

McKesson Corporation
J.P. Morgan Healthcare Conference

Brian Tyler

President and Chief Operating Officer

Forward-Looking Statements

Some of the information in this presentation is not historical in nature and may constitute forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking terminology such as “believes,” “expects,” “anticipates,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” or the negative of these words or other comparable terminology. The discussion of financial trends, strategy, plans or intentions may also include forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied by such statements. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, those described in the Company’s annual, quarterly and current reports (i.e., Form 10-K, Form 10-Q and Form 8-K) as filed or furnished with the Securities and Exchange Commission (SEC). You are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date such statements were first made. To the degree financial information is included in this presentation, it is in summary form only and must be considered in the context of the full details provided in the Company’s most recent annual, quarterly or current report as filed or furnished with the SEC. The Company’s SEC reports are available at www.mckesson.com under the “Investors” tab. Except to the extent required by law, the Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

GAAP / Non-GAAP Reconciliation

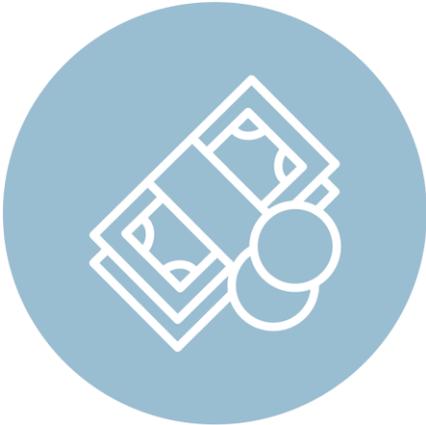
In an effort to provide additional and useful information regarding the Company’s financial results and other financial information as determined by generally accepted accounting principles (GAAP), certain materials in this presentation include non-GAAP information. The Company believes the presentation of non-GAAP measures provides useful supplemental information to investors with regard to its core operating performance as well as comparability of financial results period-over-period. A reconciliation of the non-GAAP information to GAAP, and other related information is available in the tables accompanying each period’s earnings press release, materials furnished to the SEC, and posted to www.mckesson.com under the “Investors” tab.

McKesson At A Glance



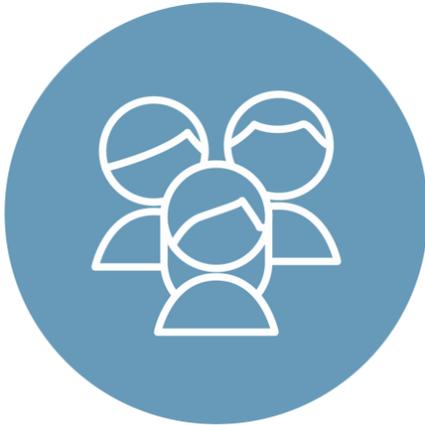
\$208B

FY18 Revenues



\$3.8B

FY18 Free Cash Flows¹



78,000

Worldwide Employees²

¹Reflects non-GAAP measure defined as net cash provided by operating activities less property acquisitions and capitalized software expenditures. Such capital expenditures were approximately \$0.6 billion in FY18.

²As of March 31, 2018.

Putting The Patient At The Center Of What We Do

Delivering **1/3 of all prescription medicine** in North America



Treating **~1M cancer patients annually** in the U.S. Oncology Network



Serving **~700M customers annually** across Europe



Providing medical-surgical supplies to **>200,000 medical practices** in the U.S.



Operational data reflected as of March 31, 2018.

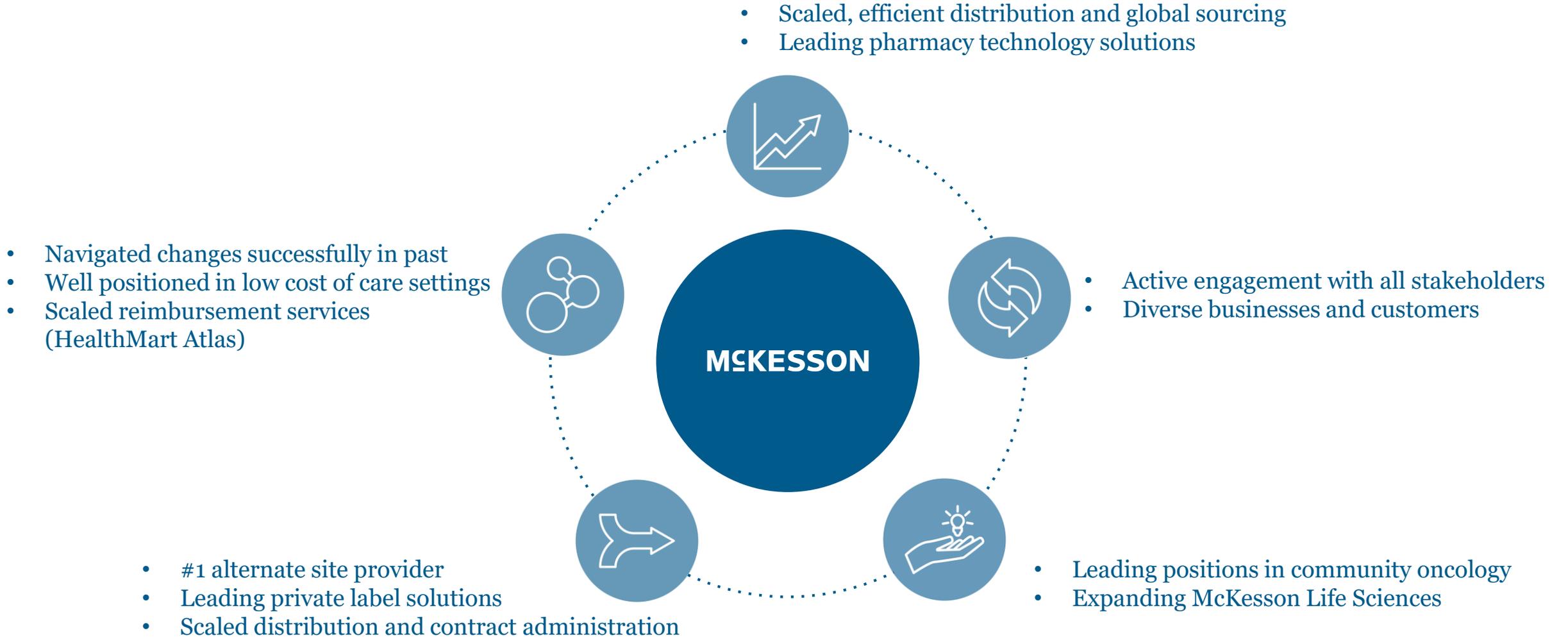
¹Represents activity from program inception through March 31, 2018.

Industry Dynamics



Industry Dynamics

How McKesson Is Responding



Diverse Solutions That Enhance Patient Care

U.S. Pharmaceutical and Specialty Solutions

- Delivering 1/3 of all prescription medicine in N. America
- Expanding McKesson Life Sciences portfolio
- Leading community oncology network
- >5,000 Health Mart stores

European Pharmaceutical Solutions

- Leading wholesale/retail provider
- Retail pharmacy solutions
 - Largest community pharmacy network in the UK
- Wholesale operations
 - 12 countries

Medical-Surgical Solutions

- #1 in the ambulatory and post-acute care continuum
- Diverse set of alternate site products and services
- 1,500 sales professionals
- Leading, scaled private label offering

Other

- Canada
 - #1 in Canadian wholesale distribution¹
 - #2 in Canadian retail pharmacy¹
- MRxTS
 - Leading pharmacy technology solutions
 - 20B transactions / year
- Change Healthcare
 - 70% ownership
 - Anticipate 1H calendar 2019 IPO

Operational data reflected as of March 31, 2018, with the exception of Health Mart stores and RelayHealth Pharmacy transactions which is as of, and for the year ended, December 31, 2018.

¹IQVIA PharmaFocus 2022.TSA. MAT, February 2018. Note: IQVIA™ expressly reserves all rights, including rights of further copying, distribution and republication. McKesson does not warrant or represent the accuracy of IQVIA data or McKesson's interpretations of IQVIA data. Any subsequent use or interpretation of this data will be the liability of the receiving party and not of McKesson or IQVIA.

U.S. Pharmaceutical And Specialty Solutions

Leading With Our Core Offerings Across Multiple Channels

McKesson Life Sciences

- Customers include all top 20 biopharma companies

Broadened our Value Prop to Health Systems

- Diverse set of solutions to increase revenue and reimbursement

Extended our Retail Pharmacy Footprint

- >5,000 Health Mart stores
- Leading reimbursement services organization (Health Mart Atlas)

Enhanced solutions for Community-Based Specialists

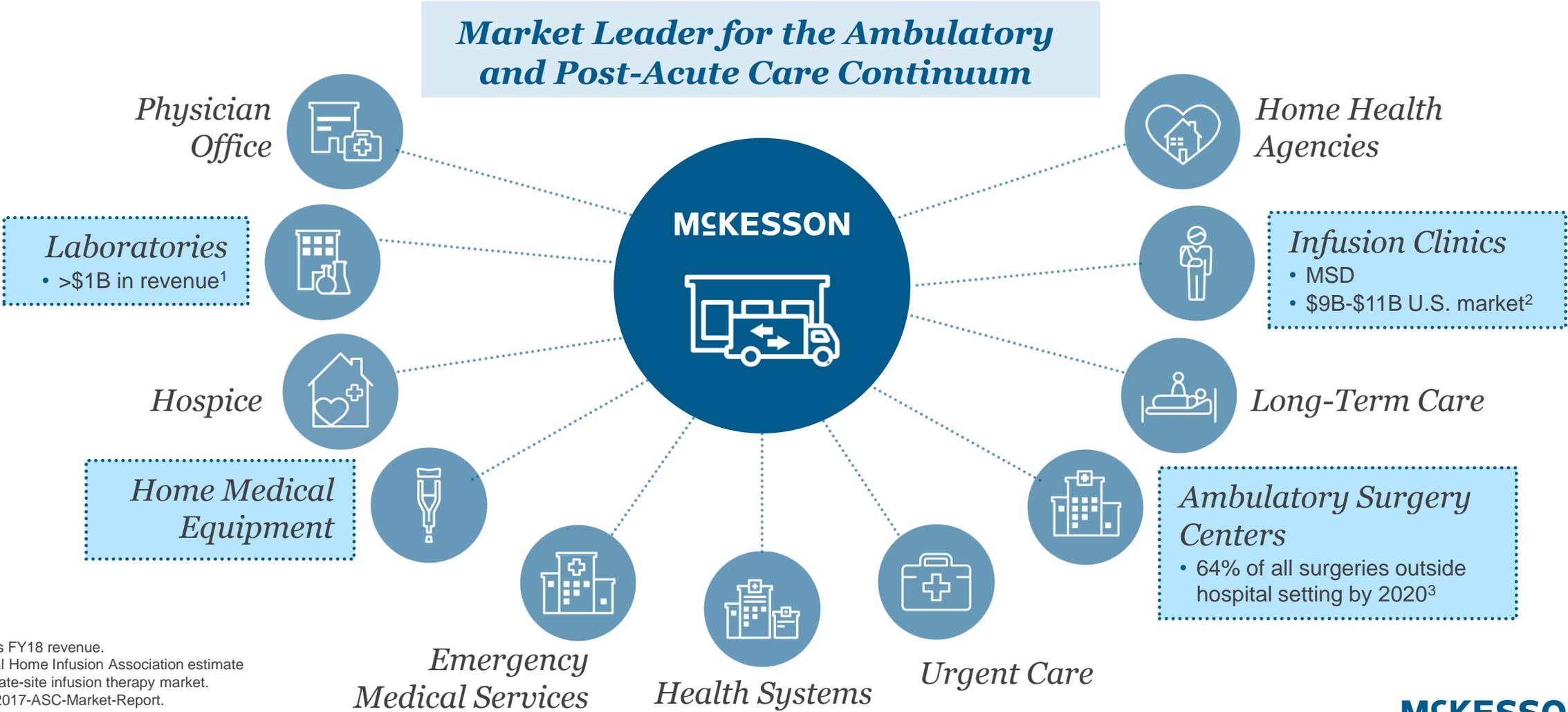
- Leader in community oncology and other specialties
- Manage one of the largest oncology networks

Foundation of Operational and Sourcing Excellence

Operational data reflected as of March 31, 2018, with the exception of Health Mart stores which is as of December 31, 2018.

Medical-Surgical Solutions

Leader Across Alternate Site Markets



¹Reflects FY18 revenue.

²National Home Infusion Association estimate of alternate-site infusion therapy market.

³HIDA_2017-ASC-Market-Report.

Strategic Growth Initiatives

Focus Areas



Manufacturer Value Proposition

CoverMyMeds
RxCrossroads



Specialty Pharmaceuticals

BDI Pharma
Biologics
intraFUSION
MSD



Evolution of Retail Pharmacy

Health Mart Atlas
Rexall
Well.ca



Operating Cost Savings

\$300M - \$400M in
annual savings by
FY21¹

Supported By Data and Analytics Capabilities

¹McKesson's multi-year strategic growth initiative operating model optimization is anticipated to drive approximately \$300 million to \$400 million in annual pre-tax gross savings that will be substantially realized by end of Fiscal 2021, as provided in the company's press release on October 25, 2018.

Capital Deployment

First Half Fiscal 2019 Highlights

FY19 Free Cash Flow: \$3.0B¹

Investments in Growth

M&A	\$840M
Internal Investments	\$248M

Distribution to Shareholders

Dividends	\$139M
Share Repurchases	\$877M

Maintaining Strong Credit Rating & Financial Flexibility

¹Reflects non-GAAP measure defined as net cash provided by operating activities less property acquisitions and capitalized software expenditures. McKesson anticipates approximately \$3.0 billion in free cash flow for the fiscal year ending March 31, 2019, as provided on the company's earnings conference call on October 25, 2018. Free cash flow estimate is net of expected property acquisitions and capitalized software expenditures of between \$600 million and \$800 million.

How McKesson Will Drive Value



Macro Environment

Growing markets driven by increased utilization



Healthcare Dynamics

Supporting healthcare's need for **access, affordability and quality care**



Well Positioned

Scaled solutions in high-growth segments



Financial Stability and Strength

Strong balance sheet and **consistent cash flow generation**

Scaled businesses, growing markets, strong balance sheet

MCKESSON