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DELTA REPORT

10-Q

CAH WI - CARDINAL HEALTH INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2578
CHANGES	381
DELETIONS	766
ADDITIONS	1431

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended December 31, 2023 March 31, 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**

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 o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	☑	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 Act. ☐

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 number of the registrant's common shares, without par value, outstanding as of January 26, 2024 April 26, 2024, was the following:243,233,153. 243,566,952.

Cardinal Health

Q2 Q3 Fiscal 2024 Form 10-Q

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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 ("PSS") 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. As used in this report, “we,” “our,” “us,” 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 2024 and fiscal 2023 and to FY24 and FY23 are to the fiscal years ending or ended June 30, 2024 and June 30, 2023, respectively.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 (this "Form 10-Q") (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 Management’s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), but there are others in this Form 10-Q, which may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," "will," "should," "could," "would," "project," "continue," "likely," “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 made, projected or implied. The most significant of these risks and uncertainties are described in this Form 10-Q, including Exhibit 99.1, and in "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 (our “2023 Form 10-K”), our Forms 10-Q for the quarters ending September 30, 2023 and December 31, 2023, and other SEC filings made since June 30, 2023. Forward-looking statements in this Form 10-Q 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.

Non-GAAP Financial Measures

In the "Overview of Consolidated Results" section of MD&A, we use financial measures that are derived from our consolidated financial data but are not presented in our condensed consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). These measures are considered "non-GAAP financial measures" under the United States 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 Form 10-Q.

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

The discussion and analysis presented below is concerned with material changes in financial condition and results of operations, including amounts and certainty of cash flows from operations and from outside sources, between the periods specified in our condensed consolidated balance sheets at December 31, 2023 March 31, 2024 and June 30, 2023, and in our condensed consolidated statements of earnings/(loss) earnings for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023. All comparisons presented are with respect to the prior-year period, unless stated otherwise. This 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. The discussion and analysis in this Form 10-Q should be read in conjunction with the MD&A included in our 2023 Form 10-K.

Overview of Consolidated Results

Revenue

During the three and six nine months ended December 31, 2023 March 31, 2024, revenue increased 12 9 percent and 11 10 percent to $57.4 billion $54.9 billion and $112.2 billion $167.1 billion, respectively, primarily due to branded and specialty pharmaceutical sales growth from existing customers.

GAAP and Non-GAAP Operating Earnings/(Loss) Earnings

	Three Months Ended December 31,			Six Months Ended December 31,		
	Three Months Ended March 31,			Nine Months Ended March 31,		
(in millions) (in millions)	2023	2022	Change	2023	2022	Change
(in millions)	2024	2023	Change	2024	2023	Change
GAAP operating earnings/(loss)	$482	$ (119)	N.M.	$ 468	$ 18	N.M.
Surgical gown recall income						
GAAP operating earnings	$367	$ 572	(36) %	$ 835	$ 590	42 %
State opioid assessment related to prior fiscal years						
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						
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						

Impairments and (gain)/loss on disposal of assets, net																								
Impairments and (gain)/loss on disposal of assets, net																								
Litigation (recoveries)/charges, net																								
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Litigation (recoveries)/charges, net																								
Non-GAAP operating earnings																								
Non-GAAP operating earnings																								
Non-GAAP operating earnings	**$562**	$	$	467	**20**	**20 %**	**$**	**1,133**	$	$	891	**27**	**27**	**%**	**$666**	$	$606	**10**	**10 %**	**$1,799**	$	$1,497	**20**	**20 %**

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

We had GAAP operating earnings of $482 million during the three months ended December 31, 2023 and a GAAP operating loss of $119 million during the three months ended December 31, 2022, which reflects the $709 million pre-tax goodwill impairment charge related to the Medical segment recognized during the three months ended December 31, 2022.

We had GAAP operating earnings of $468 million $367 million and $18 million $572 million during the six three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, which included $581 million and $863 million $835 million and $590 million during the nine months ended March 31, 2024 and 2023, respectively. GAAP operating earnings during the three and nine months ended March 31, 2024 were favorably impacted by GMPD and Pharmaceutical and Specialty Solutions segment profit. GAAP operating earnings also reflects the pre-tax non-cash goodwill impairment charges related to the Medical GMPD segment of $90 million during the three months ended March 31, 2024 and the $671 million and $863 million during the nine months ended March 31, 2024 and 2023, respectively. See "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A and Note 4 5 of the "Notes to Condensed Consolidated Financial Statements" for additional detail related to goodwill impairment. information.

GAAP operating earnings during the three and six months ended December 31, 2022 March 31, 2024 reflects $193 million of litigation charges recognized in connection with opioid-related matters, which were partially offset by a benefit of $105 million related to opioid-related prepayments. GAAP operating earnings during the three and nine months ended March 31, 2023 were favorably impacted by litigation recoveries. recoveries and a reduction in litigation reserves. See "Results of Operations" section of this MD&A and Note 6 7 of the "Notes to Condensed Consolidated Financial Statements" for additional detail related to litigation recoveries. information.

Non-GAAP operating earnings during the three and six nine months ended December 31, 2023 March 31, 2024 increased 20 10 percent and 27 20 percent, respectively, due to an increase increases in GMPD and Pharmaceutical and Medical Specialty Solutions segment profit.

GAAP and Non-GAAP Diluted EPS

($ per share)	($ per share)	Three Months Ended December 31, / Three Months Ended March 31,								Six Months Ended December 31, / Nine Months Ended March 31,																
		2023	2022		**Change**		**2023**		2022		**Change**	($ per share)	**2024**		2023		**Change**		**2024**		2023		**Change**			
GAAP diluted EPS (1)	**GAAP diluted EPS** (1)	**$1.43**	$	$(0.50)	**N.M.**	**N.M.**	**$**	**1.44**	$	$	(0.08)	**N.M.**	**N.M.**	**GAAP diluted EPS** (1)	**$1.05**	$	$1.34	**(22)**	**(22)%**	**$2.49**	$	$1.23	**N.M.**	**N.M**		
Surgical gown recall income																										
State opioid assessment related to prior fiscal years																										

State opioid assessment related to prior fiscal years																
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Non-GAAP diluted EPS (1)																
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Non-GAAP diluted EPS (1)	**$1.82**	$ 1.32	**38**	**38 %**	**$3.55**	$ 2.52	**41**	**41 %**	**$2.08**	$ 1.74	**20**	**20 %**	**$5.62**	$ 4.24	**33**	**33 %**

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

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 "Explanation and Reconciliation of Non-GAAP Financial Measures."

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

(2) For the six three and nine months ended December 31, 2023 March 31, 2024, impairments and (gain)/loss on disposal of assets, net includes a pre-tax goodwill impairment charge charges of $581 million $90 million and $671 million, respectively, related to the Medical GMPD segment. For fiscal 2024, the estimated net tax benefit related to the impairment charge impairments is $45 million $56 million and is included in the annual effective tax rate. As a result, the The incremental interim tax benefit for recognized during the six nine months ended December 31, 2023 increased approximately by an incremental $65 million March 31, 2024 is $36 million and will increase reverse in the provision for income taxes for fourth quarter of the remainder of fiscal 2024. year.

For the three and six nine months December 31, 2022 ended March 31, 2023, impairments and (gain)/loss on disposal of assets, net included cumulative pre-tax goodwill impairment charges of $709 million and $863 million, respectively, related to the former Medical segment. For fiscal 2023, the net tax benefit related to these the impairment charges was $68 million and was included in the annual effective tax rate. As a result, the amount of The incremental interim tax benefit increased approximately by an incremental $118 million and $140 million for recognized during the three and six nine months ended December 31, 2022, respectively, March 31, 2023 was $66 million and increased reversed in the provision for income taxes for the remainder fourth quarter of fiscal 2023.

During The changes in GAAP diluted EPS during the three and six nine months ended December 31, 2023, March 31, 2024 were primarily due to the factors impacting GAAP diluted EPS was favorably impacted by an increase in Pharmaceutical and Medical segment profit. operating earnings. GAAP diluted EPS was adversely impacted by the goodwill impairment charges related to the Medical GMPD segment, which had a $(1.91) per share after tax impact during the six months ended December 31, 2023, and $(2.05) and $(2.46) $(0.29) per share after tax impact during the three and six months ended December 31, 2022 March 31, 2024, and a $(2.35) and $(2.76) per share after tax impact during the nine months ended March 31, 2024 and 2023, respectively. See "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A, and Note 4 5 and Note 7 Note8 of the "Notes to Condensed Consolidated Financial Statements" for additional detail. GAAP EPS during the three and six months ended December 31, 2022 also includes the favorable impact of litigation recoveries as described further in the "Results of Operations" section of this MD&A and Note 6 of the "Notes to Condensed Consolidated Financial Statements." details.

During the three and six nine months ended December 31, 2023 March 31, 2024, non-GAAP diluted EPS increased 38 20 percent and 41 33 percent to $1.82 $2.08 and $3.55 $5.62 per share, respectively, due to higher non-GAAP operating earnings and a lower share count and interest expense. count.

Cash and Equivalents

Our cash and equivalents balance was $4.6 billion $3.7 billion at December 31, 2023 March 31, 2024 compared to $4.0 billion at June 30, 2023. During the six nine months ended December 31, 2023 March 31, 2024, net cash provided by operating activities was $1.7 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 the three months ended March 31, 2024, we issued additional long-term debt and received net proceeds of $1.14 billion, of which $589 million were classified as cash and equivalents in our condensed consolidated balance sheets as of March 31, 2024. The remaining proceeds were invested in short-term time deposits with initial effective maturities of more than three months and classified as prepaid expenses and other. In addition, during the six nine months ended December 31, 2023 March 31, 2024, we deployed $1.2 billion for the Specialty Networks acquisition, $750 million for share repurchases, $255 million $377 million for cash dividends and $206 million $318 million for capital expenditures.

Significant Developments in Fiscal 2024 and Trends

Operating and Segment Reporting Structure Changes

In January 2024, Effective January 1, 2024, we announced a change in our began operating under an updated organizational structure and have re-aligned our financial reporting structure under two reportable segments, effective January 1, 2024: segments: Pharmaceutical and Specialty Solutions 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. Results in this Form 10-Q are reported under our prior organizational and reporting structure. The following indicates the changes from the second quarter of fiscal 2024 to the new reporting structure, which will be reported for the first time in the third quarter of fiscal 2024: structure:

- Pharmaceutical and Specialty Solutions segment: This reportable segment will be is comprised of all businesses formerly within our Pharmaceutical segment except Nuclear and Precision Health Solutions.
- Global Medical Products and Distribution GMPD segment: This reportable segment will be is comprised of all businesses formerly within our Medical segment except at-Home Solutions and OptiFreight® Logistics.
- Other: This will consist 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, which expire at the end of June 2024, will not be renewed. Sales to OptumRx generated 16% of our consolidated revenue in fiscal 2023. Total sales to OptumRx generate a meaningfully lower operating margin than the overall Pharmaceutical and Specialty Solutions segment. We expect the nonrenewal of the OptumRx contracts to adversely impact our results of operations, including segment profit, financial condition and cash flows. In particular, we expect to generate lower than average operating cash flow in fiscal 2025 due to the unwinding of the negative net working capital associated with the contract.

Specialty Networks Acquisition

On January 31, 2024 March 18, 2024, we announced that we had entered into a definitive agreement to acquire completed the acquisition of Specialty Networks a technology-enabled multi-specialty group purchasing and practice enhancement organization 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 GPOs: 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 will further expand expands our offering offerings in key therapeutic areas, by enhancing our downstream provider-focused analytics capabilities and service offerings and by accelerating accelerates our upstream data and research opportunities with biopharma manufacturers.

This transaction is subject 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 the satisfaction remainder of customary closing conditions, including receipt of required regulatory approvals. We plan to fund the acquisition with available cash. fiscal 2024 and fiscal 2025.

COVID-19 Vaccine Distribution

Pharmaceutical and Specialty Solutions segment profit was favorably impacted during the three and six nine months ended December 31, 2023 March 31, 2024 and on a year-over-year basis in part due to the company beginning to distribute the recently commercially available COVID-19 vaccines following U.S. Food and Drug Administration approval of updated vaccines in September 2023. The timing, magnitude and profit impact of vaccine distribution volume for the remainder of fiscal 2024 and beyond remains uncertain.

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 during the three and six nine months ended December 31, 2023 March 31, 2024. 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 during the remainder of fiscal 2024.

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 inventory. These net inflationary impacts negatively affected Medical the GMPD segment profit during fiscal 2023. The net inflationary impacts were less significant during the three and six nine months ended December 31, 2023 March 31, 2024 and had a favorable impact on Medical GMPD segment profit on a year-over-year basis.

We expect these net inflationary impacts to continue to affect Medical GMPD segment profit during the remainder of fiscal 2024, but to a significantly lesser extent than in fiscal 2023 and prior periods due to our mitigation actions, together with continued decreases in certain product-related costs. 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.

Volumes within Products and Distribution

Medical The GMPD segment profit was adversely impacted during fiscal 2023 in part due to lower volumes, within products and distribution, which includes our Cardinal Health branded medical products. We expect have experienced Cardinal Health branded medical products sales growth in during fiscal 2024 and expect further growth for the remainder of fiscal 2024 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 Segment Goodwill

The change in segment structure as discussed above will result resulted in changes to the composition of our reporting units. Accordingly, we will be are required to reallocate the goodwill in reporting units affected by the change using a relative fair value approach and assess goodwill for impairment both before and after the reallocation. While we have not identified any indicators of impairment during the three months ended December 31, 2023 within the current reporting units, we may recognize a goodwill impairment charge following the reallocation if the carrying value of a new reporting unit exceeds its estimated fair value.

During the three months ended September 30, 2023 March 31, 2024, we performed interim 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 division (the "Medical Unit") due 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 increase in the risk-free interest rate. This testing resulted in a pre-tax charge impairment of $581 million which was included in impairments and (gain)/loss on disposal GMPD's remaining goodwill balance of assets, net in our condensed consolidated statements of earnings/(loss) $90 million. See "Critical Accounting Policies and Sensitive Accounting Estimates" section of this MD&A and Note 4 5 of the "Notes to Condensed Consolidated Financial Statements" for additional detail. Adverse changes in key assumptions or a significant change in industry or economic trends during the remainder of fiscal 2024 and beyond could result in additional goodwill impairments.

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, "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 resigns from, the Board. In connection with this extension, the Board has extended the term of the Business Review Committee until July 15, 2024.

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 the remainder of fiscal 2024 and beyond. We have incurred, and may incur additional legal, consulting and other expenses related to the Cooperation Agreement and the activities of the Business Review Committee.

Results of Operations

Revenue

36 37 6047313972475

	Three Months Ended December 31, / Three Months Ended March 31,			Six Months Ended December 31, / Nine Months Ended March 31,		
(in millions) (in millions)	**2023**	2022	**Change**	**2023**	2022	**Change**
Pharmaceutical	**$53,520**	$47,673	**12 %**	**$104,526**	$ 93,501	**12 %**
Medical	**3,928**	3,797	**3 %**	**7,688**	7,575	**1 %**
(in millions)	**2024**	2023				

Pharmaceutical and Specialty Solutions	$50,651	$46,496	9	%	$154,524	$139,441	11 %
Global Medical Products and Distribution	3,113	2,989	4	%	9,264	9,140	1 %
Other	1,167	1,025	14	%	3,392	3,038	12 %

Total segment revenue	Total segment revenue	57,448	51,470	51,470	12	12 %	112,214	101,076	101,076	11	11	%	Total segment revenue	54,931	50,510	50,51		
Corporate	Corporate	(3)	(1)	(1)	N.M.	N.M.	(6)	(4)	(4)	N.M.			N.M.	Corporate	(20)	(23)		
Total revenue	Total revenue	$57,445	$	$51,469	12	12 %	$	112,208	$	$	101,072	11	11	%	Total revenue	$ 54,911	$	$ 50,487

Pharmaceutical Segment and Specialty Solutions

Pharmaceutical and Specialty Solutions segment revenue increased $4.2 billion and $15.1 billion during the three and six nine months ended December 31, 2023 March 31, 2024, respectively, due to branded and specialty pharmaceutical sales growth largely from existing customers, which increased revenue by $5.8 billion customers.

Global Medical Products and $10.9 billion, respectively. Distribution

Medical Segment

Medical GMPD segment revenue increased during the three and six nine months ended December 31, 2023 March 31, 2024, primarily due to sales growth in at-Home Solutions and in products and distribution. The increase in products and distribution was primarily driven by higher Cardinal Health brand volumes and from existing customers. Additionally, during the effect of price increases to mitigate inflationary impacts partially offset nine months ended March 31, 2024 GMPD segment revenue was adversely impacted by the adverse impact of personal protective equipment ("PPE") volumes and pricing. pricing, partially offset by price increases to mitigate inflationary impacts.

Other

Other revenue increased during the three and nine months ended March 31, 2024 due to growth across the three operating segments: at-Home Solutions, Nuclear and Precision Health Solutions and OptiFreight® Logistics.

Cost of Products Sold

Cost of products sold for the three and six nine months ended December 31, 2023 March 31, 2024 increased 12 9 percent and 10 percent to $55.6 billion $53.0 billion and $108.6 billion $161.6 billion, respectively, compared to the prior-year periods due to the factors affecting the changes in revenue and gross margin.

Gross Margin

1085 1086

		Three Months Ended December 31,			Six Months Ended December 31,									
		Three Months Ended March 31,			Nine Months Ended March 31,									
(in millions)	(in millions)	2023	2022	Change	2023	2022	Change	(in millions)	2024	2023	Change	2024	2023	Change
Gross margin	Gross margin	$1,846 $ $	1,663	11 11 %	$ 3,614 $ $	3,277	10 10 %	margin	$1,947 $ $	1,785	9 9 %	$5,561 $	$5,062	10 10 %

Gross margin increased during the three and six nine months ended December 31, 2023 March 31, 2024 primarily due to the beneficial comparison to of the prior-year net inflationary impacts in the Medical GMPD segment and the performance of our generics program in the Pharmaceutical segment and Specialty Solutions segment. Gross margin also increased during the nine months ended March 31, 2024 due to increased contribution from branded and specialty pharmaceutical products in the Pharmaceutical and Specialty Solutions segment, which includes the favorable impact from of COVID-19 vaccine distribution.

Gross margin rate declined 2 basis points rates were relatively flat during both the three and six nine months ended December 31, 2023, March 31, 2024 with the impact of unfavorable changes in the overall product mix mostly offset by the beneficial comparison to the prior-year net inflationary impacts in the Medical segment and the performance of our generics program in the Pharmaceutical GMPD segment. The changes in overall product mix were primarily driven by increased pharmaceutical distribution branded sales, which have a dilutive impact on our overall gross margin rate.

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

	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	2023	2022	Change	2023	2022	Change
SG&A expenses	$ 1,283	$ 1,191	8 %	$ 2,480	$ 2,388	4 %

	Three Months Ended March 31,			Nine Months Ended March 31,		
(in millions)	2024	2023	Change	2024	2023	Change
SG&A expenses	$ 1,282	$ 1,179	9 %	$ 3,762	$ 3,567	5 %

During the three and six nine months ended December 31, 2023 March 31, 2024, SG&A expenses increased primarily due to investment projects, higher costs to support sales growth, expenses related to investment projects and compensation-related costs.

Segment Profit

We evaluate segment performance based on segment profit, among other measures. See Note 12 13 of the "Notes to Condensed Consolidated Financial Statements" for additional information on segment profit.

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	Three Months Ended December 31,			Six Months Ended December 31,		
(in millions)	2023	2022	Change	2023	2022	Change
Pharmaceutical	$ 518	$ 464	12 %	$ 1,025	$ 895	15 %
Medical	71	17	N.M	142	9	N.M
Total segment profit	589	481	22 %	1,167	904	29 %
Corporate	(107)	(600)	N.M.	(699)	(886)	N.M.
Total consolidated operating earnings/(loss)	$ 482	$ (119)	N.M.	$ 468	$ 18	N.M.

	Three Months Ended March 31,			Nine Months Ended March 31,		
(in millions)	2024	2023	Change	2024	2023	Change
Pharmaceutical and Specialty Solutions	$ 580	$ 560	4 %	$ 1,541	$ 1,394	11 %
Global Medical Products and Distribution	20	(46)	N.M.	18	(175)	N.M.
Other	111	106	5 %	319	305	5 %
Total segment profit	711	620	15 %	1,878	1,524	23 %
Corporate	(344)	(48)	N.M.	(1,043)	(934)	N.M.
Total consolidated operating earnings	$ 367	$ 572	(36)%	$ 835	$ 590	(31)%

Pharmaceutical Segment Profit and Specialty Solutions

Pharmaceutical and Specialty Solutions segment profit increased during the three and six nine months ended December 31, 2023 March 31, 2024 primarily due to the performance of our generics program program. During the nine months ended March 31, 2024, Pharmaceutical and Specialty Solutions segment profit also increased due to the increased contribution from branded pharmaceutical and specialty pharmaceutical products, which includes the favorable impact from of COVID-19 vaccine distribution, partially offset by higher costs to support sales growth.

Global Medical Segment Profit Products and Distribution

Global Medical Product and Distribution segment profit increased during the three and six nine months ended December 31, 2023 March 31, 2024 primarily due to the beneficial comparison to the prior-year net inflationary impacts, including net of the effects of mitigation actions.

Other

Other segment profit increased during the three and nine months ended March 31, 2024 primarily due to the performance of OptiFreight® Logistics.

Corporate

The changes in Corporate during the three and six nine months ended December 31, 2023 March 31, 2024 were due to the factors discussed in the "Other Components of Consolidated Operating Earnings/(Loss)" Earnings" section that follows.

Other Components of Consolidated Operating Earnings/(Loss) Earnings

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

		Three Months Ended December 31,		Six Months Ended December 31,						
		Three Months Ended March 31,		Nine Months Ended March 31,						
(in millions)	(in millions)	2023	2022	2023	2022	(in millions)	2024	2023	2024	2023
Restructuring and employee severance										
Amortization and other acquisition-related costs										
Impairments and (gain)/loss on disposal of assets, net										
Litigation (recoveries)/charges, net										

Restructuring and Employee Severance

Restructuring and employee severance costs during the three and six nine months ended December 31, 2023 were primarily related to certain projects resulting from reviews of our strategy, portfolio, capital-allocation framework March 31, 2024 and operations and the implementation of certain enterprise-wide cost-savings measures. During the three and six months ended December 31, 2022, 2023 include costs were primarily related to the implementation of certain enterprise-wide cost-savings measures. measures, which include certain initiatives to rationalize our manufacturing operations. The increase in restructuring costs during the three and nine months ended March 31, 2024 was primarily due to these initiatives and certain projects resulting from the review of our strategy portfolio, capital-allocation framework and operations. During the three and nine months ended March 31, 2023, restructuring and employee severance costs also included costs related to the divestiture of the Cordis business.

Amortization and Other Acquisition-Related Costs

Amortization of acquisition-related intangible assets was $63 million $64 million and $71 million $69 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $127 million $191 million and $142 million $211 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

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

We recognized $581 million of a $90 million pre-tax non-cash goodwill impairment charges charge related to our Medical the GMPD segment during the six three months ended December 31, 2023, March 31, 2024 and $709 charges of $671 million and $863 million $863 million during the three and six nine months ended December 31, 2022, March 31, 2024 and 2023, respectively, 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 Condensed Consolidated Financial Statements."

Litigation (Recoveries)/Charges, Net

We recognized income for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff of $31 million and $71 million during the three and six months ended December 31, 2023, respectively, and $66 million during the three and six months ended December 31, 2022.

During the three and six months ended December 31, 2023 March 31, 2024, we recognized expense of $193 million in connection with opioid-related matters, which was offset by a $22 million benefit of $105 million related to prepayments at a prenegotiated discount of certain future payment amounts totaling $344 million. During the nine months ended March 31, 2024, we also recognized a $22 million charge related to an agreement in principle with the Alabama Attorney General, under which we would 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. General. See Note 6 7 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

We recognized income for net recoveries in class action antitrust lawsuit in which we were a class member or plaintiff of $46 million $6 million and $25 million $77 million during the three and six nine months ended December 31, 2022 March 31, 2024, respectively, and $66 million during the nine months ended March 31, 2023.

During the three and nine months ended March 31, 2023, we recognized income of $71 million and $95 million, respectively, 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.

During the three and six nine months ended December 31, 2022 March 31, 2023, we recognized income of $93 million due to net proceeds from the settlement of a shareholder derivative litigation matter.

Earnings/(Loss) Earnings Before Income Taxes

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

(in millions)	Three Months Ended December 31,			Six Months Ended December 31,		
	2023	2022	Change	2023	2022	Change
Other (income)/expense, net	$ (16)	$ (7)	N.M.	$ (18)	$ (5)	N.M.
Interest expense, net	8	25	(68)%	22	50	(56)%

Interest Expense, Net

During the three and six months ended December 31, 2023, interest expense decreased by 68 percent and 56 percent, respectively, primarily due to increased interest income from cash and equivalents.

(in millions)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2024	2023	Change	2024	2023	Change
Other (income)/expense, net	$ (7)	$ —	N.M.	$ (25)	$ (5)	N.M.
Interest expense, net	33	28	18 %	55	78	(29)%

Interest Expense, Net

During the nine months ended March 31, 2024, interest expense decreased by 29 percent primarily due to increased interest income from cash and equivalents.

Provision for Income Taxes

The effective tax rate was 27.7 24.2 percent and 5.4 36.3 percent during the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and 22.4 23.2 percent and 30.0 36.7 percent during the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. These tax rates reflect the impact of the tax effects of goodwill impairment charges as well as certain other discrete items. See Note 78 of the "Notes to Condensed Consolidated Financial Statements" for additional information, during the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023.

Tax Effects of Goodwill Impairment Charges

During the six nine months ended December 31, 2023 March 31, 2024, we recognized cumulative pre-tax goodwill impairment charges of $581 million $671 million related to the Medical Unit. GMPD segment. The net tax benefit related to these charges is $45 million $56 million for fiscal 2024.

Unless an item is considered discrete because it is unusual or infrequent, the tax impact of the item is included in our estimated annual effective tax rate. When items are recognized through our estimated annual effective tax rate, we apply our estimated annual effective tax rate to the earnings/(loss) earnings before income taxes for the year-to-date period to compute our impact from income taxes for the current quarter and year-to-date period. The tax impacts of discrete items are recognized in their entirety in the period in which they occur.

The tax effect of the goodwill impairment charges recorded during the six nine months ended December 31, 2023 March 31, 2024 was included in our estimated annual effective tax rate because it was not considered unusual or infrequent, given that we recorded goodwill impairments in prior fiscal years. The impact of the non-deductible goodwill increased the estimated annual effective tax rate for fiscal 2024. Applying the higher tax rate to the pre-tax income for the six nine months ended December 31, 2023 March 31, 2024 resulted in recognizing an incremental interim tax benefit of approximately $65 $36 million, which impacted the provision for income taxes in the condensed consolidated statements of earnings/(loss) earnings during the three nine months ended December 31, 2023 March 31, 2024 and prepaid expenses and other assets in the condensed consolidated balance sheet at December 31, 2023 March 31, 2024. The incremental interim tax benefit will reverse in the future quarters fourth quarter of fiscal 2024.

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 in addition to the acquisition of Specialty Networks, depending on the size and timing of such transactions, we may need to access capital markets for additional financing. financing, depending on the size and timing of such transactions.

Cash and Equivalents

Our cash and equivalents balance was $4.6 billion $3.7 billion at December 31, 2023 March 31, 2024 compared to $4.0 billion at June 30, 2023.

During the six nine months ended December 31, 2023 March 31, 2024, net cash provided by operating activities was $1.7 billion, which includes the impact of our annual payment of $378 million and prepayments of $239 million primarily related to the National Opioid Settlement Agreement. During the three months ended March 31, 2024, we issued additional long-term debt and received net proceeds of $1.14 billion, of which $589 million were classified as cash and equivalents in our condensed consolidated balance sheets as of March 31, 2024. The remaining proceeds were invested in short-term time deposits with initial effective maturities of more than three months and classified as prepaid expenses and other. In addition, we deployed cash of $750 million for share repurchases, $255 million $377 million for cash dividends and $206 million $318 million for capital expenditures.

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 Condensed Consolidated Financial Statements" for additional information.

At December 31, 2023 March 31, 2024, our cash and equivalents were held in cash depository accounts with major banks or invested in high quality, short-term liquid investments.

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.

The cash and equivalents balance at December 31, 2023 March 31, 2024 includes $670 million $650 million of cash held by subsidiaries outside of the United States.

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 December 31, 2023 March 31, 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 December 31, 2023 March 31, 2024, we had no amounts outstanding under our commercial paper program, revolving credit facility, or our 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 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 December 31, 2023 March 31, 2024, we were in compliance with this financial covenant.

Long-Term Debt and Other Short-Term Borrowings

We had total long-term obligations, including the current portion and other short-term borrowings, of $5.9 billion and $4.7 billion at both December 31, 2023 March 31, 2024 and June 30, 2023., respectively.

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. 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 were invested in short-term time deposits of $550 million with initial effective maturities of more than three months and classified as prepaid expenses and other in our condensed consolidated balance sheets as of March 31, 2024. The remaining proceeds of $589 million were invested in short-term time deposits classified as cash and equivalents in our condensed consolidated balance sheets as of March 31, 2024.

Capital Deployment

Opioid Litigation Settlement Agreement

We had $5.47 $5.3 billion accrued at December 31, 2023 March 31, 2024 related to certain opioid litigation, as further described within Note 6 7 of the "Notes to Condensed Consolidated Financial Statements." We expect the majority of the remaining payment amounts to occur through 2038. During the six nine months ended December 31, 2023 March 31, 2024, we made our third annual payment of $378 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 $238 million $239 million to prepay at a pre-negotiated prenegotiated discount of 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 as due under the National Opioid Settlement Agreement. As a result of these prepayments, we expect to recognize recognized income of approximately $100 million $105 million in litigation charges/(recoveries), net in our condensed consolidated statements of earnings/(loss) earnings during the three nine months ended March 31, 2024.

Capital Expenditures

Capital expenditures during the six nine months ended December 31, 2023 March 31, 2024 and 2022 2023 were $206 million $318 million and $155 million $264 million, respectively.

Dividends

On each of May 11, 2023, August 9, 2023, November 14, 2023 and November 14, 2023 February 6, 2024, our Board of Directors approved a quarterly dividend of $0.5006 per share, or $2.00 per share on an annualized basis, which were paid on July 15, 2023, October 15, 2023, January 15, 2024 and January 15, 2024 April 15, 2024 to shareholders of record on July 3, 2023, October 3, 2023, January 2, 2024 and January 2, 2024 April 1, 2024, respectively.

Share Repurchases

During the six nine months ended December 31, 2023 March 31, 2024, we deployed $750 million for repurchases of our common shares, in the aggregate, under accelerated share repurchase ("ASR") programs. We funded the ASR programs with available cash. See Note 10 11 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

As of December 31, 2023 March 31, 2024, we have $3.5 billion $3.5 billion remaining under our existing share repurchase authorization.

Specialty Networks Acquisition

On January 31, 2024 March 18, 2024, we announced that we had entered into a definitive agreement to acquire completed the acquisition of Specialty Networks a technology-enabled multi-specialty group purchasing and practice enhancement organization for a purchase price of $1.2 billion in cash, subject to certain adjustments. We plan See Note 2 of the "Notes to fund the acquisition with available cash. Condensed Consolidated Financial Statements" for additional information.

Other Items

The MD&A in our 2023 Form 10-K addresses our contractual obligations and cash requirements, as of and for the fiscal year ended June 30, 2023. Other than in connection with our proposed the acquisition of Specialty Networks and our debt issuance, there have been no subsequent material changes outside of the ordinary course of business to those items. See Note 14 2 and Note 6 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Critical Accounting Policies and Sensitive Accounting Estimates

The discussion and analysis presented below is a supplemental disclosure to the critical accounting policies and sensitive accounting estimates specified in our consolidated balance sheet at June 30, 2023. This discussion and analysis should be read in conjunction with the Critical Accounting Policies and Sensitive Accounting Estimates included in our 2023 Form 10-K and our Form 10-Q for the quarters ended September 30, 2023 and December 31, 2023.

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, including due to the risks discussed in "Risk Factors" and other risks discussed in our 2023 Form 10-K and our other filings with the SEC since June 30, 2023.

Goodwill

Purchased goodwill is 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. If it is determined that it is more likely than not that the fair value does not exceed the carrying amount, then a quantitative test is performed. 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).

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 qualitative evaluation 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 a reporting unit is less than its carrying amount.

Changes to Reportable Segments for Fiscal 2024

As discussed in the Overview section of this MD&A, effective January 1, 2024, we implemented a new enterprise operating and segment reporting structure. The updated structure comprises is comprised of two reportable segments: Pharmaceutical and Specialty Solutions segment and Global Medical Products and Distribution segment. All remaining operating segments that are not significant enough to

require separate reportable segment disclosures are included in Other.

This change in segment structure will result 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 and Specialty Solutions, GMPD, Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics. GMPD and OptiFreight® Logistics comprised our 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 values of the reporting units. Accordingly, we will be required to reallocate the goodwill in reporting units affected by the change using a relative fair value approach and assess We also assessed goodwill for impairment both for these reporting units before and after the reallocation. While we have not identified any indicators of reallocation and determined there was no impairment for the Medical Unit and OptiFreight® Logistics during the three months ended December 31, 2023 within March 31, 2024 as their fair values substantially exceeded their carrying values. However, the current reporting units, we may recognize a quantitative test resulted in an impairment of GMPD's remaining goodwill balance of $90 million.

Our previously reported goodwill balances have been recast to conform to the new structure. Prior-period goodwill impairment charge following charges related to the reallocation if former Medical Unit were primarily driven by the carrying performance and long-term financial plan assumptions of GMPD and have been fully allocated to GMPD under the new structure.

Global Medical Products and Distribution Goodwill

Our determinations of the estimated fair value of GMPD was based on a new reporting unit exceeds its estimated fair value.

Medical Unit Goodwill

Potential changes in combination of the reporting units within our Medical operating segment may result in income-based approach (using a goodwill impairment charge. As discount rate of December 31, 2023, the total goodwill balance within the Medical Unit was $139 million 11 percent and a terminal growth rate of 2 percent) and market-based approaches at January 1, 2024. As discussed above, Additionally, we have not identified any indicators of impairment during the three months ended December 31, 2023 within our reporting units, including the Medical Unit.

During the three months ended September 30, 2023, we elected to bypass the qualitative assessment and perform quantitative goodwill impairment testing for the Medical Unit due to an increase in the risk-free interest rate used in the discount rate. Our determination of the estimated fair value of the Medical 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 market-based approaches. 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.

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. The carrying amount exceeded the fair value, which resulted in a pre-tax impairment charge of $581 million for the Medical Unit, which was recognized three months ended September 30, 2023. We did not identify any indicators of impairment during the six three months ended December 31, 2023 and is included in impairments and (gain)/loss on disposal of assets, net in our condensed 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. The discount rate used for the interim goodwill impairment testing at June 30, 2023 was 10 percent. See Note 4 of the "Notes to Condensed Consolidated Financial Statements" for further discussion.

While we consider the assumptions used in our determination 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 supply chain and commodities costs and our planned 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, the fair value for the Medical Unit would have further decreased by approximately $450 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 further decreased the fair value for the Medical Unit by approximately $300 million.

During the three months ended December 31, 2022 and September 30, 2022, we performed quantitative goodwill impairment testing for the Medical Unit. This quantitative testing resulted in the carrying amount of the former Medical Unit exceeding the fair value, resulting in pre-tax goodwill and recorded impairment charges of $709 million $709 million and $154 million recorded during $154 million, respectively. We also performed interim quantitative goodwill impairment testing at March 31, 2023 and concluded that there was no impairment as of March 31, 2023 as the three months ended December 31, 2022 and September 30, 2022, respectively. estimated fair value of the former Medical Unit exceeded its carrying value by approximately 4 percent.

Explanation and Reconciliation of Non-GAAP Financial Measures

The "Overview of Consolidated Results" section within MD&A in this Form 10-Q 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 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.

- 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.
- 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.

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: 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: operating earnings/(loss) earnings 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: earnings/(loss) earnings 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, and (8) (7) litigation (recoveries)/charges, net and (9) (8) loss on early extinguishment of debt.

Non-GAAP net earnings attributable to Cardinal Health, Inc.: net earnings/(loss) earnings 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, and (8) (7) litigation (recoveries)/charges, net and (9) (8) loss on early extinguishment of debt. debt, each net of tax.

Non-GAAP effective tax rate: provision for/(benefit from) for 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, and (8) (7) litigation (recoveries)/charges, net and (9) (8) loss on early extinguishment of debt divided by (earnings/(loss) (earnings before income taxes adjusted for the nine eight 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.

GAAP to Non-GAAP Reconciliation

(in millions, except per common share amounts)	Operating Earnings/(Loss)	Operating Earnings Growth Rate	Earnings/(Loss) Before Income Taxes	Provision for/(Benefit From) Income Taxes	Net Earnings/(Loss)[1]	Net Earnings[1] Growth Rate	Diluted EPS[1,2]	Diluted EPS[1] Growth Rate
	Three Months Ended December 31, 2023							
GAAP	$ 482	N.M.	$ 490	$ 136	$ 353	N.M.	$ 1.43	N.M.
Surgical gown recall income	(1)		(1)	—	(1)		—	
Restructuring and employee severance	28		28	7	21		0.09	
Amortization and other acquisition-related costs	63		63	17	46		0.19	
Impairments and (gain)/loss on disposal of assets, net	1		1	(33)	34		0.14	
Litigation (recoveries)/charges, net	(11)		(11)	(5)	(6)		(0.03)	
Non-GAAP	$ 562	20 %	$ 569	$ 121	$ 447	29 %	$ 1.82	38 %
	Three Months Ended December 31, 2022							

GAAP	$ (119)	(87)%	$ (137)	$ (7)	$ (130)	N.M.	$ (0.50)	N.M.
State opioid assessment related to prior fiscal years	(6)		(6)	(2)	(4)		(0.02)	
Shareholder cooperation agreement costs	2		2	1	1		0.01	
Restructuring and employee severance	17		17	4	13		0.05	
Amortization and other acquisition-related costs	71		71	18	53		0.20	
Impairments and (gain)/loss on disposal of assets, net [3]	710		710	173	537		2.06	
Litigation (recoveries)/charges, net	(207)		(207)	(83)	(124)		(0.48)	
Non-GAAP	$ 467	— %	$ 450	$ 104	$ 346	(3)%	$ 1.32	4 %
			Six Months Ended December 31, 2023					
GAAP	**$ 468**	**N.M.**	**$ 464**	**$ 104**	**$ 358**	**N.M.**	**$ 1.44**	**N.M.**
Surgical gown recall income	**(1)**		**(1)**	**—**	**(1)**		**—**	
Restructuring and employee severance	**53**		**53**	**14**	**39**		**0.16**	
Amortization and other acquisition-related costs	**127**		**127**	**33**	**94**		**0.38**	
Impairments and (gain)/loss on disposal of assets, net [3]	**538**		**538**	**112**	**426**		**1.71**	
Litigation (recoveries)/charges, net	**(52)**		**(52)**	**(16)**	**(36)**		**(0.14)**	
Non-GAAP	**$ 1,133**	**27 %**	**$ 1,129**	**$ 247**	**$ 880**	**30 %**	**$ 3.55**	**41 %**
			Six Months Ended December 31, 2022					
GAAP	$ 18	N.M.	$ (27)	$ (8)	$ (20)	N.M.	$ (0.08)	N.M.
State opioid assessment related to prior fiscal years	(6)		(6)	(2)	(4)		(0.02)	
Shareholder cooperation agreement costs	8		8	2	6		0.02	
Restructuring and employee severance	46		46	10	36		0.13	
Amortization and other acquisition-related costs	142		142	37	105		0.40	
Impairments and (gain)/loss on disposal of assets, net [3]	863		863	207	656		2.46	
Litigation (recoveries)/charges, net	(180)		(180)	(76)	(104)		(0.39)	
Non-GAAP	$ 891	(10)%	$ 846	$ 170	$ 675	(7)%	$ 2.52	(2)%

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes	Provision for Income Taxes	Net Earnings[1]	Net Earnings[1] Growth Rate	Diluted EPS[1]	Diluted EPS[1] Growth Rate
			Three Months Ended March 31, 2024					
GAAP	**$ 367**	**(36)%**	**$ 341**	**$ 82**	**$ 258**	**(25)%**	**$ 1.05**	**(22)%**
Shareholder cooperation agreement costs	**1**		**1**	**—**	**1**		**—**	
Restructuring and employee severance	**53**		**53**	**14**	**39**		**0.16**	
Amortization and other acquisition-related costs	**80**		**80**	**21**	**59**		**0.24**	
Impairments and (gain)/loss on disposal of assets, net [2]	**84**		**84**	**(21)**	**105**		**0.44**	
Litigation (recoveries)/charges, net	**81**		**81**	**34**	**47**		**0.19**	
Non-GAAP	**$ 666**	**10 %**	**$ 640**	**$ 130**	**$ 509**	**14 %**	**$ 2.08**	**20 %**
			Three Months Ended March 31, 2023					
GAAP	$ 572	N.M.	$ 544	$ 197	$ 345	N.M.	$ 1.34	N.M.
Restructuring and employee severance	16		16	4	12		0.05	
Amortization and other acquisition-related costs	74		74	19	55		0.21	
Impairments and (gain)/loss on disposal of assets, net	20		20	(69)	89		0.35	
Litigation (recoveries)/charges, net	(76)		(76)	(22)	(54)		(0.21)	
Non-GAAP	$ 606	11 %	$ 578	$ 129	$ 447	11 %	$ 1.74	20 %

	Nine Months Ended March 31, 2024							
GAAP	**$ 835**	**42 % $**	**805 $**	**186 $**	**616**	**90 % $**	**2.49**	**N.M.**
Shareholder cooperation agreement costs	**1**		**1**	**—**	**1**		**—**	
Restructuring and employee severance	**106**		**106**	**28**	**78**		**0.32**	
Amortization and other acquisition-related costs	**207**		**207**	**54**	**153**		**0.62**	
Impairments and (gain)/loss on disposal of assets, net 2	**622**		**622**	**92**	**530**		**2.14**	
Litigation (recoveries)/charges, net	**29**		**29**	**17**	**12**		**0.05**	
Non-GAAP	**$ 1,799**	**20 % $**	**1,769 $**	**377 $**	**1,389**	**24 % $**	**5.62**	**33 %**
	Nine Months Ended March 31, 2023							
GAAP	$ 590	N.M. $	517 $	189 $	325	N.M. $	1.23	N.M.
State opioid assessment related to prior fiscal years	(6)		(6)	(2)	(4)		0.02	
Shareholder cooperation agreement costs	8		8	2	6		(0.02)	
Restructuring and employee severance	62		62	14	48		0.18	
Amortization and other acquisition-related costs	216		216	56	160		0.61	
Impairments and (gain)/loss on disposal of assets, net 2	883		883	138	745		2.82	
Litigation (recoveries)/charges, net	(256)		(256)	(98)	(158)		(0.60)	
Non-GAAP	$ 1,497	(3)% $	1,424 $	299 $	1,122	(1)% $	4.24	6 %

1 Attributable to Cardinal Health, Inc.

2 For the three and six nine months ended December 31, 2022, GAAP diluted EPS and the EPS impact from the GAAP to non-GAAP per share reconciling items are calculated using a weighted average of 261 million and 266 million common shares, respectively, which excludes potentially dilutive securities from the denominator due to their anti-dilutive effects resulting from our GAAP net loss for the periods. For the three and six months ended December 31, 2022, non-GAAP diluted EPS is calculated using a weighted average of 263 million and 268 million common shares, which includes potentially dilutive shares.

3 For the six months ended December 31, 2023 March 31, 2024, impairments and (gain)/loss on disposal of assets, net includes a pre-tax goodwill impairment charge charges of $581 million $90 million and $671 million, respectively, related to the Medical GMPD segment. For fiscal 2024, the estimated net tax benefit related to the impairment charge impairments is $45 million $56 million and is included in the annual effective tax rate. As a result, the The incremental interim tax benefit for recognized during the six nine months ended December 31, 2023 increased approximately by an incremental $65 million March 31, 2024 is $36 million and will increase reverse in the provision for income taxes for fourth quarter of the remainder of fiscal 2024. year.

For the three and six nine months December 31, 2022 ended March 31, 2023, impairments and (gain)/loss on disposal of assets, net included cumulative pre-tax goodwill impairment charges of $709 million and $863 million, respectively, related to the former Medical segment. For fiscal 2023, the net tax benefit related to these the impairment charges was $68 million and was included in the annual effective tax rate. As a result, the amount of The incremental interim tax benefit increased approximately by an incremental $118 million and $140 million for recognized during the three and six nine months ended December 31, 2022, respectively, March 31, 2023 was $66 million and increased reversed in the provision for income taxes for the remainder fourth quarter of fiscal 2023.

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

There have been no material changes in the quantitative and qualitative market risk disclosures included in our 2023 Form 10-K since the end of fiscal 2023 through December 31, 2023 March 31, 2024.

Controls and Procedures

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 December 31, 2023 March 31, 2024. Based on this evaluation, our principal executive officer and principal financial officer have concluded that as of December 31, 2023 March 31, 2024, our disclosure controls and procedures were effective 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.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Other

Legal Proceedings

The legal proceedings described in Note 6 7 of the "Notes to Condensed Consolidated Financial Statements" are incorporated in this "Legal Proceedings" section by reference.

Risk Factors

You should carefully consider the information in this Form 10-Q including the Risk Factors below and the risk factors discussed in "Risk Factors" and other risks discussed in our 2023 Form 10-K, our Form Forms 10-Q for the quarter quarters ended December 31, 2023 and September 30, 2023, and our other filings with the SEC since June 30, 2023. These risks could materially and adversely affect our results of operations, financial condition, liquidity, and cash flows. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

Our pending acquisition **Changes to the U.S. healthcare environment may not be favorable to us.**

Over a number of Specialty Networks subjects us years, the U.S. healthcare industry has undergone significant changes designed to various risks increase access to medical care, improve safety and uncertainties. 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.

As discussed We expect the U.S. healthcare industry to continue to change significantly in the MD&A section, 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, drug shortages, further reduction of or limitations on January 31, 2024, we announced that we had entered into a definitive agreement governmental funding at the state or federal level or efforts by healthcare insurance companies to acquire Specialty Networks further limit payments for a purchase price of $1.2 billion in cash, subject products and services. For example, the Federal Trade Commission has issued public requests for information related to certain adjustments. The acquisition will further expand the Pharmaceutical segment's portfolio of Specialty services. We plan to fund the acquisition with available cash.

Consummation of the pending acquisition is subject to various risks pharmaceutical wholesalers' and uncertainties, including the following: the ability to successfully complete the acquisition group purchasing organizations' impacts on a timely basis, including receipt of required regulatory approvals and satisfaction of other closing conditions; generic drug shortages and the conditions impact of pharmacy benefits managers on drug affordability and access. These possible changes, and the credit markets. uncertainty surrounding these possible changes, may directly or indirectly adversely affect us.

If we are successful in completing the acquisition, we will be subject to other risks, including the following: we may fail to realize the synergies and other benefits we expect from the acquisition; the use of a significant portion of our cash may have an adverse effect on our liquidity, limit our flexibility in responding to other business opportunities, and increase our vulnerability to adverse economic and industry conditions; we may fail to retain key personnel of the acquired businesses; future developments may impair the value of our purchased goodwill or intangible assets; we may face difficulties establishing, integrating or combining operations and systems; we may face challenges retaining the customers of the acquired businesses; we may encounter unforeseen internal control, regulatory or compliance issues; and we may face other additional risks relating to regulatory matters, legal proceedings, and tax laws or positions.

Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2,3)	Total Number of Shares Purchased as Part of Publicly Announced Programs (2,3,4)	Approximate Dollar Value of

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number o Purchase as Part of Publicly Programs
October 2023 January 2024	1,251,107 106	$ 79.94 105.98	
November 2023 February 2024	1,967,452 157	101.66 107.33	
December 2023 March 2024	444,271 51	112.57 110.14	
Total	3,662,830 314	$ 95.57 107.33	

(1) Reflects 198, 110 106, 157 and 110 51 common shares purchased in October, November January, February, and December 2023, March 2024, respectively, th Compensation Plan.

(2) On November 6, 2023, we entered into an ASR program to purchase common shares for an aggregate purchase price of $250 million and received an initial delivery
ASR program concluded on December 13, 2023 at a volume weighted average price per common share of $103.67 resulting in a final delivery of 0.4 million com
Financial Statements" for additional information.

(3) On August 16, 2023, we entered into an ASR program to purchase common shares for an aggregate purchase price of $500 million and received an initial delivery
ASR program concluded on October 31, 2023 at a volume weighted average price per common share of $88.22 resulting in a final delivery of 1.3 million common sha
Statements" for additional information.

(4) 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 December 31, 2023
repurchases remaining under this program.

Other Information

Rule 10b5-1 Plan Adoptions and Modifications

During the three months ended December 31, 2023 March 31, 2024, no director or officer adopted, modified or terminated a "Rule 1(arrangement" as each term is defined in Section 408(a) of Regulation S-K under the Exchange Act.

Condensed Consolidated Statements of Earnings/(Loss)Earning

(Unaudited)

		Three Months Ended December 31,		Six Months Ended December 31,	
		Three Months Ended March 31,		Nine Months Ended March 31,	
(in millions, except per common share amounts)	(in millions, except per common share amounts)	**2023**	2022	**2023**	2022
Revenue					
Cost of products sold					
Gross margin					
Operating expenses:					
Operating expenses:					
Operating expenses:					
Distribution, selling, general and administrative expenses					
Distribution, selling, general and administrative expenses					
Distribution, selling, general and administrative expenses					
Restructuring and employee severance					
Amortization and other acquisition-related costs					
Impairments and (gain)/loss on disposal of assets, net					

Litigation (recoveries)/charges, net					
Operating earnings/(loss)					
Operating earnings					
Other (income)/expense, net					
Other (income)/expense, net					
Other (income)/expense, net					
Interest expense, net					
Earnings/(loss) before income taxes					
Earnings before income taxes					
Earnings/(loss) before income taxes					
Earnings before income taxes					
Earnings/(loss) before income taxes					
Earnings before income taxes					
Provision for/(benefit from) income taxes					
Provision for/(benefit from) income taxes					
Provision for/(benefit from) income taxes					
Net earnings/(loss)					
Provision for income taxes					
Provision for income taxes					
Provision for income taxes					
Net earnings					
Less: Net earnings attributable to noncontrolling interests					
Less: Net earnings attributable to noncontrolling interests					
Less: Net earnings attributable to noncontrolling interests					
Net earnings/(loss) attributable to Cardinal Health, Inc.					
Net earnings 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.:					
Earnings per common share attributable to Cardinal Health, Inc.:					
Earnings per common share attributable to Cardinal Health, Inc.:					
Earnings per common share attributable to Cardinal Health, Inc.:					
Basic					
Basic					
Basic					
Diluted					
Weighted-average number of common shares outstanding:					
Weighted-average number of common shares outstanding:					
Weighted-average number of common shares outstanding:					
Basic					
Basic					
Basic		**245**	261	**247**	266
Diluted	Diluted	**246**	261	**248**	266
Cash dividends declared per common share					
Cash dividends declared per common share					
Cash dividends declared per common share					

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

		Three Months Ended December 31,		Six Months Ended
		Three Months Ended March 31,		Nine Months Ende
(in millions)	(in millions)	**2023**	2022	**2023**
Net earnings/(loss)				
Net earnings				
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				
Net unrealized gain on derivative instruments, net of tax				
Net unrealized gain on derivative instruments, net of tax				
Net unrealized gain on derivative instruments, net of tax				
Net unrealized gain/(loss) on derivative instruments, net of tax				
Net unrealized gain/(loss) on derivative instruments, net of tax				
Net unrealized gain/(loss) on derivative instruments, net of tax				
Total other comprehensive income/(loss), net of tax				
Total comprehensive income/(loss)				
Total comprehensive income/(loss)				
Total comprehensive income/(loss)				
Total comprehensive income				
Total comprehensive income				
Total comprehensive income				
Less: comprehensive income attributable to noncontrolling interests				
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.				
Total comprehensive income/(loss) attributable to Cardinal Health, Inc.				
Total comprehensive income attributable to Cardinal Health, Inc.				
Total comprehensive income attributable to Cardinal Health, Inc.				
Total comprehensive income attributable to Cardinal Health, Inc.				

See notes to condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(in millions)

(in millions) **December 31, 2**

(Unaudited)

Assets

Assets

Assets

Current assets:

Current assets:

Current assets:

Cash and equivalents

Cash and equivalents

Cash and equivalents

Trade receivables, net

Inventories, net

Prepaid expenses and other

Assets held for sale

Total current assets

Property and equipment, net

Property and equipment, net

Property and equipment, net

Goodwill and other intangibles, net

Other assets

Other assets

Other assets

Total assets

Liabilities and Shareholders' Deficit

Liabilities and Shareholders' Deficit

Liabilities and Shareholders' Deficit

Current liabilities:

Current liabilities:

Current liabilities:

Accounts payable

Accounts payable

Accounts payable

Current portion of long-term obligations and other short-term borrowings

Other accrued liabilities

Liabilities related to assets held for sale

Total current liabilities

Long-term obligations, less current portion

Long-term obligations, less current portion

Long-term obligations, less current portion

Deferred income taxes and other liabilities

Shareholders' deficit:

Shareholders' deficit:

Shareholders' deficit:

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

Authorized—**500 thousand** shares, Issued—none

Authorized—**500 thousand** shares, Issued—none

Common shares, without par value:

Authorized—**755 million** shares, Issued—**327 million** shares at **December 31, 2023** and June 30, 2023

Authorized—**755 million** shares, Issued—**327 million** shares at **December 31, 2023** and June 30, 2023

Authorized—**755 million** shares, Issued—**327 million** shares at **December 31, 2023** and June 30, 2023

Authorized—**755 million** shares, Issued—**327 million** shares at **March 31, 2024** and June 30, 2023

Authorized—**755 million** shares, Issued—**327 million** shares at **March 31, 2024** and June 30, 2023

Authorized—**755 million** shares, Issued—**327 million** shares at **March 31, 2024** and June 30, 2023

Accumulated deficit

Common shares in treasury, at cost: **83 million** shares and 76 million shares at **December 31, 2023** and June 30, 2023, respectively

Common shares in treasury, at cost: **83 million** shares and 76 million shares at **March 31, 2024** and June 30, 2023, respectively

Accumulated other comprehensive loss

Total Cardinal Health, Inc. shareholders' deficit

Noncontrolling interests

Total shareholders' deficit

Total liabilities and shareholders' deficit

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Shareholders' Deficit

(Unaudited)

(in millions)

(in millions)

(in millions)

Balance at September 30, 2023

Balance at September 30, 2023

Balance at September 30, 2023

Balance at December 31, 2023

Balance at December 31, 2023

Balance at December 31, 2023
Net earnings
Net earnings
Net earnings
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive loss, net of tax
Other comprehensive loss, net of tax
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
Share repurchase program activity
Share repurchase program activity
Dividends declared
Dividends declared
Dividends declared
Other
Other
Other
Balance at December 31, 2023
Balance at December 31, 2023
Balance at December 31, 2023
Balance at March 31, 2024
Balance at March 31, 2024
Balance at March 31, 2024
Balance at September 30, 2022
Net loss
Balance at December 31, 2022
Net earnings
Other comprehensive income, 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
Balance at December 31, 2022
Balance at December 31, 2022
Balance at December 31, 2022
Other
Balance at March 31, 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 December 31, 2023

Balance at March 31, 2024

Six Months Ended December 31, 2022

Balance at June 30, 2022
Net earnings/(loss)
Net earnings
Other comprehensive loss, net of tax
Purchase of noncontrolling interests
Employee stock plans activity, net of shares withheld for employee taxes
Share repurchase program activity
Dividends declared
Other

Balance at December 31, 2022

Balance at March 31, 2023

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

		Six Months Ended December :	
(in millions)	(in millions)	**2023**	2022
Cash flows from operating activities:			
Net earnings/(loss)			
Net earnings/(loss)			
Net earnings/(loss)			
Net earnings			
Net earnings			
Net earnings			
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:			
Adjustments to reconcile net earnings/(loss) to net cash provided by operating activities:			
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			
Impairments and (gain)/loss on disposal of assets, net			

Share-based compensation
Share-based compensation
Share-based compensation
Provision for bad debts
Provision for bad debts
Provision for bad debts
Change in operating assets and liabilities, net of effects from acquisitions and divestitures:
Increase in trade receivables
Increase in trade receivables
Increase in trade receivables
Increase in inventories
Increase in accounts payable
Other accrued liabilities and operating items, net
Net cash provided by operating activities
Cash flows from investing activities:
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
Proceeds from divestitures, net of cash sold
Proceeds from divestitures, net of cash sold
Additions to property and equipment
Additions to property and equipment
Additions to property and equipment
Proceeds from disposal of property and equipment
Purchases of investments
Proceeds from investments
Proceeds from net investment hedge terminations
Purchases of short-term time deposits
Net cash used in investing activities
Cash flows from financing activities:
Cash flows from financing activities:
Cash flows from financing activities:
Reduction of long-term obligations
Proceeds from long-term obligations, net of issuance costs
Reduction of long-term obligations
Proceeds from long-term obligations, net of issuance costs
Proceeds from long-term obligations, net of issuance costs
Reduction of long-term obligations
Net tax proceeds from share-based compensation
Dividends on common shares
Dividends on common shares
Dividends on common shares
Purchase of treasury shares
Net cash used in financing activities
Net cash provided by/(used in) financing activities
Effect of exchange rate changes on cash and equivalents
Effect of exchange rate changes on cash and equivalents
Effect of exchange rate changes on cash and equivalents
Net increase/(decrease) in cash and equivalents

Net decrease in cash and equivalents
Net increase/(decrease) in cash and equivalents
Net decrease in cash and equivalents
Net increase/(decrease) in cash and equivalents
Net decrease in cash and equivalents
Cash and equivalents at beginning of period
Cash and equivalents at end of period

See notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

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

References to "we," "our," and similar pronouns in this Quarterly Report on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 (this "Form 10-Q") are to Cardinal Health, Inc. and its majority-owned or consolidated subsidiaries unless the context requires otherwise.

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

Our condensed consolidated financial statements have been prepared in accordance with the U.S. Securities and Exchange Commission ("SEC") instructions to Quarterly Reports on Form 10-Q and include the information and disclosures required by accounting principles generally accepted in the United States ("GAAP") for interim financial reporting. The preparation of financial statements in conformity with GAAP requires us to make estimates, judgments and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts.

In our opinion, all adjustments necessary for a fair presentation of the condensed consolidated financial statements have been included. Except as disclosed elsewhere in this Form 10-Q, all such adjustments are of a normal and recurring nature. In addition, financial results presented for this fiscal 2024 interim period are not necessarily indicative of the results that may be expected for the full fiscal year ending June 30, 2024. These condensed consolidated financial statements are unaudited and, accordingly, should be read in conjunction with the audited consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 (our "2023 Form 10-K").

Major Customers

On April 22, 2024, we announced that our pharmaceutical distribution contracts with OptumRx, which expire at the end of June 2024, will not be renewed. Sales to OptumRx generated 16% of our consolidated revenue in fiscal 2023.

Recently Issued Financial Acc
and Disclosure Rules Not Yet A

We assess the adoption impacts of re
Accounting Standards Board ("FASB")
as well as material updates to previous

Segment Reporting

In November 2023, the FASB issued
Segment Reporting (Topic 280): Impro
enhances reportable segment disclos
significant segment expenses. This gu
10-K and the guidance must be applied
currently evaluating the impact of adop

Income Tax Disclosure

In December 2023, the FASB issued A
to Income Tax Disclosures, which enh
rate reconciliation and income taxes p
other amendments to improve the effec
be effective for us in our fiscal 2026
basis, with retrospective application p
adoption of this guidance on our disclos

Climate-Related Disclosures

In March 2024, the SEC issued final
annual disclosure of material climate
emissions from operations owned or c
gas emissions from purchased energy
2). Additionally, the rules require discl
effects of severe weather events and
thresholds, as well as amounts relate
certificates. These rules also require
Board of Directors and management,
and strategy related to material clima
stayed the new rules pending the comp
if ultimately upheld as adopted, will be
including financial information with resp
are currently evaluating the impact of a

Recently Adopted Financial Accounting Standards

There were no new material accounting standards adopted during the nine months ended March 31, 2024.

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 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 six elimination of inter-segment revenue and allocated corporate technology and shared function expenses, which are driven by the reporting structure change. See Note 13 for segment results under the new reporting structure.

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 condensed consolidated financial statements.

Transaction costs associated with the Specialty Networks acquisition were $15 million during the three and nine months ended December 31, 2023. March 31, 2024, and are included in amortization and other acquisition-related costs in the condensed consolidated statements of earnings.

Fair Value of Assets Acquired

The allocation of the purchase price finalized and is subject to adjustme acquisition. The purchase price is al requirements as set forth in the acquisi

The valuation of identifiable intangible thus represents a Level 3 nonrecurring the identifiable intangible assets was includes market participant expectatior its remaining useful life, discounted bac The discount rate used to arrive at the 10 percent, and reflects the interna projections.

The following table summarizes the liabilities assumed as of the acquisition

(in millions)
Identifiable intangible assets:
Customer relationships (1)
Trade names (2)
Developed technology (3)
Total identifiable intangible assets acquired
Identifiable net assets/(liabilities):
Cash and equivalents
Trade receivables, net
Prepaid expenses and other
Other accrued liabilities
Deferred income taxes and other liabilities
Total identifiable net assets/(liabilities) acquired
Goodwill
Total net assets acquired

(1) The weighted-average useful life of custom

(2) The weighted-average useful life of trade na

(3) The weighted-average useful life of develop

Notes to Financial Statements

2. 3. Divestitures

On June 5, 2023, we signed a definitive agreement to contribute the OutcomesTM business to Transaction Data Systems ("TDS"), a portfolio company of BlackRock Long Term Private Capital and GTCR, in exchange for a 16 percent equity interest in the combined entity. The transaction closed on July 10, 2023 and we recognized a pre-tax gain of $53 million during the six nine months ended December 31, 2023 March 31, 2024, which was included in impairments and (gain)/loss on disposal of assets, net in our condensed consolidated statements of earnings/(loss). earnings. This gain includes our initial recognition of an equity method investment in the combined entity for $147 million.

We determined that the divestiture of the OutcomesTM business does not meet the criteria to be classified as discontinued operations. The OutcomesTM business operated within our former Pharmaceutical segment.

3. 4. Restructuring and Empl

The following tables summarize restruc

(in millions)	(in millions) 202
Employee-related	
Facility exit and other	
Total restructuring and employee severance	

(in millions)	(in millions)	Six Months Ended December 31, 2023	2022	(in million
Employee-related				
Facility exit and other				
Total restructuring and employee severance				

Employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated, duplica transition periods. Facility exit and other costs primarily consist of project consulting fees, accelerated depreciation, professional, p divestitures, costs associated with vacant facilities, and certain other divestiture-related costs.

Restructuring and employee severance costs during the three and six nine months ended December 31, 2023 were March 31, 2024 a certain enterprise-wide cost-savings measures, which include certain initiatives to rationalize our manufacturing operations. The increase ended March 31, 2024 was primarily related due to these initiatives and certain projects resulting from the review of our strategy portfo implementation of certain enterprise-wide cost-savings measures. operations. During the three and six nine months ended December severance costs were primarily also included costs related to implementation the divestiture of certain enterprise-wide cost-saving measur

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

(in millions)	(in millions)	Employee-Related Costs	Facility Exit and Other Costs	**Total**	(in millions)
Balance at June 30, 2023					
Additions					
Payments and other adjustments					
Balance at December 31, 2023					
Balance at March 31, 2024					

4.5. Goodwill and Other Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill by segment and in total:

(in millions)	(in millions)	Pharmaceutical	Medical (1)	Total	(in millions)	Pharmaceutical and Specialty Solutions	Global Medical Products and Distribution (1)	Other (2) (3)	Total
Balance at June 30, 2023 (4)									
Goodwill acquired, net of purchase price adjustments									
Foreign currency translation adjustments and other									
Goodwill impairment									
Balance at December 31, 2023									
Balance at March 31, 2024									

(1) Prior-period goodwill impairment charges related to the former Medical segment were allocated to the GMPD segment. At December 31, 2023 March 31, 2024 an impairment loss was $5.3 billion $5.4 billion and $4.7 billion, $4.7 billion, respectively.

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

(3) Reflects $48 million allocated to OptiFreight® Logistics.

(4) Reflects a $110 million reclassification between Pharmaceutical and Specialty Solutions and Other, which does not impact our previously reported condensed consolidat

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

As a result of the segment change discussed in Note 1, we allocated $90 million and $48 million of goodwill from the former Medical based on the estimated relative fair values of the reporting units. We have not identified any indicators of also assessed goodwill for in reallocation and determined there was no impairment for the Medical Unit and OptiFreight® Logistics during the three months e including March 31, 2024 as their fair values substantially exceeded their carrying values. However, the Medical Unit. quantitative test re balance of $90 million.

During the three months ended September 30, 2023, we elected to bypass the qualitative assessment and perform quantitative good increase in the risk-free interest rate used in the discount rate. Our determination of the estimated fair value of the Medical Unit GMPD r based approach (using a discount rate of 11 percent and a terminal growth rate of 2 percent), and market-based approaches. Addi discounted cash flow method, 10 percent to the guideline public company method, and 10 percent to the guideline transaction method.

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 $581 million for the former Medical Unit, which was recognized during the six three months ended December 31, 2023 September 30, 2023 and is included in impairments and (gain)/loss on disposal of assets, net in our condensed consolidated statements of earnings/(loss). earnings. 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. The discount rate used for the interim goodwill impairment testing at June 30, 2023 was 10 percent.

During the three months ended December 31, 2022 and September 30, 2022, we performed quantitative goodwill impairment testing for the former Medical Unit. This quantitative testing resulted in the carrying amount of the former Medical Unit exceeding the fair value, resulting in pre-tax goodwill impairment charges of $709 million $709 million and $154 million $154 million recorded during the three months ended December 31, 2022 and September 30, 2022, respectively. We also performed interim quantitative goodwill impairment testing at March 31, 2023 and concluded that there was no impairment as of March 31, 2023 as the estimated fair value of the former Medical Unit exceeded its carrying value by approximately 4 percent. The impairment charge recognized in the second quarter of fiscal 2023 was driven by certain reductions in our long-term financial plan assumptions, and the impairment charge recognized in the first quarter of fiscal 2023 was driven by an increase in the discount rate primarily due to an increase in the risk-free interest rate.

Other Intangible Assets

The following tables summarize other intangible assets by class at:

		December 31, 2023					March 31, 2024		
(in millions)	(in millions)	Gross Intangible	Accumulated Amortization	Net Intangible	Weighted-Average Remaining Amortization Period (Years)	(in millions)	Gross Intangible	Accumulated Amortization	
Indefinite-life intangibles:									
Trademarks and patents									
Trademarks and patents									
Trademarks and patents		**$ 12**	**$ $ —**	**$ $ 12**	**N/A**	**N/A**	**$ 11**	**$**	**$ —**
Total indefinite-life intangibles	Total indefinite-life intangibles	**12**	**— —**	**12 12**	**N/A**	**N/A**	Total indefinite-life intangibles **11**	**—**	
Definite-life intangibles:									
Definite-life intangibles:									
Definite-life intangibles:									
Customer relationships									
Customer relationships									
Customer relationships		**3,175**	**2,357 2,357**	**818 818**	**9**	**9**	**3,564**	**2,387**	**2,38**

Trademarks, trade names and patents	Trademarks, trade names and patents	546	394	394	152	152	7	7	Trademarks, trade names and patents	561		401
Developed technology and other	Developed technology and other	1,022	657	657	365	365	8	8	Developed technology and other	1,043		672
Total definite-life intangibles	Total definite-life intangibles	4,743	3,408	3,408	1,335	1,335	8	8	Total definite-life intangibles	5,168		3,460
Total other intangible assets	**Total other intangible assets**	**$ 4,755**	**$**	**$ 3,408**	**$**	**$1,347**	**N/A**	**N/A**	**Total other intangible assets**	**$ 5,179**	**$**	**$ 3,460**

	June 30, 2023		
(in millions)	Gross Intangible	Accumulated Amortization	Net Intangible
Indefinite-life intangibles:			
Trademarks and patents	$ 11	$ —	$ 11
Total indefinite-life intangibles	11	—	11
Definite-life intangibles:			
Customer relationships	3,174	2,274	900
Trademarks, trade names and patents	546	380	166
Developed technology and other	1,021	626	395
Total definite-life intangibles	4,741	3,280	1,461
Total other intangible assets	$ 4,752	$ 3,280	$ 1,472

The increase in definite-life intangibles is due to the Specialty Networks acquisition. Total amortization of intangible assets was $63 million $64 million and $71 million $69 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $127 million $191 million and $142 million $211 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Estimated annual amortization of intangible assets for the remainder of fiscal 2024 through 2028 is as follows: $127 million $69 million, $226 million $256 million, $206 million $241 million, $174 million $213 million and $148 million $186 million.

Notes to Financial Statements

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

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

(in millions) (1)	March 31, 2024	June 30, 2023
3.079% Notes due 2024	$ 753	$ 764
3.5% Notes due 2024	402	404
3.75% Notes due 2025	508	513
3.41% Notes due 2027	1,192	1,184
5.125% Notes due 2029	644	—
5.45% Notes due 2034	494	—
4.6% Notes due 2043	311	306
4.5% Notes due 2044	330	331
4.9% Notes due 2045	428	428
4.368% Notes due 2047	564	561
7.0% Debentures due 2026	124	124
Other Obligations	104	86
Total	5,854	4,701
Less: current portion of long-term obligations and other short-term borrowings	1,187	792
Long-term obligations, less current portion	$ 4,667	$ 3,909

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

Maturities of existing long-term obligations and other short-term borrowings for the remainder of fiscal 2024 through 2028 and thereafter are as follows: $762 million, $436 million, $535 million, $1.3 billion, $11 million and $2.8 billion.

Long-Term Debt

We had total long-term obligations, including the current portion and other short-term borrowings, of $5.9 billion and $4.7 billion at both December 31, 2023March 31, 2024 and June 30, 2023., respectively. 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. 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 $34.3 billion$32.1 billion and $29.8 billion at December 31, 2023March 31, 2024 and June 30, 2023, respectively.

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. 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 were invested in short-term time deposits of $550 million with initial effective maturities of more than three months and classified as prepaid expenses and other in our condensed consolidated balance sheets as of March 31, 2024. The remaining proceeds of $589 million were invested in short-term time deposits classified as cash and equivalents in our condensed consolidated balance sheets as of March 31, 2024.

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. During the nine months ended March 31, 2024, under our commercial paper program and our committed receivables program, we had maximum combined total daily amounts outstanding of $1.3 billion and an average combined daily amount outstanding of $25 million. At December 31, 2023 March 31, 2024, we had no amounts outstanding under our commercial paper program, revolving credit facility or our 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 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 December 31, 2023 March 31, 2024, we were in compliance with this financial covenant.

6. 7. Commitments, Conting

Commitments

Generic Sourcing Venture with CVS

In July 2014, we established Red Oak generic pharmaceutical sourcing ventu initial term of 10 years. Red Oak contracts on behalf of its participants. I the term through June 2029. We are re the term of the arrangement.

Contingencies

New York Opioid Stewardship Act

In April 2018, the State of New York pa Act (the "OSA"). The OSA created a manufacturers and distributors license OSA, each licensed manufacturer and assessment based on its share of the t in New York during the applicable cale passed a new statute that modified th two years (2017 and 2018).

We accrue contingencies if it is proba can be estimated. During the fiscal ye the previously estimated accrual to assessment. At June 30, 2023, we ha in full during the first quarter of fiscal ye

Legal Proceedings

We become involved from time to time

From time to time, we determine that p do not meet our specifications, regulato a regulatory agency identify a potentia appropriate corrective action. Such ac replace affected products, temporar importation, product liability claims an absent an identified regulatory or qual product liability claims and lawsuits.

From time to time, we become aware possible compliance matters, such as accounting controls, financial reportir compliance with laws such as healthca 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 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 condensed consolidated statements of earnings/(loss); earnings; however, losses and recoveries of lost profits from disputes that occur in the ordinary course of business are included within segment profit.

Opioid Lawsuits and Investigations

Cardinal Health, other Pharmaceutical wholesalers and other participants in the pharmaceutical supply chain have been named as a defendant 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 Organization Act and various other statutes. Plaintiffs in these lawsuits include governmental entities as well as private parties, such as unions and other health and welfare funds, hospital

system and other healthcare providers,

We Additionally, we have also receivec
with investigations being conducted by
New York and the Fraud Section of th
received civil request requests for info
other DOJ offices. These investigations
anti-diversion policies and procedures
are cooperating with these investigatic
these investigations.

In total, as of December 31, 2023 Mar
these matters, of which $420 $438 m
remainder is included in deferred in
consolidated balance sheets. During
recognized expense of $193 million i
partially offset by a benefit of $105 milli
of certain future payments totaling $34

Because loss contingencies are inhere
resolutions can occur, the assessmen
future events. We regularly review the
accrual is adequate. The amount of
whether as a result of settlement discu
we are not able to estimate a range
matters. We continue to strongly dispu
these agreements the settlements de
doing. wrong-doing. Please see below f

States & Political Subdivisions

In February 2022, we along with
"Distributors") independently approve
Settlement Agreement") to settle the v
states and political subdivisions. Th
effective on April 2, 2022. In additior
Settlement Agreement include 48 state
99 percent of political subdivisions in
National Opioid Settlement Agreement
chosen to join the National Opioid Settl
by state legislation (together with settl
Entities").

In November 2023, February 2024, we
Alabama Attorney General, under whic

$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. This agreement is subject to certain contingencies, including subdivision participation. During the three and six nine months ended December 31, 2023 March 31, 2024, we recognized a

$22 $22 million charge in litigation (recoveries)/charge, net in the condensed consolidated statements of earnings/(loss) earnings related to this agreement.

Through January April 2024, we have paid the Settling Governmental Entities approximately $1.5 billion, which includes the January 2024 prepayment of certain future payment amounts described below. We expect to pay Settling Governmental Entities additional amounts up to $4.9 $4.8 billion through 2038. The National Opioid Settlement Agreement also includes injunctive relief terms related to Distributors' controlled substance anti-diversion programs. A monitor is overseeing compliance with these provisions until 2027. In addition, the Distributors are engaging a third-party vendor to act as a clearinghouse for data aggregation and reporting, which Distributors will fund for 10 years. As a result of the National Opioid Settlement Agreement, the vast majority of lawsuits brought against us by State and other political subdivisions have been dismissed. We continue to engage in resolution discussions with certain nonparticipating political subdivisions and 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.

Other Settlements

West Virginia subdivisions and Native American tribes were not a part of the National Opioid Settlement Agreement, and we had separate settlement negotiations with these groups. 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. Plaintiffs have appealed this decision to the Fourth Circuit Court of Appeals. In July 2022, the Distributors reached an agreement to settle the opioid-related claims of the majority of the remaining West Virginia subdivisions. Under this agreement, we have agreed to pay eligible West Virginia subdivisions up to 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, tribes, pursuant to which we will pay up to approximately $136 million over five years. In connection with this settlement, the court entered dismissals for the Native American tribes' cases.

Prepayment of Future Payment Years

In January 2024, we made payments of approximately $238 $239 million to prepay at a pre-negotiated prenegotiated discount of 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 sevent[h] Settlement Agreement. As a result of t[h] income of approximately $100 $105 condensed consolidated statements [o] ended March 31, 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. Lawsuits brought by private plaintiffs that were pending as of January 26, 2023 April 26, 2024 were 395. approximately 380. Of these, 103 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 plaintiffs and have reached agreements in principle with counsel representing classes of third-party payors and acute care hospitals and have accrued $213 million in connection with those matters, which represents our anticipated share of those possible settlements. The agreements in principle remain subject to contingencies. We are vigorously defending ourselves in all these matters.

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. Plaintiffs have filed a notice of appeal and defendants have filed a notice of cross-appeal. A trial involving eight hospital plaintiffs is scheduled to begin in Alabama in July 2024.

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, we received approximately $10 million in insurance recoveries related to these matters.

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

We have been named as a defendant in approximately 400 product liability lawsuits coordinated in Alameda County Superior Court in California involving claims by approximately 4,500 plaintiffs that allege personal injuries associated with the use of 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 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 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, we have also entered into other agreements to settle 2,798 approximately 2,800 product liability claims. While these settlements will resolve the vast majority of IVC filter product liability claims, they 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

Notes to Financial Statements

the product liability lawsuits. We intend to vigorously defend ourselves against these claims.

We recognized income of $103 million during fiscal year 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 December 31, 2023 March 31, 2024, we had a total of $300 $296 million accrued for losses and legal defense costs, related to the IVC filter product liability lawsuits in our condensed consolidated balance sheets.

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 amended complaint. We are vigorously defending ourselves in this matter.

Antitrust Litigation Proceeds

We recognized income for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff of $31 million $6 million and $71 million $77 million during the three and six nine months ended December 31, 2023 March 31, 2024, respectively, and $66 million during the three and six nine months ended December 31, 2022 March 31, 2023.

7. 8. Income Taxes

Fluctuations in our provision for inco
("effective tax rate") are due to chang
resulting from our business mix and dis

Effective Tax Rate

During the three and six nine month
effective tax rate was 27.7 24.2 percen
impact of the tax effects of the goodwil
six nine months ended December 31, 2

During the three and six nine month
effective tax rate was 5.4 36.3 percent
impact of the tax effects effect of the
three and six nine months ended Decer

Tax Effects of Goodwill Impairment Charge Charges

During the six nine months ended December 31, 2023 March 31, 2024, we recognized a $581 million pre-tax charge for goodwill impairment related to the Medical Unit. charges of $671 million. The net tax benefit related to these charges is $45 $56 million for fiscal 2024.

Unless an item is considered discrete because it is unusual or infrequent, the tax impact of the item is included in our estimated annual effective tax rate. When items are recognized through our estimated annual effective tax rate, we apply our estimated annual effective tax rate to the earnings before income taxes for the year-to-date period to compute our impact from income taxes for the current quarter and year-to-date period. The tax impacts of discrete items are recognized in their entirety in the period in which they occur.

The tax effect of the goodwill impairment charge charges during the six nine months ended December 31, 2023 March 31, 2024 was included in our estimated annual effective tax rate because it was not considered unusual or infrequent, given that we recorded goodwill impairments in prior fiscal years. The impact of the non-deductible goodwill increased the estimated annual effective tax rate for fiscal 2024. Applying the higher tax rate to the pre-tax income for the six nine months ended December 31, 2023 March 31, 2024 resulted in recognizing an incremental interim tax benefit of approximately $65 $36 million, which impacted the benefit from provision for income taxes in the condensed consolidated statements of earnings/(loss) earnings during the three nine months ended December 31, 2023 March 31, 2024 and prepaid expenses and other assets in the condensed consolidated balance sheet at December 31, 2023 March 31, 2024. This The incremental interim tax benefit will reverse in future quarters the fourth quarter of fiscal 2024.

Unrecognized Tax Benefits

We had $959 million $937.0 million and $1.0 billion of unrecognized tax benefits, at December 31, 2023 March 31, 2024 and June 30, 2023, respectively. The December 31, 2023 March 31, 2024 and June 30, 2023 balances include $864 million $850 million and $873 million of unrecognized tax benefits, respectively, that if recognized, would have an impact on the effective tax rate.

At December 31, 2023 March 31, 2024 and June 30, 2023, we had $52 million $57 million and $65 million, respectively, accrued for the payment of interest and penalties related to unrecognized tax benefits, which we recognize in the benefit from income taxes in the condensed consolidated statements of earnings/(loss). earnings. These balances are gross amounts before any tax benefits and are included in deferred income taxes and other liabilities in the condensed consolidated balance sheets.

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 IRS and other 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 $30 million $20 million, exclusive of penalties and interest.

Other Tax Matters

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.

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. In December 2023, the estimated tax exposure was updated to reflect adjustments based on settlement discussions with the IRS. Additionally, Cardinal received a partial payment from CareFusion to be applied towards the anticipated liability. As a result, the indemnification receivable was reduced. The indemnification receivable was $20 million and $82 million at December 31, 2023 March 31, 2024 and June 30, 2023, respectively, and is included in other assets in the condensed consolidated balance sheets.

8. 9. Fair Value Measuremen

Assets and Liabilities Measure

The following tables present the fair recurring basis at:

(in millions)	(in millions)	December Level 1	Level 2
Assets:			
Cash equivalents			
Cash equivalents			
Cash equivalents			
Other investments (1)			
Other investments (1)			
Other investments (1)			
Liabilities:			
Liabilities:			
Liabilities:			
Forward contracts (2)			
Forward contracts (2)			
Forward contracts (2)			

(in millions)	J Level 1	Level 2
Assets:		
Cash equivalents	$ 1,253	$
Other investments (1)	101	
Liabilities:		
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 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 flow using discount rates appropriate for the respective maturities. Observable Level 2 inputs are used to determine the present value of expected future cash flows. Th netting arrangements under certain circumstances, is presented on a gross basis in prepaid expenses and other, other assets, other accrued liabilities, and deferred balance sheets.

Assets Measured on a Nonrecurring Basis

As discussed further in Note 2 3, on July 10, 2023, we closed the transaction to contribute the Outcomes™ business to TDS, a portfolio GTCR, in exchange for a 16 percent equity interest in the combined entity. We accounted for this investment initially at its fair value using flow method. Accordingly, we recognized a $147 million equity method investment at closing during the six months ended December 31, 2

9. 10. 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

Notes to Financial Statements

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 on our fixed-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.

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 ar
with any resulting gain or loss rec
consolidated statements of earnings/
ended December 31, 2023 March 31,
recorded to interest expense as chan
offset changes in the market value of th

During the six nine months ended Dec
entered into pay-floating interest rate s
$200 million each. , 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 our condensed consolidated balance sheets.

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.

Pre-tax gains and losses recognized in other comprehensive income/(loss) were immaterial $1 million and a $2 million loss for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and a $1 million gain and a $2 million gain and $4 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Gains recognized in accumulated other comprehensive loss and reclassified into earnings were $1 $2 million and immaterial $4 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $2 $4 million and immaterial $8 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Gains 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 $3 million.

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 the six months ended December 31, 2023, 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.

During the six months ended December 31, 2023, 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 condensed consolidated statements of cash flows.

In January 2023, we entered into ¥19 billion ($150 million) cross-currency swaps maturing in

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 and €100 million ($107 million) cross-currency swaps maturing in March 2026.

In January and March 2023, we terminated 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 of $10 million and $19 million in cash, respectively, recorded in proceeds from net investment hedge terminations in our condensed 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 income/(loss) were $16 a $19 million gain and $43 million an immaterial loss during the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $5 a $14 million gain and a $21 million loss during the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Gains recognized in interest expense, net in the condensed consolidated statements of earnings/(loss) earnings for the portion of the net investment hedges excluded from the assessment of hedge effectiveness were $3 million and $4 million during both the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $7 $10 million and $8 $12 million during the six nine months ended December 31, 2023 March 31, 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. We recorded an immaterial loss gain and a $3 million gain an immaterial loss during the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and an immaterial loss and a $3 million $3 million loss during the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. The principal currencies managed through foreign currency contracts are the Chinese renminbi, Canadian dollar, Indian rupee, Euro and British pound.

Fair Value of Financial Instruments

The carrying amounts of cash and equivalents, trade receivables, accounts payable and other accrued liabilities at December 31, 2023 March 31, 2024 and June 30, 2023 approximate fair value due to their short-term maturities.

The following table summarizes the e
other short-term borrowings compared

(in millions)	(in millions) December 31,
Estimated fair value	
Carrying amount	

The fair value of our long-term obligations and other short-term borrowings is estimated based on either the quoted market prices for t
available market information, which represents a Level 2 measurement.

10. 11. Shareholders' Deficit

We repurchased $750 million and $1.3 $1.5 billion of our common shares, in the aggregate, through share repurchase programs during th
2024 and 2022, 2023, respectively. We funded the repurchases with available cash. The common shares repurchased are held in treasury

During the three months ended December 31, 2023, we entered into an accelerated share repurchase ("ASR") program to repurchase co
million. We received an initial delivery of 2.0 million common shares using a reference price of $101.66. The program concluded on Dece
common share of $103.67 resulting in a final delivery of 0.4 million common shares.

During the three months ended September 30, 2023, we entered into an ASR program to repurchase common shares for an aggregat
delivery of 4.4 million common shares using a reference price of $90.57. The program concluded on October 31, 2023 at a volume weigh
in a final delivery of 1.3 million common shares.

During the three months ended June 30, 2023, we entered into an ASR program to repurchase common shares for an aggregate purch
delivery of 4.6 million common shares using a reference price of $87.18. The program concluded on August 16, 2023 at a volume weight
in a final delivery of 0.9 million common shares.

During the three months ended December 31, 2022 March 31, 2023, we entered into an ASR program to repurchase common share received an initial delivery of 2.6 million 2.6 million common shares using a reference price of $76.58. $77.03. The program conclude weighted average price per common share of $77.50 $77.27 resulting in a final delivery of 0.6 million 0.6 million common shares.

During the three months ended September 30, 2022 December 31, 2022, we entered into an ASR program to repurchase c $1.0 billion. $250 million. We received an initial delivery of 2.6 million common shares using a reference price of $76.58. The program concluded on January 13, 2023 at a volume weighted average price per common share of $77.50 resulting in a final delivery of 0.6 million common shares.

During the three months ended September 30, 2022, we entered into an ASR program to repurchase common shares for an aggregate purchase price of $1.0 billion. We received an initial delivery of 12.0 million common shares using a reference price of $66.74. The program concluded on December 23, 2022 at a volume weighted average price per common share of $73.36 resulting in a final delivery of 1.6 million common shares.

Accumulated Other Comprehensive Loss

The following tables summarize the changes in the balance of accumulated other comprehensive loss by component and in total:

(in millions)	(in millions)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	Accumulated Other Comprehensive Loss	(in millions)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	Accumulated Other Comprehensive Loss
Balance at June 30, 2023								
Other comprehensive income/(loss), before reclassifications								
Amounts reclassified to earnings								
Total other comprehensive income/(loss) attributable to Cardinal Health, Inc., net of tax benefit of $1 million								
Balance at December 31, 2023								
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax expense of $4 million								
Balance at March 31, 2024								

(in millions)	(in millions)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	Accumulated C Comprehens Loss
Balance at June 30, 2022				
Other comprehensive income/(loss), before reclassifications				
Amounts reclassified to earnings				
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax benefit of $5 million				
Balance at December 31, 2022				
Total other comprehensive income/(loss) attributable to Cardinal Health, Inc., net of tax benefit of $5 million				
Balance at March 31, 2023				

11. Earnings/(Loss)

12. Earnings Per Share Attributable to Cardinal Health, Inc.

The following tables reconcile the number of common shares used to compute basic and diluted earnings/(loss) earnings per share attributable to Cardinal Health, Inc.:

(in millions)	(in millions)	Three Months Ended December 31, 2023	2022	(in millions)	Three Months Ended March 31, 2024	2023
Weighted-average common shares–basic						
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						
Weighted-average common shares–diluted						

(in millions)	(in millions)	Six Months Ended December 31, 2023	2022	(in millions)	Nine Months Ended March 31, 2024	2023
Weighted-average common shares–basic						
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						
Weighted-average common shares–diluted						

The potentially dilutive employee stock options, restricted share units and performance share units that were antidilutive were immateria December 31, 2023 March 31, 2024, respectively.

The potentially dilutive employee stock options, restricted share units respectively, and performance share units that were antidilutive we months ended December 31, 2022, respectively. For both the three and six nine months ended December 31, 2022, there were 2 millio share units and performance share units not included in the computation of diluted loss per common share attributable to Cardinal Healt as a result of the net loss during those periods. March 31, 2023.

12. 13. Segment Information

Our operations are principally managed on a products Effective January 1, 2024, we operated under an updated organizational aligned our reporting structure under two operating segments, which are the same as our reportable segments: Pharmaceutical and Me All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Oth Solutions, at-Home Solutions and OptiFreight® Logistics. The factors for determining the reportable segments include the manner in whi allocating resources and assessing performance combined with the nature of the individual business activities. Our previously reported aligned reporting structure and reflect changes in the elimination of inter-segment revenue and allocated corporate technology and shar structure change.

Our Pharmaceutical and Specialty Solutions segment distributes branded and generic pharmaceutical, specialty pharmaceutical and ove 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 over the counter healthcare products.

Our Medical GMPD segment manufactures, sources and distributes Cardinal Health branded 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 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.

In January 2024, we announced a change in our organizational structure and have re-aligned our reporting structure under two reportable segments: Pharmaceutical and Specialty Solutions segment and Global Medical Products and Distribution segment. All The remaining three operating segments that are not significant enough to require separate reportable segment disclosures are included in Other. The following indicates the changes in our reporting structure effective January 1, 2024:

- Pharmaceutical and Specialty Solutions segment: This reportable segment will comprise all businesses formerly within our Pharmaceutical segment except Nuclear and Precision Health Solutions.
- Global Medical Products and Distribution segment: This reportable segment will comprise all businesses formerly within our Medical segment except at-Home Solutions and OptiFreight Logistics.
- Other: This will consist of the remaining operating segments, 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 and provide supply chain services and solutions to our customers.

Revenue

The following tables present revenue for each reportable segment, disaggregated revenue within our the two reportable segments and the remaining operating segments, included in Other, and Corporate:

	Three Months Ended December 31,	
(in millions)	**2023**	2022
Pharmaceutical and Specialty Pharmaceutical Distribution and Services (1)	**$ 53,190**	$ 47,391
Nuclear and Precision Health Solutions	**330**	282
Pharmaceutical segment revenue	**53,520**	47,673
Medical Products and Distribution (2)	**3,167**	3,099
Cardinal Health at-Home Solutions	**761**	698
Medical segment revenue	**3,928**	3,797
Total segment revenue	**57,448**	51,470
Corporate (3)	**(3)**	(1)
Total revenue	**$ 57,445**	$ 51,469

	Three Months Ended March 31,	
(in millions)	**2024**	2023
Pharmaceutical and Specialty Solutions	**$ 50,651**	$ 46,496
Global Medical Products and Distribution	**3,113**	2,989
Nuclear and Precision Health Solutions	**352**	313
at-Home Solutions	**743**	651
OptiFreight® Logistics	**72**	61
Other	**1,167**	1,025
Total segment revenue	**54,931**	50,510
Corporate (1)	**(20)**	(23)
Total revenue	**$ 54,911**	$ 50,487

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

The following tables present revenue by geographic area:

	Three Month
(in millions)	**2024**

(in millions)
Pharmaceutical and Specialty Pharmaceutical Distribution and Services (1)
Nuclear and Precision Health Solutions
Pharmaceutical segment revenue
Medical Products and Distribution (2)
Cardinal Health at-Home Solutions
Medical segment revenue
Total segment revenue
Corporate (3)
Total revenue

(1) Comprised of all Pharmaceutical segmen division.

(2) Comprised of all Medical segment business

(3) Corporate revenue consists of the eliminati segments.

The following tables present revenue b

(in millions)
United States
International
Total segment revenue
Corporate (1)
Total revenue

(in millions)	(in millions) **2023**
United States	
International	
Pharmaceutical and Specialty Solutions	
Global Medical Products and Distribution	
Nuclear and Precision Health Solutions	
at-Home Solutions	
OptiFreight® Logistics	
Other	
Total segment revenue	
Corporate (1)	
Total revenue	

United States	$	53,715
International		1,216
Total segment revenue		54,931
Corporate (1)		(20)
Total revenue	$	54,911

	Nine Month	
(in millions)	2024	
United States	$	163,548
International		3,632
Total segment revenue		167,180
Corporate (1)		(61)
Total revenue	$	167,119

(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 general and administrative ("SG&A") expenses. Segment SG&A expenses include share-based compensation expense as well as al functions, function expenses, including corporate management, corporate finance, financial and customer care shared services, hu compliance, including certain litigation defense costs. Corporate expenses are allocated to the operating segments based on headcou methodologies. The results attributable to noncontrolling interests are recorded within segment profit.

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);
- state opioid assessment related to prior fiscal years;
- 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 $581 $90 million during the three months ended March 31, 2024 and $671 million and $863 million during the six nine months ended December 31, 2023 March 31, 2024 and $709 million during the three months ended December 31, 2022; 2023, respectively;
- litigation (recoveries)/charges, net;
- other (income)/expense, net;
- interest expense, net;
- loss on early extinguishment of debt; 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 $14 million $17 million and $5 million $9 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $20 million $37 million and $11 million $20 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

The following tables present segment profit by for the two reportable segment segments and the remaining operating segments, included in Other, and Corporate:

	Three Months Ended December 31,			
(in millions)	2023		2022	
Pharmaceutical	**$**	**518**	$	464
Medical		**71**		17
Total segment profit		**589**		481
Corporate		**(107)**		(600)
Total operating earnings/(loss)	**$**	**482**	$	(119)

	Three Months Ended March 31,			
(in millions)	2024		2023	
Pharmaceutical and Specialty Solutions	**$**	**580**	$	560
Global Medical Products and Distribution		**20**		(46)
Other (1)		**111**		106
Total segment profit		**711**		620
Corporate		**(344)**		(48)
Total operating earnings	**$**	**367**	$	572

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

(in millions)
Pharmaceutical
Medical
Total segment profit
Corporate
Total operating earnings/(loss)

(in millions)
Pharmaceutical and Specialty Solutions
Global Medical Products and Distribution
Other (1)
Total segment profit
Corporate
Total operating earnings

(1) Comprised of the remaining operating seg and OptiFreight® Logistics.

Segment Assets

The following table presents total asse Corporate at: the remaining operating s

(in millions)	(in mi
Pharmaceutical	
Medical	
Pharmaceutical and Specialty Solutions	
Global Medical Products and Distribution	
Other (1)	
Corporate	
Total assets	

13. 14. Share-Based Compensation

We maintain stock incentive plans (collectively, the "Plans") for the benefit of certain of our officers, directors and employees.

The following tables provide total share-based compensation expense by type of award:

		Three Months Ended December 31,		
(in millions)	(in millions)	2023	2022	(in millions)
Restricted share unit expense				
Performance share unit expense				
Performance share unit expense				
Performance share unit expense				
Total share-based compensation				

		Six Months Ended December 31,		
(in millions)	(in millions)	2023	2022	(in millions)
Restricted share unit expense				
Performance share unit expense				
Performance share unit expense				
Performance share unit expense				
Total share-based compensation				

The total tax benefit related to share-based compensation was $4 million and $3 million for the three months ended December 31, 202
million $12 million and $6 million $9 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectivel

Restricted Share Units

Restricted share units granted under the Plans generally vest in equal annual installments over three years. Restricted share units a
vesting of the awards.

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, 2023						
Granted						
Vested						
Canceled and forfeited						
Nonvested at December 31, 2023						
Nonvested at March 31, 2024						

At December 31, 2023 March 31, 2024, the total pre-tax compensation cost, net of estimated forfeitures, related to nonvested restricte
million, which is expected to be recognized over a weighted-average period of two years.

Performance Share Units

Performance share units vest over a three-year performance period based on achievement of specific performance goals. Based on the
may range from zero to 234 percent of the target award amount for both the fiscal 2022 and 2023 grants and zero to 240 percent of the ta

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 sh
Nonvested at June 30, 2023				
Granted				
Vested				
Canceled and forfeited				
Nonvested at December 31, 2023				
Nonvested at March 31, 2024				

At December 31, 2023 March 31, 2024, the total pre-tax compensation cost, net of estimated forfeitures, related to nonvested performa million, which is expected to be recognized over a weighted-average period of two years if performance goals are achieved.

14. Subsequent Events

On January 31, 2024, we announced that we had entered into a definitive agreement to acquire Specialty Networks, a technology-enabled multi-specialty group purchasing and practice enhancement organization 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 GPOs: UroGPO, Gastrologix and GastroGPO, and United Rheumatology. The acquisition will further expand our offering in key therapeutic areas by enhancing our downstream provider-focused analytics capabilities and service offerings and by accelerating our upstream data and research opportunities with biopharma manufacturers.

This transaction is subject to the satisfaction of customary closing conditions, including receipt of required regulatory approvals. We plan to fund the acquisition with available cash.

Exhibits

Exhibit Number	Exhibit Description
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 Quarte 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 1
10.110.1.1	Consent First Amendment to the Cardinal Health, Inc. 2021 Long-Term Incentive Plan, effective as of January 29, 2024(as amended, the "2021 LTIP")
10.1.2	Form of Nonqualified Stock Option Agreement under the 2021 LTIP
10.1.3	Form of Performance Share Units Agreement under the 2021 LTIP
10.1.4	Form of Restricted Share Units Agreement under the 2021 LTIP
10.2	First Amendment to the Cardinal Health, Inc. Management Incentive Plan, effective as of Performance Guarantee January 29, 2024
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 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 Sa
99.1	Statement Regarding Forward-Looking Information
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - formatted in Inline XBRL (included as Exhibit 101)

Cardinal Health Website

Cardinal Health uses its website as a channel of distribution for material company information. Important information, including new presentations, and information about upcoming presentations and events is routinely posted and accessible at ir.cardinalhealth.com. In ac persons to sign up automatically to receive e-mail alerts when we post news releases, SEC filings and certain other information on its wel

Form 10-Q Cross Reference Index

Item Number	
	Part I. Financial Information
Item 1	Financial Statements
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 3	Quantitative and Qualitative Disclosures about Market Risk
Item 4	Controls and Procedures
	Part II. Other Information
Item 1	Legal Proceedings
Item 1A	Risk Factors
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities
Item 3	Defaults Upon Senior Securities
Item 4	Mine Safety Disclosures
Item 5	Other Information
Item 6	Exhibits
	Signatures

N/A Not applicable

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 t duly authorized.

Cardinal Health, Inc.

Date: February 1, May 2, 2024

/s/ JASON M. HOLLAR

Jason M. Hollar

Chief Executive Officer

/s/ AARON E. ALT

Aaron E. Alt

Chief Financial Officer

MUFG Bank, Ltd., as Agent and a Financial Institution
1221 Avenue of the Americas
New York, NY 10020
Attention: Rudy Liu FIRST AMENDMENT TO THE
PNC Bank, National Association, as the LC Bank and as a Financial Ins
The Tower at PNC Plaza
300 Fifth Avenue, 11th Floor
Pittsburgh, PA 15222
Attention: Brian Stanley

The Bank of Nova Scotia, as a Financial Institution
250 Vesey Street, 24th Floor
New York, NY 10281
Attention: Gig Morris

Wells Fargo Bank, N.A., as a Managing Agent
1100 Abernathy Road NE – 16th Floor
Suite 1600
Atlanta, GA 30328-5657
Attention: Bria Brown

Bank of America, National Association, as a Financial Institution
13510 Ballantyne Corporate Place

Charlotte, NC 28277
Attention: Chris Haynes and Ross Glynn CARDINAL HEALTH, INC. 2021 LONG-TERM INCENTIVE PLAN

October 23, 2023

Re: Consent to This First Amendment to Performance Guaranty the Cardinal Health, Inc. 2021 Long-Term Incentive Plan
the Human Resources and Compensation Committee of the Board of Directors of Cardinal Health, Inc. (the "Company").

Ladies and Gentlemen:

Reference The Plan is hereby made to (i) the Performance Guaranty, dated amended, effective as of September 1, 2023 January 29, 2024

1. Section 20 of the Plan is hereby deleted in its entirety and in replacement thereof shall be the following:

"**20. Clawback Policy.**

To the extent applicable, Participants and Awards will be subject to the terms of the Cardinal Health, Inc. Clawback P
Stock Exchange listing standards and as may be in effect from time to time. In its discretion, moreover, the Administrator may
of any Award if the amount of the Award was calculated based upon the achievement of financial results that were subsequen
financial statements, the Participant engaged in misconduct that caused or contributed to the need for the restatement of the
Participant would have been lower than the amount actually paid to the Participant had the financial results been properly rep
exclusive remedy with respect to such matters.

CARDINAL HEALTH, INC.
NONQUALIFIED STOCK OPTION AGREEMENT

This Nonqualified Stock Option Agreement (this "Agreement") is entered into in Franklin County, Ohio. On [date of grant] (the "CH
Health, Inc., an Ohio corporation (the "Performance Guarantor" "Company"), has awarded to [employee name] ("Awardee"), a Nonqualifie
shares] common shares, without par value, of the Company (the "Shares") for an exercise price of [$X.XX] per share. The Option has bee
a Nevada limited liability company Inc. 2021 Long-Term Incentive Plan, as amended (the "Plan"), and (ii) will include and be subject to all p
are incorporated in this Agreement by reference and Restated Performance Guaranty, dated as will be subject to the provisions of Novem
the CH 23 Guaranty, the "Guaranties," and each, a "Guaranty") executed by the Performance Guarantor in favor of Cardinal Health Fundi
Agreement. Capitalized terms used herein and in this Agreement which are not otherwise specifically defined shall will have the meanings
Section 7 of each Guaranty requires that Plan. [CLIFF ALTERNATIVE: This Option vests and becomes exercisable on the Performan
anniversary of the Credit Grant Date (the "Vesting Date"), subject to the provisions of this Agreement, without giving effect including th
thereof (or any amendment or modification Awardee's continued employment with the Company and its Affiliates (collectively, the "C
Option vests and becomes exercisable in [ ] installments, which will be as nearly equal as possible, on the [ ] anniversaries of any d
respect to the portion of the Option scheduled to vest on such date), subject in the Credit Agreement that would directly or indirectly chan
such amendment, modification or waiver is consented to in writing by the Agent, the Required Financial Institutions and all LC Banks
Receivables Purchase Agreement) provisions of this Agreement, including those relating to Awardee's continued employment with the
Group").] This Option will expire on [date of expiration] (the "Grant Expiration Date"), subject to Section 3 hereof.

1. Consenting Parties Method of Exercise and Payment of Price").

Effective as (a) Method of February 27, 2023, Section 6.12 Exercise. At any time when all or a portion of the Credi
Agreement, was amended some or all of the exercisable portion of the Option may be exercised from time to time by written r
exercise as may be specified by the Company, including without limitation, exercise by electronic means on the web site of th
which will:

(i) state the number of whole Shares with respect to which the Option is being exercised; and restated

(ii) if the Option is being exercised by anyone other than Awardee, if not already provided, be accompanie
counsel for the Company of the right of such person or persons to exercise the Option under the Plan and all applicab

(b) Exhibit A Payment of Price, attached hereto (the "Credit Agreement Amendment and Restatement"). The full text exe
Amendment and Restatement is available as Exhibit 10.1 Option being exercised shall be paid to the Current Report on Form 8-K publicly

(i) in cash;

(ii) by check acceptable to the Company or wire transfer (denominated in U.S. Dollars);

(iii) subject to any conditions or limitations established by the Performance Guarantor Administrator, other S
Value on March 2, 2023.

If you consent the date of surrender equal to updating Section 7 of each Guaranty to refer to or greater than the Credit Agreement, as am
indicate by executing where indicated, below, and delivering this signed letter to us at your earliest convenience. Upon receipt aggregat
Option is exercised (it being agreed that the excess of the Consenting Parties, Section 7 of each Guaranty shall Fair Market Value over t
refer to the Credit Agreement as amended and restated as of February 27, 2023.

If you have any questions or would like to discuss, please feel free to reach out to Scott Zimmerman at (###) ###-####, Jeff Cui at (###) #

Very truly yours,

CARDINAL HEALTH, INC.,
as Performance Guarantor

By: Awardee);/s/ Scott Zimmerman
Name: Scott Zimmerman
Title: Treasurer

WELLS FARGO BANK, N.A.(iv) if permitted by the Administrator, consideration received by the Company und
acceptable to the Administrator;

(v) if permitted by the Administrator, and subject to any conditions or limitations established by the Adminis
otherwise issuable upon exercise of the Option pursuant to a "net exercise" arrangement; or

(vi) any combination of the foregoing methods of payment.

2. Transferability. The Option is transferable (a) at Awardee's death, by Awardee by will or pursuant to the laws o
during Awardee's lifetime, without payment of consideration, to (i) the spouse, former spouse, parents, stepparents, grandpar
children, stepchildren, children-in-law, grandchildren, nieces or nephews of Awardee, or any other persons sharing Awardee's
(collectively, "Family Members") or (ii) a trust, partnership or other entity controlled by Awardee or Awardee's Family Members
Members have 100% of the pecuniary interest; provided, however, that subsequent transfers of the transferred Option are pro
individual, at the transferee's death by the transferee by will or pursuant to the laws of descent and distribution, and (Y) witho
entities listed in Paragraphs (b)(i) or (ii) above, with respect to the original Awardee. The Administrator may, in its discretion, p
permitted by the Plan. Neither a transfer under a domestic relations order in settlement of marital property rights nor a transfe

interests are owned by Awardee or Family Members in exchange for an interest in that entity will be a transfer for consideratio
notify the Company in writing of the transfer. Following transfer, the Option continues to be subject to the same terms and con
transfer and, except as otherwise provided in the Plan or this Agreement, references to the original Awardee are deemed to r
of Employment of Awardee provided in Paragraph 3 continue to be applied with respect to the original Awardee, following wh
to the extent, and for the periods, specified in Paragraph 3. The Company has no obligation to notify any transferee of Award
Group for any reason. The conduct prohibited of Awardee in Paragraph 5 continues to be prohibited of Awardee following tra
transfer and the Option (or its economic value, as applicable) is subject to forfeiture by the transferee and recoupment from A
the case of Awardee had the Option not been transferred. Awardee remains subject to the recoupment provisions of Paragra
provisions of Section 31 of the Plan following transfer of the Option.

3. Termination of Employment.

(a) Termination of Employment by Reason of Death or Disability. If a Termination of Employment by reason of dea
Employment by reason of Disability occurs at least six months after the Grant Date, then any outstanding unvested portion of
in full from and after such Termination of Employment. The entire Option (including previously vested but unexercised portion
transferee of Awardee, if applicable, or by the legal representative of the estate or by the legatee of Awardee under the will of
Employment until the Grant Expiration Date.

(b) Termination of Employment by Reason of Retirement. If a Termination of Employment by reason of Retirement
then a Ratable Portion of each unvested installment of the outstanding Option immediately vests and becomes exercisable. S
applicable installment, is an amount (rounded down to the nearest whole Share) equal to such installment of the Option sche
a fraction, the numerator of which is the number of days from the Grant Date through the date of the Termination of Employm
days from the Grant Date through such Vesting Date. The Option, to the extent vested, may be exercised by Awardee (or any
Date. If Awardee dies after Retirement, but before the Grant Expiration Date, the Option, to the extent vested, may be exercis
or by the legal representative of the estate or by the legatee of Awardee under the will of Awardee from and after such death

(c) Involuntary Termination of Employment with Separation Agreement. If (i) Paragraph 3(b) is not applicable, but
least eight years of continuous service with the Cardinal Group, or (B) age 59 and at least four years of continuous service wi
service with an Affiliate of the Company prior to the time that such Affiliate became an Affiliate of the Company, (ii) a Terminat
than a Termination for Cause) occurs at least six months after the Grant Date, and (iii) no later than 45 days after the Termina
separation agreement and general release of claims with the Cardinal Group (in such form as may reasonably be presented b
Agreement"), and Awardee does not timely revoke such Separation Agreement, then a Ratable Portion of each unvested inst
vests and becomes exercisable. The Option, to the extent vested, may be exercised by Awardee (or any transferee, if applica
dies after such Termination of Employment, but before the Grant Expiration Date, the Option, to the extent vested, may be ex
applicable, or by the legal representative of the estate or by the legatee of Awardee under the will of Awardee from and after s

(d) Change of Control. In the event of a Change of Control prior to the Participant's Termination of Employment, a
vests in full, except to the extent a Replacement Award is provided to the Participant in accordance with Section 16(b) of the

(e) Other Termination of Employment. Except as set forth in Paragraphs 3(a), (b) and (c) or as provided in a plan o
a Termination of Employment occurs, any unexercised portion of the Option that has not vested on such date of Termination o
forfeited. Unless a longer period is applicable as specified in Section 16(b)(iv) of the Plan or Paragraphs 3(a) through (c), Awa
from the date of Termination of Employment or until the Grant Expiration Date, whichever period is shorter, to exercise any po
on the date of Termination of Employment; provided, however, that if the Termination of Employment was a Termination for Ca
Option may be immediately canceled by the Administrator (whether then held by Awardee or any transferee).

4. Restrictions on Exercise. The Option is subject to all restrictions in this Agreement and in the Plan. As a condit
may require Awardee or his or

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[1] This provision is an alternative that may not be included in every award agreement.

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her transferee or successor to make any representation and warranty to comply with any applicable law or regulation or to confirm any fac
terms of Paragraph 5 or any employment or severance agreement between the Cardinal Group and Awardee) reasonably requested by th
exercise would involve a violation of any Applicable Law.

5. Special Forfeiture and Repayment Rules. This Agreement contains special forfeiture and repayment rules inte
Cardinal Group's legitimate business assets and discourage conduct that threatens or harms those assets. The Company do
Agreement reward or subsidize conduct detrimental to the Company, and therefore will require the forfeiture of the benefits of
gains obtained from this Agreement, according to the rules specified below. Activities that trigger the forfeiture and repaymen
and Competitor Conduct. Awardee also agrees to application of the Company's Clawback Policy described in Paragraph 5(d)

(a) Misconduct. During employment with the Cardinal Group and for three years after the Termination of Employm
in Misconduct. If Awardee engages in Misconduct during employment or with respect to clauses (A), (D), (E), (F) and (G), wit
Employment for any reason, then

(i) Awardee immediately forfeits the Option (or any part of the Option that has not been exercised) which a

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash a
or any transferee from each and every exercise of the Option at any time within three years prior to the date the Misco
is calculated by subtracting the exercise price paid for the Shares from the Fair Market Value of the Shares on the exe

As used in this Agreement, "**Misconduct**" means

(A) disclosing or using any of the Cardinal Group's confidential information (as defined by the applicable Ca
proper authorization from the Cardinal Group or in any capacity other than as necessary for the performance of Awar

(B) violation of the Standards of Business Conduct or any successor code of conduct or other applicable C
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 negli
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 ent
any person who is an employee, representative, officer or director in the Cardinal Group or who held one or more of th
prior to Awardee's Termination of Employment;

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(E) directly or indirectly inducing, encouraging or causing an employee of the Cardinal Group to terminate
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 expec
the relationship between the Cardinal Group and any of its customers, prospective customers, vendors, suppliers or e

(G) breaching any provision of any employment or severance agreement with a member of the Cardinal Gr

Nothing in this Agreement will prevent Awardee from testifying truthfully as required by law, prohibit or prevent Awardee from filing a charg investigation, hearing, whistleblower proceeding or other proceeding before any federal, state or local government agency (e.g., Equal En Relations Board, Securities and Exchange Commission, etc.), or prevent Awardee from disclosing Cardinal Group's confidential informati 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 th

(i) Awardee immediately forfeits the Option (or any part of the Option that has not been exercised) which a

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash a or any transferee from each and every exercise of the Option at any time since the earlier of one year prior to the date year prior to the Termination of Employment, if applicable, less (B) $1.00. The gross gain is calculated by subtracting t Market Value of the Shares on the exercise date.

As used in this Agreement, "**Competitor Conduct**" means accepting employment with, or directly or indirectly providing servi Awardee has a Termination of Employment and Awardee's responsibilities to the Cardinal Group were limited to a specific ter States during the 24 months prior to the Termination of Employment, then Competitor Conduct will be limited to that specific t person or business that competes with the products or services provided by a member of the Cardinal Group for which Award prior to Termination of Employment or about which Awardee obtained confidential information (as defined by the applicable C

(c) General.

(i) Nothing in this Paragraph 5 constitutes or is to be construed as a Financial Institution "noncompete" cov The provisions of this Paragraph 5 do not prevent, nor are they intended to prevent, Awardee from seeking or accepti Group. The execution of this Agreement is voluntary. Awardee is free to choose to comply with the terms of this Agree

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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 employ prior to one year after Termination of Employment.

(iii) Awardee acknowledges receiving sufficient consideration for the requirements of this Paragraph 5, inclu further acknowledges that the Company would not provide the Option to Awardee without Awardee's promise to abide acknowledge that the provisions contained in this Paragraph 5 are ancillary to, or part of, an otherwise enforceable ag

(iv) Awardee may be released from the obligations of this Paragraph 5 if and only if the Administrator deter 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 5, A terms of the Clawback Policy adopted by the Company, as required by New York Stock Exchange listing standards and as Ma and Awardee agrees to comply with the requirements of such policy. In its discretion, moreover, the Administrator may require of this Award if the amount of the Award was calculated based upon the achievement of financial results that were subseque financial statements, Awardee engaged in misconduct that caused or contributed to the need for WF's Purchaser the restaten payable to Awardee would have been lower than the amount actually paid to Awardee had the financial results been properly Company's exclusive remedy with respect to such matters.

6. Right of Set-Off. By accepting the Option, Awardee consents to a deduction from, and set-off against, any amo "non-qualified deferred compensation" under Section 409A of the Code by any member of the Cardinal Group from time to tir Awardee as wages, severance payments or other fringe benefits) to the extent of the amounts owed to the Cardinal Group by Applicable Law.

7. Withholding Tax.

(a) Generally. Awardee is liable and responsible for all taxes owed in connection with the exercise of the Option, r
respect to any tax withholding obligations that arise in connection with the Option. The Company does not make any represe
or the treatment of any tax withholding in connection with the exercise of the Option. The Company does not commit and is u
exercise of the Option to reduce or eliminate Awardee's tax liability.

(b) Payment of Withholding Taxes. Concurrently with the payment of the exercise price pursuant to Paragraph 1, A
of the minimum amount of any domestic or foreign tax withholding obligation, whether national, federal, state, or local, includi
Withholding Obligation") in a manner acceptable to the

Company. Any manner provided for in Paragraph 1(b) is an acceptable manner to satisfy the Tax Withholding Obligation unless otherwise

8. Governing Law/Venue for Dispute Resolution/Costs and Legal Fees. This Agreement is governed by the laws
conflicts of law, except to the extent superseded by the laws of the United States of America. **The parties agree and acknov
substantial relationship to the parties and/or this Agreement and that the Option and benefits granted in this Agreem
governance of this Agreement by the laws of the State of Ohio. In addition, all legal actions or proceedings relating t
in state or federal courts located in Franklin County, Ohio and the parties executing this Agreement hereby consent**
Awardee acknowledges that the provisions of Paragraph 5 are reasonable in nature, are fundamental for the protection of the
interests, and do not adversely affect Awardee's ability to earn a living. If it becomes necessary for the Company to institute le
is responsible to the Company for all costs and reasonable legal fees incurred by the Company in connection with the procee
determined by a court of competent jurisdiction to be invalid or unenforceable or to disqualify the Award under any Applicable
that is valid and enforceable and that comes closest to the business objectives intended by the provision, without invalidating
provisions of this Agreement.

9. Defend Trade Secrets Act Notice. Under the U.S. Defend Trade Secrets Act of 2016, Awardee will not be held
state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state or local governm
attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) is made to Awardee's atto
Awardee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other p

10. Action by the Administrator.The parties agree that the interpretation of this Agreement rests exclusively and co
Administrator. The parties agree to be bound by the decisions of the Administrator regarding the interpretation of this Agreem
Agreement. In fulfilling its responsibilities, the Administrator may rely upon documents, written statements of the parties, finar
deems appropriate. The parties agree that there is no right to be heard or to appear before the Administrator and that any dec
Agreement, including without limitation whether conduct constitutes Misconduct or Competitor Conduct, is final and binding. T
this Agreement to an officer of the Cardinal Group designated by the Administrator, to the extent permitted under the Plan.

11. Prompt Acceptance of Agreement. The Option grant evidenced by this Agreement will, at the discretion of the
manually executed and returned to the Company, or electronically executed by Awardee by indicating Awardee's acceptance
acceptance procedures set forth on the Company's third-party equity plan administrator's web site, within 90 days of the Gran

12. Electronic Delivery and Consent to Electronic Participation. The Company may, in its sole discretion, decide to
under and participation in the

Plan or future options that may be granted under the Plan by electronic means or to request Awardee's consent to participate in the Plan I
receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and main
designated by the Company, including the acceptance of option grants and the execution of option agreements through electronic signatu

13. Notices. All notices, requests, consents, and other communications required or provided under this Agreemen
be in writing and will be deemed sufficient if delivered by hand, nationally recognized overnight courier, or certified or register
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
will be deemed sufficient if delivered by e-mail, hand, facsimile, nationally recognized overnight courier, or certified or registered mail, retu
effective upon delivery to Awardee.

14. Employment Agreement, Offer Letter or Other Arrangement. To the extent a written employment agreement, o
Arrangement") that was approved by the Human Resources and Compensation Committee or the Board of Directors or that v
Company pursuant to delegated authority of the Human Resources and Compensation Committee provides for greater benef
Option on Termination of Employment by reason of specified events or (b) exercisability of the Option following Termination o
in the Plan, then the terms of such Employment Arrangement with respect to vesting of the Option on Termination of Employr
exercisability of the Option following Termination of Employment supersede the terms of this Agreement to the extent permitte
for severance benefits under the Cardinal Health, Inc. Senior Executive Severance Plan, as amended, such plan also constit
this section.

15. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the exter
provided, however, that no amendment will impair the rights of Awardee with respect to an outstanding Award unless agreed
agreement must be in writing and signed by Awardee and the Company. Other than following a Change of Control, no such a
determines in its sole discretion that such amendment either (a) is required or advisable in order for the Company, the Plan o
meet the requirements of any accounting standard or (b) is not reasonably likely to significantly diminish the benefits provided
has been adequately compensated, including pursuant to Section 16(c) of the Plan.

16. Adjustments. The number of Shares issuable subject to the Option and the other terms and conditions of the g
adjustment as provided in Section 16 of the Plan.

17. Review. The Awardee agrees and represent that the Awardee has been advised to consult with an attorney pr
understands the Awardee's right to discuss all aspects of this Agreement with an attorney of the Awardee's choice. The Awar
that, if the Awardee wishes the advice of an attorney, the Awardee has done so by the date the Awardee signed the Agreeme
days to consider whether to sign. The Awardee may sign this Agreement before the end of the 14-day period and the Awarde
this time period for signing, the Awardee's decision was knowing and voluntary. The parties agree that a change, whether ma
said period.

18. No Right to Future Awards or Employment. The grant of the Option under this Agreement to Awardee is a volu
time basis and it does not constitute a commitment to make any future awards. The grant of the Option and any related paym
salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by Applic
confers upon Awardee any right with respect to continuance of employment or other service with the Company or any Affiliate
Company or any Affiliate would otherwise have to terminate Awardee's employment or other service at any time.

19. Successors and Assigns. Without limiting Paragraph 2, the provisions of this Agreement shall inure to the ben
administrators, heirs, legal representatives and assigns of Awardee, and the successors and assigns of the Company.

CARDINAL HEALTH, INC.

By:
/s/ Ryan Tozier Its:
Name: Ryan Tozier
Title: Managing Director

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ACCEPTANCE OF AGREEMENT AND APPLICATION OF CLAWBACK POLI(

Awardee hereby: (a) acknowledges that he or she has received a copy of the Plan, a copy of the Company's most recent ann
communications routinely distributed to the Company's shareholders, and a copy of the Plan Description pertaining to the Pla
granted to him or her under this Agreement subject to all provisions of the Plan and this Agreement, including the provisions i
Repayment Rules" set forth in Paragraph 5; (c) represents that he or she understands that the acceptance of this Agreement
applicable, carries the same legal significance as if he or she manually signed the Agreement; (d) agrees that no transfer of t
be made unless the Shares have been duly registered under all applicable Federal and state securities laws pursuant to a the
proposed transfer or unless the Company has received a written opinion of, or satisfactory to, its legal counsel that the propo:
(e) acknowledges that any awards granted to Awardee under any incentive plan, agreement or arrangement of the Company
set forth in such plan, agreement or arrangement and, if applicable, to the Cardinal Health, Inc. Clawback Policy as in effect f
provisions with respect to any such awards.

[
Awardee's Signature

Date]

10

CARDINAL HEALTH, INC.
PERFORMANCE SHARE UNITS AGREEMENT

This Performance Share Units Agreement (this "Agreement") is entered into in Franklin County, Ohio. On [grant date] (the "Grant
"Company"), has awarded to [employee name] ("Awardee") [target # of units] performance-based Stock Units (the "Performance Share Ur
been granted pursuant to the Cardinal Health, Inc. 2021 Long-Term Incentive Plan, as amended (the "Plan"), and are subject to all provisi
Agreement by reference and are subject to the provisions of this Agreement. Capitalized terms used in this Agreement which are not spec
the Plan.

1. Vesting of Performance Share Units. Subject to the provisions of this Agreement, zero to [maximum percentag
Administrator certifies the payout level ("Payout Level") as a result of achievement of specific performance criteria (the "Perfo
("Performance Period") set forth in the Statement of Performance Goals provided to the Awardee with respect to the Award a
Performance Goals").

2. Transferability. The Performance Share Units are not transferable other than by beneficiary designation, will, c

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 Paragraph 17 below, if a Termination of Employment occurs prior to the [applicable payment date in Paragraph 6(a) (the "Pay Paragraph 6(a))][2] associated with a Performance Period, any Performance Share Units allocated to that Performance Period Awardee.

(b) Death or Disability. If a Termination of Employment by reason of Awardee's death occurs after the Grant Date Awardee's Disability occurs at least 6 months after the Grant Date, then the outstanding unvested Performance Share Units f 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 reason of Awardee's Retirement occurs at least 6 months after Performance Share Units for a Performance Period will be eligible to vest in an amount equal to the number of Performance remained employed through the [First][2] Payment Date multiplied by a fraction, the numerator of which is the number of days i Termination of Employment, and the denominator of which is the total number of days in such Performance Period.][3]

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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.

PNC BANK, NATIONAL ASSOCIATION,(d) Involuntary Termination with Separation Agreement. If (i) neither Paragrap Awardee has attained either (A) age 53 and at least eight years of continuous service with the Company and its Affiliates (col at least four years of continuous service with the Cardinal Group, in each case including service with an Affiliate of the Compa Affiliate of the Company, (ii) a Termination of Employment by the Cardinal Group (other than a Termination for Cause) occurs later than 45 days after the Termination of Employment, Awardee enters into a written separation agreement and general rele reasonably be presented by the Company) (a "Separation Agreement"), and Awardee does not timely revoke such Separatio Performance Share Units for a Performance Period will be eligible to vest in an amount equal to the number of Performance remained employed through the [First][2] Payment Date multiplied by a fraction, the numerator of which is the number of days i Termination of Employment, and the denominator of which is the total number of days in such Performance Period.

(e) Involuntary Termination After Completion of a Performance Period. If a Termination of Employment by the Car occurs after the completion of a Performance Period but prior to the [First][2] Payment Date, then the Performance Share Units 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 inte Cardinal Group's legitimate business assets and discourage conduct that threatens or harms those assets. The Company do Agreement reward or subsidize conduct detrimental to the Company, and therefore will require the forfeiture of the benefits of gains obtained from this Agreement, according to the rules specified below. Activities that trigger the forfeiture and repaymen and Competitor Conduct. Awardee also agrees to application of the Company's Clawback Policy described in Section 4(d) be

(a) Misconduct. During employment with the Cardinal Group and with respect to clauses (A), (D), (E), (F) and (G), Employment for any reason, Awardee agrees not to engage in Misconduct. If Awardee engages in Misconduct during employ Employment for any reason, then

(i) Awardee immediately forfeits the Performance Share Units that have not yet vested or that vested at ar Misconduct first occurred and have not yet been paid pursuant to Paragraph 6, and those forfeited Performance Shar

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash a resulting from the payment of the Performance Share Units pursuant to Paragraph 6 that had vested at any time withi occurred less (B) $1.00. The gross gain is the Fair Market Value of the Shares represented by the Performance Share 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 Ca
proper authorization from the Cardinal Group or in any capacity other than as necessary for the performance of Award

(B) violation of the Standards of Business Conduct or any successor code of conduct or other applicable C
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 negli
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 ent
any person who is an employee, representative, officer or director in the Cardinal Group or who held one or more of th
prior to Awardee's Termination of Employment;

(E) directly or indirectly inducing, encouraging or causing an employee of the Cardinal Group to terminate
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 expec
the relationship between the Cardinal Group and any of its customers, prospective customers, vendors, suppliers or e

(G) breaching any provision of any employment or severance agreement with a member of the Cardinal Gr

Nothing in this Agreement will prevent Awardee from testifying truthfully as required by law, prohibit or prevent Awardee from filing a charg
investigation, hearing, whistleblower proceeding or other proceeding before any federal, state or local government agency (e.g., Equal En
Relations Board, Securities and Exchange Commission, etc.), or prevent Awardee from disclosing Cardinal Group's confidential informatio
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 th

(i) Awardee immediately forfeits the Performance Share Units that have not yet vested or that vested at an
Competitor Conduct first occurred and have not yet been paid pursuant to Paragraph 6, and those forfeited Performan

(ii) Awardee shall, within 30 days following written notice from the Company, pay the Company an amount
from the payment of Performance Share Units pursuant to Paragraph 6 that had vested at any time since the earlier o
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 repres
[Payment Date][1] / [applicable payment date][2].

As used in this Agreement, "**Competitor Conduct**" means accepting employment with, or directly or indirectly providing servi
Awardee has a Termination of Employment and Awardee's responsibilities to the Cardinal Group were limited to a specific ter
States during the 24 months prior to the Termination of Employment, then Competitor Conduct is limited to that specific territo
or business that competes with the products or services provided by a member of the Cardinal Group for which Awardee had
Termination of Employment or about which Awardee obtained confidential information (as defined by the applicable Cardinal

(c) General.

(i) Nothing in this Paragraph 4 constitutes or is to be construed as a Financial Institution "noncompete" cov
The provisions of this Paragraph 4 do not prevent, nor are they intended to prevent, Awardee from seeking or acceptin
Group. The execution of this Agreement is voluntary. Awardee is free to choose to comply with the terms of this Agree
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 employm
within one year after Termination of Employment.

(iii) Awardee acknowledges receiving sufficient consideration for the requirements of this Paragraph 4, inclu
Units. Awardee further acknowledges that the Company would not provide the Performance Share Units to Awardee w
this Paragraph 4. The parties also acknowledge that the provisions contained in this Paragraph 4 are ancillary to, or p
time this Agreement is made.

(iv) Awardee may be released from the obligations of this Paragraph 4 if and only if the Administrator deter
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
terms of the Clawback Policy adopted by the Company, as required by New York Stock Exchange listing standards and as Ma
and Awardee agrees to comply with the requirements of such policy. In its discretion, moreover, the Administrator may require
of this Award if the amount of the Award was calculated based upon the achievement of financial results that were subsequen
financial statements, Awardee engaged in misconduct that caused or contributed to the need for PNC's Purchaser the restate
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 suc

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 Admi
Change of Control, shall determine and certify the Payout Level (the "Change of Control Payout Level") based on (i) actual pe
the Change of Control for which achievement of the Performance Goals can reasonably be determined; and (ii) the expected
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 percenta
accordance with the Statement of Performance Goals at the Change of Control Payout Level vests unless an award m
"Substitute Award") is provided to Awardee to replace or adjust the Award. If a Substitute Award is provided, any Perfo
that clause (B) applies, would vest in accordance with Paragraphs 3(b) or (c) in connection with Awardee's Retiremen
Employment occurred on the date of the Change of Control or (B) are eligible to vest in accordance with Paragraph 3(
Employment that actually occurs prior to the Change of Control, vest at the time of the Change of Control. No Substitu
Awardee's Termination of Employment by reason of death, Disability, Retirement, or the circumstances described in P

(ii) An award meets the conditions of this Paragraph 5(b)(ii) (and hence qualifies as a Substitute Award) if,
immediately before the Change of Control, (A) it has a value at the time of grant or adjustment at least equal to the va
vest under Paragraph 5(b)(i) if there were no Substitute Award; (B) it is paid in publicly traded equity securities of the C
or another entity that is affiliated with the Company or its successor following the Change of Control; (C) it is a restricte
conditioned on the achievement of any performance criteria or conditions; (D) it vests in full upon (1) a Termination for
Employment by the Company or its successor in the Change of Control other than a Termination for Cause, or (3) Awa
at or during the period of two years after the Change of Control; (E) if Awardee is subject to U.S. federal income tax un
under the Code of the Substitute Award are not less favorable to Awardee than the tax consequences of the Award; a

favorable to Awardee than the terms and conditions of the Award (including the provisions that would apply in the eve limiting the generality of the foregoing, the Substitute Award may take the form of a continuation of the Award if the re satisfied.

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6. Payment.

(a) General. [The Company shall pay Performance Share Units in Shares. Subject to the provisions of Paragraph entitled to receive from the Company (without any payment on behalf of Awardee other than as described in Paragraph 10) o not later than the 60th day after the end of a Performance Period, except that if Awardee's Termination of Employment occurs Period, Awardee is entitled to receive, with respect to any Performance Shares Units which are not subject to a "substantial ri Section 409A of the Code on the date of Awardee's death, the corresponding Shares from the Company on the date of death Units in Shares. Subject to the provisions of Paragraph 4, Awardee is entitled to receive from the Company (without any payr in Paragraph 10) one Share for each vested Performance Share Unit. Subject to the provisions of Paragraph 6(b) and (c), pa Share Units shall be made in three installments. The first installment, which shall be with respect to [percentage] of the total r be paid no later than the 60th day after the end of the Performance Period (the "First Payment Date"). The second installment total number of vested Performance Share Units, shall be paid on the first anniversary of the last day of the Performance Per respect to [percentage] of the total number of vested Performance Share Units, shall be paid on the second anniversary of th Notwithstanding the above, in the event of an Awardee's death after the end of the Performance Period, Awardee is entitled t Units which are not subject to a "substantial risk of forfeiture" as determined for purposes of Section 409A of the Code on the from the Company on account of any vested Performance Share Units which have not yet been paid as soon as practical foll each of the times specified above unless the Administrator makes a finding that the number of vested Performance Share Un 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 to a "substantial risk of forfeiture" as determined for purposes of Section 409A of the Code on the dates set forth below, paym will be made as follows:

(i) On the date of a Change of Control, Awardee is entitled to receive one Share for each such Performan pursuant to Section 16(a) of the Plan, from the Company; provided, however, that if such Change of Control would no Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder, and where Section 409A of the Code applies to Awardee is entitled to receive the corresponding Shares from the Company on the date that would have otherwise ap or 6(b)(iii).

(ii) If Awardee's separation from service occurs during the period of two years following a Change of Contr change of control event as defined in accordance with Section 409A(a)(2)(A)(v) of the Code and the regulations there for each such Performance Share Unit from the Company on the date of Awardee's separation from service; provided separation from service is a "specified employee" (certain employees of

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the Cardinal Group within the meaning of Section 409A of the Code determined using the identification methodology selected by receive the corresponding Shares from the Company on the first day of the seventh month after the date of Awardee's separation

(iii) On the date of Awardee's Termination of Employment due to death following a Change of Control, Awa
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 p
permitted in the discretion of the Administrator pursuant to procedures established by the Administrator in compliance with th
election to defer will be valid only if the elected payment date is a date that is later than the date payment would have otherwi

7. Dividend Equivalents. Awardee is not entitled to receive cash dividends on the Performance Share Units but w
Company in an amount equal to the dividends that would have been paid on each Share underlying the Performance Share U
Date and the [applicable][2] payment date of any such Share (i.e., based on the record date for cash dividends). Subject to an
Paragraph 6(c), the Company shall pay dividend equivalent payments in cash (without interest) as soon as reasonably practi
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-o
not treated as "non-qualified deferred compensation" under Section 409A of the Code by any member of the Cardinal Group
amounts owed to Awardee as wages, severance payments or other fringe benefits) to the extent of the amounts owed to the
Law.

9. No Shareholder Rights. Awardee has no rights of a shareholder with respect to the Performance Share Units,
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 Uni
payments described in Paragraph 7), regardless of any action the Company takes with respect to any tax withholding obligati
Share Units. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of
vesting or payment of the Performance Share Units or the subsequent sale of Shares issuable pursuant to vested Performan
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., vestin
result in any domestic or foreign tax withholding amounts being paid by the Company, whether national, federal, state or loca
"Tax Withholding Obligation"), Awardee is required to arrange for

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the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Awardee's acceptan
and authorization to the Company to withhold on Awardee's behalf the number of Shares from those Shares issuable to Awardee under th
satisfy the Tax Withholding Obligation. In the case of any amounts withheld for taxes pursuant to this provision in the form of Shares, the a
required and withholding above the minimum withholding requirements shall be available only if and to the extent that the Administrator h
deduct from all cash payments paid pursuant to Paragraph 7 the amount of any taxes which the Company is required to withhold with res

11. Governing Law/Venue for Dispute Resolution/Costs and Legal Fees. This Agreement is governed by the laws
conflicts of law, except to the extent superseded by the laws of the United States of America. **The parties agree and acknov
substantial relationship to the parties and/or this Agreement and that the Performance Share Units and benefits gra
without the governance of this Agreement by the laws of the State of Ohio. In addition, all legal actions or proceedin
exclusively in state or federal courts located in Franklin County, Ohio and the parties executing this Agreement here
courts.** Awardee acknowledges that the provisions of Paragraph 4 are reasonable in nature, are fundamental for the protecti
proprietary interests, and do not adversely affect Awardee's ability to earn a living. If it becomes necessary for the Company t
Agreement, Awardee is responsible to the Company for all costs and reasonable legal fees incurred by the Company in conn
Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable or to disqualify the Award u
limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by the provision,
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 state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state or local governm attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) is made to Awardee's atto Awardee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other

13. Action by the Administrator. The parties agree that the interpretation of this Agreement rests exclusively and c Administrator. The parties agree to be bound by the decisions of the Administrator regarding the interpretation of this Agreem Agreement. In fulfilling its responsibilities under this Agreement, the Administrator may rely upon documents, written stateme as the Administrator deems appropriate. The parties agree that there is no right to be heard or to appear before the Administr relating to this Agreement, including whether conduct constitutes Misconduct or Competitor Conduct, is final and binding. The this Agreement to an officer of the Cardinal Group designated by the Administrator, to the extent permitted under the Plan.

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14. Prompt Acceptance of Agreement. The Performance Share Units grant evidenced by this Agreement will, at th Agreement is not manually executed and returned to the Company, or electronically executed by Awardee by indicating Awar with the acceptance procedures set forth on the Company's third-party equity plan administrator's web site, within 90 days of

15. Electronic Delivery and Consent to Electronic Participation. The Company may, in its sole discretion, decide to Performance Share Unit grant under and participation in the Plan or future Performance Share Units that may be granted und Awardee's consent to participate in the Plan by electronic means. Awardee hereby consents to receive such documents by e through an on-line or electronic system established and maintained by the Company or another third party designated by the 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 Agreemen be in writing and will be deemed sufficient if delivered by hand, nationally recognized overnight courier, or certified or registere 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 will be deemed sufficient if delivered by e-mail, hand, facsimile, nationally recognized overnight courier, or certified or registered mail, retu effective upon delivery to Awardee.

17. Employment Agreement, Offer Letter or Other Arrangement. To the extent a written employment agreement, o Arrangement") that was approved by the Human Resources and Compensation Committee or the Board of Directors or that w Company pursuant to delegated authority of the Human Resources and Compensation Committee provides for greater benef on Termination of Employment by reason of specified events than provided in this Agreement or in the Plan, then the terms o vesting of the Award on Termination of Employment by reason of such specified events supersede the terms of this Agreeme If Awardee is eligible for severance benefits under the Cardinal Health, Inc. Senior Executive Severance Plan, as amended, s Arrangement" for purposes of this section.

18. Amendment. Any amendment to the Plan is deemed to be an amendment to this Agreement to the extent that however, that no amendment may impair the rights of Awardee with respect to an outstanding Performance Share Unit unles agreement must be in writing and signed by Awardee and the Company. Other than following a Change of Control, no such a determines in its sole discretion that such amendment either (a) is required or advisable in order for the

Company, the Plan or the Performance Share Units to satisfy any Applicable Law or to meet the requirements of any account
significantly diminish the benefits provided under the Performance Share Units, or that any such diminishment has been adec
Section 16(c) of the Plan.

19. Adjustments. The number of Shares issuable for each Performance Share Unit and the other terms and condi
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
This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause this Agreem
the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be ret
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 pr
understands the Awardee's right to discuss all aspects of this Agreement with an attorney of the Awardee's choice. The Awar
that, if the Awardee wishes the advice of an attorney, the Awardee has done so by the date the Awardee signed the Agreeme
days to consider whether to sign. The Awardee may sign this Agreement before the end of the 14-day period and the Awarde
this time period for signing, the Awardee's decision was knowing and voluntary. The parties agree that a change, whether ma
said period.

22. No Right to Future Awards or Employment. The grant of the Performance Share Units under this Agreement to
being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Perforn
this Agreement will not be considered salary or other compensation for purposes of any severance pay or similar allowance, e
contained in this Agreement confers upon Awardee any right to be employed or remain employed by the Company or any of i
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 ben
administrators, heirs, legal representatives and assigns of Awardee, and the successors and assigns of the Company.

CARDINAL HEALTH, INC.

By: /s/ Michael Brown
Name: Michael Brown
Title: Executive Vice President

PNC BANK, NATIONAL ASSOCIATION,
as an LC Bank
By: Its: /s/ Michael Brown

Name: Michael Brown
Title: Executive Vice President

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
distributed to the Company's shareholders, and a copy of the Plan Description pertaining to the Plan; (b) accepts this Agreement and the

this Agreement subject to all provisions of the Plan and this Agreement, including the provisions in this Agreement regarding "Special For
(c) represents that he or she understands that the acceptance of this Agreement through an on-line or electronic system, if applicable, ca
manually signed the Agreement; (d) agrees that no transfer of the Shares delivered in respect of the Performance Share Units may be ma
all applicable Federal and state securities laws pursuant to a then-effective registration which contemplates the proposed transfer or unle
satisfactory to, its legal counsel that the proposed transfer is exempt from such registration; and (e) acknowledges that any awards grante
arrangement of the Company are subject to the forfeiture and repayment rules set forth in such plan, agreement or arrangement and, if a
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 Da
"Company"), has awarded to [employee name] ("Awardee") [# of shares] Stock Units (the "Restricted Share Units" or "Award"), representi
deliver common shares, without par value, of the Company (the "Shares") to Awardee as set forth in this Agreement. The Restricted Shar
Health, Inc. 2021 Long-Term Incentive Plan, as amended (the "Plan"), and are subject to all provisions of the Plan, all of which are incorp
the provisions of this Agreement. Capitalized terms used in this Agreement which are not specifically defined have the meanings ascribed

1. <u>Vesting of Restricted Share Units</u>.

(a) <u>General</u>. [CLIFF ALTERNATIVE: The Restricted Share Units vest on the [ ] anniversary of the Grant Date (the
Agreement, including those relating to Awardee's continued employment with the Company and its Affiliates (collectively, the
ALTERNATIVE: The Restricted Share Units vest in [ ] installments, which will be as nearly equal as possible, on the [ ] anniv
with respect to the portion of the Restricted Share Units scheduled to vest on such date), subject in each case to the provisio
Awardee's continued employment with the Company and its Affiliates (collectively, the "Cardinal Group").]

(b) <u>Change of Control</u>. In the event of a Change of Control prior to a Termination of Employment, the Restricted S
forfeited) vest in full, except to the extent that a Replacement Award is provided to Awardee in accordance with Section 16(b)
full upon (i) a Termination for Good Reason by Awardee, (ii) a Termination of Employment by the Company or its successor i
for Cause, or (iii) Awardee's death or Disability, in each case, occurring at or during the period of two years after the Change
provided, any Restricted Share Units that would vest in accordance with Paragraphs 3(b) or (c)in connection with Awardee's
Employment occurred on the date of the Change of Control will for purposes of this Agreement vest at the time of the Chang

2. <u>Transferability</u>. The Restricted Share Units are not transferableother than by beneficiary designation, will, or b

3. <u>Termination of Employment</u>.

(a) <u>General</u>. Except as set forth in Paragraphs 1(b) and 3(b), (c) and (d) or as provided in a plan or agreement de
Employment occurs, then any unvested Restricted Share Units are forfeited by Awardee immediately upon such Termination

(b) <u>Death or Disability</u>. If a Termination of Employment by reason of Awardee's death occurs after the Grant Date
Awardee's Disability occurs at

VICTORY RECEIVABLES CORPORATION,

as a Conduit least 6 months after the Grant Date, then any outstanding unvested Restricted Share Units immediately vest in full and are n

By: (c) /s/ Kevin J. Corrigan Retirement

Name: Kevin J. Corrigan

Title: Vice President. If a Termination of Employment by reason of Awardee's Retirement occurs at least 6 months after the G unvested installment of the outstanding Restricted Share Units immediately vests and is not forfeited. Such "Ratable Portion," amount (rounded down to the nearest whole Share) equal to such installment of the Restricted Share Units scheduled to vest the numerator of which is the number of days from the Grant Date through the date of the Termination of Employment, and th the Grant Date through such Vesting Date.1

MUFG BANK, LTD.,

(d) Involuntary Termination with Separation Agreement. If (i) Paragraph 3(c) is not applicable, but Awardee has attained e continuous service with the Cardinal Group or (B) age 59 and at least four years of continuous service with the Cardinal Grou of the Company prior to the time that such Affiliate became an Affiliate of the Company, (ii) a Termination of Employment by t Cause) occurs at least 6 months after the Grant Date, and (iii) no later than 45 days after the Termination of Employment, Aw and general release of claims with the Cardinal Group (in such form as Related Financial Institution for Victory

By: /s/ Helen Ellis

Name: Helen Ellis

Title: Managing Director may reasonably be presented by the Company) (a "Separation Agreement"), and Awardee does not timely revoke each unvested installment of the outstanding Restricted Share Units immediately vests and is not forfeited.

MUFG BANK, LTD.4. Special Forfeiture and Repayment Rules. This Agreement contains special forfeiture and rep protects the Cardinal Group's legitimate business assets and discourage conduct that threatens or harms those assets. The C this Agreement reward or subsidize conduct detrimental to the Company, and therefore will require the forfeiture of the benefi repayment of gains obtained from this Agreement, according to the rules specified below. Activities that trigger the forfeiture a categories: Misconduct and Competitor Conduct. Awardee also agrees to application of the Company's Clawback Policy desc

(a) Misconduct. During employment with the Cardinal Group and with respect to clauses (A),

as Managing Agent (D), (E), (F) and (G), for Victory's Purchaser Group three years after the Termination of Employment for a Misconduct. If Awardee engages in Misconduct during employment or within three years after the Termination of Employment

By: (i) /s/ Helen Ellis

Name: Helen Ellis

Title: Managing Director Awardee immediately forfeits the Restricted Share Units that have not yet vested or that vested at any tin first occurred and have not yet been paid pursuant to Paragraph 5, and those forfeited Restricted Share Units automatically termi

MUFG BANK, LTD.,

as Agent(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash resulting from the payment of Restricted Share Units pursuant to Paragraph 5 that had vested at any time within three occurred less (B) $1.00. The gross gain is the Fair Market Value of the Shares represented by the Restricted Share U

By: 1 /s/ Helen Ellis

Name: Helen Ellis

Title: Managing Director This provision is an alternative that may not be included in every award agreement.

S-4

LIBERTY STREET FUNDING LLC,
as a ConduitAs used in this Agreement, “**Misconduct**” means

By: (A) /s/ Kevin J. Corrigan

Name: Kevin J. Corrigan
Title: Vice President disclosing or using any of the Cardinal Group’s confidential information (as defined by the applicable Cardina
authorization from the Cardinal Group or in any capacity other than as necessary for the performance of Awardee’s assigned duti

THE BANK OF NOVA SCOTIA,
as Related Financial Institution for Liberty Street and as Managing Agent for Liberty Street’s Purchaser(B) violation of the S
code of conduct or other applicable Cardinal Group policies, including but not limited to conduct which would constitut
compliance signed by Awardee;

By: (C) /s/ Doug Noe fraud, gross negligence or willful misconduct by Awardee, including but not limited
causing or contributing to a material error resulting in a restatement of the financial statements of any member of the (

(D)
Name: Doug Noe
Title: Managing Director directly or indirectly soliciting or recruiting for employment or contract work on behalf of a pers
Group, any person who is an employee, representative, officer or director in the Cardinal Group or who held one or m
months prior to Awardee’s Termination of Employment;

(E) directly or indirectly inducing, encouraging or causing an employee of the Cardinal Group to terminate
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 expec
the relationship between the Cardinal Group and any of its customers, prospective customers, vendors, suppliers or e

(G) breaching any provision of any employment or severance agreement with a member of the Cardinal Gr

Nothing in this Agreement will prevent Awardee from testifying truthfully as required by law, prohibit or prevent Awardee from filing a charg
investigation, hearing, whistleblower proceeding or other proceeding before any federal, state or local government agency (e.g., Equal En
Relations Board, Securities and Exchange Commission, etc.), or prevent Awardee from disclosing Cardinal Group’s confidential informati
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 th

(i) Awardee immediately forfeits the Restricted Share Units that have not yet vested or that vested at any
Competitor Conduct first occurred and have not yet been paid pursuant to Paragraph 5, and those forfeited Restricted

(ii) Awardee shall, within 30 days following written notice from the Company, pay to the Company in cash a
resulting from the

S-5 payment of Restricted Share Units pursuant to Paragraph 5 that had vested at any time since the earlier of one year prior to
year prior to the Termination of Employment, if applicable, less (B) $1.00. The gross gain is the Fair Market Value of the Shares r
receipt.

As used in this Agreement, “**Competitor Conduct**” means accepting employment with, or directly or indirectly providing servi
Awardee has a Termination of Employment and Awardee’s responsibilities to the Cardinal Group were limited to a specific ter
States during the 24 months prior to the Termination of Employment, then Competitor Conduct will be limited to that specific t
person or business that competes with the products or services provided by a member of the Cardinal Group for which Award
prior to Termination of Employment or about which Awardee obtained confidential information (as defined by the applicable C
BANK OF AMERICA, NATIONAL ASSOCIATION,
(c) General.

(i) Nothing in this Paragraph 4 constitutes or is to be construed as a Managing Agent “noncompete” cover
provisions of this Paragraph 4 do not prevent, nor are they intended to prevent, Awardee from seeking or accepting e
Group. The execution of this Agreement is voluntary. Awardee is free to choose to comply with the terms of this Agree
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 employ
Institution Competitor within one year after Termination of Employment.

(iii) Awardee acknowledges receiving sufficient consideration for the requirements of this Paragraph 4, inclu
Units. Awardee further acknowledges that the Company would not provide the Restricted Share Units to Awardee with
this Paragraph 4. The parties also acknowledge that the provisions contained in this Paragraph 4 are ancillary to, or p
time this Agreement is made.

(iv) Awardee may be released from the obligations of this Paragraph 4 if and only if the Administrator deter
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, A
terms of the Clawback Policy adopted by the Company, as required by New York Stock Exchange listing standards and as m
agrees to comply with the requirements of such policy. In its discretion, moreover, the Administrator may require repayment to
the amount of the Award was calculated based upon the achievement of financial results that were subsequently the subject
statements, Awardee engaged in misconduct that caused or contributed to the need for the restatement of the financial stater
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 suc

By: 5. /s/ Ross Glynn Payment
Name: Ross Glynn.

Title: Vice President(a)General. Subject to the provisions of Paragraph 4 and Paragraphs 5(b), (c), (d) and (e), Awardee is enti
payment by or on behalf of Awardee other than as described in Paragraph 9) the Shares represented by the vested Restricte

(a) Death. To the extent that Restricted Share Units are vested on the date of Awardee's Termination of Employm
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
on the date of Awardee's "separation from service" (determined in accordance with Section 409A of the Code), Awardee is en
the Company on the date that is not later than 60 days after Awardee's "separation from service"; provided, however, that if A
"specified employee" (certain employees of the Cardinal Group within the meaning of Section 409A of the Code determined u
Company from time to time), to the extent necessary to avoid the imposition of tax under Section 409A of the Code,Awardee
from the Company six months after the date of Awardee's separation from service or, if earlier, the date of Awardee's death.

S-6(c) Change of Control. To the extent that Restricted Share Units are vested on the date of a Change of Control
Shares from the Company on the date of the Change of Control; provided, however, that if such Change of Control would not
Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such di
is entitled to receive the corresponding Shares from the Company on the date that would have otherwise applied pursuant to

(d) Elections to Defer Receipt. Elections to defer receipt of the Shares beyond the date of payment provided in thi
the Administrator pursuant to procedures established by the Administrator in compliance with the requirements of Section 40

6. Dividend Equivalents. Awardee is not entitled to receive cash dividends on the Restricted Share Units but will
Company in an amount equal to the dividends that would have been paid on each Share underlying the Restricted Share Uni
Date and the payment date of any such Share (i.e., based on the record date for cash dividends). Subject to an election to de
Company shall pay dividend equivalent payments in cash as soon as reasonably practicable after the payment date of the Re
equivalents relate.

7. Right of Set-Off. By accepting the Restricted Share Units, Awardee consents to a deduction from, and set-off a
not treated as "non-qualified deferred compensation" under Section 409A of the Code by any member of the Cardinal Group

to time (including, but not limited to, amounts owed to Awardee as wages, severance payments or other fringe benefits) to the extent of th
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, inc
the Restricted Share Units, until such Shares vest and are paid to Awardee.

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9. Withholding Tax.

(a) Generally. Awardee is liable and responsible for all taxes owed in connection with the Restricted Share Units (
payments described in Paragraph 6), regardless of any action the Company takes with respect to any tax withholding obligati
Share Units. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of
vesting or payment of the Restricted Share Units or the subsequent sale of Shares issuable pursuant to the Restricted Share
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 c
result in any domestic or foreign tax withholding amounts being paid by the Company, whether national, federal, state or loca
"Tax Withholding Obligation"), Awardee is required to arrange for the satisfaction of the minimum amount of such Tax Withhol
Company. Awardee's acceptance of this Agreement constitutes Awardee's instruction and authorization to the Company to w
from those Shares issuable to Awardee under this Award as the Company determines to be sufficient to satisfy the Tax Withh
withheld for taxes pursuant to this provision in the form of Shares, the amount withheld may not exceed the amount legally re
withholding requirements shall be available only if and to the extent that the Administrator has authorized such. The Company
paid pursuant to Paragraph 6 the amount of any taxes which the Company is required to withhold with respect to such payme

10. Governing Law/Venue for Dispute Resolution/Costs and Legal Fees. This Agreement is governed by the laws
conflicts of law, except to the extent superseded by the laws of the United States of America. **The parties agree and acknov
substantial relationship to the parties and/or this Agreement and that the Restricted Share Units and benefits grante
without the governance of this Agreement by the laws of the State of Ohio. In addition, all legal actions or proceedin
exclusively in state or federal courts located in Franklin County, Ohio and the parties executing this Agreement here
courts.** Awardee acknowledges that the provisions of Paragraph 4 are reasonable in nature, are fundamental for the protecti
proprietary interests, and do not adversely affect Awardee's ability to earn a living. If it becomes necessary for the Company t
Agreement, Awardee is responsible to the Company for all costs and reasonable legal fees incurred by the Company in conn
Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable or to disqualify the Award u

be construed or limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by the provis
remaining provisions of this Agreement.

EXHIBIT A11. Defend Trade Secrets Act Notice. Under the U.S. Defend Trade Secrets Act of 2016, Awardee will n
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 loca
to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) is made to Awardee
against Awardee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit c
seal.

THIRD AMENDED AND RESTATED FIVE-YEAR CREDIT
AGREEMENT12. Action by the Administrator. The parties agree that the interpretation of this Agreement rests exclusively
Administrator. The parties agree to be bound by the decisions of the Administrator regarding the interpretation of this Agreem
this Agreement. In fulfilling its responsibilities under this Agreement, the Administrator may rely upon documents, written state
material as the Administrator deems appropriate. The parties agree that there is no right to be heard or to appear before the A
Administrator relating to this Agreement, including whether conduct constitutes Misconduct or Competitor Conduct, is final an
functions under this Agreement to an officer of the Cardinal Group designated by the Administrator, to the extent permitted ur

13. Prompt Acceptance of Agreement. The Restricted Share Unit grant evidenced by this Agreement will, at the di
Agreement is not manually executed and returned to the Company, or electronically executed by Awardee by indicating Awar
with the acceptance procedures set forth on the Company's third-party equity plan administrator's web site, within 90 days of

14. Electronic Delivery and Consent to Electronic Participation. The Company may, in its sole discretion, decide to
Share Unit grant under and participation in the Plan or future Restricted Share Units that may be granted under the Plan by e
to participate in the Plan by electronic means. Awardee hereby consents to receive such documents by electronic delivery an
electronic system established and maintained by the Company or another third party designated by the Company, including t
the execution of restricted share unit agreements through electronic signature.

15. Notices. All notices, requests, consents, and other communications required or provided under this Agreemen
be in writing and will be deemed sufficient if delivered by hand, nationally recognized overnight courier, or certified or registere
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 will be deemed sufficient if delivered by e-mail, hand, facsimile, nationally recognized overnight courier, or certified or registered mail, retu effective upon delivery to Awardee.

6.12 16. Consolidated Net Leverage Ratio Employment Agreement, Offer Letter or Other Arrangement. To the e or other arrangement ("Employment Arrangement") that was approved by the Human Resources and Compensation Commit in writing by an officer of the Company pursuant to delegated authority of the Human Resources and Compensation Committ respect to vesting of the Award on Termination of Employment by reason of specified events than provided in this Agreement Arrangement with respect to vesting of the Award on Termination of Employment by reason of such specified events superse permitted by the terms of the Plan. If Awardee is eligible for severance benefits under the Cardinal Health, Inc. Senior Execut 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 however, that no amendment may impair the rights of Awardee with respect to an outstanding Restricted Share Unit unless a agreement must be in writing and signed by Awardee and the Company. Other than following a Change of Control, no such a determines in its sole discretion that such amendment either (a) is required or advisable in order for the Company, the Plan o Applicable Law or to meet the requirements of any accounting standard or (b) is not reasonably likely to significantly diminish 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 conditio 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 This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause this Agreem the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be ret 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 A made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Restricted S Agreement will not be considered salary or other compensation for purposes of any severance pay or similar allowance, exce in this Agreement confers upon Awardee any right to be employed or remain employed by the Company or any of its Affiliates Company or any of its Affiliates to terminate the employment or adjust the compensation of Awardee.

21. Review. The Company shall not permit Awardee agrees and represent that the Consolidated Net Leverage Ra an attorney prior to executing this Agreement and fully understands the Awardee's right to discuss all aspects of this Agreem choice. The Awardee's execution of this Agreement establishes that, if the Awardee wishes the advice of an attorney, the Aw the Agreement, and that the Awardee was given at least 14 days to consider whether to sign. The Awardee may sign this Ag the Awardee agrees that if the Awardee decides to shorten this time period for signing, the Awardee's decision was knowing 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 ben 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 POLICIE

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 distributed to the Company's shareholders, and a copy of the Plan Description pertaining to the Plan; (b) accepts this Agreement and the Agreement subject to all provisions of the Plan and this Agreement, including the provisions in the Agreement regarding "Special Forfeitu represents that he or she understands that the acceptance of this Agreement through an on-line or electronic system, if applicable, carrie signed the Agreement; (d) agrees that no transfer of the Shares delivered in respect of the Restricted Share Units may be made unless th applicable Federal and state securities laws pursuant to a then-effective registration which contemplates the proposed transfer or unless satisfactory to, its legal counsel that the proposed transfer is exempt from such registration; and (e) acknowledges that any fiscal quarter agreement or arrangement of the Company (each are subject to the forfeiture and repayment rules set forth in such date, a "Test Date") pl Cardinal Health, Inc. Clawback Policy as in effect from time to time and agrees to be greater than 3.75 bound by these provisions with res

[
Awardee's Signature

Date]

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FIRST AMENDMENT TO THE
CARDINAL HEALTH, INC. MANAGEMENT INCENTIVE PLAN

This First Amendment to the Cardinal Health, Inc. Management Incentive Plan (the "Plan") was adopted on January 29, 2024 by the Hum
Board of Directors of Cardinal Health, Inc. (the "Company").

The Plan is hereby amended, effective as of January 29, 2024, as follows:

1. provided Section 5(b)(ii) of the Plan is hereby deleted in its entirety and in replacement thereof shall be the follo

"(ii) *Mandatory Deferral.* The Administrator additionally or alternatively may establish one or more program
payment of any Award for any specified period after the end of the applicable Performance Period, during w
deferred Award may be reduced if and to the extent that the Administrator determines that the Participant wl
Section 7 of the Plan. In such case, the Administrator will establish the conditions and mechanisms for paym
earnings, if a Material Acquisition any, on amounts so deferred, and such other terms, conditions, rules, and
advisable for the administration of any such deferral program.

2. The title of Section 7 of the Plan is consummated, then, upon written notice changed to "Clawback Policy; Othe

3. Section 7(a) of the Plan is hereby deleted in its entirety and in replacement thereof shall be the following:

"(a) *Clawback Policy*. In addition to the other provisions of this Section 7, to the extent applicable, Participa
the Cardinal Health, Inc. Clawback Policy adopted by the Company, given as required by New York Stock Ex
effect from time to time. In its discretion, moreover, the Administrator may require repayment to the Administ
any Award if the amount of the Award was calculated based upon the achievement of financial results that w
of the Company's financial statements, the Participant engaged in misconduct that caused or contributed to
solely need for the first four Test Dates occurring on or after the date such Material Acquisition is consumma
foregoing, financial statements, and the Company shall not permit amount payable to the Consolidated Net L
Date Participant would have been lower than the amount actually paid to be greater than 4.25 to 1.00 (each
and provided, further, if the Company requests a Leverage Holiday, then Participant had the Company shall financial results beer
permitted the Company's exclusive remedy with respect to request a subsequent Leverage Holiday until at least one full fiscal qua
Holiday was in effect at any time during such fiscal quarter. matters.

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I, Jason M. Hollar, certify that:

1. I have reviewed this Form 10-Q 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 r 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 mater 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 proced 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registra

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be des information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those e is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpo principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclu 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 fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over fina 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 repor 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 regis

Date: February 1, 2024 May 2, 2024

/s/ JASON M. HOLLAR

Jason M. Hollar

Chief Executive Officer

I, Aaron E. Alt, certify that:

1. I have reviewed this Form 10-Q 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 r 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 mater 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 proced 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registra

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be des information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those e is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpo principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclu 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 fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over fina
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 repor
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 regis

Date: February 1, 2024 May 2, 2024

/s/ AARON E. ALT

Aaron E. Alt
Chief Financial Officer

Certification of the Chief Executive Officer and the Chief Financial Officer Pursuant to 18 U.S.C. Secti
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

(1) the Periodic Report on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 containing the financial stateme
statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15

(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of oper

Dated: February 1, 2024 May 2, 2024

/s
Ja
C

/s
A
C

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 requ
Exchange Commission, including our annual report Annual Report on Form 10-K for the fiscal year ended June 30, 2023 (the "2023
including this one, and our current reports on Form 8-K (along with any exhibits and amendments to such reports), as well as our news r
or on behalf of us, including materials posted on our website, may include, directly or by incorporation by reference, forward-looking sta
forward-looking statement is first made) about future events, prospects, projections or financial performance. The matters discussed in
risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied in or by such statem

- 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 ma
raw materials or energy such as oil-based resins, pulp, cotton, latex and other commodities and the possibility that we may not succe
- uncertainties relating to the timing, frequency and profitability of generic pharmaceutical launches or other components of our pharma
- changes in the timing or frequency of the introduction of branded pharmaceuticals;
- uncertainties related to the timing, magnitude and profit impact of the distribution of recently commercially available COVID-19 vaccin
- material reductions in purchases, pricing changes, non-renewal, early termination, or delinquencies or defaults under contracts with k
- Risks associated with the nonrenewal of a large Pharmaceutical and Specialty Solutions segment customer at the end of fiscal year 2
negative net working capital associated with this customer and the risk that we may not be successful in mitigating the negative impac
- costs or claims resulting from quality issues, or other potential or alleged errors or defects in our manufacturing or sourcing of medica
repackaging, information systems or pharmacy management services that may injure persons or damage property or operations, incl

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 di of access and ancillary risks associated with our ability to effectively manage any issues arising from any such compromise or disrupt
- continuing risks associated with the resolution and defense of the lawsuits and investigations in which we have been or will be nam medication, including the investigations by the U.S. Department of Justice which concerns our anti-diversion program, our anti-di certain controlled substances;
- risks associated with the national opioid settlement agreement, including the risk that the maintenance of the required changes to di 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 monetary or other penalties or result in additional lawsuits being filed against us;
- uncertainties related to Cardinal Health Brand products, including our ability to manage cost and infrastructure, retain margin, increas
- risks arising from acquisitions, including possible liabilities relating to the operations or activities of such businesses prior to thei 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 an 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 distribution networks;
- risks associated with our Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Huma 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;
- 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 or alleged errors or defects in our manufacturing or sourcing of me repackaging, information systems or pharmacy management services that may injure persons or damage property or operations, incl 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 ager Services (including the U.S. Food and Drug Administration, Centers for Medicare and Medicaid Services, the Office of Inspector G Regulatory Commission, the U.S. Federal Trade Commission, the U.S. Customs and Border Protection, various state boards of pharr 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, manufacturi letters, recalls, seizures, injunctions or monetary sanctions;

- shortages in commodities, components, compounds, raw materials or energy used by our businesses, including supply disruptions of
- 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, in 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, 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 ("EtO") emissic material shortages or defects, or because a key product is manufactured at a single manufacturing facility with limited alternate faciliti
- risks associated with industry reliance on EtO to sterilize certain medical products that we manufacture or distribute, including the po could become more widespread, which may result in increased costs or supply shortages; and risks that the lawsuits against us all 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 pos 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 jurisdicti
and customs laws;
- risks arising from our collecting, handling and maintaining patient-identifiable health information and other sensitive personal and fina
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 healthcar
federal 340B drug pricing program, which businesses are subject to accreditation and quality standards and other rules and regulati
record-keeping requirements;
- risks arising from pharmaceutical manufacturers' restriction of sales under the 340B drug pricing program to contract pharmacies, whi
- risks arising from certain of our businesses manufacturing pharmaceutical and medical products or repackaging pharmaceuticals tha
governed by, federal or state healthcare programs, which businesses are subject to federal and state laws that establish eligibility for
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
possible misinterpretations or misapplications;
- unfavorable changes to the terms or with our ability to meet contractual obligations of key customer or supplier relationships, or chang
- risks arising from changes in U.S. or foreign tax laws and unfavorable challenges to our tax positions and payments to settle these c
rate or tax payments;
- uncertainties due to possible government healthcare reform, including proposals related to Medicare drug rebate arrangements, pos
Protection and Affordable Care Act, proposals related to prescription drug pricing transparency and the possible adoption of Medicare
- reductions or limitations on governmental funding at the state or federal level or efforts by healthcare insurance companies to limit pay
- 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 sta
ability to distribute or store certain pharmaceutical products and the risk that we could incur unforeseen costs to comply with these ne
- 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 l

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- changes to the prescription drug reimbursement formula and related reporting requirements for generic pharmaceuticals under Medic

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- continuing consolidation in the healthcare industry, which could give the resulting enterprises greater bargaining power and may incre
result in the loss of customers;
- risks to our business and information and controls systems in the event that business process improvements, infrastructure moderniz
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 an
disadvantage relative to our peers;
- the results, costs, effects or timing of any commercial disputes, government contract compliance matters, patent infringemen
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 succ
- losses relating to product liability lawsuits and claims regarding products for which we cannot obtain product liability insurance or for w
losses, including the product liability lawsuits we are currently defending relating to alleged personal injuries associated with the use o
- risks associated with the importation of products or source materials used in products that we manufacture or distribute, including ris
and the possibility that we could experience additional supply disruptions as a result of the Uyghur Forced Labor Prevention Act or oth
- our ability to maintain adequate intellectual property protections;
- our ability to manage and complete divestitures or other strategic business combination transactions, including our ability to find
associated with the possibility that we could experience greater dis-synergies than anticipated or otherwise fail to achieve our strategi
- 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 an 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 sou business;
- risks associated with our use of and reliance on the global capital and credit markets, including our ability to access credit and our 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 Form 10-K.

The words “expect,” “anticipate,” “intend,” “plan,” “believe,” “will,” “should,” “could,” “would,” “project,” “continue,” “likely,” and similar expr which speak only as of the date the statements were made, and also include statements reflecting future results or guidance, stateme obligation to update or revise any forward-looking statements, except to the extent required by applicable law. law.ted, anticipated uncertainties include:

DISCLAIMER