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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 September 30, 2025

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 ☑ No ☐

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 ☑ No ☐

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 ☐

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

The number of the registrant's common shares, without par value, outstanding as of October 24, 2025, was the following: 237,595,042.

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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.

We report our financial results in two reportable segments: Pharmaceutical and Specialty Solutions ("Pharma") segment and Global Medical Products and Distribution ("GMPD") segment. All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions, and OptiFreight® Logistics. 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 2026 and fiscal 2025 and to FY26 and FY25 are to the fiscal years ending or ended June 30, 2026 and June 30, 2025, respectively.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 (this "Form 10-Q") (including any 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," 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, 2025 (“2025 Form 10-K”). 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 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 September 30, 2025 and June 30, 2025, and in our condensed consolidated statements of earnings and our condensed consolidated statements of cash flows for the three months ended September 30, 2025 and 2024. All comparisons presented are with respect to the prior-year period, unless stated otherwise. The discussion and analysis in this Form 10-Q should be read in conjunction with the MD&A included in our 2025 Form 10-K.

Overview of Consolidated Results

Revenue

Revenue for the three months ended September 30, 2025 increased 22 percent to $64.0 billion from the prior-year quarter due to branded and specialty pharmaceutical sales growth from existing and new customers.

GAAP and Non-GAAP Operating Earnings

(in millions)	Three Months Ended September 30, 2025	2024	Change
GAAP operating earnings	**$ 668**	$ 568	**18 %**
Restructuring and employee severance	**20**	24	
Amortization and other acquisition-related costs	**104**	74	
Acquisition-related cash and share-based compensation costs	**64**	—	
Impairments and (gain)/loss on disposal of assets, net	**2**	(1)	
Litigation (recoveries)/charges, net	**—**	(40)	
Non-GAAP operating earnings	**$ 857**	$ 625	**37 %**

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

GAAP operating earnings for the three months ended September 30, 2025 increased 18 percent to $668 million from the prior-year quarter primarily due to the impact of the acquisition of management services organization ("MSO") platforms and the acquisition of Advanced Diabetes Supply Group ("ADS") and increased contribution from branded and specialty pharmaceutical products, partially offset by acquisition-related cash and share-based compensation costs.

Non-GAAP operating earnings for the three months ended September 30, 2025 increased 37 percent to $857 million from the prior-year quarter primarily due to the impact of the acquisition of MSO platforms and the acquisition of ADS, increased contribution from branded and specialty pharmaceutical products, and growth from existing customers within the GMPD segment.

GAAP and Non-GAAP Diluted EPS

($ per share)	Three Months Ended September 30, 2025 [2]	2024 [2]	Change
GAAP diluted EPS [1]	**$ 1.88**	$ 1.70	**11 %**
Restructuring and employee severance	**0.06**	0.07	
Amortization and other acquisition-related costs	**0.31**	0.22	
Acquisition-related cash and share-based compensation costs	**0.26**	—	
Litigation (recoveries)/charges, net	**0.03**	(0.11)	
Non-GAAP diluted EPS [1]	**$ 2.55**	$ 1.88	**36 %**

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

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

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

For the three months ended September 30, 2025, GAAP and non-GAAP diluted EPS increased 11 percent to $1.88 and 36 percent to $2.55, respectively, from the prior-year quarter due to the factors impacting operating earnings in the preceding section, partially offset by increased interest expense.

Significant Developments in Fiscal 2026 and Trends

Pharmaceutical and Specialty Solutions Segment

Solaris Health Acquisition

On August 12, 2025, we announced that we, through the Specialty Alliance, have entered into a definitive agreement to acquire Solaris Health for a purchase price of approximately $1.9 billion in cash, subject to certain adjustments. Solaris Health is the country's leading urology MSO and supports more than 750 providers across more than 250 practice locations in 14 states. In connection with the closing of this transaction, we will issue common units in the Specialty Alliance to certain physicians and management which are estimated to have a grant date fair value of approximately $500 million, a portion of which will be recognized as post-combination expense within acquisition-related cash and share-based compensation costs. We consolidate the results of the Specialty Alliance in our consolidated financial statements and report those consolidated results within our Pharma segment.

We intend to finance the acquisition with a combination of cash proceeds from the recent debt financing and cash on hand. See Note 5 of the "Notes to Condensed Consolidated Financial Statements" for additional information on the debt financing.

Management Service Organization Platforms

The performance of our MSO platforms, which consists of the Specialty Alliance and Navista, positively impacted the year-over-year comparison of Pharma segment profit during the three months ended September 30, 2025, primarily due to the impact of the acquisitions of GI Alliance ("GIA"), Urology America, and Integrated Oncology Network ("ION"). The Specialty Alliance is our multi-specialty MSO platform, which is primarily comprised of GIA, Urology America, and other gastroenterology- and urology-focused practices. Navista is our oncology MSO platform, which is primarily comprised of ION and other oncology-focused practices. Our ability to successfully provide physician practice support and management services, and to receive the value we expect to receive from our recent acquisitions of MSO platforms, depends upon a number of factors, including: the ability to develop or acquire and integrate appropriate practice management and support expertise; the ability to support recruitment, integration, and retention of sufficient numbers of local providers and staff; ensuring the alignment of interests between Cardinal Health and the physicians; the ability to successfully support negotiations with vendors, suppliers, and payors; the reimbursement and regulatory environment; and competition from other healthcare organizations.

Branded Pharmaceuticals

During the three months ended September 30, 2025, we saw increased demand for GLP-1 pharmaceuticals and our sales increased significantly. These increased sales positively impacted our Pharma segment and consolidated revenue for the three months ended September 30, 2025; however, increased GLP-1 sales did not meaningfully contribute to segment profit. Future demand for these medications is unpredictable and our ability to meet demand may be impacted by supply constraints. Additionally, the recently issued Executive Order titled “Delivering Most-Favored Nation Prescription Drug Pricing to American Patients” may impact sales or profitability of branded pharmaceutical products, including GLP-1 products; however, the extent of the impact is uncertain and may vary depending on the timeline for implementation and the extent of any price reductions. It is also possible that the adoption of the One Big Beautiful Bill Act ("OBBBA") could reduce participation in Medicare and Medicaid programs, resulting in a change in utilization of the healthcare system. This may adversely affect demand for our products and services; however, the extent of any reduction is unpredictable.

Generics Program

The performance of our Pharma segment generics program positively impacted the year-over-year comparison of Pharma segment profit during the three months ended September 30, 2025. The Pharma 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 Pharma segment profit and are subject to risks and uncertainties. These risks and uncertainties may impact Pharma segment profit and consolidated operating earnings during the remainder of fiscal 2026 and beyond.

Global Medical Products and Distribution Segment

Volumes

We experienced Cardinal Health brand medical products sales growth during the three months ended September 30, 2025 and expect further growth during the remainder of fiscal 2026 and beyond. The timing, magnitude, and profit impact of this anticipated sales growth is subject to risks and uncertainties, which may impact GMPD segment profit.

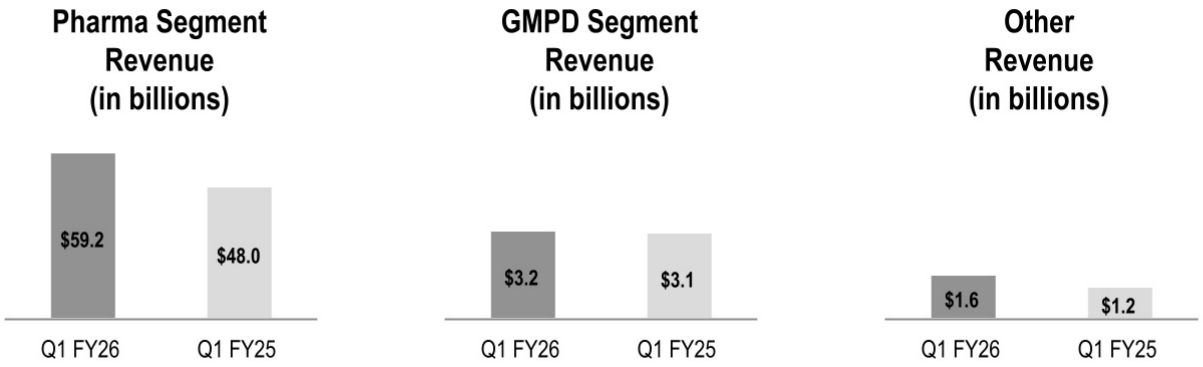
Tariffs

Recent U.S. tariffs imposed or threatened to be imposed on goods, materials, and products imported into the United States from countries where we do business and any retaliatory or responsive actions taken by such countries have resulted in us incurring substantial additional costs to source products and materials, directly and indirectly, from affected countries, and are requiring us to raise prices on certain products and seek alternative sources of supply. It is also possible that we could experience supply disruptions or shortages as a result of tariffs or other protective measures.

We have taken action to reduce the potential impact of tariffs on our costs; however, at this time, the countries that will be subject to tariffs and the tariff rate that may be imposed on each country is uncertain and dynamic and we do not expect to be able to establish alternative sources of supply or otherwise mitigate the potential impact of tariffs on all of the products that we source, manufacture, or distribute. If we are not able to offset the impact of tariffs through price increases or otherwise mitigate the impacts, our financial results could be negatively impacted. Additionally, if tariffs are modified in the future, or our preliminary information is incorrect regarding their impact, we may not be able to respond to such changes adequately or in a timely manner and our financial results could be negatively impacted. Furthermore, if our competitors do not increase prices, or increase prices to a lesser extent than we do, or are able to offset the impact of tariffs through other actions, our competitive and financial position may be adversely affected.

Results of Operations

Revenue



(in millions)	Three Months Ended September 30, 2025	2024	Change
Pharmaceutical and Specialty Solutions	**$ 59,205**	$ 47,990	**23 %**
Global Medical Products and Distribution	**3,184**	3,123	**2 %**
Other	**1,641**	1,186	**38 %**
Total segment revenue	**64,030**	52,299	**22 %**
Corporate	**(21)**	(22)	**N.M.**
Total revenue	**$ 64,009**	$ 52,277	**22 %**

Pharmaceutical and Specialty Solutions

Pharma segment revenue increased 23 percent to $59.2 billion from the prior-year quarter primarily due to branded and specialty pharmaceutical sales growth from existing and new customers.

Global Medical Products and Distribution

GMPD segment revenue increased 2 percent to $3.2 billion from the prior-year quarter primarily due to volume growth from existing customers.

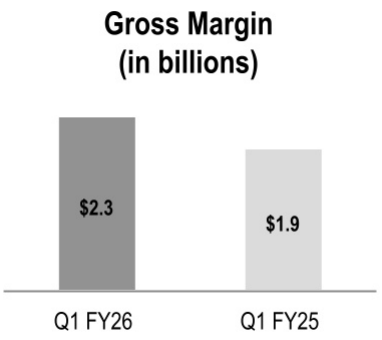
Other

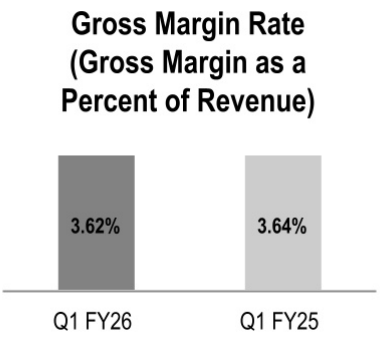
Other segment revenue increased 38 percent to $1.6 billion from the prior-year quarter due to growth across at-Home Solutions (including the acquisition of ADS), Nuclear and Precision Health Solutions, and OptiFreight® Logistics.

Cost of Products Sold

Cost of products sold increased 22 percent to $61.7 billion from the prior-year quarter due to the factors affecting the changes in revenue and gross margin.

Gross Margin





	Three Months Ended September 30,		
(in millions)	**2025**	2024	**Change**
Gross margin	**$ 2,319**	$ 1,902	**22 %**

Gross margin increased 22 percent to $2.3 billion from the prior-year quarter primarily due to the acquisition of MSO platforms and the acquisition of ADS and the increased contribution from branded pharmaceutical and specialty pharmaceutical products.

Gross margin rate was relatively flat compared to the prior-year quarter with impact of the unfavorable changes in product mix for the Pharma segment mostly offset by the beneficial gross margin rates due to the acquisition of MSO platforms. The changes in 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 September 30,		
(in millions)	**2025**	2024	**Change**
SG&A expenses	**$ 1,461**	$ 1,277	**14 %**

SG&A expenses increased 14 percent to $1.5 billion from the prior-year quarter primarily due to the inclusion of the acquisition of MSO platforms and the acquisition of ADS.

Segment Profit

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

	Three Months Ended September 30,		
(in millions)	2025	2024	Change
Pharmaceutical and Specialty Solutions	**$ 667**	$ 530	**26 %**
Global Medical Products and Distribution	**46**	8	**N.M.**
Other	**166**	104	**60 %**
Total segment profit	**879**	642	**37 %**
Corporate	**(211)**	(74)	**N.M.**
Total consolidated operating earnings	**$ 668**	$ 568	**18 %**

Pharmaceutical and Specialty Solutions

Pharma segment profit increased 26 percent to $667 million from the prior-year quarter primarily due to increased contribution from branded and specialty pharmaceutical products, the acquisition of MSO platforms, and the performance of our generics program.

Global Medical Products and Distribution

GMPD segment profit increased to $46 million from the prior-year quarter primarily due to growth from existing customers.

Other

Other segment profit increased 60 percent to $166 million from the prior-year quarter primarily due to the performance of all of at-Home Solutions (including the acquisition of ADS), OptiFreight® Logistics, and Nuclear and Precision Health Solutions.

Corporate

The changes in Corporate during the three months ended September 30, 2025 are due to the factors discussed in the "Other Components of Consolidated Operating Earnings" section that follows.

Other Components of Consolidated Operating Earnings

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

	Three Months Ended September 30,	
(in millions)	**2025**	2024
Restructuring and employee severance	**$ 20**	$ 24
Amortization and other acquisition-related costs	**104**	74
Acquisition-related cash and share-based compensation costs	**64**	—
Impairments and (gain)/loss on disposal of assets, net	**2**	(1)
Litigation (recoveries)/charges, net	**—**	(40)

Restructuring and Employee Severance
During the three months ended September 30, 2025 and 2024, restructuring and employee severance costs were primarily related to the implementation of certain enterprise-wide cost-savings measures and certain initiatives to rationalize our manufacturing operations.

Amortization and Other Acquisition-Related Costs
Amortization of acquisition-related intangible assets was $87 million and $68 million for the three months ended September 30, 2025 and 2024, respectively.

Transaction and integration costs associated with acquisitions were $17 million for the three months ended September 30, 2025.

Acquisition-related cash and share-based compensation costs
Acquisition-related cash and share-based compensation costs were $64 million for the three months ended September 30, 2025, primarily resulting from the acquisition of GIA.

Litigation (Recoveries)/Charges, Net
During the three months ended September 30, 2024, we recognized income of $43 million for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff.

Earnings Before Income Taxes

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

	Three Months Ended September 30,		
(in millions)	**2025**	2024	**Change**
Other (income)/expense, net	**$ (10)**	$ (5)	**N.M.**
Interest expense, net	**80**	32	**N.M.**

Interest Expense, Net
Interest expense, net, increased to $80 million from the prior-year quarter primarily due to the additional debt financing for our recent acquisitions.

Provision for Income Taxes

During the three months ended September 30, 2025 and 2024, the effective tax rate was 24.1 percent and 23.0 percent, respectively. See Note 7 of the “Notes to Condensed Consolidated Financial Statements” for additional information.

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. In addition to those disclosed, if we decide to engage in one or more acquisitions, depending on the size and timing of such transactions, we may need to access capital markets for additional financing.

Cash and Equivalents

Our cash and equivalents balance was $4.6 billion at September 30, 2025 compared to $3.9 billion at June 30, 2025.

During the three months ended September 30, 2025, net cash provided by operating activities was $1.0 billion, which includes the impact of payments totaling $403 million related to the opioid litigation.

During the three months ended September 30, 2025, we deployed $500 million for debt repayment, $375 million for share repurchases, $129 million for dividends, and $108 million for capital expenditures. In addition, we issued new long-term debt and received net proceeds of approximately $1.0 billion to fund a portion of the consideration payable in connection with the Solaris Health acquisition and for general purposes.

At September 30, 2025, 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 September 30, 2025 included $596 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 September 30, 2025 include a $3.0 billion commercial paper program, backed by a $2.0 billion revolving credit facility that expires in February 2028 and a $1.0 billion 364-Day revolving credit facility that expired in October 2025. We also have a $1.0 billion committed receivables sales facility through September 2028. At September 30, 2025, we had no amounts outstanding under our commercial paper program, revolving credit facility, or our committed receivables sales facility.

In September 2025, we renewed our committed receivables sales facility program through Cardinal Health Funding, LLC (“CHF”) through September 28, 2028.

In October 2025, we renewed the 364-Day revolving credit facility, under which we have access to $1.0 billion of committed liquidity through October 2026.

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 September 30, 2025, 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 $9.0 billion and $8.5 billion at September 30, 2025 and June 30, 2025, respectively.

In August 2025, we issued additional debt, with the aggregate principal amount of $1.0 billion, to fund a portion of the consideration payable in connection with the Solaris Health acquisition and for general purposes. The notes issued are $600 million aggregate principal amount of 4.5% Notes that mature on September 15, 2030 and $400 million aggregate principal amount of 5.15% Notes that mature on September 15, 2035. The proceeds of the notes issued, net of discounts, premiums, and debt issuance costs, were approximately $1.0 billion.

During the three months ended September 30, 2025, we repaid the full principal of $500 million of the 3.75% Notes due 2025 at maturity with available cash.

Capital Deployment

Opioid Litigation Settlements

We had $4.3 billion accrued at September 30, 2025 related to certain national opioid litigation settlements, as further described within Note 6 of the "Notes to Condensed Consolidated Financial Statements." We expect the majority of the remaining payment amounts to occur through 2038. During the three months ended September 30, 2025, we made our fifth annual payment of $366 million under National Opioid Settlement Agreement ("the NOSA") and other payments of $37 million related to the opioid litigation. The amounts of future annual payments under the NOSA may differ from the payments that we have already made.

Capital Expenditures

Capital expenditures during the three months ended September 30, 2025 and 2024 were $108 million and $90 million, respectively.

Dividends

On each of May 5, 2025 and August 15, 2025, our Board of Directors approved a quarterly dividend of $0.5107 per share, or $2.04 per share on an annualized basis, which were paid on July 15, 2025 and October 15, 2025 to shareholders of record on July 1, 2025 and October 1, 2025, respectively.

Share Repurchases

During the three months ended September 30, 2025, we deployed $375 million for repurchases of our common shares under an accelerated share repurchase ("ASR") program. We funded the repurchases with available cash. The ASR program will conclude by October 31, 2025 and reduce the amount remaining under our existing share repurchase authorization to less than $2.4 billion. See Note 10 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Solaris Health Acquisition

On August 12, 2025, we announced that we, through the Specialty Alliance, have entered into a definitive agreement to acquire Solaris Health, a urology MSO, for a purchase price of approximately $1.9 billion in cash, subject to certain adjustments. In connection with the closing of this transaction, we will issue common units in the Specialty Alliance to certain physicians and management which are estimated to have a grant date fair value of approximately $500 million, a portion of which will be recognized as post-combination expense. See Note 2 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Other Items

The MD&A in the 2025 Form 10-K addresses our contractual obligations and cash requirements, as of and for the fiscal year ended June 30, 2025. Other than the considerations noted above in connection with the planned acquisition and our debt issuance, there have been no subsequent material changes outside of the ordinary course of business to those items. See Note 2 and Note 5 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

Critical Accounting Policies and Sensitive Accounting Estimates

Critical accounting policies are those accounting policies that (i) can have a significant impact on our financial condition and results of operations and (ii) require the use of complex and subjective estimates based upon past experience and management's judgment. Other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Estimates are inherently uncertain, therefore actual results may differ, including due to the risks discussed in "Risk Factors" and other risks discussed in the 2025 Form 10-K and our other filings with the SEC since June 30, 2025. There have been no material changes to our critical accounting estimates since the filing of our 2025 Form 10-K.

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.
- 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.
- 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 and amortization as a result of basis differences in equity method investments 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.
- Acquisition-related cash and share-based compensation costs are incurred in connection with contingent cash payments or the issuance of share-based payment awards, which include service requirements, as a part of certain physician practice acquisitions. These costs include fair value adjustments for liability-classified awards. These costs are excluded because they are unrelated to the underlying operating results of our business and to facilitate comparison of our current financial results to our historical financial results and to our peer group companies' financial results. In addition, the magnitude of these expenses is significantly impacted by the timing and size of the acquisitions of physician practices.

- 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.

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 excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net.

Non-GAAP earnings before income taxes: earnings before income taxes excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net.

Non-GAAP net earnings attributable to non-controlling interests: net earnings attributable to non-controlling interests excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net, each net of tax.

Non-GAAP net earnings attributable to Cardinal Health, Inc.: net earnings attributable to Cardinal Health, Inc. excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net, each net of tax.

Non-GAAP effective tax rate: provision for income taxes adjusted for the tax impacts of (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) acquisition-related cash and share-based compensation costs, (6) impairments and (gain)/loss on disposal of assets, net, and (7) litigation (recoveries)/charges, net, divided by (earnings before income taxes adjusted for the 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 Reconciliations

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes	Provision for Income Taxes	Net Earnings Attributable to Non-Controlling Interests	Net Earnings[1]	Net Earnings[1] Growth Rate	Diluted EPS[1]	Diluted EPS[1] Growth Rate
	Three Months Ended September 30, 2025								
GAAP	**$ 668**	**18 %**	**$ 598**	**$ 144**	**$ (4)**	**$ 450**	**8 %**	**$ 1.88**	**11 %**
Restructuring and employee severance	**20**		**20**	**5**		**15**		**0.06**	
Amortization and other acquisition-related costs	**104**		**104**	**30**		**74**		**0.31**	
Acquisition-related cash and share-based compensation costs	**64**		**64**	**1**		**63**		**0.26**	
Impairments and (gain)/loss on disposal of assets, net	**2**		**2**	**1**		**1**		**—**	
Litigation (recoveries)/charges, net	**—**		**—**	**(8)**		**8**		**0.03**	
Non-GAAP	**$ 857**	**37 %**	**$ 788**	**$ 173**	**$ (4)**	**$ 611**	**33 %**	**$ 2.55**	**36 %**
	Three Months Ended September 30, 2024								
GAAP	$ 568	N.M.	$ 541	$ 124	$ (1)	$ 416	N.M.	$ 1.70	N.M.
Restructuring and employee severance	24		24	6		18		0.07	
Amortization and other acquisition-related costs	74		74	20		54		0.22	
Impairments and (gain)/loss on disposal of assets, net	(1)		(1)	—		(1)		—	
Litigation (recoveries)/charges, net	(40)		(40)	(12)		(28)		(0.11)	
Non-GAAP	$ 625	12 %	$ 598	$ 138	$ (1)	$ 460	7 %	$ 1.88	9 %

[1] Attributable to Cardinal Health, Inc.

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 the 2025 Form 10-K since the end of fiscal 2025 through September 30, 2025.

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 September 30, 2025. Based on this evaluation, our principal executive officer and principal financial officer have concluded that as of September 30, 2025, 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 September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Legal Proceedings

The legal proceedings described in Note 6 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 and the risk factors discussed in "Risk Factors" and other risks discussed in the 2025 Form 10-K and our filings with the SEC since June 30, 2025. 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.

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

Over a number of years, the U.S. healthcare industry has undergone significant changes designed to increase access to medical care, improve safety and patient outcomes, contain costs, and increase efficiencies. These changes include a general decline in Medicare and Medicaid reimbursement levels, efforts by healthcare insurance companies to limit or reduce payments to pharmacies and providers, the basis for payments beginning to transition from a fee-for-service model to value-based payments and risk-sharing models, and the industry shifting away from traditional healthcare venues like hospitals and into clinics, physician offices, and patients' homes.

We expect the U.S. healthcare industry to continue to change significantly in the future. Possible changes include changes in legislation or regulations governing prescription pharmaceutical pricing (including recently proposed changes to the definition, implementation and documentation of the Bona Fide Services Fees excluded from the calculation of the Average Sales Price of Medicare Part B drugs), 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 governmental funding at the state or federal level, or efforts by healthcare insurance companies to further limit payments for products and services. Federal, state, and local governmental entities have also continued to increase their scrutiny of the U.S. healthcare market.

Uncertainty surrounding possible changes to the healthcare environment, including changes to regulatory enforcement priorities, may directly or indirectly adversely affect us. The recently issued Executive Order titled "Delivering Most-Favored Nation Prescription Drug Pricing to American Patients" may impact the sales or profitability of branded pharmaceutical products; however, the extent of the impact may vary depending on the timeline for implementation and the number of pharmaceutical drugs that are impacted. Additionally, it is possible that the adoption of the One Big Beautiful Bill Act ("OBBBA") could reduce participation in Medicare and Medicaid programs, resulting in a change in utilization of the healthcare system. This may adversely affect demand for our products and services and could have an effect on our results of operations and financial condition.

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

Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1,2)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Programs (2,3)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Program (3) (in millions)
July 2025	11	$ 159.70	—	$ 2,743
Aug 2025	2,025,391	148.12	2,025,385	2,443
Sept 2025	31	150.34	—	2,443
Total	**2,025,433**	**$ 148.12**	**2,025,385**	**$ 2,443**

(1) Reflects 11, 6, and 31 common shares purchased in July, August, and September 2025, respectively, through a rabbi trust as investments of participants in our Deferred Compensation Plan.

(2) On August 13, 2025, we entered into an ASR program to purchase common shares for an aggregate purchase price of $375 million and received an initial delivery of 2.0 million common shares using a reference price of $148.12. The ASR program will conclude by October 31, 2025. See Note 10 of the "Notes to Condensed Consolidated Financial Statements" for additional information.

(3) 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 September 30, 2025, we had $2.4 billion authorized for share repurchases remaining under this program. The ASR program is expected to reduce the amount remaining under our existing share repurchase authorization to less than $2.4 billion when concluded.

Other Information

Rule 10b5-1 Plan Adoptions and Modifications

During the three months ended September 30, 2025, no director or officer adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K under the Exchange Act.

Condensed Consolidated Statements of Earnings

(Unaudited)

(in millions, except per common share amounts)	Three Months Ended September 30, 2025	2024
Revenue	**$ 64,009**	$ 52,277
Cost of products sold	**61,690**	50,375
Gross margin	**2,319**	1,902
Operating expenses:		
Distribution, selling, general and administrative expenses	**1,461**	1,277
Restructuring and employee severance	**20**	24
Amortization and other acquisition-related costs	**104**	74
Acquisition-related cash and share-based compensation costs	**64**	—
Impairments and (gain)/loss on disposal of assets, net	**2**	(1)
Litigation (recoveries)/charges, net	**—**	(40)
Operating earnings	**668**	568
Other (income)/expense, net	**(10)**	(5)
Interest expense, net	**80**	32
Earnings before income taxes	**598**	541
Provision for income taxes	**144**	124
Net earnings	**454**	417
Less: Net earnings attributable to noncontrolling interests	**(4)**	(1)
Net earnings attributable to Cardinal Health, Inc.	**$ 450**	$ 416
Earnings per common share attributable to Cardinal Health, Inc.:		
Basic	**$ 1.89**	$ 1.71
Diluted	**1.88**	1.70
Weighted-average number of common shares outstanding:		
Basic	**238**	243
Diluted	**239**	245
Cash dividends declared per common share	**$ 0.5107**	$ 0.5056

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(in millions)	Three Months Ended September 30, 2025	2024
Net earnings	**$ 454**	$ 417
Other comprehensive income/(loss):		
Foreign currency translation adjustments and other	**(4)**	5
Net unrealized gain/(loss) on derivative instruments, net of tax	**—**	7
Total other comprehensive income/(loss), net of tax	**(4)**	12
Total comprehensive income	**450**	429
Less: comprehensive income attributable to noncontrolling interests	**(4)**	(1)
Total comprehensive income attributable to Cardinal Health, Inc.	**$ 446**	$ 428

See notes to condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(in millions)	September 30, 2025 (Unaudited)	June 30, 2025
Assets		
Current assets:		
Cash and equivalents	**$ 4,593**	$ 3,874
Trade receivables, net	**13,770**	13,242
Inventories, net	**17,559**	16,831
Prepaid expenses and other	**2,602**	2,414
Assets held for sale	**13**	12
Total current assets	**38,537**	36,373
Property and equipment, net	**2,831**	2,858
Goodwill and other intangibles, net	**12,110**	12,177
Other assets	**1,750**	1,714
Total assets	**$ 55,228**	$ 53,122
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable	**$ 36,860**	$ 34,713
Current portion of long-term obligations and other short-term borrowings	**52**	550
Other accrued liabilities	**3,356**	3,634
Total current liabilities	**40,268**	38,897
Long-term obligations, less current portion	**8,980**	7,977
Deferred income taxes and other liabilities	**8,711**	8,882
Shareholders' deficit:		
Preferred shares, without par value:		
Authorized—**500 thousand** shares, Issued—none	**—**	—
Common shares, without par value:		
Authorized—**755 million** shares, Issued—**271 million** shares at **September 30, 2025** and June 30,2025	**2,746**	2,956
Retained earnings	**1,116**	783
Common shares in treasury, at cost: **33 million** shares and 32 million shares at **September 30, 2025** and June 30, 2025, respectively	**(6,582)**	(6,365)
Accumulated other comprehensive loss	**(159)**	(155)
Total Cardinal Health, Inc. shareholders' deficit	**(2,879)**	(2,781)
Noncontrolling interests	**148**	147
Total shareholders' deficit	**(2,731)**	(2,634)
Total liabilities and shareholders' deficit	**$ 55,228**	$ 53,122

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Shareholders' Deficit

(Unaudited)

(in millions)	Common Shares Issued	Common Shares Amount	Retained Earnings/(Accumulated Deficit)	Treasury Shares	Treasury Shares Amount	Accumulated Other Comprehensive Loss	Noncontrolling Interests	**Total Shareholders' Deficit**
				Three Months Ended September 30, 2025				
Balance at June 30, 2025	271	$ 2,956	$ 783	(32)	$ (6,365)	$ (155)	$ 147	**$ (2,634)**
Net earnings			450				4	**454**
Other comprehensive loss, net of tax						(4)		**(4)**
Acquisitions							(1)	**(1)**
Employee stock plans activity, net of shares withheld for employee taxes	—	(135)		1	86			**(49)**
Share repurchase program activity		(75)		(2)	(303)			**(378)**
Dividends declared			(117)					**(117)**
Payments to noncontrolling interests							(3)	**(3)**
Other							1	**1**
Balance at September 30, 2025	**271**	**$ 2,746**	**$ 1,116**	**(33)**	**$ (6,582)**	**$ (159)**	**$ 148**	**$ (2,731)**
				Three Months Ended September 30, 2024				
Balance at June 30, 2024	327	$ 2,917	$ (286)	(83)	$ (5,677)	$ (167)	$ 1	$ (3,212)
Net earnings			416				1	417
Other comprehensive income, net of tax						12		12
Employee stock plans activity, net of shares withheld for employee taxes	—	(15)		1	17			2
Share repurchase program activity		(75)		(3)	(303)			(378)
Dividends declared			(119)					(119)
Other			3				(1)	2
Balance at September 30, 2024	327	$ 2,827	$ 14	(85)	$ (5,963)	$ (155)	$ 1	$ (3,276)

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(in millions)	Three Months Ended September 30, 2025	2024
Cash flows from operating activities:		
Net earnings	**$ 454**	$ 417
Adjustments to reconcile net earnings to net cash provided by/(used in) operating activities:		
Depreciation and amortization	**233**	182
Impairments and loss on sale of other investments	**5**	1
Impairments and (gain)/loss on disposal of assets, net	**2**	(1)
Share-based compensation	**93**	30
Provision for bad debts	**13**	16
Change in operating assets and liabilities, net of effects from acquisitions and divestitures:		
(Increase)/decrease in trade receivables	**(539)**	288
Increase in inventories	**(736)**	(678)
Increase/(decrease) in accounts payable	**2,147**	(1,394)
Other accrued liabilities and operating items, net	**(699)**	(508)
Net cash provided by/(used in) operating activities	**973**	(1,647)
Cash flows from investing activities:		
Acquisition of subsidiaries, net of cash acquired	**(41)**	—
Additions to property and equipment	**(108)**	(90)
Other investing items, net	**7**	2
Net cash used in investing activities	**(142)**	(88)
Cash flows from financing activities:		
Proceeds from long-term obligations, net of issuance costs	**989**	—
Reduction of long-term obligations	**(512)**	(9)
Purchases/(payments) of noncontrolling interests, net	**(3)**	—
Net tax withholding from share-based compensation	**(80)**	(28)
Dividends on common shares	**(129)**	(128)
Purchase of treasury shares	**(375)**	(375)
Net cash used in financing activities	**(110)**	(540)
Effect of exchange rates changes on cash and equivalents	**(2)**	9
Net increase/(decrease) in cash and equivalents	**719**	(2,266)
Cash and equivalents at beginning of period	**3,874**	5,133
Cash and equivalents at end of period	**$ 4,593**	$ 2,867

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 September 30, 2025 (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 2026 and 2025 in these condensed consolidated financial statements are to the fiscal years ending or ended June 30, 2026 and June 30, 2025, 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, all such adjustments are of a normal and recurring nature. In addition, financial results presented for this fiscal 2026 interim period are not necessarily indicative of the results that may be expected for the full fiscal year ending June 30, 2026. 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, 2025 (the "2025 Form 10-K").

Variable Interest Entities

We evaluate our ownership, contractual, and other interests in entities to determine if they are a variable interest entity (“VIE”), if we have a variable interest in those entities, and the nature and extent of those interests. These evaluations may involve management judgment and the use of estimates and assumptions based on available historical information, among other factors. Based on our evaluations, if we determine we are the primary beneficiary of such VIEs, we consolidate such entities into our financial statements.

Consolidated Variable Interest Entities

We consolidate a VIE when we have the power to direct the activities that most significantly impact the VIE’s economic performance and the obligation to absorb losses or the right to receive benefits that could be significant to the VIE and, as a result, are considered the primary beneficiary of the VIE.

In relation to the acquisition of GI Alliance ("GIA"), we concluded that the GIA management services organization ("MSO") is the primary beneficiary of certain physician practices and therefore are consolidated as VIEs. The GIA VIEs do not have a material impact on our consolidated statements of earnings or consolidated statements of cash flows. Total assets and liabilities included in the consolidated balance sheets for the GIA VIEs were $760 million and $620 million, respectively, as of September 30, 2025.

Noncontrolling Interests

Noncontrolling interests represent the portion of net earnings, comprehensive income, and net assets that is not attributable to Cardinal Health, Inc. Noncontrolling interests as of September 30, 2025 primarily represents third-party equity interests in Integrated Oncology Network ("ION"). See Note 2 for additional information on the acquisition of ION.

Recently Issued Financial Accounting Standards And Disclosure Rules Not Yet Adopted

We assess the adoption impacts of recently issued accounting standards by the FASB on our consolidated financial statements as well as material updates to previous assessments, if any, from the 2025 Form 10-K.

Income Tax Disclosure

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

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03 Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires disaggregated disclosures of certain categories of expenses which

are included in any relevant income statement expense caption on an annual and interim basis. Additionally, the guidance requires the disclosure of total selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This guidance will be effective for us in our fiscal 2028 Form 10-K and should be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact of adoption of this guidance on our disclosures.

Recently Adopted Financial Accounting Standards

There were no new material accounting standards adopted in the three months ended September 30, 2025.

2. Acquisitions

Solaris Health

On August 12, 2025, we announced that we, through the Specialty Alliance, have entered into a definitive agreement to acquire Solaris Health, a urology MSO, for a purchase price of approximately $1.9 billion in cash, subject to certain adjustments. In connection with the closing of this transaction, we will issue common units in the Specialty Alliance to certain physicians and management which are estimated to have a grant date fair value of approximately $500 million, a portion of which will be recognized as post-combination expense within acquisition-related cash and share-based compensation costs.

Solaris Health includes more than 750 providers across more than 250 practice locations in 14 states. Solaris Health will become part of The Specialty Alliance, our multi-specialty MSO platform, and their results will be reported within our Pharma segment. Following the closing of this transaction, we will own approximately 75% of The Specialty Alliance. This transaction is subject to the satisfaction of customary closing conditions, including receipt of required physician and regulatory approvals.

We intend to finance the transaction with a combination of cash proceeds from the recent debt financing and cash on hand. See Note 5 for additional information on the debt financing.

Advanced Diabetes Supply Group ("ADS")

On April 1, 2025, we completed the acquisition of ADS for a purchase price of approximately $1.0 billion in cash, subject to certain adjustments.

Transaction and integration costs associated with the ADS acquisition were $3 million for the three months ended September 30, 2025.

GI Alliance ("GIA")

On January 30, 2025, we completed the acquisition of a 73 percent ownership interest in GIA for a purchase price of approximately $2.8 billion in cash, subject to certain adjustments. Beginning on the third anniversary of the closing, we have the ability to exercise a call right to purchase up to 100 percent of the remaining outstanding interests.

Additionally, on May 30, 2025, we, through the Specialty Alliance, completed the acquisition of Urology America for a purchase price of $381 million in cash and equity in the Specialty Alliance, subject to certain adjustments.

Transaction and integration costs associated with the GIA acquisitions were $11 million for the three months ended September 30, 2025.

Integrated Oncology Network ("ION")

On December 2, 2024, we completed the acquisition of ION for a purchase price of $1.1 billion in cash, subject to certain adjustments.

Transaction and integration costs associated with the ION acquisition were $1 million for the three months ended September 30, 2025.

Fair Value of Assets Acquired and Liabilities Assumed

The allocation of the purchase price for the acquisition of Urology America, ADS, GIA, and ION are not yet finalized and are subject to adjustment as we complete the valuation analysis of these acquisitions. The purchase prices are also subject to adjustment based on working capital requirements as set forth in the acquisition agreements.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date for Urology America, ADS, GIA, and ION:

(in millions)	Urology America	ADS	GIA	ION
Identifiable intangible assets:				
Customer intangibles (1)	$ —	$ 472	$ —	$ 226
Trade names (2)	33	28	200	73
Non-competition agreements (3)	—	—	23	—
Total identifiable intangible assets acquired	33	500	223	299
Identifiable net assets/(liabilities):				
Cash and equivalents	4	14	53	8
Trade receivables, net	23	101	191	59
Inventories	3	78	21	4
Prepaid expenses and other	3	8	13	5
Property and equipment, net	28	1	75	39
Other assets	41	377	312	52
Accounts payable	(20)	(104)	(89)	(10)
Current portion of long-term obligations and other short-term borrowings	—	—	(1)	(3)
Other accrued liabilities	(11)	(488)	(173)	(40)
Long-term obligations, less current portion	(6)	—	(15)	(14)
Deferred income taxes and other liabilities	(46)	(13)	(915)	(90)
Total identifiable net assets/(liabilities) acquired	52	474	(305)	309
Noncontrolling interest	(9)	—	—	(121)
Goodwill	338	575	3,090	881
Total net assets acquired	**$ 381**	**$ 1,049**	**$ 2,785**	**$ 1,069**

(1) The weighted-average useful life of customer intangibles ranges from 10 years to 20 years.

(2) The weighted-average useful life of trade names ranges from 2 years to 10 years.

(3) The weighted-average useful life of non-competition agreements is 4 years.

The valuation of identifiable intangible assets utilizes significant unobservable inputs and thus represents a Level 3 nonrecurring fair value measurement. The discount rates used to arrive at the present values of the identifiable intangible assets for Urology America, ADS, GIA, and ION ranged from 7 to 20 percent, and reflect their internal rates of return and uncertainty in the cash flow projections, which is reflective of market participant assumptions.

The estimated fair value of ION customer intangibles (customer contracts) were determined using an income-based approach, which includes market participant expectations of the cash flows that an asset could generate over its remaining useful life, discounted back to present value using an appropriate rate of return.

The estimated fair value of ADS customer intangibles (payor contracts) were determined using a multi-period excess earnings method, which estimates an intangible asset's value based on the present value of the incremental after-tax cash flows (or “excess earnings”) attributable only to the intangible asset.

The fair value of the Urology America, ADS, GIA, and ION trademark intangible assets were determined utilizing the relief from royalty method, an income-based approach. Under this method, a royalty rate based on observed market royalties is applied to projected revenue supporting the trademarks and discounted to present value using an appropriate discount rate.

The fair value of the non-compete intangibles acquired from GIA were determined by applying the differential cash flow method which compares the present value of cash flows with and without the non-compete agreements in place.

The vested Specialty Alliance Units, formerly referred to as GIA Units, were recognized at their acquisition date fair value of $739 million and are included in deferred income taxes and other liabilities in the consolidated balance sheet. The valuation of the Specialty Alliance Units utilizes significant unobservable inputs and thus represents a recurring Level 3 fair value measurement. The fair value of the Specialty Alliance Units was determined using a discount rate of 9.5% and an estimated weighted average service period of two years.

The noncontrolling interest for ION was recognized at the acquisition-date fair value of $121 million.

3. Restructuring and Employee Severance

The following table summarizes restructuring and employee severance costs:

	Three Months Ended September 30,	
(in millions)	**2025**	2024
Employee-related costs	**$ 15**	$ 16
Facility exit and other costs	**5**	8
Total restructuring and employee severance	**$ 20**	$ 24

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

During the three months ended September 30, 2025 and 2024, restructuring and employee severance costs were primarily related to the implementation of certain enterprise-wide cost-savings measures and certain initiatives to rationalize our manufacturing operations.

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

(in millions)	Employee-Related Costs	Facility Exit and Other Costs	Total
Balance at June 30, 2025	$ 79	$ —	**$ 79**
Additions	14	—	**14**
Payments and other adjustments	(22)	—	**(22)**
Balance at September 30, 2025	**$ 71**	**$ —**	**$ 71**

4. Goodwill and Other Intangible Assets

Goodwill

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

(in millions)	Pharmaceutical and Specialty Solutions	Global Medical Products and Distribution	Other (1)	Total
Balance at June 30, 2025	$ 7,943	$ —	$ 1,748	**$ 9,691**
Goodwill acquired, net of purchase price adjustments	21	—	(3)	**18**
Foreign currency translation adjustments and other	2	—	—	**2**
Balance at September 30, 2025	**$ 7,966**	**$ —**	**$ 1,745**	**$ 9,711**

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

During the three months ended September 30, 2025, we did not identify any indicators of impairment within our reporting units.

Goodwill increased in the three months ended September 30, 2025 due to purchase accounting adjustments related to acquisitions in the Pharma segment and Other.

Other Intangible Assets

The following tables summarize other intangible assets by class at:

	September 30, 2025			
(in millions)	Gross Intangible	Accumulated Amortization	Net Intangible	Weighted-Average Remaining Amortization Period (Years)
Indefinite-life intangibles:				
Trademarks and patents	**$ 14**	**$ —**	**$ 14**	**N/A**
Total indefinite-life intangibles	**14**	**—**	**14**	**N/A**
Definite-life intangibles:				
Customer intangibles	**3,868**	**2,687**	**1,181**	**11**
Trademarks, trade names and patents	**1,341**	**478**	**863**	**8**
Developed technology and other	**1,030**	**739**	**292**	**6**
Non-Competition Agreements	**72**	**23**	**49**	**4**
Total definite-life intangibles	**6,311**	**3,927**	**2,385**	**7**
Total other intangible assets	**$ 6,325**	**$ 3,927**	**$ 2,399**	**N/A**

	June 30, 2025		
(in millions)	Gross Intangible	Accumulated Amortization	Net Intangible
Indefinite-life intangibles:			
Trademarks and patents	$ 13	$ —	$ 13
Total indefinite-life intangibles	13	—	13
Definite-life intangibles:			
Customer intangibles	3,876	2,639	1,237
Trademarks, trade names and patents	1,340	459	881
Developed technology and other	1,030	726	304
Non-Competition Agreements	72	21	51
Total definite-life intangibles	6,318	3,845	2,473
Total other intangible assets	$ 6,331	$ 3,845	$ 2,486

Total amortization of intangible assets was $87 million and $68 million for the three months ended September 30, 2025 and 2024, respectively. Estimated annual amortization of intangible assets for the remainder of fiscal 2026 through 2030 is as follows: $269 million, $366 million, $330 million, $307 million, and $284 million.

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

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

(in millions) (1)	September 30, 2025	June 30, 2025
3.75% Notes due 2025	$ —	$ 501
4.7% Notes due 2026	498	498
3.41% Notes due 2027	1,210	1,206
5.125% Notes due 2029	646	645
5.0% Notes due 2029	745	745
4.5% Notes due 2030	594	—
5.45% Notes due 2034	502	501
5.35% Notes due 2034	990	989
5.15% Notes due 2035	395	—
4.6% Notes due 2043	326	323
4.5% Notes due 2044	338	338
4.9% Notes due 2045	440	438
4.368% Notes due 2047	566	566
5.75% Notes due 2054	641	641
7.0% Debentures due 2026	124	124
Floating Rate Term Loan due 2028	799	799
Other Obligations	218	213
Total	9,032	8,527
Less: current portion of long-term obligations and other short-term borrowings	52	550
Long-term obligations, less current portion	**$ 8,980**	$ 7,977

(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 2026 through 2030 and thereafter are as follows: $42 million, $1.9 billion, $837 million, $674 million, $766 million, and $4.9 billion.

Long-Term Debt

We had total long-term obligations, including the current portion and other short-term borrowings, of $9.0 billion and $8.5 billion at September 30, 2025 and June 30, 2025, 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 $36.9 billion and $34.7 billion at September 30, 2025 and June 30, 2025, respectively.

In August 2025, we issued additional debt, with the aggregate principal amount of $1.0 billion, to fund a portion of the consideration payable in connection with the Solaris Health acquisition and for general purposes. The notes issued are $600 million aggregate principal amount of 4.5% Notes that mature on September 15, 2030 and $400 million aggregate principal amount of 5.15% Notes that mature on September 15, 2035. The proceeds of the notes issued, net of discounts, premiums, and debt issuance costs, were approximately $1.0 billion.

During the three months ended September 30, 2025, we repaid the full principal of $500 million of the 3.75% Notes due 2025 at maturity with available cash.

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 at September 30, 2025 include a $3.0 billion commercial paper program backed by a $2.0 billion revolving credit facility that expires in February 2028 and a $1.0 billion 364-Day revolving credit facility that expired in October 2025. We also had a $1.0 billion committed receivables sales facility through September 2028. At September 30, 2025, we had no amounts outstanding under our commercial paper program, revolving credit facility, or our committed receivables sales facility.

In September 2025, we renewed our committed receivables sales facility program through Cardinal Health Funding, LLC (“CHF”) through September 28, 2028.

In October 2025, we renewed the 364-Day revolving credit facility, under which we have access to $1.0 billion of committed liquidity through October 2026.

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 September 30, 2025, we were in compliance with this financial covenant.

6. Commitments, Contingent Liabilities, and Litigation

Commitments

Generic Sourcing Venture with CVS Health

In July 2014, we established Red Oak Sourcing, LLC ("Red Oak Sourcing"), a U.S.-based generic pharmaceutical sourcing venture with CVS Health for an initial term of 10 years. Red Oak Sourcing negotiates generic pharmaceutical supply contracts on behalf of its participants. In August 2021, we amended our agreement to extend the term through June 2029. We are required to make quarterly payments to CVS Health for the term of the arrangement.

Contingencies

New York Opioid Stewardship Act

In 2018, the State of New York adopted the Opioid Stewardship Act (the "OSA"), which created an aggregate $100 million annual

assessment on all manufacturers and distributors that was assessed based on each manufacturer or distributor's share of the total morphine milligram equivalents sold or distributed in New York, the applicability of which was ultimately limited to two years (2017 and 2018).

Since fiscal 2021, we have made certain payments to New York State for our portion of the assessment. However, we, and other distributors, challenged the OSA as unconstitutional. In May 2024, the New York Appellate Division held that the 2017 assessment was unconstitutionally retroactive, directing a refund of assessments paid for calendar year 2017, but upheld the 2018 assessment. In fiscal 2025, both parties agreed to a settlement which will result in a refund of the portion we paid for calendar year 2017. The refund will be recognized upon receipt of the settlement.

Legal Proceedings

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

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

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

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

We accrue for contingencies related to disputes, litigation, and regulatory matters if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because these matters are inherently unpredictable and unfavorable developments or resolutions can occur, assessing contingencies is highly subjective and requires judgments about future events. We regularly review 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; however, losses and recoveries of lost profits from disputes that occur in the ordinary course of business are included within segment profit.

Because loss contingencies are inherently unpredictable and unfavorable developments or resolutions can occur, the assessment is highly subjective and requires judgments about future events. We regularly review litigation matters to determine whether an accrual is appropriate or, where applicable, whether our accrual is adequate. The amount of ultimate loss may differ materially from amounts accrued, whether as a result of settlement discussions, a judicial decision or verdict, or otherwise. Unless otherwise disclosed, we are not able to estimate a range of reasonably possible losses, or additional losses for these matters.

Opioid Lawsuits and Investigations

As of September 30, 2025, we have $4.3 billion accrued for the opioid-related matters described below, of which $486 million is included in other accrued liabilities and the remainder is included in deferred income taxes and other liabilities in our condensed consolidated balance sheets. During three months ended September 30, 2025 and fiscal 2025, we made payments totaling $403 million and $798 million, respectively, which included our annual payments under the agreement to settle the vast majority of the opioid lawsuits filed by states and local governmental entities and payments related to the settlement agreements with the City of Baltimore and classes of third-party payors and acute care hospitals.

During the three months ended September 30, 2025 and fiscal year 2025, there were no material expenses recognized for these matters.

States & Political Subdivisions

In April 2022, we along with two other national distributors (collectively, the "Distributors"), without admitting liability or wrongdoing, became parties to National Opioid Settlement Agreement ("the NOSA") to settle the vast majority lawsuits and

claims brought by states and political subdivisions related to the distribution of opioid pain medications. In addition to the Distributors, parties to the NOSA include 48 states, the District of Columbia, and 5 U.S. territories. The NOSA also resulted in the resolution of the opioid-related claims of over 99 percent of political subdivisions in settling states (together with settling states and territories, the "Settling Governmental Entities").

Through October 2025, we have paid the Settling Governmental Entities approximately $2.2 billion and we expect to pay the Settling Governmental Entities additional amounts up to $4.1 billion through 2038. As required under the NOSA, a monitor is overseeing compliance with the Injunctive Relief provisions of the NOSA until 2027 and the distributors have engaged a third-party vendor to act as a clearinghouse for data aggregation and reporting, which distributors will fund until 2032.

West Virginia subdivisions and Native American tribes were not a part of the NOSA. In July 2022, we entered into separate agreements to settle the opioid-related claims of the majority of remaining West Virginia subdivisions and Native American Tribes for approximately $124 million over eleven years and $136 million over five years, respectively.

We have now resolved the opioid-related claims of all 50 states and the District of Columbia; however, lawsuits brought by certain subdivisions remain outstanding.

In July 2022, a judgment in favor of the Distributors was entered in a bench trial before a federal judge in West Virginia in a case brought by Cabell County and City of Huntington. In October 2025, the United States Court of Appeals for the Fourth Circuit vacated the district court's judgment and remanded the case for further proceedings. We intend to vigorously defend ourselves in this matter.

Private Plaintiffs

The NOSA 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. There were approximately 195 lawsuits brought by private plaintiffs pending as of October 28, 2025. Of these, approximately 51 are purported class actions. The causes of action asserted by these plaintiffs are similar to those asserted by public plaintiffs. We are vigorously defending ourselves in all of these matters.

Following resolution discussions with certain private plaintiffs during the six months ended December 31, 2024, Distributors finalized agreements with classes of third-party payors and acute care hospitals. Our portion of these settlements totaled $213 million. The settlement with the class of third-party payors was approved by the court in January 2025 and was finalized in August 2025. The settlement with the class of acute care hospitals was approved by the court in March 2025 and became final in April 2025.

Insurance Matters

We are involved in lawsuits in Ohio State court with insurers related to their obligations to reimburse us for defense and indemnity costs in connection with the lawsuits described above. An unfavorable outcome in these coverage matters may result in a change in loss reserves related to opioid litigation recorded by our captive insurance company, which would negatively impact cash flow.

During the three months ended September 30, 2025, we received $5 million in insurance recoveries related to opioid matters, which were recorded in the Pharma segment. During fiscal 2025, we received $25 million in insurance recoveries related to opioid matters. $12 million of the recoveries from our insurers were recorded in the Pharma segment. We have not recorded a receivable for any additional recoveries related to these insurance litigation matters as of September 30, 2025.

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 product liability lawsuits involving claims by 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 will resolve approximately 4,375 claims for $275 million, which we have paid into a qualified settlement fund. Payments to qualified implantees are being made out of the qualified settlement fund and we expect continued payments as additional plaintiffs meet the procedural requirements.

We have also entered into other agreements, which, in addition to the settlement discussed above, resolved the vast majority of IVC filter product liability claims. These settlements did not resolve all IVC filter product liability claims, and we intend to continue to vigorously defend ourselves in the remaining lawsuits.

At September 30, 2025, we had a total of $40 million accrued for losses and legal defense costs, related to the IVC filter product liability lawsuits in our condensed consolidated balance sheets, which includes the $37 million in the qualified settlement fund.

Antitrust Litigation Proceeds

We recognized income for net recoveries in class action antitrust lawsuits in which we were a class member or plaintiff of $43 million during the three months ended September 30, 2024.

7. Income Taxes

Fluctuations in our provision for income taxes as a percentage of our pre-tax earnings ("effective tax rate") are due to changes in international and U.S. state effective tax rates resulting from our business mix and discrete items.

Effective Tax Rate

During the three months ended September 30, 2025 and 2024, the effective tax rate was 24.1 percent and 23.0 percent, respectively.

Unrecognized Tax Benefits

We had $894 million and $879 million of unrecognized tax benefits at September 30, 2025 and June 30, 2025, respectively. The September 30, 2025 and June 30, 2025 balances include $877 million and $871 million of unrecognized tax benefits, respectively, that if recognized, would have an impact on the effective tax rate.

At September 30, 2025 and June 30, 2025, we had $70 million and $65 million, respectively, accrued for the payment of interest and penalties related to unrecognized tax benefits, which we recognize in the provision for income taxes in the condensed consolidated statements of 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.

Other Tax Matters

We file income tax returns in the U.S. federal jurisdiction, various U.S. state and local jurisdictions, and various foreign jurisdictions. With few exceptions, we are subject to audit by taxing authorities for fiscal years 2015 through the current fiscal year.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law, which includes a broad range of tax reform provisions. The OBBBA includes changes to existing tax law, including extending or making permanent certain business and international tax measures initially established under the 2017 Tax Cuts and Jobs Act ("Tax Act"). We have evaluated the impact of the OBBBA and determined that it did not have a material effect on the Company's financial statements for the three months ended September 30, 2025. We will continue to assess the implications of the OBBBA as further guidance becomes available but do not expect the legislation to have a material impact on the effective tax rate in future periods.

8. Fair Value Measurements

Assets and Liabilities Measured on a Recurring Basis

The following tables present the fair values for assets and (liabilities) measured on a recurring basis at:

	September 30, 2025			
(in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash equivalents	**$ 2,523**	**$ —**	**$ —**	**$ 2,523**
Other investments (1)	**109**	**—**	**—**	**109**
Liabilities:				
Forward contracts (2)	**—**	**(34)**	**—**	**(34)**
Share-based awards (3)	**—**	**—**	**(910)**	**(910)**

	June 30, 2025			
(in millions)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	$ 1,672	$ —	$ —	$ 1,672
Other investments (1)	108	—	—	108
Liabilities:				
Forward contracts (2)	—	(48)	—	(48)
Share-based awards (3)	—	—	(843)	(843)

(1) The other investments balance includes investments in mutual funds, which offset fluctuations in deferred compensation liabilities. These mutual funds invest in the equity securities of companies with both large and small market capitalization and high quality fixed income debt securities. The fair value of these investments is determined using quoted market prices.

(2) The fair value of interest rate swaps, foreign currency contracts, and net investment hedges is determined based on the present value of expected future cash flows considering the risks involved, including non-performance risk, and using discount rates appropriate for the respective maturities. Observable Level 2 inputs are used to determine the present value of expected future cash flows. The fair value of these derivative contracts, which are subject to master netting arrangements under certain circumstances, is presented on a gross basis in prepaid expenses and other, other assets, other accrued liabilities, and deferred income taxes and other liabilities within the condensed consolidated balance sheets.

(3) The shared-based awards are comprised of liability-classified awards, as defined under ASC 718, resulting from acquisitions by the Specialty Alliance. The fair value of the Specialty Alliance Units are determined using the discounted cash flow method. These are presented in deferred income taxes and other liabilities within the consolidated balance sheets. See Note 13 for additional information.

9. 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 and currency exchange risk. We do not use derivative instruments for trading or speculative purposes. While the majority of our derivative instruments are designated as hedging instruments, we also enter into derivative instruments that are designed to hedge a risk, but are not designated as hedging

instruments. These derivative instruments are adjusted to current fair value through earnings at the end of each period. We are exposed to counterparty credit risk on all of our derivative instruments. Accordingly, we have established and maintain strict counterparty credit guidelines and only enter into derivative instruments with major financial institutions that are rated investment grade or better. We do not have significant exposure to any one counterparty and we believe the risk of loss is remote. Additionally, we do not require collateral under these agreements.

Interest Rate Risk Management

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on cash flows and the market value of our borrowings. We utilize a mix of debt maturities 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.

Fair Value Hedges

We enter into pay-floating interest rate swaps to hedge the changes in the fair value of fixed-rate debt resulting from fluctuations in interest rates. These contracts are designated and qualify as fair value hedges. Accordingly, the gain or loss recorded on the pay-floating interest rate swaps is directly offset by the change in fair value of the underlying debt. Both the derivative instrument and the underlying debt are adjusted to market value at the end of each period with any resulting gain or loss recorded in interest expense, net in the condensed consolidated statements of earnings. For the three months ended September 30, 2025 and 2024, there were no gains or losses recorded to interest expense as changes in the market value of our derivative instruments offset changes in the market value of the underlying debt.

During the three months ended September 30, 2025 we entered into pay-floating interest rate swaps with total notional amounts of $300 million. These swaps were 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 and foreign currency 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 recognized in other comprehensive income were immaterial for both the three months ended September 30, 2025 and 2024. Gains and losses recognized in accumulated other comprehensive loss and reclassified into earnings were immaterial for the three months ended September 30, 2025 and 2024, respectively. Gains currently included within accumulated other comprehensive income associated with our cash flow hedges to be reclassified into net earnings within the next 12 months are immaterial.

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.

In September 2025, we entered into ¥18 billion ($120 million) cross-currency swaps maturing in September 2027.

In September 2025, we terminated the ¥18 billion ($120 million) cross-currency swaps entered into in September 2023 and received settlement in cash of $3 million, recorded in our consolidated statements of cash flows.

Cross-currency swaps designated as net investment hedges are marked to market using the current spot exchange rate as of the end of the period, with gains and losses included in the foreign currency translation component of accumulated other comprehensive loss until the sale or substantial liquidation of the underlying net investments. To the extent the cross-currency swaps designated as net investment hedges are not highly effective, changes in carrying value attributable to the change in spot rates are recorded in earnings.

Pre-tax gains and losses from net investment hedges recorded in the foreign currency translation component of accumulated other comprehensive loss were immaterial for the three months ended September 30, 2025 and 2024, respectively. Gains recognized in interest expense, net in the condensed consolidated statements of earnings for the portion of the net investment hedges excluded from the assessment of hedge effectiveness were immaterial during both the three months ended September 30, 2025 and 2024.

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 in the consolidated statement of earnings. We recorded an immaterial loss during both the three months ended September 30, 2025 and 2024. The principal currencies managed through foreign currency contracts are the Canadian dollar, Chinese renminbi, Mexican peso, Brazilian real, and Indian rupee.

Fair Value of Financial Instruments

The carrying amounts of cash and equivalents, trade receivables, net, accounts payable, and other accrued liabilities at September 30, 2025 and June 30, 2025 approximate fair value due to their short-term maturities.

The following table summarizes the estimated fair value of our long-term obligations and other short-term borrowings compared to the respective carrying amounts at:

(in millions)	**September 30, 2025**	June 30, 2025
Estimated fair value	**$ 8,126**	$ 8,388
Carrying amount	**9,032**	8,527

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

10. Shareholders' Deficit

During the three months ended September 30, 2025, we entered into an accelerated share repurchase ("ASR") program to repurchase common shares for an aggregate purchase price of $375 million. We received an initial delivery of 2.0 million common shares using a reference price of $148.12. The program will conclude by October 31, 2025.

During the three months ended September 30, 2024, we entered into an ASR program to repurchase common shares for an aggregate purchase price of $375 million. We received an initial delivery of 2.7 million common shares using a reference price of $109.65. The program concluded on October 30, 2024 at a volume weighted average price per common share of $110.10 resulting in a final delivery of 0.7 million common shares.

We funded the repurchases with available cash. The common shares repurchased are held in treasury to be used for general corporate purposes.

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)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	**Accumulated Other Comprehensive Loss**
Balance at June 30, 2025	$ (141)	$ (14)	**$ (155)**
Other comprehensive (loss)/income, before reclassifications	(4)	2	**(2)**
Amounts reclassified to earnings	—	(2)	**(2)**
Total other comprehensive loss attributable to Cardinal Health, Inc., net of tax expense of $1 million	(4)	—	**(4)**
Balance at September 30, 2025	**$ (145)**	**$ (14)**	**$ (159)**

(in millions)	Foreign Currency Translation Adjustments	Unrealized Gain/(Loss) on Derivatives, net of tax	Accumulated Other Comprehensive Loss
Balance at June 30, 2024	$ (138)	$ (29)	$ (167)
Other comprehensive income, before reclassifications	5	6	11
Amounts reclassified to earnings	—	1	1
Total other comprehensive income attributable to Cardinal Health, Inc., net of tax benefit of $5 million	5	7	12
Balance at September 30, 2024	$ (133)	$ (22)	$ (155)

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

The following table reconciles the number of common shares used to compute basic and diluted earnings per share attributable to Cardinal Health, Inc. ("EPS"):

	Three Months Ended September 30,	
(in millions)	**2025**	2024
Weighted-average common shares–basic	**238**	243
Effect of dilutive securities:		
Employee stock options, restricted share units, and performance share units	**1**	2
Weighted-average common shares–diluted	**239**	245

The potentially dilutive employee stock options, restricted share units, and performance share units that were excluded from the

computation of diluted EPS were immaterial for the three months ended September 30, 2025 and 2024.

12. Segment Information

We operate under two reportable segments: Pharmaceutical and Specialty Solutions ("Pharma") and Global Medical Products and Distribution ("GMPD"). All remaining operating segments that are not significant enough to require separate reportable segment disclosures are included in Other, which is comprised of Nuclear and Precision Health Solutions, at-Home Solutions, and OptiFreight® Logistics. The factors for determining the reportable segments include the manner in which management evaluates performance for purposes of allocating resources and assessing performance combined with the nature of the individual business activities.

Our Pharma segment distributes branded and generic pharmaceutical, specialty pharmaceutical, and over-the-counter healthcare and consumer products in the United States. This segment also provides services to pharmaceutical manufacturers and healthcare providers for specialty pharmaceutical products; provides pharmacy management services to hospitals and operates a limited number of pharmacies, including pharmacies in community health centers; repackages generic pharmaceuticals and over-the-counter healthcare products; and includes our managed services organization platforms for physician offices.

Our GMPD segment manufactures, sources, and distributes Cardinal Health brand medical, surgical, and laboratory products, which are sold in the United States, Canada, Europe, Asia, and other markets. This segment also distributes a broad range of medical, surgical, and laboratory products known as national brand products to hospitals, ambulatory surgery centers, clinical laboratories, and other healthcare providers in the United States and Canada.

The remaining three non-reportable operating segments included in Other are Nuclear and Precision Health Solutions, at-Home Solutions, and OptiFreight® Logistics. These operating segments respectively operate nuclear pharmacies and radiopharmaceutical manufacturing facilities, distribute medical products to patients' homes in the United States, and provide supply chain services and solutions to our customers.

Revenue

The following table presents revenue for the two reportable segments and disaggregated revenue within the remaining operating segments, included in Other, and Corporate:

	Three Months Ended September 30,	
(in millions)	**2025**	2024
Pharmaceutical and Specialty Solutions	**$ 59,205**	$ 47,990
Global Medical Products and Distribution	**3,184**	3,123
Nuclear and Precision Health Solutions	**436**	373
at-Home Solutions	**1,115**	739
OptiFreight® Logistics	**90**	74
Other	**1,641**	1,186
Total segment revenue	**64,030**	52,299
Corporate (1)	**(21)**	(22)
Total revenue	**$ 64,009**	$ 52,277

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

The following table presents revenue by geographic area:

	Three Months Ended September 30,	
(in millions)	**2025**	2024
United States	**$ 63,611**	$ 51,891
International	**419**	408
Total segment revenue	**64,030**	52,299
Corporate (1)	**(21)**	(22)
Total revenue	**$ 64,009**	$ 52,277

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

Segment Profit

The Company's Chief Executive Officer, the chief operating decision maker ("CODM"), evaluates segment performance based on segment profit, among other measures. Segment profit is segment revenue, less segment cost of products sold, less segment distribution, selling, general and administrative ("SG&A") expenses. Segment SG&A expenses include share-based compensation expense as well as allocated corporate technology and shared functions expenses, including corporate management, corporate finance, financial and customer care shared services, human resources, information technology, and legal and compliance, including certain litigation defense costs. Corporate expenses are allocated to the operating segments based on headcount, level of benefit provided, and other ratable allocation methodologies. The results attributable to noncontrolling interests are recorded within segment profit.

We do not allocate the following items to our segments:

- last-in first-out, or ("LIFO"), inventory charges/(credits);
- state opioid assessment related to prior fiscal years;

- restructuring and employee severance;
- amortization and other acquisition-related costs;
- acquisition-related cash and share-based compensation costs;
- impairments and (gain)/loss on disposal of assets, net;
- litigation (recoveries)/charges, net;
- other (income)/expense, net;
- interest expense, net;
- provision for/(benefit from) income taxes

In addition, certain investment spending and 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 $16 million and $12 million for the three months ended September 30, 2025 and 2024, respectively.

The following table presents segment profit for the two reportable segments and the remaining operating segments, included in Other, and Corporate:

	Three Months Ended September 30, 2025			
(in millions)	Pharma	GMPD	Other	Total
Segment revenue	$ 59,205	$ 3,184	$ 1,641	$ 64,030
Cost of product sold	57,857	2,633	1,221	61,711
SG&A	681	505	254	1,440
Total segment expenses	58,538	3,138	1,475	63,151
Segment profit	$ 667	$ 46	$ 166	$ 879
Corporate (1)				(211)
Consolidated operating earnings				$ 668

	Three Months Ended September 30, 2024			
(in millions)	Pharma	GMPD	Other	Total
Segment revenue	$ 47,990	$ 3,123	$ 1,186	$ 52,299
Cost of product sold	46,909	2,604	884	50,397
SG&A	551	511	198	1,260
Total segment expenses	47,460	3,115	1,082	51,657
Segment profit	$ 530	$ 8	$ 104	$ 642
Corporate (1)				(74)
Consolidated operating earnings				$ 568

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

Segment Assets

The following table presents total assets for two reportable segments and the remaining operating segments, included in Other, and Corporate:

(in millions)	September 30, 2025	June 30, 2025
Pharmaceutical and Specialty Solutions	$ 38,683	$ 37,313
Global Medical Products and Distribution	7,133	6,889
Other	4,049	4,045
Corporate	5,363	4,875
Total assets	$ 55,228	$ 53,122

The following tables present depreciation and amortization and additions to property and equipment for the two reportable segments and the remaining operating segments, included in Other, and Corporate:

	Three Months Ended September 30,	
(in millions)	2025	2024
Pharmaceutical and Specialty Solutions	$ 61	$ 27
Global Medical Products and Distribution	55	49
Other	29	18
Corporate	88	88
Total depreciation and amortization	$ 233	$ 182

	Three Months Ended September 30,	
(in millions)	2025	2024
Pharmaceutical and Specialty Solutions	$ 32	$ 11
Global Medical Products and Distribution	19	23
Other	15	12
Corporate	42	44
Total additions to property and equipment	$ 108	$ 90

The following table presents property and equipment, net by geographic area:

(in millions)	September 30, 2025	June 30, 2025
United States	$ 2,396	$ 2,422
International	435	436
Total property and equipment, net	$ 2,831	$ 2,858

13. Share-Based Compensation

We maintain Cardinal Health, Inc. corporate stock incentive plans (collectively, the "Plans") for the benefit of certain of our officers, directors, and employees. As of September 30, 2025, we have 15 million shares authorized for issuance under the Plans. Upon vesting these units convert to common shares without restrictions or future service requirements.

The following table provides total share-based compensation expense by type of award:

(in millions)	Three Months Ended September 30, 2025	2024
Restricted share unit expense	$ 18	$ 19
Performance share unit expense	12	11
Total share-based compensation	**$ 30**	$ 30

The total tax benefit related to share-based compensation was $4 million for both the three months ended September 30, 2025 and 2024. Share-based compensation expense is included in selling, general, and administrative expenses in the condensed consolidated statements of earnings. Our condensed consolidated statements of cash flows present our share-based compensation expense as a reconciling adjustment between net income and net cash provided by operating activities for all periods presented.

Restricted Share Units

Restricted share units granted under the Plans generally vest in equal annual installments over three years. Restricted share units accrue cash dividend equivalents that are payable upon vesting of the awards.

The following table summarizes all transactions related to restricted share units under the Plans:

(in millions, except per share amounts)	Restricted Share Units	Weighted-Average Grant Date Fair Value per Share
Nonvested at June 30, 2025	1.4	$ 86.30
Granted	0.5	149.63
Vested	(0.7)	88.51
Canceled and forfeited	—	—
Nonvested at September 30, 2025	**1.2**	**$ 119.11**

The total fair value of units vested during both the three months ended September 30, 2025 and 2024 were $53 million.

At September 30, 2025, the total pre-tax compensation cost, net of estimated forfeitures, related to nonvested restricted share units not yet recognized was $110 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 extent to which the targets are achieved and our total shareholder return relative to the S&P 500 Health Care Index, vested shares may range from zero to 240 percent of the target award amount. Performance share units accrue cash dividend equivalents that are payable upon vesting of the awards.

The following table summarizes all transactions related to performance share units under the Plans (based on target award amounts):

(in millions, except per share amounts)	Performance Share Units	Weighted-Average Grant Date Fair Value per Share
Nonvested at June 30, 2025	1.5	$ 99.45
Granted	0.3	153.66
Vested	(0.6)	92.71
Canceled and forfeited	—	—
Nonvested at September 30, 2025	**1.2**	**$ 115.79**

The total fair value of units vested during the three months ended September 30, 2025 and 2024 were $108 million and $45 million, respectively.

At September 30, 2025, the total pre-tax compensation cost, net of estimated forfeitures, related to nonvested performance share units not yet recognized was $59 million, which is expected to be recognized over a weighted-average period of two years if the performance goals are achieved.

Specialty Alliance Share-Based Compensation

Specialty Alliance, a majority-owned subsidiary of Cardinal Health, maintains standalone share-based compensation plans. Share-based compensation expense associated with these awards of $63 million was recognized during the three months ended September 30, 2025, of which $61 million is included in acquisition-related cash and share-based compensation costs and $2 million is included in selling, general, and administrative expenses in the condensed consolidated statements of earnings. The liability and associated future expenses may vary based on the changes in the estimated fair value.

The following table summarizes the fair market value of the Specialty Alliance Units as of September 30, 2025:

(in millions, except per share amounts)	Specialty Alliance Share Units	Fair Value per Share
Nonvested at June 30, 2025	206	$ 1.54
Granted	28	1.54
Vested	(35)	1.54
Canceled and forfeited	(1)	1.54
Nonvested at September 30, 2025	**199**	**$ 1.56**
Vested at September 30, 2025	**585**	**$ 1.56**

The total fair value of the Specialty Alliance Units vested during the three months ended September 30, 2025 was $53 million. During the three months ended September 30, 2025, we recognized an increase in the fair value of the liability, resulting in expense of $10 million, related to the vested Specialty Alliance Units, which is recognized in acquisition-related cash and share-based compensation costs.

At September 30, 2025, the total pre-tax compensation cost related to nonvested Specialty Alliance Units not yet recognized

was $310 million, which is expected to be recognized over a weighted-average period of approximately one year.

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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, File No. 1-11373)
3.2	Cardinal Health, Inc. Restated Code of Regulations (incorporated by reference to Exhibit 3.1 to Cardinal Health's Current Report on Form 8-K filed on May 11, 2023, File No. 1-11373)
4.1	Third Supplemental Indenture, dated as of August 27, 2025, between Cardinal Health, Inc., as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to Cardinal Health, Inc.'s Current Report on Form 8-K filed on August 27, 2025, File No. 1-11373)
4.2	Form of 4.500% Notes due 2030 (included in Exhibit 4.1)
4.3	Form of 5.150% Notes due 2035 (included in Exhibit 4.1)
10.1	First Amendment, dated September 30, 2025, to the Fifth Amended and Restated Receivables Purchase Agreement (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on October 3, 2025, File No. 1-11373)
10.2	364-Day Credit Agreement, dated October 7, 2025 (incorporated by reference to Exhibit 10.1 to Cardinal Health's Current Report on Form 8-K filed on October 10, 2025, File No. 1-11373)
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 Sarbanes-Oxley Act of 2002
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 news releases, financial information, earnings and analyst presentations, and information about upcoming presentations and events is routinely posted and accessible at ir.cardinalhealth.com. In addition, the website allows investors and other interested persons to sign up automatically to receive e-mail alerts when we post news releases, SEC filings, and certain other information on its website.

Form 10-Q Cross Reference Index

N/A Not applicable

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cardinal Health, Inc.

Date: October 30, 2025

/s/ JASON M. HOLLAR

Jason M. Hollar
Chief Executive Officer

/s/ AARON E. ALT

Aaron E. Alt
Chief Financial Officer

Exhibit 31.1

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 necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2025

/s/ JASON M. HOLLAR

Jason M. Hollar

Chief Executive Officer

Exhibit 31.2

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 necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2025

/s/ AARON E. ALT

Aaron E. Alt
Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer and the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Jason M. Hollar, Chief Executive Officer of Cardinal Health, Inc. (the "Company") and Aaron E. Alt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

(1) the Periodic Report on Form 10-Q for the quarter ended September 30, 2025 containing the financial statements of the Company (the "Periodic Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Dated: October 30, 2025

/s/ JASON M. HOLLAR
Jason M. Hollar
Chief Executive Officer

/s/ AARON E. ALT
Aaron E. Alt
Chief Financial Officer

Statement Regarding Forward-Looking Information

As used in this exhibit, “we,” “our,” “us” and similar pronouns refer to Cardinal Health, Inc. and its subsidiaries, unless the context requires otherwise. Our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended June 30, 2025 (the “2025 Form 10-K”), and our quarterly reports on Form 10-Q, 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 releases or any other written or oral statements made by or on behalf of us, including materials posted on our website, may include, directly or by incorporation by reference, forward-looking statements that reflect our current view (as of the date the forward-looking statement is first made) about future events, prospects, projections or financial performance. The matters discussed in these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied in or by such statements. These risks and uncertainties include:

- competitive pressures in the markets in which we operate, including pricing pressures;
- uncertainties relating to the pricing of and demand for generic pharmaceuticals;
- uncertainties related to recently imposed or threatened tariffs on China, Mexico and Canada and other countries, and any retaliatory actions taken by these countries, which will result in us incurring additional costs to procure products or materials that we source, manufacture and distribute, including the risk that we will not be successful at mitigating the negative impact of such increased costs, the risk that we may not be able to establish alternate sources of supply and may experience supply disruptions or shortages;
- uncertainties relating to the timing, frequency and profitability of generic pharmaceutical launches or other components of our pharmaceutical generics program;
- changes in the timing or frequency of the introduction of branded pharmaceuticals;
- material reductions in purchases, pricing changes, non-renewal, early termination, or delinquencies or defaults under contracts with key customers;
- costs or claims resulting from quality issues, or other potential or alleged errors or defects in our manufacturing or sourcing of medical devices or other products or in our compounding, repackaging, information systems or pharmacy management services that may injure persons or damage property or operations, including costs from recalls, remediation efforts, and related product liability claims and lawsuits, including class action lawsuits;
- any compromise of our information systems or of those of a third-party service provider, including unauthorized access to or use or disclosure of company or customer information, disruption of access and ancillary risks associated with our ability to effectively manage any issues arising from any such compromise or disruption;
- continuing risks associated with the resolution and defense of the lawsuits and investigations in which we have been or will be named relating to the distribution of prescription opioid pain medication, including the investigations by the U.S. Department of Justice which concerns our anti-diversion program, our anti-diversion policies and procedures and our distribution of certain controlled substances;
- risks associated with the national opioid settlement agreement, including the risk that the maintenance of the required changes to distributors' controlled substance anti-diversion programs may result in unforeseen costs or operational challenges and the risk that if we fail to or are alleged to have failed to comply with the terms of the settlement agreement, we could incur monetary or other penalties or result in additional lawsuits being filed against us;
- uncertainties related to Cardinal Health Brand products, including our ability to manage cost and infrastructure, retain margin, increase volume and improve performance;
- significantly increased costs for commodities and other materials used in the Global Medical Products and Distribution segment manufacturing, including various components, compounds, raw materials or energy such as oil-based resins, pulp, cotton, latex and other commodities and the possibility that we may not successfully offset or mitigate these increases;
- risks arising from acquisitions, including possible liabilities relating to the operations or activities of such businesses prior to their acquisition, and uncertainties relating to our ability to achieve the anticipated results from acquisitions, including as a result of entering new lines of business with risks and uncertainties that may be different from or more significant than risks and uncertainties facing our legacy businesses;
- risks associated with the tax benefit from our self-insurance loss claims, including, certain state courts' interpretation of laws and insurance policies in ways that may impact our self-insurance loss, which could negatively impact our financial position;
- disruption, damage or lack of access to, or failure of, our or our third-party service providers' information systems, our critical facilities, including our national logistics center, or our distribution networks;
- risks associated with our Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, including the risk that failure to comply with the requirements set forth therein could result in monetary or other penalties;
- our high sales concentration with certain key customers, including CVS Health Corporation;
- our ability to maintain the benefits of our generic pharmaceutical sourcing venture with CVS Health Corporation;

- actions of regulatory bodies and other governmental authorities, including the U.S. Drug Enforcement Administration, certain agencies within the U.S. Department of Health and Human Services (including the U.S. Food and Drug Administration, Centers for Medicare and Medicaid Services, the Office of Inspector General and the Office for Civil Rights), the U.S. Nuclear Regulatory Commission, the U.S.

Federal Trade Commission, the U.S. Customs and Border Protection, various state boards of pharmacy, state controlled substance authorities, state health departments, state insurance departments, state Medicaid departments or comparable regulatory bodies or governmental authorities or foreign equivalents that, in each case, could delay, limit or suspend product development, manufacturing, distribution, importation or sales or result in warning letters, recalls, seizures, injunctions or monetary sanctions;

- shortages in commodities, components, compounds, raw materials or energy used by our businesses, including supply disruptions of radioisotopes;
- the loss of, or default by, one or more key suppliers for which alternative suppliers may not be readily available;
- uncertainties with respect to certain business process initiatives, including IT infrastructure activities and outsourcing relationships, including the ability to achieve the expected benefits from such initiatives, the risk that we could incur unexpected charges, and the risk that we may fail to retain key personnel;
- difficulties or delays in the development, production, manufacturing, sourcing and marketing of new or existing products and services, including difficulties or delays associated with obtaining or maintaining requisite regulatory consents, whether our own or third parties', or approvals associated with those activities;
- manufacturing disruptions, whether due to regulatory action, including regulatory action to reduce ethylene oxide ("EtO") emissions, production quality deviations, safety issues or raw material shortages or defects, or because a key product is manufactured at a single manufacturing facility with limited alternate facilities;
- risks associated with industry reliance on EtO to sterilize certain medical products that we manufacture or distribute, including the possibility that regulatory actions to reduce EtO emissions could become more widespread, which may result in increased costs or supply shortages; and risks that the lawsuits against us alleging personal injury resulting from EtO exposure could become more widespread;
- the possibility that we could be subject to adverse changes in the tax laws or challenges to our tax positions, including the possibility that the corporate tax rate in the U.S. could be increased;
- risks arising from possible violations of healthcare fraud and abuse laws;
- risks arising from possible violations of the U.S. Foreign Corrupt Practices Act and other similar anti-corruption laws in other jurisdictions and U.S. and foreign export control, trade embargo and customs laws;
- risks arising from our collecting, handling and maintaining patient-identifiable health information and other sensitive personal and financial information, which are subject to federal, state and foreign laws that regulate the use and disclosure of such information;
- risks arising from certain of our businesses being Medicare-certified suppliers or participating in other federal and state healthcare programs, such as state Medicaid programs and the federal 340B drug pricing program, which businesses are subject to accreditation and quality standards and other rules and regulations, including applicable reporting, billing, payment and record-keeping requirements;
- risks arising from pharmaceutical manufacturers' restriction of sales under the 340B drug pricing program to contract pharmacies, which may adversely impact our customers;
- risks arising from certain of our businesses manufacturing pharmaceutical and medical products or repackaging pharmaceuticals that are purchased or reimbursed through, or are otherwise governed by, federal or state healthcare programs, which businesses are subject to federal and state laws that establish eligibility for reimbursement by such programs and other applicable standards and regulations;
- changes in laws or changes in the interpretation or application of laws or regulations, as well as possible failures to comply with applicable laws or regulations, including as a result of possible misinterpretations or misapplications;
- unfavorable changes to the terms or with our ability to meet contractual obligations of key customer or supplier relationships, or changes in customer mix;
- risks arising from changes in U.S. or foreign tax laws and unfavorable challenges to our tax positions and payments to settle these challenges, which may adversely affect our effective tax rate or tax payments;
- uncertainties due to possible government healthcare reform, including proposals related to Medicare drug rebate arrangements, possible repeal or replacement of major parts of the Patient Protection and Affordable Care Act, proposals related to prescription drug pricing transparency and the possible adoption of Medicare-For-All;
- reductions or limitations on governmental funding at the state or federal level or efforts by healthcare insurance companies to limit payments for products and services;
- changes in manufacturers' pricing, selling, inventory, distribution or supply policies or practices;
- changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits;
- uncertainties arising as a result of the Supreme Court decision on Dobbs vs. Jackson, including uncertainties associated with states' proposed and adopted laws which may impact our ability to distribute or store certain pharmaceutical products and the risk that we could incur unforeseen costs to comply with these new laws in various jurisdictions;
- changes in hospital buying groups or hospital buying practices;

- changes in distribution or sourcing models for pharmaceutical and medical and surgical products, including an increase in direct and limited distribution;
- changes to the prescription drug reimbursement formula and related reporting requirements for generic pharmaceuticals under Medicaid;
- continuing consolidation in the healthcare industry, which could give the resulting enterprises greater bargaining power and may increase pressure on prices for our products and services or result in the loss of customers;
- risks to our business and information and controls systems in the event that business process improvements, infrastructure modernization or initiatives to use third-party service providers for key systems and processes are not effectively implemented;
- the risk that we may not effectively implement and maintain data governance structures across businesses to allow us to access and interpret our data, which could put us at a competitive disadvantage relative to our peers;
- the results, costs, effects or timing of any commercial disputes, government contract compliance matters, patent infringement claims, *qui tam* actions, government investigations, shareholder lawsuits or other legal proceedings;
- the possibility that our business performance or internal control over financial reporting may be adversely impacted if we are not successful at attracting, retaining and developing talent;
- losses relating to product liability lawsuits and claims regarding products for which we cannot obtain product liability insurance or for which such insurance may not be adequate to cover our losses, including the product liability lawsuits we are currently defending relating to alleged personal injuries associated with the use of Cordis inferior vena cava filter products;
- risks associated with the importation of products or source materials used in products that we manufacture or distribute, including risks associated with our country-of-origin determinations and the possibility that we could experience additional supply disruptions as a result of the Uyghur Forced Labor Prevention Act or other similar regulations;
- our ability to maintain adequate intellectual property protections;
- our ability to manage and complete divestitures or other strategic business combination transactions, including our ability to find buyers or other strategic exit opportunities and risks associated with the possibility that we could experience greater dis-synergies than anticipated or otherwise fail to achieve our strategic objectives;
- bankruptcy, insolvency or other credit failure of a customer or supplier that owes us a substantial amount;
- risks associated with global operations, including the effect of local economic environments, inflation, recession, currency volatility and global competition, in addition to risks associated with compliance with U.S. and international laws relating to global operations;
- uncertainties with respect to U.S. or international trade policies, tariffs, excise or border taxes and their impact on our ability to source products or materials that we need to conduct our business;
- risks associated with our use of and reliance on the global capital and credit markets, including our ability to access credit and our cost of credit, which may adversely affect our ability to efficiently fund our operations or undertake certain expenditures;
- our ability to introduce and market new products and our ability to keep pace with advances in technology;
- significant charges to earnings if goodwill or intangible assets become impaired;
- uncertainties relating to general political, business, industry, regulatory and market conditions; and
- other factors described in the “Risk Factors” section of the 2025 Form 10-K.

The words “expect,” “anticipate,” “intend,” “plan,” “believe,” “will,” “should,” “could,” “would,” “project,” “continue,” “likely,” and similar expressions generally identify “forward-looking statements,” which speak only as of the date the statements were made, and also include statements reflecting future results or guidance, statements of outlook and expense accruals. We undertake no obligation to update or revise any forward-looking statements, except to the extent required by applicable law.