

McKesson Corporation Announces Offer to Purchase up to \$500 Million Aggregate Principal Amount of Debt

7/8/2021

IRVING, Texas--(BUSINESS WIRE)-- McKesson Corporation (NYSE: MCK) (the "Company") today announced the commencement of a cash tender offer to purchase up to \$500,000,000 (subject to increase, the "Tender Cap") aggregate principal amount (the "Offer") of its outstanding 6.00% Notes due 2041 (the "6.00% Notes"), 4.883% Notes due 2044 (the "4.883% Notes"), 7.65% Debentures due 2027 (the "7.65% Debentures"), 4.750% Notes due 2029 (the "4.750% Notes"), 3.950% Notes due 2028 (the "3.950% Notes"), 2.85% Notes due 2023 (the "2.85% Notes") and 3.796% Notes due 2024 (the "3.796% Notes" and together with the 6.00% Notes, the 4.883% Notes, the 7.65% Debentures, the 4.750% Notes, the 3.950% Notes and the 2.85% Notes, the "Notes", and each, a "series" of Notes), at purchase prices determined based on the yield to maturity of the applicable U.S. Treasury reference security specified in the table below plus the applicable Fixed Spread, as further described in the Company's Offer to Purchase (as defined below).

Title of Security	CUSIP / ISIN Numbers	Principal Amount Outstanding	Acceptance Priority Level	Fixed Spread (basis points)	UST Reference Security	Bloomberg Reference Page
6.00% Notes due 2041	58155QAE3/ US58155QAE35	\$286,078,000	1	120 bps	2.250% UST due 5/15/2041	FIT1
4.883% Notes due 2044	581557 BC8/ US581557BC84	\$411,425,000	2	112 bps	2.250% UST due 5/15/2041	FIT1
7.65% Debentures due 2027	581557AM7/ US581557AM75	\$166,596,000	3	75 bps	0.875% UST due 6/30/2026	FIT1
4.750% Notes due 2029	581557 BN4/ US581557BN40	\$400,000,000	4	40 bps	1.625% UST due 5/15/2031	FIT1
3.950% Notes due 2028	581557BJ3/ US581557BJ38	\$600,000,000	5	10 bps	1.625% UST due 5/15/2031	FIT1
2.85% Notes due 2023	58155Q AG8/ US58155QAG82	\$400,000,000	6	30 bps	0.125% UST due 6/30/2023	FIT1
3.796% Notes due 2024	581557 BE4/ US581557BE41	\$1,100,000,000	7	20 bps	0.250% UST due 6/15/2024	FIT1

The Offer will expire at 11:59 p.m., New York City time, on August 4, 2021, unless extended or earlier terminated by

the Company, with respect to any or all series of Notes (such date and time, as the same may be extended or earlier terminated, with respect to any or all series, the “Expiration Time”). Holders must validly tender and not properly withdraw their Notes at or prior to 5:00 p.m., New York City time, on July 21, 2021, unless extended by the Company, with respect to any or all series of Notes (such date and time, the “Early Tender Time”) in order to be eligible to receive the Full Tender Offer Consideration (defined below), which includes an early tender payment of \$50 per \$1,000 principal amount of Notes (the “Early Tender Payment”). Holders that validly tender their Notes after the Early Tender Time and at or prior to the Expiration Time will not be eligible to receive the Early Tender Payment and will only be eligible to receive the Full Tender Offer Consideration minus the Early Tender Payment (the “Late Tender Offer Consideration”). In each case, Holders that validly tender Notes that are accepted for purchase by the Company will receive accrued and unpaid interest from, and including, the last interest payment date for their tendered Notes to, but not including, the settlement date for such Notes, in each case rounded to the nearest cent (“Accrued Interest”). Notes validly tendered may be withdrawn at any time on or prior to 5:00 p.m., New York City time, on July 21, 2021, with respect to any or all series of Notes (such date and time, as the same may be extended, the “Withdrawal Deadline”), unless extended by the Company, but not thereafter. The Depository Trust Company and any broker, dealer, commercial bank, trust company or other nominee that holds the Notes may have earlier deadlines for tendering Notes pursuant to the Offer than the Early Tender Time or the Expiration Time.

The terms and conditions of the Offer are described in the offer to purchase, dated July 8, 2021 (the “Offer to Purchase”), and the related letter of transmittal (the “Letter of Transmittal” and, together with the Offer to Purchase, the “Offer Documents”).

Tendered Notes will be accepted in the order of the acceptance priority level for such series (in numerical priority order) as set forth in the table above, with 1 being the highest acceptance priority level, and based on whether the Notes are tendered at or before the Early Tender Time or after the Early Tender Time, as described in the Offer to Purchase. Notwithstanding the acceptance priority level, if any Notes are purchased in the Offer, Notes tendered at or prior to the Early Tender Time will be accepted for purchase in priority to Notes tendered after the Early Tender Time and at or prior to the Expiration Time. Accordingly, if the Tender Cap is reached in respect of tenders made at or prior to the Early Tender Time, no Notes of any series tendered after the Early Tender Time (regardless of acceptance priority level) will be accepted for purchase, unless we increase the Tender Cap. Under certain circumstances, the Company will accept tendered Notes of one or more of the series on a pro rata basis as further described in the Offer to Purchase. The Company reserves the right, but is not obligated, to increase the Tender Cap.

The Offer is subject to the satisfaction or waiver of certain conditions specified in the Offer to Purchase.

Under these conditions and as more fully described in the Offer to Purchase, the Company expressly reserves its right, but is not obligated, with respect to any or all series of Notes, to extend the Offer at any time and may amend or terminate the Offer if, before such time as any Notes have been accepted for payment pursuant to the Offer, any condition of the Offer is not satisfied or, where applicable, waived.

The “Full Tender Offer Consideration” payable for the Notes will be a price per \$1,000 principal amount of the Notes equal to an amount that would reflect, as of the date of purchase, a yield to the par call date (or, if such Notes do not have a par call date, the maturity date) of the applicable series of Notes (which is September 1, 2040 for the 6.00% Notes, September 15, 2043 for the 4.883% Notes, March 1, 2027 for the 7.65% Debentures, February 28, 2029 for the 4.750% Notes, November 16, 2027 for the 3.950% Notes, December 15, 2022 for the 2.85% Notes and December 15, 2023 for the 3.796% Notes) equal to the sum of (i) the Reference Yield for the applicable series of Notes, plus (ii) the applicable Fixed Spread as calculated at the Yield Calculation Time at or about 10:00 a.m., New York City time on July 22, 2021. The Early Tender Payment is included in the amount of Full Tender Offer Consideration. See Schedule A to the Offer to Purchase for the formula to be used in determining the Full Tender Offer Consideration for the Notes.

If the Tender Cap is reached in respect of tenders made at or prior to the Early Tender Time, Notes validly tendered at or prior to the Early Tender Time will be subject to acceptance on a prorated basis. If the Tender Cap is not reached in respect of tenders made at or prior to the Early Tender Time, but is reached in respect of tenders made at or prior to the Expiration Time, Notes validly tendered after the Early Tender Time and at or prior to the Expiration Time will be subject to acceptance on a prorated basis.

The Company may, but it is not obligated, to elect following the Early Tender Time and prior to the Expiration Time to accept the Notes validly tendered at or prior to the Early Tender Time provided that all conditions to the Offer have been satisfied or waived by the Company. The Company may then settle such Notes at such time or promptly thereafter (such date of settlement, which is expected to be July 23, 2021 and is subject to change without notice, the “Early Settlement Date”). The “Final Settlement Date” is the date that the Company settles all Notes accepted for purchase and not previously settled on the Early Settlement Date, if any, and the Company expects such date to be two business days following the Expiration Time. The Company refers to each of the Early Settlement Date and the Final Settlement Date as a “Settlement Date.”

Capitalized terms used in this press release and not defined herein have the meanings given to them in the Offer to Purchase.

Barclays Capital Inc. and Citigroup Global Markets Inc. are acting as lead dealer managers for the Offer and Wells Fargo Securities, LLC is acting as co-dealer manager for the Offer. For additional information regarding the terms of

the Offer, please contact: Barclays Capital Inc. toll-free at (212) 528-7581 or collect at (800) 438-3242 or Citigroup Global Markets Inc. toll-free at (800) 558-3745 or collect at (212) 723-6106. Requests for the Offer Documents may be directed to Global Bondholder Services Corporation, which is acting as the Tender Agent and Information Agent for the Offer, at (866)-924-2200 (toll-free) or by email at contact@ghsc-usa.com.

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN OFFER OR SOLICITATION TO PURCHASE NOTES. THE OFFER IS BEING MADE SOLELY PURSUANT TO THE OFFER DOCUMENTS, WHICH SET FORTH THE COMPLETE TERMS OF THE OFFER THAT HOLDERS OF THE NOTES SHOULD CAREFULLY READ PRIOR TO MAKING ANY DECISION.

THE OFFER DOCUMENTS DO NOT CONSTITUTE AN OFFER OR SOLICITATION TO PURCHASE NOTES IN ANY JURISDICTION IN WHICH, OR TO OR FROM ANY PERSON TO OR FROM WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION UNDER APPLICABLE SECURITIES OR BLUE SKY LAWS. IN ANY JURISDICTION IN WHICH THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE OFFER WILL BE DEEMED TO BE MADE ON BEHALF OF the Company BY ONE OR MORE OF THE DEALER MANAGERS, IF ANY OF THE DEALER MANAGERS ARE LICENSED BROKERS OR DEALERS UNDER THE LAWS OF SUCH JURISDICTION, OR BY ONE OR MORE REGISTERED BROKERS OR DEALERS THAT ARE LICENSED UNDER THE LAWS OF SUCH JURISDICTION.

About McKesson Corporation

McKesson Corporation is a global leader in healthcare supply chain management solutions, retail pharmacy, community oncology and specialty care, and healthcare information solutions. McKesson partners with pharmaceutical manufacturers, providers, pharmacies, governments, and other organizations in healthcare to help provide the right medicines, medical products, and healthcare services to the right patients at the right time, safely and cost-effectively. United by our ICARE shared principles, our employees work every day to innovate and deliver opportunities that make our customers and partners more successful - all for the better health of patients. McKesson has been named a “**Most Admired Company**” in the healthcare wholesaler category by FORTUNE, a “**Best Place to Work**” by the Human Rights Campaign Foundation, and a top **military-friendly company** by Military Friendly. For more information, visit <https://www.mckesson.com>.

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