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**Company Profile Project**

**March 6, 2023**

**FINA 5170 – Group 07**

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# What Does the Firm Do?

McKesson is a Fortune 9 organization that deals with a variety of different areas within the healthcare realm. They utilize principles which they call I2 CARE and ILEAD, which help their employees make the best decisions possible. One of the major goals of McKesson is to improve health outcomes to improve tomorrow. They provide affordable, accessible products, care, and services, as well as insights to major pharmaceutical and biopharma companies, as well as hospital systems, healthcare providers, big box and individual local pharmacies, manufacturers, and government entities, such as the Veterans’ Administration. Their innovative distribution and technology solutions help the healthcare industry improve patient outcomes, operate with lower costs, and work with more efficiency. The companies operate five major divisions that provide these services to the healthcare world. They are the Pharmaceutical Distribution, Medical-Surgical, Specialty Practice Solutions, Cover My Meds, and McKesson Canada/Europe.

**Pharmaceutical Distribution**

McKesson is the largest pharmaceutical distributor in the United States, and they demonstrate a strong commitment to delivering superior service. To do this, they focus on order accuracy and safety. This focus allows them to provide branded, generic, and over-the-counter pharmaceuticals to approximately 40,000 customers worldwide. Those customers include retail chain and local independent pharmacies, hospital systems large and small, academic medical centers, long-term care providers, and integrated delivery networks. This is achieved by utilizing their unique supply chain technology, marketing programs, managed care, and repackaging of products.

Some of their most influential major customers are CVS/Caremark, Walmart, Rite-Aid, and the US Government Department of Defense. They maintain several strong supplier relationships, have a great deal of deep supply-chain expertise, allowing them to deliver the right drug at the right time to those who may need it the most, such as vaccines during the COVID-19 pandemic.

**Medical-Surgical**

McKesson’s Medical-Surgical division provides a complete range of medical-surgical supplies and equipment to healthcare providers’ offices, post-acute care facilities and surgical centers. Their catalog of over 150,000 products starts as simple as bandages and includes most healthcare supplies including exam tables, lab equipment, and other medical equipment, all of which is either a nationally recognized name brand or one of their own line of products. Their philosophy is that a better product will allow a healthcare provider to give better care to the people who need it most, their patients. Because these products are delivered from a single, experienced source, providers and facilities can work with better efficiency and with improved time savings.

Again, McKesson’s national distribution network helps to provide these supplies quickly. Delivery to 95% of their customers for the majority of their products occurs within the next day. This service can alleviate the stress of ordering that can occur in healthcare facilities.

**Specialty Practice Solutions**

Within the Specialty Practice Solutions, McKesson brings providers together with the manufacturers and payers to help improve the strength of their business foundations. The Specialty units within the Specialty Practice Solutions help specific groups of healthcare providers give better care to their patients who need more focused care for their individual health concerns. They use an “all-in” approach to bring solutions to the specialists’ offices and facilities to make the practices more manageable. McKesson uses advocacy, consultancy, and collaboration with the providers and their practices to make sure patients have better outcomes. Currently, there are services over 10,000 community-based specialty providers across the country that McKesson provides this service to. These are segments that fall under this division:

· **Oncology Practice Solutions**

· **Rheumatology Practice Solutions**

· **Gastroenterology Practice Solutions**

· **Retina Practice Solutions**

· **Neurology Practice Solutions**

**CoverMyMeds**

Many individuals worldwide have a hard time getting their medications for a variety of reasons. McKesson uses collaboration with pharmacies and providers to help patients get access to the medications they need to live a healthier life. Doing this improves patient outcomes by getting medications to start therapies quicker and decreasing the risk of patient’s abandoning those prescriptions due to cost or inability to obtain. McKesson’s network includes approximately 75 percent of electronic health record systems (EHRs), 50,000+ pharmacies, 750,000 providers and most health plans and pharmacy benefit managers (PBMs). As pharmaceutical companies, pharmacies, providers, and payers continue to evolve in the ever-changing healthcare environment, their technology and connectivity solutions keep them competitive, compliant, and focused on healthy patient outcomes.

CoverMyMeds is McKesson’s solution to these challenges that can be present in every step of an individual’s healthcare journey. This unified brand now includes other groups such as RelayHealth, RxCrossroads by McKesson, and McKesson Prescription Automation. They accelerate state-of-the-art solutions for medication access, affordability, and adherence for all stakeholders involved, from providers to pharmacies, payers to biopharma and, but most importantly, the patients.

**McKesson Canada and Europe**

McKesson partners with the Canadian and European health care industry to do as it has in the United States: provide enhanced, safer care by delivering supplies, necessary medications and supplements, and information technologies. They have done this for over 100 years and provide the same solutions worldwide to Canada and Europe, improving patient outcomes on a daily basis.

# How Does The Firm Make Money?

Table 1 displays the sales revenue and operating profit and margin for each segment.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Segment** | **2018** | **2019** | **2020** | **2021** | **2022** | **2022 Change** |
| **Segment Sales Revenue (Millions)** | | | | | | |
| U.S. Pharmaceuticals | 162,587 | 167,763 | 183,341 | 189,274 | 212,149 | 12% |
| Prescription Technology Solutions1 | -- | -- | -- | 2,890 | 3,864 | 34% |
| Medical-Surgical Solutions | 6,611 | 7,618 | 8,305 | 10,099 | 11,608 | 15% |
| International | 11,839 | 11,696 | 12,015 | 35,965 | 36,345 | 1% |
| **Total sale revenue** | **181,037** | **187,077** | **203,661** | **238,228** | **263,966** |  |
| **Segment Operating Profit (Millions)** | | | | | | |
| U.S. Pharmaceuticals | 2,535 | 2,697 | 2,767 | 2,763 | 2,879 | 4% |
| Prescription Technology Solutions1 | -- | -- | -- | 395 | 500 | 27% |
| Medical-Surgical Solutions | 461 | 455 | 499 | 707 | 959 | 36% |
| International | -107 | 394 | -595 | -37 | -968 | -2,500% |
| **Total operating margin** | **2,889** | **3,546** | **2,671** | **3,828** | **3,370** |  |
| **Segment Operating Profit Margin** | | | | | | |
| U.S. Pharmaceuticals | 1.56% | 1.61% | 1.51% | 1.46% | 1.36% | <1% |
| Prescription Technology Solutions1 | -- | -- | -- | 13.67% | 12.94% | 1% |
| Medical-Surgical Solutions | 6.97% | 5.97% | 6.01% | 7.00% | 8.26% | 1% |
| International | -- | -- | -- | -10.00% | -2.66% | -7% |

1 Started in 2021

McKesson conducts its business in four primary segments: U.S. Pharmaceuticals, Prescription Technology Solutions, Medical Surgical Solutions, and International. The company records sales revenue for each of these segments and computes other financial information metrics, like operating margin, to ascertain the performance of each unit.

The financial statements for the last five years indicate that the Pharmaceuticals segment generates the highest proportion of total revenue for the company. Occasionally, the company orders products from the manufacturer, carries them at its distribution facilities, and delivers them to the buyer's warehouse. The company records revenue to this segment when it transfers the control of goods to its customers. The pharmaceutical retail business's revenue represents approximately 98% of the total revenue. In contrast, the service revenues from other segments like Prescription Technology Solutions only contribute to 2% of the revenue for the last three years.

**U.S. Pharmaceutical Segment Sales**

The Pharmaceuticals segment revenue has increased in the last five years. The sales increased by 12% in 2022 compared to 2021 sales. The impressive growth in revenue in this segment is primarily due to the growth in market share. These last three years have witnessed a significant growth in specialty pharmaceuticals. The price of branded pharmaceuticals rose during this period, making most consumers shift to specialty pharmaceuticals. The segment sales were recovering from the prior effect of COVID-19 pandemic, where many buyers were starting to purchase prescription volumes from retail pharmacies and healthcare providers.

**Prescription Technology Solutions Segment**

This segment's sales constantly increased over the last two years (started in 2021). The company generated $2,890 million in 2021. 2022 witnessed a further increase of 34%, reaching $ 3,864 million. This increase portrays the rate at which new and existing customers embrace prescription technology solutions to aid their medical needs.

**Medical-Surgical Solutions Sales Segment**

Medical-Surgical Solutions revenues for 2022, increased by 15% compared to the previous year. 2020 sales were $8,305 million, and increased to $10,099 million in 2021 and $11,608 million in 2022. The high sales growth in this segment was majorly due to the improved patient care visits that boosted the primary care business. The distribution of ancillary supplies for the covid-19 vaccines further boosted this segment's revenue.

**International Segment Sales**

The sales growth in the International segment has been low for the last five years. For instance, 2018 sales amounted to $11,839 million and slightly improved to $11,696 million in 2019. Two thousand twenty-one sales grew only by 1% from $35,965 to $36,345 million in 2022. The decrease in sales growth was primarily due to the entry of a German pharmaceuticals business that joined a venture with the WBS, posing a significant threat to existing firms.

**Percentage of Total Sales Per Segment**

Table 2 displays the total sales per segment.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Segment** | **2018** | **2019** | **2020** | **2021** | **2022** |
| U.S. Pharmaceuticals ($ millions) | 162,587 | 167,763 | 183,341 | 189,274 | 212,149 |
| U.S. Pharmaceuticals % | 78.03% | 78.28% | 79.35% | 79.45% | 80.37% |
| European Pharmaceutical Solutions  ($ millions) 1 | 27,320 | 27,242 | 27,390 | -- | -- |
| European Pharmaceutical Solutions % | 13.11% | 12.71% | 11.85% | -- | -- |
| Prescription Technology Solutions2  ($ millions) | -- | -- | -- | 2,890 | 3,864 |
| Prescription Technology Solutions% | -- | -- | -- | 1.21% | 1.46% |
| Medical-Surgical Solutions  ($ millions) | 6,611 | 7,618 | 8,305 | 10,099 | 11,608 |
| Medical Surgical Solutions % | 3.17% | 3.55% | 3.59% | 4.24% | 4.40% |
| International ($ millions) | 11,839 | 11,696 | 12,015 | 35,965 | 36,345 |
| International % | 5.68% | 5.46% | 5.20% | 1.51% | 1.38% |
| **Total Revenue** | 208,357 | 214,319 | 231,051 | 238,228 | 263,966 |

1 Folded into International in 2020

2 Started in 2021

**U.S. Pharmaceutical Segment Operating Income**

Operating income for the pharmaceuticals segment has increased in the last five years. For instance, the operating profit increased by 4% in 2022, reaching $2,879 million, compared to the 2021 income of $2,763 million. The growth in operating income is primarily due to the increase in specialty pharmaceuticals and increased vaccine distribution during the COVID-19 pandemic. However, the operating income in this segment for 2022 was affected by the decrease in the net cash received of $135 million in an anti-trust legal settlement. Also, the segment's operating expenses increased this year, negatively impacting the net operating income.

**Prescription Technology Solutions Segment Operating Income**

The technology solution segment experienced a negative operating income between 2018 and 2020, indicating that most revenues were translated to losses. However, the company has improved its operating income for this segment in 2021 and 2022, increasing by 27% in 2022 and reaching $500 million. The growth in operating income in this segment was due to the growth in the company's access and adherence solutions that brought in new customers and motivated the existing ones to purchase.

**Medical-Surgical Solutions Operating Income**

The operating income for this segment has been increasing for the last five years. The income increased by 36% in 2022 as compared to 2021. This increase in operating income is mainly due to the excellent patient care visits that boosted the demand for medical-surgical solutions. Also, the company distributed ancillary supplies for COVID-19 management, leading to higher sales in   
this segment.

**International Segment Operating Income**

The International segment has witnessed negative operating income in the last five years. The operating loss was even more in 2022 than in 2021. Statistics show that the European Union disposal group largely contributed to this operating loss in the International segment. Various risk factors affected international businesses, thus increasing the operating loss of this segment. For instance, there was a significant fluctuation in the exchange rate during the period, discouraging the International segment operating income.

**Most Profitable Segment**

The Medical-Surgical Solutions is the most profitable segment for McKesson corporation. The segment has recorded a high-profit margin in the last five years. For instance, the operating margin in 2018 was 6.97% and increased to 8.26% in 2022. The high operating margin indicates that the medical surgical solutions segment can translate most of its revenue into profit.

**Fastest Growing Segment**

The fastest growing segment is the Prescription Technology Solutions segment. The segment has witnessed a significant improvement in sales over the last five years. For instance, the sales grew by 34% in 2022, reaching a high record level of $ 3,864 million.

# Effects of the Pandemic on the Firm

The pandemic was a challenging situation that suddenly changed how companies performed their business. Many organizations had to adapt to a new situation especially regarding the initial response towards the pandemic. As a pharmaceutical supply distribution company, McKesson faced challenges surrounding shortages, shipping backlogs, and inflation. This caused many patients to become ill rapidly who required ventilators fast. COVID-19 revealed these vulnerabilities in the supply chain and transformed the way hospitals approach supplies. This showed the needed distribution of goods, especially the use of health systems and medicine. As one of the largest healthcare companies, McKesson played a crucial role in supporting the U.S. government and was selected by the Centers for Disease Control to be the centralized distributor for vaccines and ancillary supply kits.

McKesson’s outlook facing the pandemic showed that they know that they have a critical role to play in making medications and supplies available to customers and patients when they need them despite the uncertainty and inflation created by the COVID-19 pandemic. McKesson says that they play an important role in healthcare delivery and it is something they take seriously every day even more so now as the world faces this healthcare challenge. McKesson is committed to securing products for their customers and to being a cost-effective option in these challenging times.

The economic reports from McKesson show that supply chains have been performing well with over 20% more goods flowing than before the pandemic. Sales and growth should continue to grow post-pandemic though supply chain, although companies should be cautious as disruptions can occur again. Total revenue increased during the pandemic, but not as much as in previous years.

Revenue increased by 8% to $231.1 by the end of the 2020 fiscal year, but only increased 3% in 2021 to $238.2. By the end of 2022, total revenue increased by 11% from $238.2 billion to $264 billion. Based on McKesson reports, McKesson should continue to grow its sales during and after   
the pandemic.

# Returns and Standard Deviation

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Starting Date** | **Ending Date** | **Starting Price** | **Ending Price** | **Dividends** | **Buy-and-Hold Return** | **Standard Deviation** |
| **01/01/22** | **12/30/22** | 248.1 | 375.12 | 2.02 | 52.01% | 1.52% |
| **01/01/19** | **12/30/22** | 113.07 | 375.12 | 7.06 | 238.00% | 1.97% |
| **01/01/17** | **12/30/22** | 147.43 | 375.12 | 9.76 | 161.06% | 1.87% |

Each financial year is considered as 01/01 (first working day) to 12/31 (last working day).

The three sources of McKesson’s beta are the following:

* Market Risk
* Industry Risk
* Company Specific Risk

# Governance

McKesson’s board of directors is currently a declassified board (directors are elected each year), and consists of 11 total members. The board institutes an independent chair (a person appointed by the corporation’s council to chair meetings of the board of directors of the Association, who is separate from the corporation). McKesson’s independent chair/chairman of the board is **Donald R. Knauss**, who was elected on April 1, 2022.

Table 3 displays the current Board of Directors (as of June 9, 2022):

| **Current Occupation** | **Director Since** | **Committees** | **Other Public Boards** | **Ownership Share** | **Why is the Director a  Good Fit?** |
| --- | --- | --- | --- | --- | --- |
| ***Richard H. Carmona, M.D.*** | | | | | |
| Chief of Health Innovations of Canyon Ranch, Inc.  17th Surgeon General of the United States | 2021 | Compensation  Compliance | Clorox Company  Herbalife Nutrition, Ltd  Better Therapeutics | 762 | 17th U.S. Surgeon General  On several board of directors  since 2007  International and domestic healthcare experience |
| ***Dominic J. Caruso*** | | | | | |
| Retired EVP & CFO, Johnson & Johnson | 2018 | Audit (Chair)  Compliance | Kyndryl Holdings, Inc | 4,535 | Former CFO of Johnson & Johnson (2007-2018)  Board of Trustees - Children's Hospital of Philadelphia  Experience with financial and compliance risk oversight |
| ***W. Roy Dunbar*** | | | | | |
| Retired CEO & Chairman, Network Solutions, LLC | 2022 | Audit  Governance | SiteOne Landscape Supply, Inc  Johnson Controls International, plc  Duke Energy Corp | 169 | Diverse company experience (Network Solutions, MasterCard, Duke Energy, etc.)  Substantiality and ESG expert  Experience with technology, operations, and healthcare |
| ***James H. Hinton*** | | | | | |
| Operating Partner,  Welsh Carson Anderson & Stowe | 2022 | Compliance  Finance | None | 349 | Former CEO of Baylor Scott & White Health (2017-2021)  Former President and CEO of Presbyterian Healthcare Services (1983-2000)  Experience with healthcare operations, compliance, and integrated systems |
| ***Donald R. Knauss (Independent Chair/Chairman of the Board)*** | | | | | |
| Retired Chairman & CEO, The Clorox Company | 2014 | Compensation  Finance | Kellogg Company  Target Corporation | 8,056 | Former CEO and Chairman of Clorox Company (2006-2015)  Former executive vice president of Coca-Cola Company (2004-2006)  Experience with international business management and  retail expertise |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current Occupation** | **Director Since** | **Committees** | **Other Public Boards** | **Ownership Share** | **Why is the Director a  Good Fit?** |
| ***Bradley E. Lerman*** | | | | | |
| Retired SVP and General Counsel, Medtronic plc | 2018 | Audit  Compliance (Chair) | None | 5,004 | Former senior VP and general counsel of Medtronic plc  (2014-2022)  Experience with large firm law practice and government positions with law enforcement responsibilities  Experience with linking compliance and legal consideration with corporate strategy |
| ***Linda P. Mantia*** | | | | | |
| Retired SEVP & COO, Manulife Financial Corporation | 2020 | Compensation (Chair)  Governance | Ceridian HCM Holding, Inc. | 1,721 | Senior executive vice president and COO of Manulife Financial Co.  (2016-2019)  Several leadership roles (Digital Banking, Payments and Cards, McKinsey & Co.)  Law degree and experience with international operations and corporate strategy |
| ***Maria Martinez*** | | | | | |
| EVP & COO, Cisco Systems, Inc. | 2019 | Finance Governance (Chair) | Cue Health, Inc. | 3,068 | Current Executive VP and COO (Cisco Systems, Inc.) (2021-Present)  Several leadership positions with technology companies (Microsoft, Salesforce, and AT&T)  Experience with business and digital transformation and global leadership |
| ***Susan R. Salka*** | | | | | |
| CEO & President, AMN Healthcare Services, Inc. | 2014 | Audit  Finance (Chair) | AMN Healthcare Services, Inc. | 10,061 | Current CEO and President  (AMN Healthcare Services, Inc.)  Member of Women Business Leaders and Women Corporate Directors  Experiences with long-range planning experience and company board service |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current Occupation** | **Director Since** | **Committees** | **Other Public Boards** | **Ownership Share** | **Why is the Director a**  **Good Fit?** |
| ***Brian S. Tyler*** | | | | | |
| CEO, McKesson Corporation | 2019 | N/A | Republic Services, Inc. | 172,549 | Current CEO of McKesson  (2019-Present)  Different executive positions with McKesson since 2015  Extensive knowledge of the company culture and workforce |
| ***Kathleen Wilson-Thompson*** | | | | | |
| Retired EVP & Global CHRO, Walgreens Boots Alliance, Inc. | 2022 | Compensation  Governance | Tesla, Inc.  Wolverine World Wide, Inc. | 349 | Former executive VP and global chief HR officer for Walgreens (2014-2021)  Former senior VP global HR for Kellogg Company (2010-2014)  Experience with human capital management and extensive  board service |

**Brian S. Tyler** currently serves as McKesson’s CEO (since April 1, 2019). His former executive roles with the company include chairman on the management board, president of North American Pharmaceutical Distribution and Services, and vice president of corporate strategy and business development. Mr. Tyler has more than 22 years of experience in the healthcare field, and has sat on the board of directors since 2021.

Mr. Tyler is not the Chairman of the Board; independent chair Donald R. Knauss currently occupies the role of Chairman of the Board. Table 4 displays the current list of top executives at McKesson and their individual ownership shares (as of June 9, 2022):

|  |  |  |
| --- | --- | --- |
| **Name** | **Current Executive Role** | **Ownership Share** |
| **Brian S. Tyler** | Chief Executive Officer | 172,549 |
| **Britt J. Vitalone** | Executive Vice President and Chief Financial Officer | 20,562 |
| **Lori A. Schechter** | Executive Vice President, Chief Legal Officer, and  General Counsel | 24,786 |
| **Tracy L. Faber** | Executive Vice President and Chief Human Resources Officer | 15,566 |
| **Nancy Flores** | Executive Vice President, Chief Information Officer, and Chief Technology Officer | 5,458 |

Table 5 displays the current compensation for the top executives at McKesson (as of June 9, 2022):

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Fiscal Year** | **Salary ($)** | **Bonus ($)** | **Stock Awards ($)** | **Non-Equity Incentive Plan Compensation ($)** | **All Other**  **Compensation ($)** | **Total**  **($)** |
| ***Brian S. Tyler, Chief Executive Officer*** | | | | | | |
| **2022** | 1,375,000 | 0 | 12,250,438 | 4,210,938 | 315,706 | 18,152,082 |
| **2021** | 1,177,083 | 0 | 11,500,289 | 1,602,813 | 559,888 | 14,840,073 |
| **2020** | 1,250,000 | 0 | 9,875,191 | 3,654,000 | 656,279 | 15,435,470 |
| ***Britt J. Vitalone, Executive VP and CFO*** | | | | | | |
| **2022** | 845,001 | 0 | 3,500,404 | 1,700,564 | 87,763 | 6,133,732 |
| **2021** | 792,667 | 0 | 3,250,313 | 1,451,567 | 43,751 | 5,538,298 |
| **2020** | 813,333 | 0 | 3,000,058 | 1,426,683 | 57,208 | 5,297,282 |
| ***Lori A. Schechter, Executive VP, Chief Legal Officer, and General Counsel*** | | | | | | |
| **2022** | 812,500 | 0 | 2,605,261 | 1,421,875 | 429,141 | 5,268,777 |
| **2021** | 773,333 | 0 | 2,605,244 | 1,242,233 | 305,657 | 4,926,467 |
| **2020** | 800,000 | 0 | 2,605,167 | 1,813,010 | 94,734 | 5,312,911 |
| ***Tracy L. Faber, Executive VP and Chief HR Officer*** | | | | | | |
| **2022** | 641,667 | 0 | 1,750,514 | 1,122,917 | 67,383 | 3,582,481 |
| **2021** | 604,167 | 0 | 1,750,361 | 680,667 | 60,453 | 3,095,648 |
| **2020** | 533,708 | 0 | 1,300,266 | 676,927 | 51,340 | 2,562,241 |
| ***Nancy Flores, Executive VP, CFO, and CTO*** | | | | | | |
| **2022** | 570,834 | 0 | 1,450,112 | 998,960 | 35,100 | 3,055,006 |

Table 6 displays the two current beneficial owners of McKesson (The Vanguard Group and BlackRock, Inc.) (as of June 9, 2022):

|  |  |  |
| --- | --- | --- |
| **Name of Beneficial Owner** | **Amount and Nature of**  **Beneficial Ownership** | **Percent of Class** |
| **The Vanguard Group** | 15,497,451 | 10.79% |
| **BlackRock, Inc.** | 13,171,252 | 9.71% |

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# Appendices

**McKesson Income Statement**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Export |  |  |  |  |  |
| **Year** | **2022** | **2021** | **2020** | **2019** | **2018** | |
| **Revenue** | **263,966** | **238,228** | **231,051** | **214,319** | **208,357** | |
| Revenue Growth (YoY) | 10.80% | 3.11% | 7.81% | 2.86% | 4.95% | |
| Cost of Revenue | 250,836 | 226,080 | 219,028 | 202,565 | 197,173 | |
| **Gross Profit** | **13,130** | **12,148** | **12,023** | **11,754** | **11,184** | |
| Selling, General & Admin | 10,537 | 8,849 | 9,182 | 8,437 | 8,138 | |
| Research & Development | 0 | 0 | 0 | 0 | 125 | |
| Other Operating Expenses | 555 | 8,339 | 352 | 2,431 | 2,305 | |
| Operating Expenses | 11,092 | 17,188 | 9,534 | 10,868 | 10,568 | |
| **Operating Income** | **2,038** | **-5,040** | **2,489** | **886** | **616** | |
| Interest Expense / Income | 178 | 217 | 249 | 264 | 283 | |
| Other Expense / Income | 110 | -23 | 1,322 | 232 | 319 | |
| **Pretax Income** | **1,750** | **-5,234** | **918** | **390** | **14** | |
| Income Tax | 636 | -695 | 18 | 356 | -53 | |
| **Net Income** | **1,114** | **-4,539** | **900** | **34** | **67** | |
| Net Income Growth | - | - | 2547.06% | -49.25% | -98.68% | |
| Shares Outstanding (Basic) | 152 | 161 | 181 | 196 | 208 | |
| **Shares Outstanding (Diluted)** | **154** | **161** | **182** | **197** | **209** | |
| Shares Change | -4.05% | -11.56% | -7.96% | -5.60% | -6.28% | |
| EPS (Basic) | 7.32 | -28.26 | 4.98 | 0.17 | 0.32 | |
| **EPS (Diluted)** | **7.23** | **-28.26** | **4.95** | **0.17** | **0.32** | |
| EPS Growth | - | - | 2811.76% | -46.88% | -98.59% | |
| Free Cash Flow Per Share | 25.6 | 24.29 | 21.42 | 17.72 | 18.1 | |
| **Dividend Per Share** | **2.25** | **1.67** | **1.62** | **1.51** | **1.3** | |
| Dividend Growth | 34.73% | 3.09% | 7.28% | 16.15% | 16.07% | |
| Gross Margin | 4.97% | 5.10% | 5.20% | 5.48% | 5.37% | |
| Operating Margin | 0.77% | -2.12% | 1.08% | 0.41% | 0.30% | |
| Profit Margin | 0.42% | -1.91% | 0.39% | 0.02% | 0.03% | |
| Free Cash Flow Margin | 1.48% | 1.64% | 1.67% | 1.62% | 1.81% | |
| Effective Tax Rate | 36.34% | - | 1.96% | 91.28% | -378.57% | |
| **EBITDA** | **2,929** | **-3,796** | **2,455** | **1,603** | **1,248** | |
| EBITDA Margin | 1.11% | -1.59% | 1.06% | 0.75% | 0.60% | |
| **Year** | **2022** | **2021** | **2020** | **2019** | **2018** | |
| Depreciation & Amortization | 1,001 | 1,221 | 1,288 | 949 | 951 | |
| **EBIT** | **1,928** | **-5,017** | **1,167** | **654** | **297** | |
| EBIT Margin | 0.73% | -2.11% | 0.51% | 0.31% | 0.14% | |

**McKesson Stock Data**

[McKesson FY19-22 Stock Data](https://docs.google.com/spreadsheets/u/0/d/1H19S0_6QdgYra5k8PN0Sxq20cFKommy_2A8EKvxnq3A/edit)

[McKesson FY17-22 Stock Data](https://docs.google.com/spreadsheets/u/0/d/1SxvHWelgQy6mkicYOvkhEznKgCvFsU6CxrmO0Yqqls4/edit)

[McKesson FY21-22 Stock Data](https://docs.google.com/spreadsheets/u/0/d/1ZZYwBIWKJ_UpdodJKlv4ZdXcZObKlnqoiScILjt7KBQ/edit)