

cencora

Moving to a digitally enabled Supply Chain

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Agenda

1. Who is Cencora?
2. Where are the current challenges?
How does the Supply Chain work today?
3. What could it look like tomorrow?
4. How do we get there?



Who is Cencora?

On August 30, 2023, AmerisourceBergen changed its name to Cencora.*

For more than 20+ years, AmerisourceBergen has been growing, evolving and building a comprehensive portfolio of solutions to address customers' most urgent challenges and help navigate the ever-changing healthcare landscape.

We recognized the need to make it easier for customers and team members to work seamlessly across that portfolio and across our company.

We're making a change to unite our global organization, demonstrate our leadership, and prepare for future growth and innovation.

That change is Cencora.

As with many things in healthcare, the change will take time. Over the next year and beyond we will begin adopting the new name and brand across our business.

**This is a legal name change for our parent entity.*



cencora

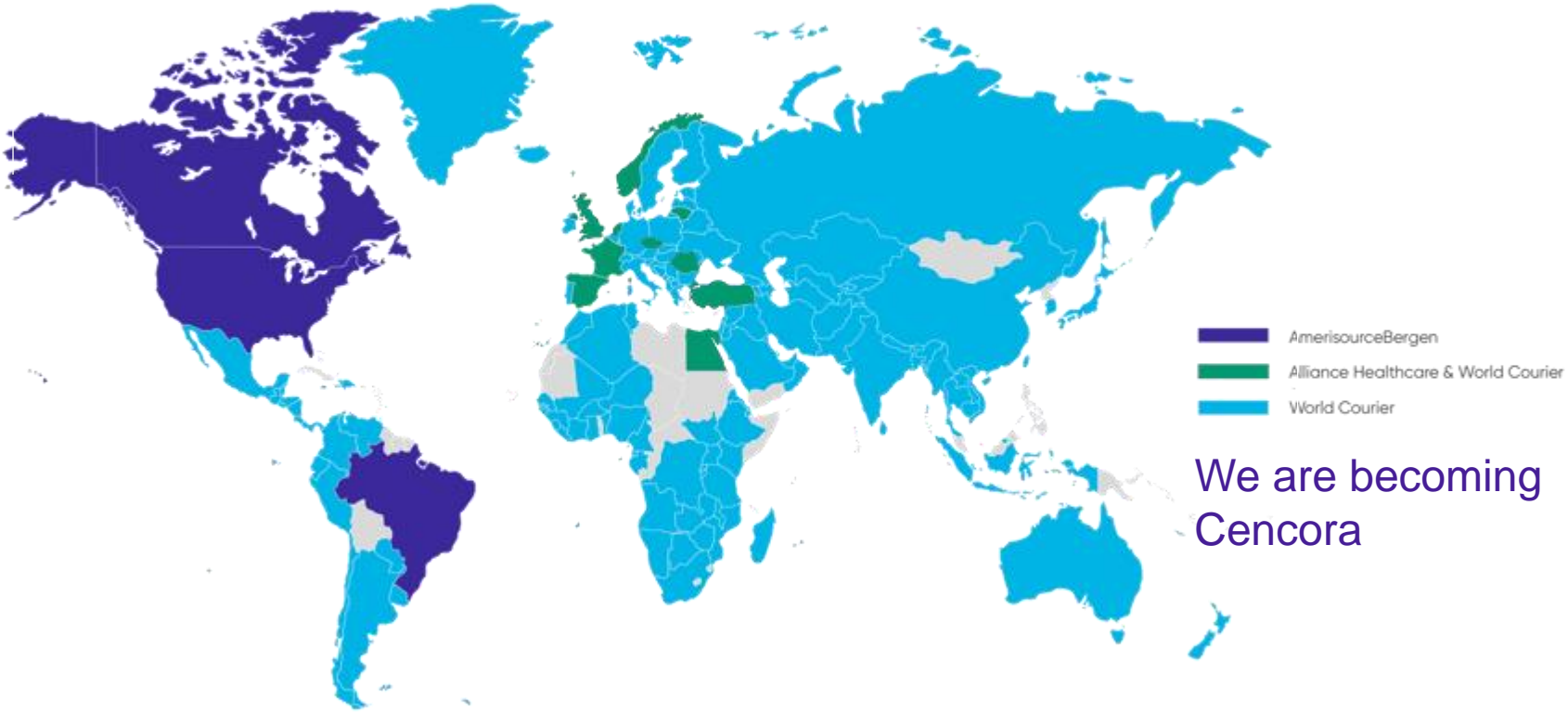
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Our name has connections to the words center, core, and heart across multiple languages.

It evokes a sense of strength and health.

It's rooted in what we've always considered most important: keeping customers, their patients, and team members at the center of everything we do.

Our global presence



We are becoming
Cencora

Cencora is a leading pharmaceutical solutions company centered on improving the health of people and animals around the world



\$230+ billion
revenue

Growth aligned with our customers' long-term success



46,000+ team members

Diverse expertise all focused on improving global health



1,300+
global
locations

Delivering a range of services to address specific, local needs



50+ countries
with a local presence

Growing knowledge of market-specific healthcare environments



#11
on the Fortune 500 list

Recognized for breadth and scale

U.S. Supply Chain network

U.S. distribution network

Wholesale

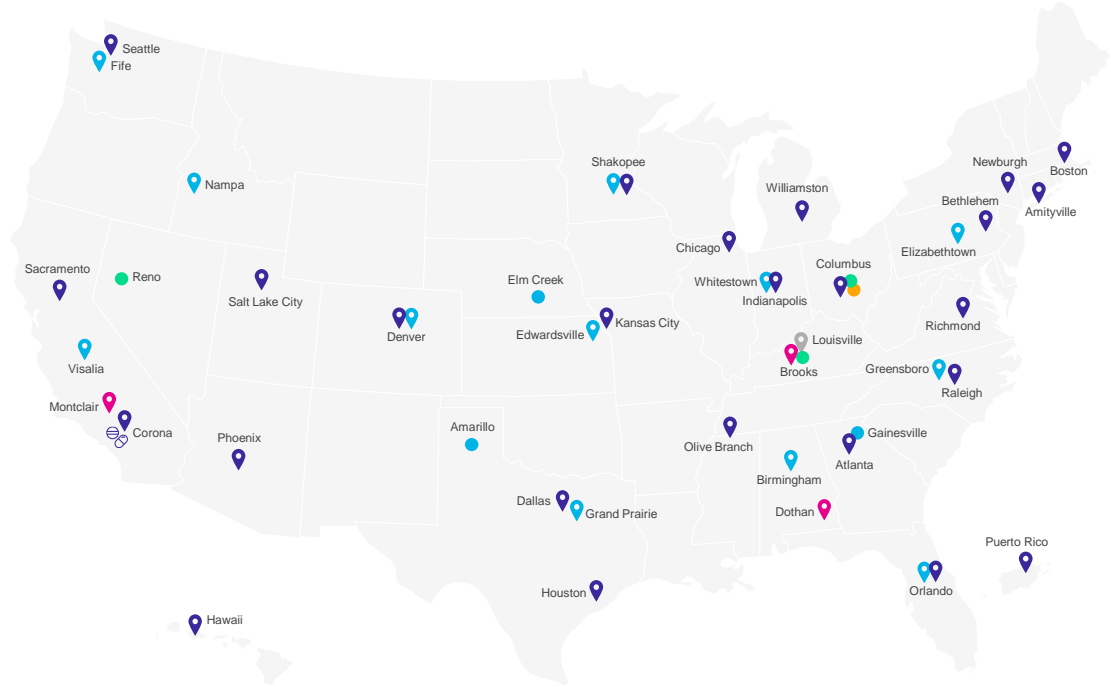
- 25 Wholesale DCs
- 1 National DC
- 1 Generic Rx DC
- 1 Central fill location

Specialty

- 3 Specialty Rx DCs
- 3 3PL facilities

Animal Health

- 12 Animal Health DCs
- 3 Animal Health Depots



- Wholesale DC
- Specialty Rx DC
- Generic Rx DC
- Central fill Rx
- MWI DC
- MWI Depot
- 3PL
- NDC

U.S. Supply Chain distribution annual statistics

We are **pharmaceutical-centered** and ensure that crucial medications efficiently, reliably and securely reach their destinations every day

 **\$13 Billion +**
In product inventory

482M +
Lines shipped

1 Billion +
Units shipped



5,000+ Team members



108M +
Packages
delivered



100K +

Pharmacy, hospital, physician, veterinarian,
and agriculture customers



11M +
Human Health
deliveries



6M+ sq ft

Warehouse space

134K sq ft

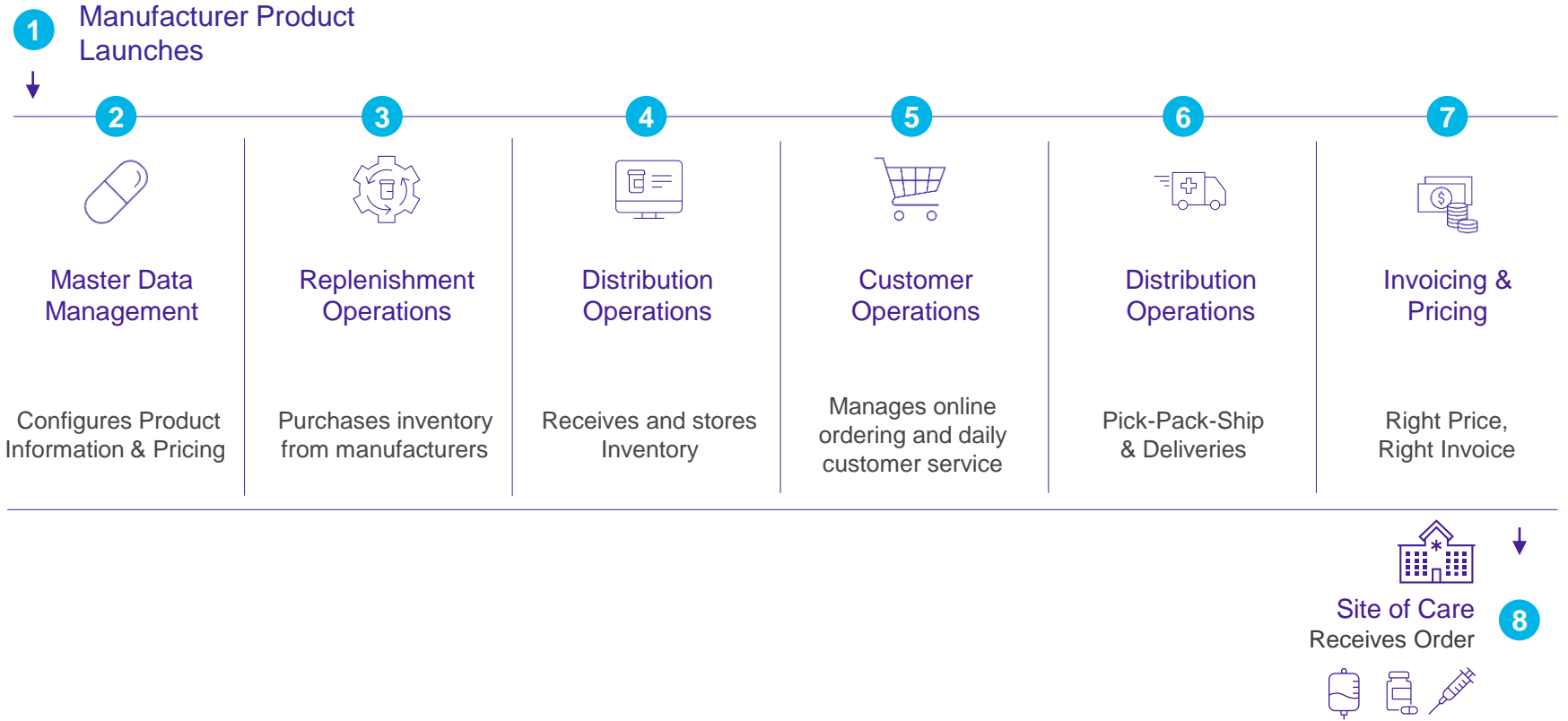
Freezer space

The current challenges we face
provide opportunity for
improvement within the Supply
Chain



How does the pharmaceutical Supply Chain work today?

Process of the U.S. Supply Chain




2 Master data management

Initial Launch – HDA New Product Form

- Emailed to all distributors and consortiums (FDB, etc.)
- **150+** Attributes contained in a large excel workbook
- Critical information such as: storage and handling, SDS, pricing, REMS, DSCSA, dimensions, licensure, TAA, J-CODE, Class of Trade, etc.
- Usually “manually” created by manufacturers; information gathered by trade and commercial teams.
- “Custom” catalogs for customers to get same information

Product changes

- Emailed to downstream customers
- Packaging & Dimension changes, GTIN changes, pricing, etc.


Reset Form

Standard Pharmaceutical Product and Medical
Version 2024 Introduction Type:

PRODUCT INFORMATION

Company Name: Application:

Application Number for NDA/ANDA/BLA; PMA/510(k): NDA 505(b) Type:

Medical Device Class, if applicable:

DUNS:

Proprietary Name (If Applicable) and Established Name:

Selling Unit NDC: Unit of Use NDC: UPC:

UDI CVX Code: MVX Code:

Description:

Active Ingredient(s):

URL for Additional Product Information:

Address: Address 2:

City: State: Zip:

Key Contact: Email:

Phone Number: Fax:

Product Therapeutic Classification:

ADDITIONAL PRODUCT INFORMATION

PRODUCT DESCRIPTION INF

The product is? a legend device? if yes, enter class # a product kit? if yes, list NDCs of component parts reverse numbered? co-licensed? latex-free? preservative-free? correctional institution block? opioid? Cannabinoid? If Unit Dose, is item bar coded to unit dose for hospital scanning? If Unit Dose, indicate NDC here:	Is the Product... Is the Product... Orphan Drug Status FDA Approval Status Allergens Present Country of Origin Is this product covered under the Trade Agreements Act (TAA)?	Size: Strength: Dosage Form: Product Shape: Product Color: Product Imprint:
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Blank Template P1
Blank Template P2
Blank Template P3
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3 Replenishment Operations

Purchasing

- Inventory driven by historical usage
- EDI 850 used for 95% of the transactions
- Email used for remaining 5% (usually special buys)
- Postal Service for certain C2 orders (as in snail mail)
- 1 Active fax machine

Confirmation of order

- 100% manual confirmation between seller and buyer – phone and email
- Excel based backorder report
- Manual notes to track product availability for customers



4-6 Distribution Operations and Customer Operations

Distribution

- Inbound Labor estimates driven by estimated PO volume
- Late deliveries, unplanned backorders, and “surprise” volume drives overtime and delays
- Both UPS, FEDEX, and Courier Realtime tracking for customers

Customer ordering

- Online ordering and EDI
- EDI 855 Acknowledgement limit information (yes/no)
- No information on availability; “manual” and often incorrect (buyers notes)

7 Invoicing and pricing

Contract, rostering and pricing updates

- 100% of wholesale acquisition cost (WAC) changes communicated via email
- 80% of GPO or customer contract pricing updated via EDI, 20% email
- Manual reconciliation between manufacturer, customer, GPOs and wholesalers
- Payments and invoices often held up in disputes between GPOs, manufacturers, providers, and distributors



How *could* the future look like
and how do we get there?

Utilizing and adopting tools to advance the Supply Chain

Where can digitization and technology drive improvement within the supply chain process?



Master Data Management



Replenishment Operations



Distribution Operations



Customer Operations



Invoicing & Pricing

Leveraging technology as tools



EDI 855 – Accurate PO Acknowledgement
 EDI 856 – What’s shipping and how
 Project 44 / FourKites – Real time visibility



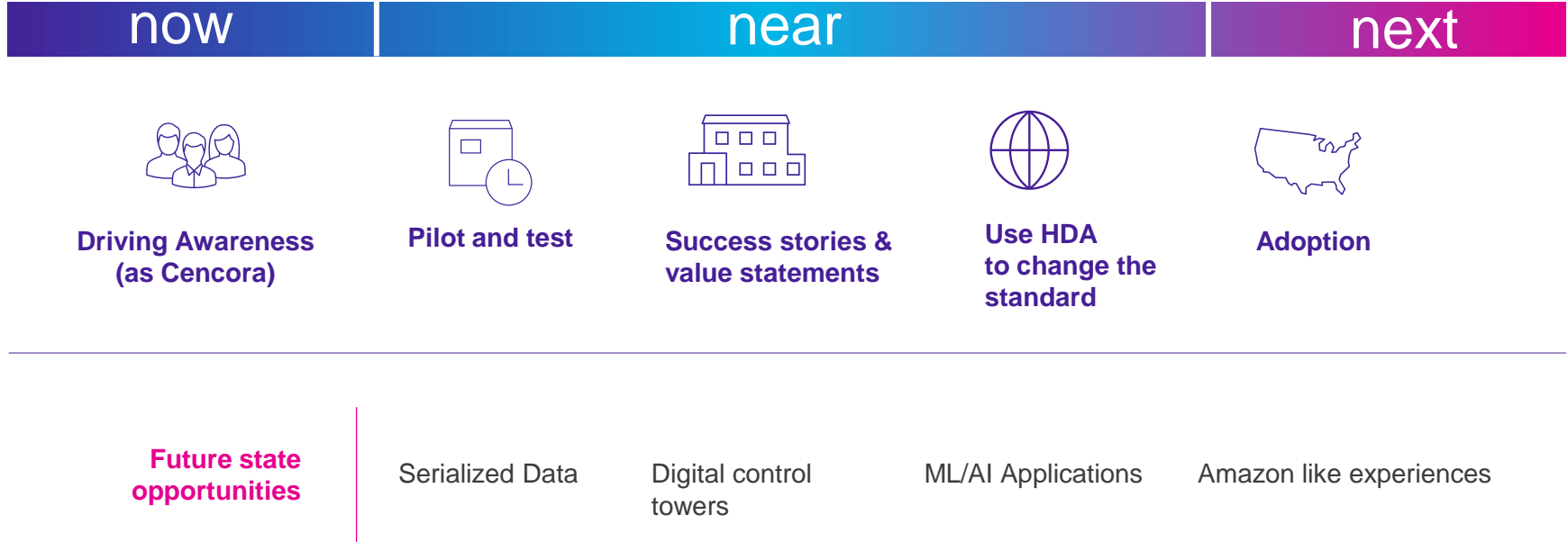


What if?

- We could accurately, real-time, communicate critical product information to all those in the supply chain?
- We could tell a hospital, looking to service a cancer patient, exactly when a shortage drug would be available down to the day?
- What if healthcare operated more like Amazon?
- What if we could improve operational efficiencies by better planning based of what's coming in vs. what we think is coming in?
- What if we could manage logistics issues and make real-time decisions to better serve our customers?
- What if we could charge the provider the RIGHT PRICE?

We have the opportunity to move the pharmaceutical supply chain forward

How we get to the Supply Chain of the future



Thank you धन्यवाद Děkujeme Mange
takk Vă mulțumesc Gracias Vielen Dank
شكركم كل Teşekkürler Dékojame jum
спасибо Merci 谢谢 Obrigado ありがとう
ございました cảm ơn bạn Paldies 감사합
Hartelijk dank Thank you धन्यवाद Dě
Mange takk Vă mulțumesc Gracias
Vielen Dank شكركم كل Teşekkürler D