviewed a copy of the Cardinal Health, Inc. Clawback Policy (as may be amended from time to time, the "Policy") and I consent to and agree to be bound by and subject to its terms and conditions. I further acknowledge, understand and agree that the Policy may affect the compensation that I receive, have received, or may become entitled to receive from the Company or its Subsidiaries or affiliates under various agreements, plans, and arrangements with the Company or its Subsidiaries or affiliates and I waive any rights I may have to indemnification, insurance payments, or other reimbursement by or from the Company Group for any such compensation that is subject to recoupment and/or forfeiture under the Policy. Capitalized terms not defined herein have the meanings set form in the Policy.

Signed: _____

Print Name: _____

Date: _____

Exhibit 99.1

Statement Regarding Forward-Looking Information

As used in this exhibit, "we," "our," "us" and similar pronouns refer to Cardinal Health, Inc. and its subsidiaries, unless the context requires otherwise. Our filings with the Securities and Exchange Commission, including this Annual Report on Form 10-K for the fiscal year ended June 30, 2023June 30, 2024 (the "2023"2024 Form 10-K"), and our quarterly reports on Form 10-Q, and our current reports on Form 8-K (along with any exhibits and amendments to such reports), as well as our news releases or any other written or oral statements made by or on behalf of us, including materials posted on our website, may include, directly or by incorporation by reference, forward-looking statements that reflect our current view (as of the

date the forward-looking statement is first made) about future events, prospects, projections or financial performance. The matters discussed in these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied in or by such statements. These risks and uncertainties include:

- competitive pressures in the markets in which we operate, including pricing pressures;
- uncertainties relating to the pricing of and demand for generic pharmaceuticals;
- significantly increased costs for commodities and other materials used in the Global Medical Products and Distribution segment manufacturing, including various components, compounds, raw materials or energy such as oil-based resins, pulp, cotton, latex and other commodities and the possibility that we may not successfully offset or mitigate these increases;
- uncertainties relating to the timing, frequency and profitability of generic pharmaceutical launches or other components of our pharmaceutical generics program;
- changes in the timing or frequency of the introduction of branded pharmaceuticals;
- material reductions in purchases, pricing changes, non-renewal, early termination, or delinquencies or defaults under contracts with key customers;
- Risks associated with the nonrenewal of a large Pharmaceutical and Specialty Solutions segment customer at the end of fiscal year 2024, including the adverse impact of unwinding the negative net working capital associated with this customer and the risk that we may not be successful in mitigating the negative impact to segment profit;
- costs or claims resulting from quality issues, or other potential or alleged errors or defects in our manufacturing or sourcing of medical devices or other products or in our compounding, repackaging, information systems or pharmacy management services that may injure persons or damage property or operations, including costs from recalls, remediation efforts, and related product liability claims and lawsuits, including class action lawsuits;
- any compromise of our information systems or of those of a third-party service provider, including unauthorized access to or use or disclosure of company or customer information, disruption of access and ancillary risks associated with our ability to effectively manage any issues arising from any such compromise or disruption;
- continuing risks associated with the resolution and defense of the lawsuits and investigations in which we have been or will be named relating to the distribution of prescription opioid pain medication, including the investigations by the U.S. Department of Justice which concerns our anti-diversion program, our anti-diversion policies and procedures and our distribution of certain controlled substances;
- risks associated with the national opioid settlement agreement, to resolve the vast majority of opioid-related claims brought by states and other governmental entities, including the risk that the implementation and maintenance of the required changes to distributors' controlled substance anti-diversion programs may result in unforeseen costs or operational challenges and the risk that if we fail to or are alleged to have failed to comply with the terms of the settlement agreement, we could incur monetary or other penalties or result in additional lawsuits being filed against us;
- uncertainties related to our Medical segment's Cardinal Health Brand products, including our ability to manage cost infrastructure and to infrastructure, retain margin, increase volume and improve its performance;
- risks arising from acquisitions, including possible liabilities relating to the operations or activities of such businesses prior to their acquisition, and uncertainties relating to our ability to achieve the anticipated results from acquisitions;
- risks associated with the tax benefit from our self-insurance loss claims, including, certain state courts' interpretation of laws and insurance policies in ways that may impact our self-insurance loss, which could negatively impact

ways that may impact our self-insurance loss, which could negatively impact our financial position;

- disruption, damage or lack of access to, or failure of, our or our third-party service providers' information systems, our critical facilities, including our national logistics center, or our distribution networks;
- risks associated with our Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, including the risk that failure to comply with the requirements set forth therein could result in monetary or other penalties;
- our high sales concentration with certain key customers, including CVS Health Corporation and OptumRx;
- material reductions in purchases, pricing changes, non-renewal, early termination, or delinquencies or defaults under contracts with key customers; Corporation;
- our ability to maintain the benefits of our generic pharmaceutical sourcing venture with CVS Health Corporation;
- costs or claims resulting from quality issues, or other potential errors or defects in our manufacturing of medical devices or other products or in our compounding, repackaging, information systems or pharmacy management services that may injure persons or damage property or operations, including costs from recalls, remediation efforts, and related product liability claims and lawsuits, including class action lawsuits;
- actions of regulatory bodies and other governmental authorities, including the U.S. Drug Enforcement Administration, certain agencies within the U.S. Department of Health and Human Services (including the U.S. Food and Drug Administration, Centers for Medicare and Medicaid Services, the Office of Inspector General and the Office for Civil Rights), the U.S. Nuclear Regulatory Commission, the U.S. Federal Trade Commission, the U.S. Customs and Border Protection, various state boards of pharmacy, state controlled substance authorities, state health departments, state insurance departments, state Medicaid departments or comparable regulatory bodies or governmental authorities or foreign equivalents that, in each case, could delay, limit or suspend product development, manufacturing, distribution, importation or sales or result in warning letters, recalls, seizures, injunctions or monetary sanctions;

- shortages in commodities, components, compounds, raw materials or energy used by our businesses, including supply disruptions of radioisotopes;
- the loss of, or default by, one or more key suppliers for which alternative suppliers may not be readily available;

- uncertainties with respect to certain business process initiatives, including IT infrastructure activities and outsourcing relationships, including the ability to achieve the expected benefits from such initiatives, the risk that we could incur unexpected charges, and the risk that we may fail to retain key personnel;
- difficulties or delays in the development, production, manufacturing, sourcing and marketing of new or existing products and services, including difficulties or delays associated with obtaining or maintaining requisite regulatory consents, whether our own or third parties', or approvals associated with those activities;
- manufacturing disruptions, whether due to regulatory action, including

regulatory action to reduce Ethylene Oxide ethylene oxide ("EtO") emissions, production quality deviations, safety issues or raw material shortages or defects, or because a key product is manufactured at a single manufacturing facility with limited alternate facilities;

- risks associated with industry reliance on ethylene oxide ("EtO") EtO to sterilize certain medical products that we manufacture or distribute, including the possibility that regulatory actions to reduce EtO emissions could become more widespread, which may result in increased costs or supply shortages; and risks that the lawsuits against us alleging personal injury resulting from EtO exposure could become more widespread;
- the possibility that we could be subject to adverse changes in the tax laws or challenges to our tax positions, including the possibility that the corporate tax rate in the U.S. could be increased;
- risks arising from possible violations of healthcare fraud and abuse laws;
- risks arising from possible violations of the U.S. Foreign Corrupt Practices Act and other similar anti-corruption laws in other jurisdictions and U.S. and foreign export control, trade embargo and customs laws;
- risks arising from our collecting, handling and maintaining patient-identifiable health information and other sensitive personal and financial information, which are subject to federal, state and foreign laws that regulate the use and disclosure of such information;
- risks arising from certain of our businesses being Medicare-certified suppliers or participating in other federal and state healthcare programs, such as state Medicaid programs and the federal 340B drug pricing program, which businesses are subject to accreditation and quality standards and other rules and regulations, including applicable reporting, billing, payment and record-keeping requirements;
- risks arising from pharmaceutical manufacturers' restriction of sales under the 340B drug pricing program to contract pharmacies, which may adversely impact our customers;
- risks arising from certain of our businesses manufacturing pharmaceutical and medical products or repackaging pharmaceuticals that are purchased or reimbursed through, or are otherwise governed by, federal or state healthcare programs, which businesses are subject to federal and state laws that establish eligibility for reimbursement by such programs and other applicable standards and regulations;
- changes in laws or changes in the interpretation or application of laws or regulations, as well as possible failures to comply with applicable laws or regulations, including as a result of possible misinterpretations or misapplications;
- unfavorable changes to the terms or with our ability to meet contractual obligations of key customer or supplier relationships, or changes in customer mix;
- risks arising from changes in U.S. or foreign tax laws and unfavorable challenges to our tax positions and payments to settle these challenges, which may adversely affect our effective tax rate or tax payments;
- uncertainties due to possible government healthcare reform, including proposals related to Medicare drug rebate arrangements, possible repeal or replacement of major parts of the Patient Protection and Affordable Care Act, proposals related to prescription drug pricing transparency and the possible adoption of Medicare-For-All;
- reductions or limitations on governmental funding at the state or federal level or efforts by healthcare insurance companies to limit payments for products and services;
- changes in manufacturers' pricing, selling, inventory, distribution or supply policies or practices;
- changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits;
- uncertainties arising as a result of the Supreme Court decision on Dobbs vs.

Jackson, including uncertainties associated with states' proposed and adopted laws which may impact our ability to distribute or store certain pharmaceutical products and the risk that we could incur unforeseen costs to comply with these new laws in various jurisdictions;

- changes in hospital buying groups or hospital buying practices;
- changes in distribution or sourcing models for pharmaceutical and medical and surgical products, including an increase in direct and limited distribution;
- changes to the prescription drug reimbursement formula and related reporting requirements for generic pharmaceuticals under Medicaid;

- continuing consolidation in the healthcare industry, which could give the resulting enterprises greater bargaining power and may increase pressure on prices for our products and services or result in the loss of customers;
- risks to our business and information and controls systems in the event that business process improvements, infrastructure modernizations modernization or initiatives to use third-party service providers for key systems and processes are not effectively implemented;

- the risk that we may not effectively implement and maintain data governance structures across businesses to allow us to access and interpret our data, which could put us at a competitive disadvantage relative to our peers;
- the results, costs, effects or timing of any commercial disputes, government contract compliance matters, patent infringement claims, *qui tam* actions, government investigations, shareholder lawsuits or other legal proceedings;
- the possibility that our business performance or internal control over financial reporting may be adversely impacted if we are not successful at attracting, retaining and developing talent;
- losses relating to product liability lawsuits and claims regarding products for which we cannot obtain product liability insurance or for which such insurance may not be adequate to cover our losses, including the product liability lawsuits we are currently defending relating to alleged personal injuries associated with the use of Cordis inferior vena cava filter products;
- risks associated with the importation of products or source materials used in products that we manufacture or distribute, including risks associated with our country-of-origin determinations and the possibility that we could experience additional supply disruptions as a result of the Uyghur Forced Labor Prevention Act or other similar regulations;
- our ability to maintain adequate intellectual property protections;
- the costs, difficulties and uncertainties related to the integration of acquired businesses, including liabilities relating to the operations or activities of such businesses prior to their acquisition, and uncertainties relating to our ability to achieve the anticipated results from acquisitions;
- our ability to manage and complete divestitures or other strategic business combination transactions, including our ability to find buyers or other strategic exit opportunities and risks associated with the possibility that we could experience greater dis-synergies than anticipated or otherwise fail to achieve our strategic objectives;
- bankruptcy, insolvency or other credit failure of a customer or supplier that

owes us a substantial amount;

- risks associated with global operations, including the effect of local economic environments, inflation, recession, currency volatility and global competition, in addition to risks associated with compliance with U.S. and international laws relating to global operations;
- uncertainties with respect to U.S. or international trade policies, tariffs, excise or border taxes and their impact on our ability to source products or materials that we need to conduct our business;
- risks associated with our use of and reliance on the global capital and credit markets, including our ability to access credit and our cost of credit, which may adversely affect our ability to efficiently fund our operations or undertake certain expenditures;
- our ability to introduce and market new products and our ability to keep pace with advances in technology;
- significant charges to earnings if goodwill or intangible assets become impaired;
- uncertainties relating to general political, business, industry, regulatory and market conditions;
- certain risks arising from the ongoing COVID-19 pandemic; and
- other factors described in the “Risk Factors” section of the 2023 2024 Form 10-K.

The words “expect,” “anticipate,” “intend,” “plan,” “believe,” “will,” “should,” “could,” “would,” “project,” “continue,” “likely,” and similar expressions generally identify “forward-looking statements,” which speak only as of the date the statements were made, and also include statements reflecting future results or guidance, statements of outlook and expense accruals. We undertake no obligation to update or revise any forward-looking statements, except to the extent required by applicable law.

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