

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (12/08/2016)
NYSE, in \$ **\$195.24**

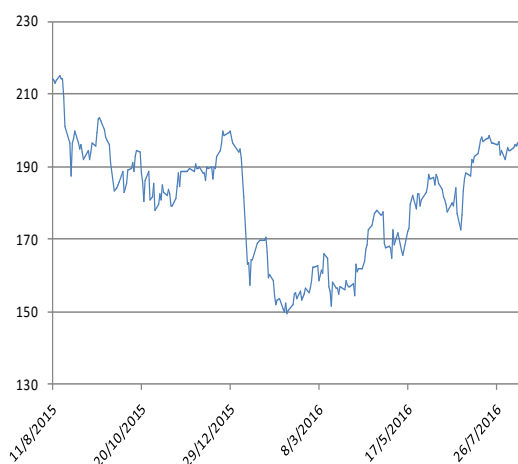
of Shares (mn) 225.70
Market Cap (in \$ mn) 44,066.06
A.D. Volume (p) 1,786,546
Beta Co-efficient 0.84

Statistical Data

Max 52 week 214.95 USD
Min 52 week 149.53 USD
1-M Rtn -1.10%
6-M Rtn 26.98%
12-M Rtn -8.74%

Source: VRS Calculations, Reuters.

Stock Price Performance (1 year, in \$)



Note: Share price performance based on share price closes on NYSE.
Period as day/month/year.

McKESON Corp.

Listed on New York Stock Exchange, USA, [Bloomberg Ticker: MCK:US] [Reuters Ticker: MCK.N]

Business Sector: Pharmaceuticals, Health Care

Corporate & Investment Highlights

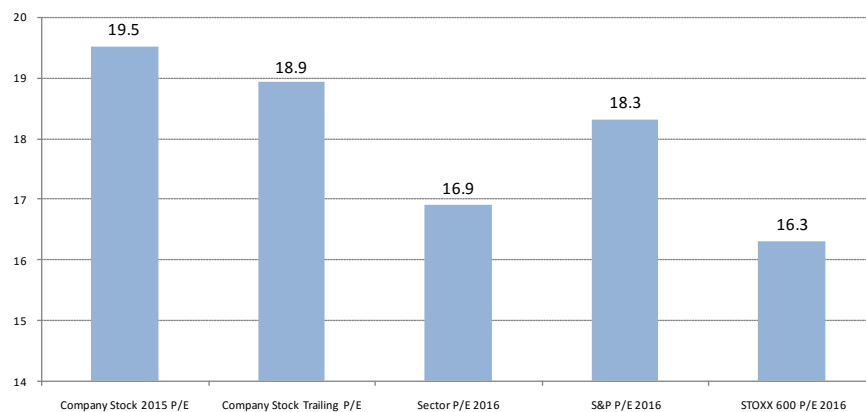
- McKesson Corporation (McKesson), incorporated on July 7, 1994, is a pharmaceutical distribution services and information technology company. The Company delivers an offering of pharmaceuticals and medical supplies. The Company operates through two segments: McKesson Distribution Solutions and McKesson Technology Solutions. It delivers more than one third of all the prescription medication in North America.

Consolidated Revenue Breakdown per Operational Segment (Product Sales)

In \$ billion	2011	2012	2013	2014	2015	2016
Distribution Solutions	108.9	119.4	119.1	134.1	176.0	188.0
Sales						
Technology Solutions	3.2	2.9	3.0	3.3	3.1	2.9
Sales						
Total	112.1	122.3	122.1	137.4	179.1	190.9
Sales						

Source: The Company.

Company Historic P/E Multiple versus Market P/E Multiples (x)



Source: VRS calculations based on consolidated accounts, FACTSET.

Important Note:

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Company Report

FLASH NOTE
August 12, 2016

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BASIC FINANCIAL INDICATORS

(in \$ mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
2011	112,084	2,353	1,635	1,130	39.0	6.1	20.3	0.55	16%
2012	122,321	2,637	1,893	1,403	31.4	6.5	18.1	0.58	21%
2013	122,196	2,698	1,928	1,338	32.9	6.2	17.2	0.69	19%
2014	137,392	3,206	2,171	1,263	34.9	5.2	15.7	1.24	15%
2015	179,045	4,048	2,657	1,476	29.9	5.5	12.0	1.23	18%
2016	190,884	4,488	3,250	2,258	19.5	4.9	10.7	0.91	25%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. (3) Each fiscal year lasts from 1st April to 31st March of each year.
Source: Official Consolidated Financial Statements, VRS Calculations. n/c stands for non calculable.

Working Capital Ratios

in \$ million		2011	2012	2013	2014	2015	2016
Revenues	\$ mn	112,084	122,321	122,196	137,392	179,045	190,884
Cost (net of depreciation)	\$ mn	106,114	115,919	115,221	129,040	167,634	179,468
Gross Profit Margin	%	5.33%	5.23%	5.71%	6.08%	6.37%	5.98%
Net Income / Profit	\$ mn	1,130	1,403	1,338	1,263	1,476	2,258
Net Profit Margin	%	1.0%	1.1%	1.1%	0.9%	0.8%	1.2%
Cash & Cash Equivalents	\$ mn	3,612	3,149	2,456	4,193	5,341	4,048

Stock Days

Days	2011	2012	2013	2014	2015	2016	
Stock Inventory	\$ mn	9,225	10,073	10,335	12,986	14,296	15,335
Debtors Days	Days	30	30	30	37	32	34
Debtors - Receivables	\$ mn	9,187	9,977	9,975	13,780	15,914	17,980
Creditors Days	Days	48	51	51	60	55	58
Creditors - Suppliers	\$ mn	14,090	16,114	16,108	21,128	25,166	28,585
Operating Cycle (Days)	Days	62	61	63	73	64	66
Cash Cycle (Days)	Days	13	11	12	14	9	7

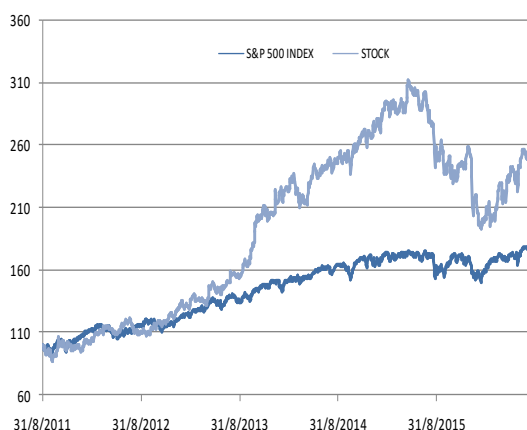
Source: Official Consolidated Financial Statements, VRS Calculations.

Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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Stock versus S&P 500 Index (Last 5 Years, Base = 100)



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1st Quarter Results (1st April to 30th June)

(USD million)	3M 2017	%	3M 2016
Revenues	49,733	4.60%	47,546
Gross Profit	2,907	2.07%	2,848
EBT	673	12.35%	599
EATAM	655	11.77%	586

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
McKesson Corp.	MCK:US	MCK:US	\$195.24	August 12, 2016	----

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2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
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5. VRS produces research reports for this company on systematic basis.
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