

## Cencora (COR)

**\$341.72** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$360.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 08/30/23)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: A

Value: A

Growth: A

Momentum: D

### Summary

Cencora is navigating a pivotal growth phase, balancing robust revenue expansion with structural margin challenges. Specialty expansion, notably through RCA and OneOncology, strengthens its clinical and distribution footprint and boosts higher-margin opportunities. Strong GLP-1 demand and steady pharmaceutical utilization underpin raised fiscal 2025 guidance, while solid free cash flow supports capital returns and strategic investments. However, GLP-1 mix shifts dilute margins, RCA integration has raised leverage and interest expense, and international operations remain pressured by FX and logistics variability. Regulatory oversight adds further risk. Cencora is positioned to benefit from long-term specialty growth, but near-term performance will depend on execution in margin management, deleveraging, and international stability.

### Data Overview

|                            |                                  |
|----------------------------|----------------------------------|
| 52 Week High-Low           | \$377.54 - \$223.92              |
| 20 Day Average Volume (sh) | 1,551,530                        |
| Market Cap                 | \$66.3 B                         |
| YTD Price Change           | 52.1%                            |
| Beta                       | 0.63                             |
| Dividend / Div Yld         | \$2.40 / 0.7%                    |
| Industry                   | <a href="#">Medical Services</a> |
| Zacks Industry Rank        | Bottom 37% (153 out of 243)      |

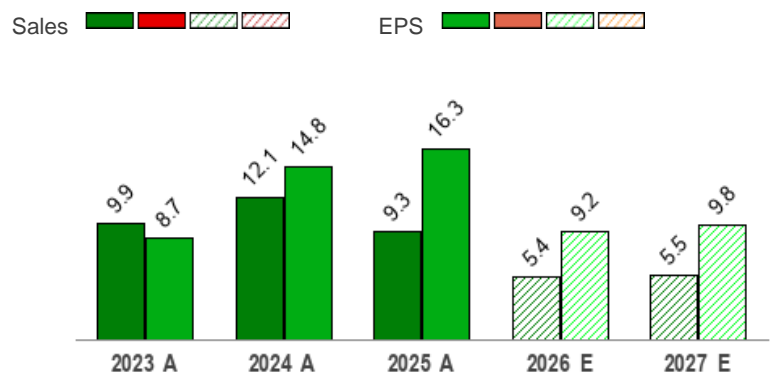
|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 1.3%       |
| Last Sales Surprise       | 0.7%       |
| EPS F1 Est- 4 week change | -0.2%      |
| Expected Report Date      | 02/04/2026 |
| Earnings ESP              | -0.7%      |

|         |      |
|---------|------|
| P/E TTM | 21.4 |
| P/E F1  | 19.6 |
| PEG F1  | 2.1  |
| P/S TTM | 0.2  |

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

|      | Q1       | Q2       | Q3       | Q4       | Annual*   |
|------|----------|----------|----------|----------|-----------|
| 2027 | 90,094 E | 83,841 E | 89,835 E | 93,315 E | 357,085 E |
| 2026 | 85,503 E | 79,486 E | 85,146 E | 88,449 E | 338,584 E |
| 2025 | 81,487 A | 75,454 A | 80,664 A | 83,729 A | 321,333 A |

### EPS Estimates<sup>(2)</sup>

|      | Q1     | Q2     | Q3     | Q4     | Annual* |
|------|--------|--------|--------|--------|---------|
| 2027 | 4.29 E | 5.27 E | 4.82 E | 4.81 E | 19.19 E |
| 2026 | 4.02 E | 4.86 E | 4.31 E | 4.28 E | 17.47 E |
| 2025 | 3.73 A | 4.42 A | 4.00 A | 3.84 A | 16.00 A |

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/11/2025.

## Overview

Cencora, formerly AmerisourceBergen, is one of the largest pharmaceutical distribution and healthcare solutions providers globally. The company operates two segments: U.S. Healthcare Solutions and International Healthcare Solutions. Its scale in pharmaceutical distribution — spanning branded, generics, and specialty products — positions it at the core of the U.S. healthcare system, serving retail pharmacies, hospitals, physician practices, and specialty clinics.

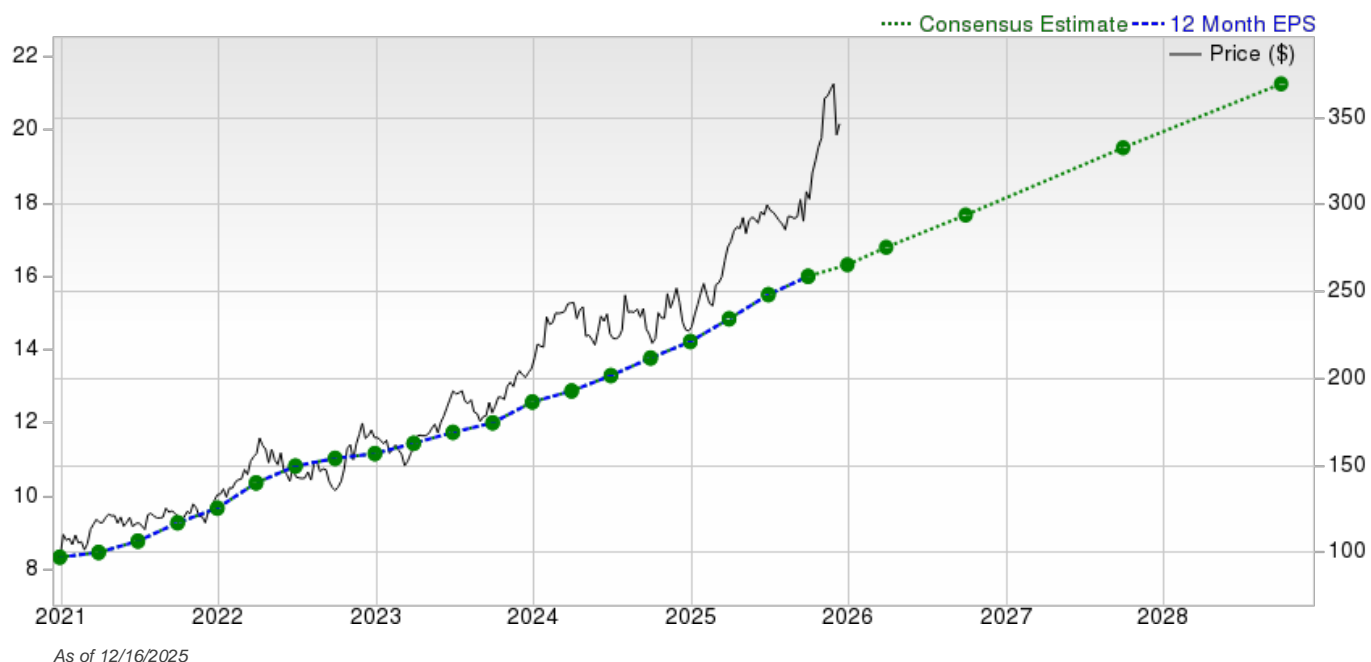
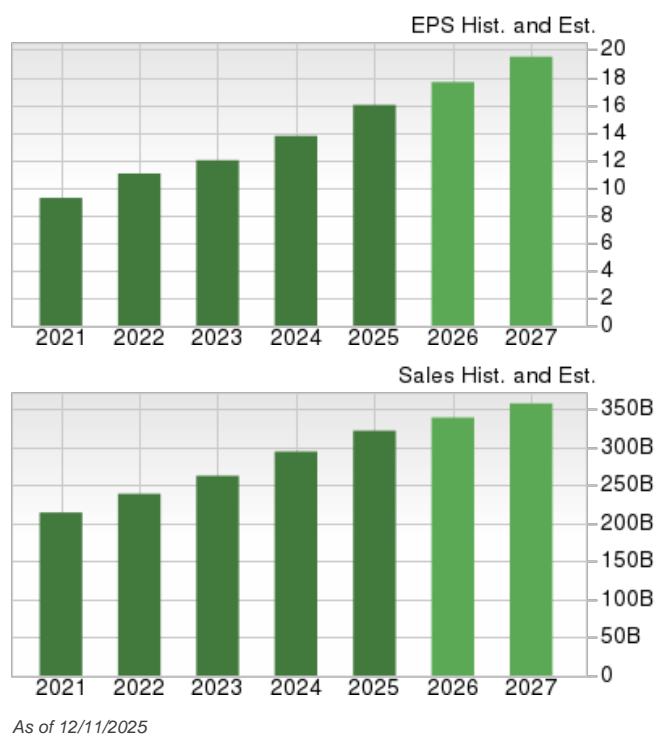
The company delivers innovative programs and services designed to increase the effectiveness and efficiency of the pharmaceutical supply chain in both human and animal health, including a comprehensive offering of brand-name, specialty brand-name, and generic pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to a wide variety of healthcare providers located in the United States and select global markets.

Additionally, it furnish healthcare providers and pharmaceutical manufacturers with an assortment of related services, including data analytics, outcomes research, reimbursement and pharmaceutical consulting services niche premium logistics services, inventory management, pharmacy automation, pharmacy management, and packaging solutions. COR has a geographically diverse network of distribution service centers and other operations in the United States and select global markets.

Cencora has been pivoting towards higher-value specialty services and managed service organizations (MSOs), illustrated by its investment in OneOncology and the January 2025 acquisition of Retina Consultants of America (RCA). These moves expand capabilities in oncology and retina care, deepen manufacturer relationships, and open new channels in clinical research and specialty distribution. Specialty continues to be a key growth driver, supported by secular trends like the rise of complex biologics and cell and gene therapies.

### FY25 at a Glance

Total revenue in fiscal 2025 came in at \$321.33 billion. The U.S. Healthcare Solutions contributed to 88.7% of net revenues in fiscal 2025. The International Healthcare Solutions segment accounted for 8.8% of net revenues.



## Reasons To Buy:

▲ **Total Addressable Market Represents Opportunity:** Cencora operates at the core of the global pharmaceutical supply chain, giving it exposure to one of the largest and fastest-growing healthcare markets. According to industry projections cited in the company's filings, U.S. pharmaceutical spending is expected to expand at a compound annual growth rate (CAGR) of approximately 8.2% from 2023 to 2028, driven by increased prescription volumes, innovation in specialty therapies, and broader patient access. This growth trajectory underpins a multi-trillion-dollar opportunity in drug distribution, specialty solutions, and associated services.

A key total addressable market (TAM) expansion lever is specialty pharmaceuticals, which are forecasted to account for over 50% of total U.S. drug spending in the coming years. Specialty categories such as oncology, retina, and cell and gene therapies not only command higher value per patient but also require complex handling, storage, and patient support services — areas where Cencora has been strengthening its infrastructure through acquisitions like Retina Consultants of America and investments in OneOncology. In addition, the accelerating adoption of GLP-1 therapies for diabetes and obesity management is creating a multi-billion-dollar submarket, with significant distribution volumes flowing through Cencora.

Beyond the United States, international growth opportunities exist in specialty logistics and clinical trial support, although FX and demand variability remain headwinds in the near term. With global pharmaceutical spending projected to exceed \$1.9 trillion by 2027, Cencora's scale and diversified offerings allow it to capture an expanding share of this TAM. The company's mix of traditional distribution, specialty services, and logistics positions it to benefit from secular growth while addressing increasingly complex pharmaceutical needs.

▲ **Specialty Expansion and RCA Acquisition:** Cencora's specialty focus is a primary growth engine, reinforced by strategic acquisitions. The purchase of Retina Consultants of America (RCA) in early 2025 expanded its MSO platform and created deeper ties with physician practices while offering new avenues in clinical research. Specialty pharmaceuticals are projected to exceed 50% of U.S. drug spending, and Cencora is strategically aligned to capture this trend through services in oncology, retina, and other high-growth therapeutic areas. The RCA deal is expected to add 35 cents to bottom-line within 12 months of closing and already contributed to improved gross profit in third quarter of fiscal 2025. Together with the OneOncology investment, these initiatives strengthen Cencora's clinical footprint, enhance manufacturer collaboration, and boost operating leverage. Specialty also creates opportunities for value-added services such as patient support, reimbursement solutions, and trial network access, offering higher margins than traditional distribution. As biologics and cell and gene therapies expand, Cencora's infrastructure and MSO capabilities position it at the forefront of this lucrative market.

▲ **Robust Pharmaceutical Utilization and GLP-1 Tailwinds:** Cencora's top line is significantly driven by strong pharmaceutical utilization, particularly the surge in GLP-1 therapies for diabetes and weight management. In first quarter of fiscal 2025, GLP-1 sales added \$3.2 billion in revenue (+53% YoY) followed by 36% growth in second quarter, and third quarter continued to reflect strong growth (+\$1.4B YoY). This demand boosts revenue momentum and underscores Cencora's central role in the pharmaceutical supply chain. With U.S. pharmaceutical spending expected to grow at an 8.2% CAGR through 2028, Cencora benefits from secular growth in prescriptions across generics, branded drugs, and specialty therapies. While GLP-1s carry thinner distribution margins, the overall volume lifts market share and cements relationships with manufacturers and providers. Beyond GLP-1s, generics and biosimilars also contribute to revenue diversity, providing steady, recurring streams that offset branded pricing variability. Cencora's scale — serving thousands of pharmacies, health systems, and specialty clinics daily — ensures resilience and positions it to capitalize on ongoing healthcare utilization growth.

▲ **International Healthcare Solutions Expand Opportunities:** Cencora's International Healthcare Solutions segment demonstrated steady growth in third-quarter of fiscal 2025, with constant currency operating income increasing by 6%. This growth was driven by strong performance in Canada, expansion in specialty logistics, and strategic investments in European distribution infrastructure. Additionally, higher-margin specialty logistics services continued to gain traction, supporting clinical trials and temperature-sensitive pharmaceutical shipments.

Looking ahead to 2026, Cencora's international strategy focuses on strengthening distribution networks, expanding specialty logistics, and enhancing automation across its European wholesale and 3PL operations. Investments in advanced IT infrastructure will improve operational efficiency, ensuring seamless pharmaceutical delivery across multiple markets. Additionally, the company is well-positioned to benefit from the growing demand for biosimilars and specialty medicines in Europe, further driving revenue expansion. By leveraging its global expertise, strategic partnerships, and increasing footprint in high-growth markets, Cencora aims to accelerate international revenue and enhance its role as a leading global pharmaceutical solutions provider.

▲ **Free Cash Flow Generation and Capital Allocation Flexibility:** Despite temporary timing-related headwinds, Cencora generates strong free cash flow (FCF), with fiscal 2024 adjusted FCF at \$3.06 billion. Fiscal 2025 guidance projects \$2–\$3 billion in adjusted FCF, supporting shareholder returns and debt management. The company has an ongoing share repurchase program, with diluted share count reduced to nearly 195 million by mid-2025, reflecting a commitment to capital returns. While the RCA acquisition increased leverage, Cencora maintains flexibility to allocate capital toward both growth investments and deleveraging. Management emphasizes balancing acquisitions in specialty and services with sustainable shareholder value creation. FCF strength provides resilience against macroeconomic or FX headwinds and supports continued dividend payouts. Given its history of disciplined capital allocation and efficiency programs, Cencora is well-positioned to manage its leverage profile while funding strategic growth initiatives and delivering returns to shareholders.

Cencora's specialty expansion and GLP-1 demand fuel strong revenue growth, while robust free cash flow and scale position it to capture secular healthcare market tailwinds.

## Reasons To Sell:

- ▼ **Margin Dilution from GLP-1 Mix Shift:** The rapid rise of GLP-1 therapies, while a revenue catalyst, is a double-edged sword for Cencora. These products are lower-margin in distribution compared to other specialty categories. In second-quarter of fiscal 2025, consolidated gross margin declined 21 bps to 3.15%, largely due to the mix shift toward GLP-1s. While margins improved in third-quarter (3.55%), this was attributed to RCA's contribution rather than structural margin resilience. With GLP-1 uptake expected to continue, Cencora faces the challenge of balancing volume growth with profitability. The company must increasingly rely on higher-margin services and specialty contributions to offset this margin compression. Sustained dependence on GLP-1-driven volume may mask underlying profitability risks, especially if pricing dynamics shift or competitive pressures increase. Investors should closely monitor whether margin recovery is durable or temporary.
- ▼ **Increased Leverage and Rising Interest Expense Post-RCA:** The RCA acquisition, while strategically valuable, required financing through nearly \$3.3 billion of new debt. This materially increased Cencora's leverage and net interest expense, with third-quarter of fiscal 2025 reflecting a \$50 million year-over-year increase in net interest costs. Higher debt reduces financial flexibility in the near term and exposes the company to refinancing risk in a higher-rate environment. While management is committed to deleveraging, this may limit capacity for further acquisitions or aggressive capital returns until debt levels normalize. Integration risks from RCA also remain, including achieving expected synergies and margin contributions. If RCA underperforms or deleveraging is slower than planned, investor sentiment could weaken despite topline growth.
- ▼ **FX and International Headwinds:** Cencora's international operations, while smaller than its U.S. business, face ongoing challenges. FX translation negatively impacted reported results in fiscal 2025, and international operating income was pressured by softness in global specialty logistics volumes. Specialty logistics, including premium cryogenic and trial services, experienced sequential variability, impacting profitability. These international businesses are important to Cencora's diversification strategy, but their volatility adds uncertainty to consolidated earnings. Sustained FX headwinds, coupled with uneven logistics demand, may continue to offset U.S. growth. In addition, weaker macroeconomic conditions in international markets could limit expansion opportunities. Investors should be mindful that while international diversification is strategically sound, near-term contribution may remain subdued, reducing the benefit of geographic balance.
- ▼ **Regulatory and Compliance Risks:** As one of the largest pharmaceutical distributors, Cencora is heavily exposed to regulatory and compliance scrutiny. The company must meet stringent requirements under the Drug Supply Chain Security Act (DSCSA) and controlled substance oversight regulations, requiring ongoing investment in compliance systems. Historical opioid litigation underscores the potential financial and reputational risks in this sector. While Cencora continues to enhance its digital infrastructure and compliance capabilities, any lapses could result in penalties, litigation, or reputational harm. Additionally, pricing pressures from payers and regulatory changes in drug reimbursement policies pose persistent risks to margins. These headwinds, while not unique to Cencora, weigh heavily on distributors operating in an environment of heightened public and regulatory scrutiny.

Margin dilution from GLP-1 sales, higher leverage from RCA financing, and regulatory and international headwinds pose profitability and execution risks despite top-line strength.

## Last Earnings Report

### COR Q4 Earnings & Revenues Beat Estimates, Gross Margin Improves

Cencora reported fourth-quarter fiscal 2025 adjusted earnings per share of \$3.84, which beat the Zacks Consensus Estimate of \$3.74 by 2.7%. The bottom line also improved 15% year over year.

GAAP loss per share was \$1.75 against earnings per share of 2 cents in the year-ago period. The significant decline was primarily due to a rise in operating expenses.

For full-year fiscal 2025, the company reported adjusted earnings per share of \$16.00, up 16.3% year over year. GAAP earnings per share for fiscal 2025 was \$7.96 compared with \$7.53 in the previous year.

**FY Quarter Ending** **9/30/2025**

| Earnings Reporting Date | Nov 05, 2025 |
|-------------------------|--------------|
| Sales Surprise          | 0.69%        |
| EPS Surprise            | 1.32%        |
| Quarterly EPS           | 3.84         |
| Annual EPS (TTM)        | 15.99        |

### Revenue Details

Revenues totaled \$83.73 billion, up 5.9% year over year. The top line beat the Zacks Consensus Estimate by 0.7%.

For full-year fiscal 2025, the company reported total revenues of \$321.33 billion, up 9.3% year over year.

### Segmental Analysis

#### *U.S. Healthcare Solutions*

Revenues in this segment totaled \$75.8 billion, up 5.7% on a year-over-year basis. This improvement was driven by overall market growth on increased unit volume, including improved sales of GLP-1 drugs and specialty products.

Segmental operating income totaled \$872.4 million, up 25.1% year over year. Higher gross profit (as a result of increased product sales and the January 2025 acquisition of RCA) contributed to the upside, partly offset by increased operating expenses.

#### *International Healthcare Solutions*

This segment includes Alliance Healthcare, World Courier, Innomar and Profarma Specialty.

Revenues amounted to \$7.9 billion, up 7.6% year over year. The top line increased 5.7% at constant currency (cc).

Operating income totaled \$150.7 million, down 2% on a reported basis and 6% at cc. The reported decline was due to lower operating income at COR's global specialty logistics and specialized consulting services businesses.

### Margin Analysis

Cencora reported an adjusted gross profit of \$2.9 billion, up 18.4% on a year-over-year basis. As a percentage of revenues, the adjusted gross margin was 3.55%, up 36 basis points (bps) year over year.

The company recorded an adjusted operating income of \$1.1 billion, up 20.6% year over year. As a percentage of revenues, the adjusted operating margin was 3.47%, which expanded 37 bps from the year-ago quarter's level.

### Financial Update

COR exited the fiscal fourth quarter with cash and cash equivalents worth \$4.36 billion compared with \$2.23 billion in the previous quarter.

Cumulative net cash used in operating activities totaled \$4.98 billion compared with \$618.1 million a year ago.

### FY26 Guidance Issued

The company issued its outlook for fiscal 2026 earnings and revenues.

Adjusted earnings per share is estimated to be in the \$17.45-\$17.75 range.

Total revenues are projected to rise 5-7%. Sales at the U.S. Healthcare Solutions segment are anticipated to grow in the range of 5-7%. For the International Healthcare solutions business, revenues are projected to rise 6-8% reportedly as well as at cc.

Adjusted operating income is expected to improve 8-10% for fiscal 2026.

Operating income for the U.S. Healthcare Solutions segment is expected to improve 9-11%, while the same for the International Healthcare Solutions business is estimated to improve 5-8%, reportedly as well as at cc.

## Valuation

Cencora's shares are up 15.6% and up 46.8% in the past six months and the trailing 12-month period, respectively. Stocks in the Zacks sub-industry are up 3.3% while the Zacks Medical sector is up 5.7% in the past six months. Over the past year, the Zacks sub-industry is up 2.2% and sector is down 1%.

The S&P 500 index is up 16% in the past six months and up 15.3% in the past year.

The stock is currently trading at 18.9X Forward 12-months earnings, which compares to 16.3X for the Zacks sub-industry, 20.4X for the Zacks sector and 23.4X for the S&P 500 index.

Over the past five years, the stock has traded as high as 20.9X and as low as 10.5X, with a 5-year median of 14.3X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$360 price target reflects 20X forward 12-months earnings.

The table below shows summary valuation data for COR.

| Valuation Multiples - COR |               |       |              |        |         |
|---------------------------|---------------|-------|--------------|--------|---------|
|                           |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                  | Current       | 18.91 | 16.31        | 20.43  | 23.44   |
|                           | 5-Year High   | 20.85 | 18.78        | 23.62  | 23.78   |
|                           | 5-Year Low    | 10.53 | 14.69        | 17.88  | 15.73   |
|                           | 5-Year Median | 14.32 | 15.44        | 20.6   | 21.21   |
| P/S F12M                  | Current       | 0.19  | 0.46         | 2.15   | 5.3     |
|                           | 5-Year High   | 0.21  | 0.92         | 3.41   | 5.5     |
|                           | 5-Year Low    | 0.1   | 0.43         | 2.01   | 3.83    |
|                           | 5-Year Median | 0.14  | 0.62         | 2.64   | 5.05    |
| EV/S F12M                 | Current       | 0.2   | 0.63         | 2.62   | 5.22    |
|                           | 5-Year High   | 0.22  | 1.14         | 3.9    | 5.67    |
|                           | 5-Year Low    | 0.09  | 0.57         | 2.33   | 3.67    |
|                           | 5-Year Median | 0.15  | 0.8          | 2.91   | 4.91    |

As of 12/10/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 37% (153 out of 243)



## Top Peers<sup>(1)</sup>

| Company (Ticker)               | Rec          | Rank |
|--------------------------------|--------------|------|
| Align Technology, In... (ALGN) | Neutral      | 3    |
| Becton, Dickinson an... (BDX)  | Neutral      | 3    |
| Cardinal Health, Inc... (CAH)  | Neutral      | 2    |
| Henry Schein, Inc. (HSIC)      | Neutral      | 3    |
| Labcorp Holdings Inc... (LH)   | Neutral      | 3    |
| McKesson Corporation (MCK)     | Neutral      | 3    |
| Merit Medical System... (MMSI) | Neutral      | 3    |
| DENTSPLY SIRONA Inc. (XRAY)    | Underperform | 5    |

## Industry Comparison<sup>(1)</sup> Industry: Medical Services

|                                  | COR       | X Industry | S&P 500   | BDX       | CAH       | MCK      |
|----------------------------------|-----------|------------|-----------|-----------|-----------|----------|
| Zacks Recommendation (Long Term) | Neutral   | -          | -         | Neutral   | Neutral   | Neutral  |
| Zacks Rank (Short Term)          | 3         | -          | -         | 3         | 2         | 3        |
| VGM Score                        | A         | -          | -         | B         | A         | A        |
| Market Cap                       | 66.29 B   | 359.83 M   | 38.58 B   | 56.05 B   | 47.02 B   | 99.97 B  |
| # of Analysts                    | 6         | 3          | 22        | 8         | 7         | 6        |
| Dividend Yield                   | 0.70%     | 0.00%      | 1.42%     | 2.14%     | 1.03%     | 0.40%    |
| Value Score                      | A         | -          | -         | B         | A         | A        |
| Cash/Price                       | 0.06      | 0.13       | 0.04      | 0.01      | 0.10      | 0.04     |
| EV/EBITDA                        | 19.20     | 4.21       | 14.55     | 14.69     | 16.55     | 20.36    |
| PEG Ratio                        | 2.06      | 1.63       | 2.20      | 1.81      | 1.44      | 1.33     |
| Price/Book (P/B)                 | 37.93     | 1.77       | 3.33      | 2.22      | NA        | NA       |
| Price/Cash Flow (P/CF)           | 15.81     | 10.94      | 15.10     | 8.51      | 16.96     | 20.84    |
| P/E (F1)                         | 19.61     | 15.81      | 19.71     | 13.23     | 20.07     | 20.98    |
| Price/Sales (P/S)                | 0.21      | 1.16       | 3.09      | 2.57      | 0.20      | 0.26     |
| Earnings Yield                   | 5.17%     | 3.43%      | 5.06%     | 7.56%     | 4.98%     | 4.77%    |
| Debt/Equity                      | 4.32      | 0.17       | 0.57      | 0.69      | -3.29     | -8.20    |
| Cash Flow (\$/share)             | 21.61     | 0.04       | 8.99      | 23.08     | 11.67     | 38.86    |
| Growth Score                     | A         | -          | -         | C         | A         | A        |
| Hist. EPS Growth (3-5 yrs)       | 14.30%    | -4.19%     | 8.16%     | 2.58%     | 12.05%    | 14.22%   |
| Proj. EPS Growth (F1/F0)         | 9.19%     | 21.62%     | 8.57%     | 3.13%     | 19.66%    | 16.82%   |
| Curr. Cash Flow Growth           | 8.14%     | -0.30%     | 6.75%     | 8.27%     | 8.53%     | 12.89%   |
| Hist. Cash Flow Growth (3-5 yrs) | 11.78%    | 7.19%      | 7.43%     | 5.32%     | 2.04%     | 5.21%    |
| Current Ratio                    | 0.90      | 1.60       | 1.18      | 1.11      | 0.96      | 0.88     |
| Debt/Capital                     | 81.19%    | 26.70%     | 38.01%    | 40.97%    | NA        | NA       |
| Net Margin                       | 0.48%     | -1.25%     | 12.78%    | 7.68%     | 0.68%     | 1.04%    |
| Return on Equity                 | 227.15%   | -6.66%     | 17.00%    | 16.42%    | -84.37%   | -248.14% |
| Sales/Assets                     | 4.42      | 0.76       | 0.53      | 0.40      | 4.57      | 4.97     |
| Proj. Sales Growth (F1/F0)       | 5.40%     | 0.00%      | 5.79%     | 2.80%     | 16.20%    | 13.70%   |
| Momentum Score                   | D         | -          | -         | B         | D         | C        |
| Daily Price Chg                  | -2.45%    | 0.00%      | -0.24%    | -1.85%    | -1.04%    | -1.59%   |
| 1 Week Price Chg                 | 1.87%     | 0.00%      | -0.59%    | 3.57%     | -0.33%    | 0.64%    |
| 4 Week Price Chg                 | -5.51%    | 0.00%      | 2.76%     | 2.11%     | -4.39%    | -5.90%   |
| 12 Week Price Chg                | 13.00%    | -5.78%     | 2.15%     | 5.29%     | 27.99%    | 9.26%    |
| 52 Week Price Chg                | 50.11%    | -9.92%     | 12.39%    | -12.96%   | 70.86%    | 43.92%   |
| 20 Day Average Volume            | 1,551,530 | 334,321    | 2,743,646 | 1,855,737 | 2,291,606 | 799,783  |
| (F1) EPS Est 1 week change       | 0.00%     | 0.00%      | 0.00%     | 0.00%     | 0.00%     | 0.00%    |
| (F1) EPS Est 4 week change       | -0.22%    | 0.00%      | 0.00%     | 0.08%     | 0.00%     | -0.13%   |
| (F1) EPS Est 12 week change      | 1.05%     | 0.00%      | 0.69%     | 0.10%     | 4.37%     | 3.77%    |
| (Q1) EPS Est Mthly Chg           | -0.33%    | 0.00%      | 0.00%     | -1.89%    | 0.55%     | -0.85%   |

## Analyst Earnings Model<sup>(2)</sup>

### Cencora, Inc. (COR)

In \$MM, except per share data

|   | 2018A       | 2019A       | 2020A       | 2021A       | 2022A       | 2023A       | 2024A       |            |            | 2025A      |            |             |            |            | 2026E      |            |             |             | 2027E       | 2028E |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|-------------|-------------|-------------|-------|
|   | FY          | FY          | FY          | FY          | FY          | FY          | FY          | 1QA        | 2QA        | 3QA        | 4QA        | FY          | 1QE        | 2QE        | 3QE        | 4QE        | FY          | FY          | FY          |       |
| FY Ends September 30th  | Sep-18      | Sep-19      | Sep-20      | Sep-21      | Sep-22      | Sep-23      | Sep-24      | 31-Dec-24  | 31-Mar-25  | 30-Jun-25  | 30-Sep-25  | Sep-25      | 31-Dec-25  | 31-Mar-26  | 30-Jun-26  | 30-Sep-26  | Sep-26      | Sep-27      | Sep-28      |       |
| Income Statement  |             |             |             |             |             |             |             |            |            |            |            |             |            |            |            |            |             |             |             |       |
| Revenue   | \$167,939.6 | \$179,589.1 | \$189,893.9 | \$213,988.8 | \$238,587.0 | \$262,173.4 | \$293,958.6 | \$81,487.1 | \$75,463.7 | \$80,663.5 | \$83,728.6 | \$321,332.8 | \$85,503.2 | \$79,486.4 | \$85,145.6 | \$88,448.6 | \$338,583.8 | \$357,085.4 | \$382,714.3 |       |
| Cost of Goods Sold, Adjusted  | \$163,212.8 | \$174,592.6 | \$184,676.3 | \$207,417.4 | \$230,185.3 | \$253,161.4 | \$284,217.6 | \$78,952.1 | \$72,538.6 | \$77,803.2 | \$80,824.1 | \$310,118.0 | \$82,586.5 | \$76,423.5 | \$82,172.0 | \$85,415.7 | \$326,597.6 | \$344,404.4 | \$368,961.9 |       |
| Cost of Goods Sold, GAAP  | \$163,327.3 | \$174,450.8 | \$184,702.0 | \$207,045.6 | \$230,290.6 | \$253,213.9 | \$284,048.6 | \$78,929.0 | \$72,393.9 | \$77,756.4 | \$80,775.0 | \$309,854.3 | \$82,661.5 | \$76,355.9 | \$82,117.7 | \$85,429.5 | \$326,564.5 | \$344,290.6 | \$369,056.6 |       |
| Gross Profit, Adjusted  | \$4,726.8   | \$4,996.5   | \$5,217.9   | \$6,571.4   | \$8,401.7   | \$9,012.0   | \$9,741.0   | \$2,535.0  | \$2,915.1  | \$2,860.3  | \$2,904.4  | \$11,214.9  | \$2,916.8  | \$3,062.9  | \$2,973.6  | \$3,033.0  | \$11,986.2  | \$12,681.0  | \$13,752.3  |       |
| Gross Profit, GAAP  | \$4,612.3   | \$5,138.3   | \$5,191.9   | \$6,943.2   | \$8,296.4   | \$8,959.5   | \$9,910.0   | \$2,558.0  | \$3,059.8  | \$2,907.1  | \$2,953.6  | \$11,478.5  | \$2,841.8  | \$3,130.5  | \$3,028.0  | \$3,019.1  | \$12,019.3  | \$12,794.8  | \$13,657.6  |       |
| Distribution, Selling & Administrative  | \$2,460.3   | \$2,663.5   | \$2,767.2   | \$3,594.3   | \$4,849.0   | \$5,310.0   | \$5,661.1   | \$1,472.1  | \$1,600.0  | \$1,672.9  | \$1,748.9  | \$6,493.8   | \$1,685.1  | \$1,651.3  | \$1,703.7  | \$1,785.6  | \$6,825.7   | \$7,098.5   | \$7,687.0   |       |
| Depreciation & Amortization   | \$465.1     | \$462.4     | \$391.1     | \$505.2     | \$693.9     | \$963.9     | \$1,092.0   | \$278.5    | \$259.8    | \$254.0    | \$258.8    | \$1,051.1   | \$316.0    | \$298.8    | \$309.9    | \$297.0    | \$1,221.6   | \$1,261.2   | \$1,327.8   |       |
| Acquisition, Integration, Restructuring Expenses and Litigation and Opioid-Related Expenses | \$183.5     | \$330.5     | \$6,807.3   | \$471.9     | \$306.3     | \$344.9     | \$563.7     | \$101.2    | \$163.8    | \$112.6    | \$203.6    | \$581.1     | \$203.6    | \$203.6    | \$203.6    | \$203.6    | \$814.2     | \$814.2     | \$814.2     |       |
| Impairment of Assets  | \$59.7      | \$570.0     | \$361.7     | \$11.3      | \$4.9       | \$0.0       | \$0.0       | \$0.0      | \$0.0      | \$0.0      | \$0.0      | \$0.0       | \$0.0      | \$0.0      | \$0.0      | \$0.0      | \$0.0       | \$0.0       | \$0.0       |       |
| Goodwill Impairment   |             |             |             | \$6.4       | \$75.9      | \$0.0       | \$418.0     | \$0.0      | \$0.0      | \$0.0      | \$723.9    | \$723.9     | \$0.0      | \$0.0      | \$0.0      | \$0.0      | \$0.0       | \$0.0       | \$0.0       |       |
| Total Operating Expenses, Adjusted  | \$2,745.6   | \$2,945.2   | \$3,013.1   | \$3,923.2   | \$5,238.3   | \$5,722.8   | \$6,092.8   | \$1,585.7  | \$1,722.8  | \$1,802.0  | \$1,881.3  | \$6,991.9   | \$1,845.5  | \$1,779.6  | \$1,835.3  | \$1,903.5  | \$7,363.9   | \$7,647.1   | \$8,283.4   |       |
| Acquisition Related Intangibles Amortization  |             | \$159.8     | \$110.5     | \$176.2     | \$304.6     | \$551.0     | \$660.3     | \$164.9    | \$137.0    | \$124.9    | \$126.3    | \$553.0     | \$155.6    | \$170.4    | \$178.3    | \$179.0    | \$683.4     | \$712.6     | \$731.4     |       |
| Total Operating Expenses, GAAP  | \$3,168.6   | \$4,026.4   | \$10,327.2  | \$4,589.0   | \$5,930.0   | \$6,818.8   | \$7,734.8   | \$1,851.8  | \$2,023.6  | \$2,039.5  | \$2,935.1  | \$8,849.9   | \$2,204.6  | \$2,153.6  | \$2,217.1  | \$2,286.1  | \$8,861.5   | \$9,173.9   | \$9,829.0   |       |
| EBITDA  | \$1,908.8   | \$1,574.3   | (\$4,744.3) | \$2,859.4   | \$3,060.3   | \$3,304.6   | \$3,267.2   | \$984.7    | \$1,296.0  | \$1,121.6  | \$277.3    | \$3,679.7   | \$953.1    | \$1,275.6  | \$1,120.7  | \$1,029.9  | \$4,379.4   | \$4,882.1   | \$5,156.4   |       |
| Operating Income, Adjusted  | \$1,981.2   | \$2,051.3   | \$2,204.4   | \$2,648.2   | \$3,163.4   | \$3,289.1   | \$3,648.3   | \$949.3    | \$1,192.3  | \$1,058.3  | \$1,023.1  | \$4,223.0   | \$1,071.3  | \$1,283.2  | \$1,138.3  | \$1,129.4  | \$4,622.3   | \$5,034.0   | \$5,469.0   |       |
| Operating Income, GAAP  | \$1,443.7   | \$1,111.9   | (\$5,135.4) | \$2,354.2   | \$2,366.4   | \$2,340.7   | \$2,175.2   | \$706.3    | \$1,036.2  | \$867.7    | \$18.5     | \$2,628.6   | \$637.1    | \$976.9    | \$810.9    | \$733.0    | \$3,157.8   | \$3,620.9   | \$3,828.6   |       |
| Interest Expense, Net   | \$174.7     | \$157.8     | \$137.9     | \$174.1     | \$210.7     | \$228.9     | \$157.0     | \$227.9    | \$104.0    | \$81.8     | \$77.8     | \$291.5     | \$79.3     | \$86.4     | \$75.1     | \$74.8     | \$315.5     | \$320.6     | \$349.3     |       |
| Other Expense (Income), Net   | \$25.5      | (\$13.0)    | (\$1.6)     | (\$41.7)    | (\$27.4)    | (\$49.0)    | \$14.3      | \$57.9     | \$3.5      | (\$110.4)  | \$127.7    | \$78.7      | \$19.7     | \$19.7     | \$19.7     | \$19.7     | \$78.7      | \$78.7      | \$78.7      |       |
| Pre-Tax Income, Adjusted  | \$1,811.2   | \$1,892.7   | \$2,068.1   | \$2,468.5   | \$2,945.4   | \$3,065.4   | \$3,495.5   | \$916.7    | \$1,089.6  | \$989.2    | \$955.6    | \$3,951.1   | \$996.9    | \$1,201.8  | \$1,068.2  | \$1,059.6  | \$4,326.5   | \$4,733.1   | \$5,139.4   |       |
| Pre-Tax Income, GAAP  | \$1,177.4   | \$967.1     | (\$5,293.8) | \$2,221.9   | \$2,183.1   | \$2,160.8   | \$2,004.0   | \$620.4    | \$928.7    | \$896.3    | (\$187.0)  | \$2,258.3   | \$538.2    | \$870.8    | \$716.1    | \$638.5    | \$2,763.6   | \$3,221.6   | \$3,400.6   |       |
| Income Tax, Adjusted  | \$384.9     | \$389.9     | \$430.9     | \$525.8     | \$606.6     | \$621.7     | \$727.1     | \$183.3    | \$226.6    | \$204.8    | \$197.2    | \$812.0     | \$209.4    | \$252.4    | \$224.3    | \$222.5    | \$908.6     | \$993.9     | \$1,079.3   |       |
| Income Tax, GAAP  | (\$438.5)   | \$113.0     | (\$1,894.3) | \$677.3     | \$516.5     | \$428.3     | \$484.7     | \$126.7    | \$211.2    | \$206.5    | \$146.0    | \$690.5     | \$164.7    | \$266.5    | \$219.1    | \$195.4    | \$845.7     | \$985.8     | \$1,040.6   |       |
| Tax Rate, Adjusted  | 21.3%       | 20.6%       | 20.8%       | 21.3%       | 20.6%       | 20.3%       | 20.8%       | 20.0%      | 20.8%      | 20.7%      | 20.6%      | 20.6%       | 21.0%      | 21.0%      | 21.0%      | 21.0%      | 21.0%       | 21.0%       | 21.0%       |       |
| Tax Rate, GAAP  | (37.2%)     | 10.6%       | 35.8%       | 30.5%       | 23.7%       | 19.8%       | 24.2%       | 20.4%      | 22.7%      | 23.0%      | (78.1%)    | 30.6%       | 30.6%      | 30.6%      | 30.6%      | 30.6%      | 30.6%       | 30.6%       | 30.6%       |       |
| Net Income, Adjusted  | \$1,426.3   | \$1,502.9   | \$1,637.2   | \$1,942.7   | \$2,338.8   | \$2,443.7   | \$2,768.5   | \$733.3    | \$862.9    | \$784.5    | \$758.4    | \$3,139.1   | \$787.6    | \$949.4    | \$843.8    | \$837.1    | \$3,417.9   | \$3,739.1   | \$4,060.1   |       |
| Net Income, GAAP  | \$1,615.9   | \$854.1     | (\$3,399.6) | \$1,544.6   | \$1,666.5   | \$1,732.6   | \$1,519.3   | \$493.7    | \$717.4    | \$689.7    | (\$333.1)  | \$1,567.8   | \$373.5    | \$604.4    | \$497.0    | \$443.1    | \$1,917.9   | \$2,235.8   | \$2,360.0   |       |
| Non-Controlling Interest, Adjusted  | (\$3.7)     | \$0.6       | \$5.0       | \$12.2      | \$9.5       | (\$8.6)     | \$11.9      | \$5.6      | \$0.3      | \$3.1      | \$7.6      | \$16.6      | \$7.6      | \$7.6      | \$7.6      | \$7.6      | \$30.4      | \$30.4      | \$30.4      |       |
| Non-Controlling Interest, GAAP  | (\$42.5)    | (\$1.2)     | \$9.2       | \$4.7       | (\$32.3)    | (\$12.7)    | \$10.2      | \$5.1      | (\$0.5)    | \$2.3      | \$6.6      | \$13.6      | \$6.6      | \$6.6      | \$6.6      | \$6.6      | \$26.5      | \$26.5      | \$26.5      |       |
| Net income Attributable to Cencora, Inc., Adjusted  | \$1,430.0   | \$1,502.2   | \$1,632.2   | \$1,930.5   | \$2,329.4   | \$2,452.4   | \$2,756.6   | \$727.8    | \$862.6    | \$781.3    | \$750.8    | \$3,122.6   | \$780.0    | \$941.8    | \$836.3    | \$829.5    | \$3,387.6   | \$3,708.8   | \$4,029.7   |       |
| Net income Attributable to Cencora, Inc., GAAP  | \$1,658.4   | \$855.4     | (\$3,408.7) | \$1,539.9   | \$1,698.8   | \$1,745.3   | \$1,509.1   | \$488.6    | \$717.9    | \$687.4    | (\$339.7)  | \$1,554.2   | \$366.8    | \$597.7    | \$490.3    | \$436.5    | \$1,891.4   | \$2,209.3   | \$2,333.5   |       |
| Basic Shares Outstanding  | 217.9       | 210.2       | 204.8       | 205.9       | 208.5       | 202.5       | 198.5       | 193.8      | 193.8      | 193.8      | 193.9      | 193.8       | 193.9      | 193.9      | 193.9      | 193.9      | 193.9       | 193.3       | 192.3       |       |
| Diluted Shares Outstanding  | 220.3       | 211.8       | 204.8       | 208.5       | 211.2       | 204.6       | 200.3       | 195.2      | 195.1      | 195.2      | 193.9      | 195.2       | 193.9      | 193.9      | 193.9      | 193.9      | 193.9       | 193.3       | 192.3       |       |
| Basic EPS   | \$7.61      | \$4.07      | (\$16.65)   | \$7.48      | \$8.15      | \$8.62      | \$7.60      | \$2.52     | \$3.70     | \$3.55     | (\$1.75)   | \$8.02      | \$1.89     | \$3.08     | \$2.53     | \$2.25     | \$9.75      | \$11.43     | \$12.14     |       |
| Diluted EPS, Adjusted   | \$6.49      | \$7.09      | \$7.90      | \$9.26      | \$11.03     | \$11.99     | \$13.76     | \$3.73     | \$4.42     | \$4.00     | \$3.84     | \$16.00     | \$4.02     | \$4.86     | \$4.31     | \$4.28     | \$17.47     | \$19.19     | \$20.96     |       |
| Diluted EPS, GAAP   | \$7.53      | \$4.04      | (\$16.65)   | \$7.39      | \$8.04      | \$8.53      | \$7.53      | \$2.50     | \$3.68     | \$3.52     | (\$1.75)   | \$7.96      | \$1.89     | \$3.08     | \$2.53     | \$2.25     | \$9.75      | \$11.43     | \$12.14     |       |
| Dividend per Share  | \$1.52      | \$1.60      | \$1.66      | \$1.76      | \$1.87      | \$1.97      | \$2.04      | \$0.55     | \$0.55     | \$0.55     | \$0.55     | \$2.20      | \$0.57     | \$0.57     | \$0.57     | \$0.57     | \$2.28      | \$2.36      | \$2.44      |       |



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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

|                |   |
|----------------|---|
| Value Score    | A |
| Growth Score   | A |
| Momentum Score | D |
| VGM Score      | A |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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