

MCKESSON CORP
Form 10-Q
January 31, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-13252

MCKESSON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 94-3207296
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) Identification No.)

One Post Street, San Francisco, California 94104
(Address of principal executive offices) (Zip Code)

(415) 983-8300
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of December 31, 2018
Common stock, \$0.01 par value	191,825,272 shares

Table of Contents

McKESSON CORPORATION

TABLE OF CONTENTS

Item	Page
<u>PART I—FINANCIAL INFORMATION</u>	
1. <u>Condensed Consolidated Financial Statements</u>	
<u>Condensed Consolidated Statements of Operations</u> <u>Quarters and Nine Months Ended December 31, 2018 and 2017</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income</u> <u>Quarters and Nine Months Ended December 31, 2018 and 2017</u>	4
<u>Condensed Consolidated Balance Sheets</u> <u>December 31, 2018 and March 31, 2018</u>	5
<u>Condensed Consolidated Statements of Cash Flows</u> <u>Nine Months Ended December 31, 2018 and 2017</u>	6
<u>Financial Notes</u>	7
2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	38
3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	52
4. <u>Controls and Procedures</u>	52
<u>PART II—OTHER INFORMATION</u>	
1. <u>Legal Proceedings</u>	52
1A. <u>Risk Factors</u>	52
2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	52
3. <u>Defaults Upon Senior Securities</u>	53
4. <u>Mine Safety Disclosures</u>	53
5. <u>Other Information</u>	53
6. <u>Exhibits</u>	54
<u>Signatures</u>	55

Table of Contents

McKESSON CORPORATION

PART I—FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

(Unaudited)

	Quarter Ended		Nine Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Revenues	\$56,208	\$53,617	\$161,890	\$156,729
Cost of Sales	(53,238)	(50,902)	(153,337)	(148,620)
Gross Profit	2,970	2,715	8,553	8,109
Operating Expenses	(2,156)	(1,984)	(6,219)	(5,920)
Goodwill Impairment Charges	(21)	—	(591)	(350)
Restructuring and Asset Impairment Charges	(110)	(6)	(288)	(242)
Gain from Sale of Business	—	109	—	109
Total Operating Expenses	(2,287)	(1,881)	(7,098)	(6,403)
Operating Income	683	834	1,455	1,706
Other Income, Net	84	20	144	102
Loss from Equity Method Investment in Change Healthcare	(50)	(90)	(162)	(271)
Interest Expense	(67)	(67)	(194)	(204)
Income from Continuing Operations Before Income Taxes	650	697	1,243	1,333
Income Tax (Expense) Benefit	(123)	263	(245)	46
Income from Continuing Operations	527	960	998	1,379
(Loss) Income from Discontinued Operations, Net of Tax	(1)	1	1	3
Net Income	526	961	999	1,382
Net Income Attributable to Noncontrolling Interests	(57)	(58)	(169)	(169)
Net Income Attributable to McKesson Corporation	\$469	\$903	\$830	\$1,213
Earnings Per Common Share Attributable to McKesson Corporation				
Diluted				
Continuing operations	\$2.41	\$4.32	\$4.17	\$5.75
Discontinued operations	(0.01)	0.01		