Cencora, Inc. (COR)

Updated August 8th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$320	**5 Year CAGR Estimate:**	9.4%	**Market Cap:**	$61 B
Fair Value Price:	$289	**5 Year Growth Estimate:**	11.0%	**Ex-Dividend Date:**	08/14/26
% Fair Value:	111%	**5 Year Valuation Multiple Estimate:**	-2.0%	**Dividend Payment Date:**	08/31/26
Dividend Yield:	0.7%	**5 Year Price Target**	$487	**Years Of Dividend Growth:**	22
Dividend Risk Score:	A	**Sector:**	Healthcare	**Rating:**	Hold

Overview & Current Events

Cencora (formerly known as AmerisourceBergen prior to September 2023) was formed in 2001 by the merger of AmeriSource and Bergen Brunswig. Today, the company is one of the largest healthcare distributors in the U.S., along with Cardinal Health and McKesson. Cencora provides pharmaceutical products and business solutions to a variety of customers, which include healthcare providers, veterinary practices, and livestock producers. Cencora also services global manufacturers to improve supply chain efficiency. Cencora has a market cap of $61 billion and generated $321 billion in revenue last year.

On April 20th, 2023, Cencora and TPG, a global alternative asset management firm, agreed to acquire OneOncology from General Atlantic, a global growth equity firm, for $2.1 billion. COR held a minority interest in the joint venture for $685 million cash, which represented 35% ownership. Then in the first quarter of FY26, Cencora completed the acquisition of the majority interest in OneOncology.

Cencora acquired 85% of Retina Consultants of America (RCA), a management services organization of retina specialists, for $4.4 billion in cash, on January 2nd, 2025. Then on March 23rd, 2026, Cencora agreed to acquire EyeSouth Partners' retina business for $1.1 billion, to be folded into RCA.

On November 4th, 2025, Cencora increased its quarterly dividend by 9.1% to $0.60, marking its 22nd consecutive annual dividend increase.

On February 18, 2026, Cencora's MWI Animal Health agreed to merge with Covetrus. The deal valued MWI at $3.5 billion, and Cencora will receive $1.25 billion cash proceeds, $800 million in preferred equity, and $1.45 billion in common equity in the combined company. Cencora will own 34.3% of the combined company.

Cencora announced the results of Q3 FY 2026 on August 5th, 2026. For the quarter, revenue rose 5.1% compared to Q3 2025 to $84.8 billion. Adjusted diluted earnings-per-share increased 12% to $4.48 from $4.40 in Q3 2025.

Cencora updated its FY 2026 guidance, now seeing revenue growth of 4% to 6%, and adjusted EPS of $17.75 to $17.95, capital expenditures of $900 million, and $3 billion of adjusted free cash flow. The company also completed its $1 billion share repurchase plan during the quarter, well ahead of its late 2026 target.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.62	$5.88	$6.49	$7.09	$7.90	$9.26	$11.03	$11.99	$13.76	$16.00	***$17.85***	***$30.08***
DPS	$1.36	$1.46	$1.52	$1.60	$1.66	$1.76	$1.84	$1.94	$2.04	$2.20	***$2.40***	***$3.53***
Shares[1]	220.0	218.0	213.0	207.0	204.0	209.0	211.0	211.0	198.0	195.2	***194.0***	***185.0***

The pharmaceutical distribution industry has been pressured, with increasing demand for generics fueling drug price deflation in the U.S. In addition, there are fears of heightened competition from e-commerce giant Amazon, along with mounting political pressure on the industry. Despite these headwinds, Cencora continues to grow at an impressive pace, partially thanks to the company's recent acquisitions, which continues to strengthen the company's position in the U.S.

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[1] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

pharmaceutical distribution market. It also recently increased its storage capacity and cold chain capabilities with the addition of three new transport stations in the U.S.

The company has produced an EPS CAGR of 12.3% and 15.2% for the trailing nine and five years. It is expecting bottom line growth in the low double-digits for 2026 following exemplary growth (16.3%) in the prior year.

We are forecasting 11% annual growth off this much higher base over the intermediate term, reflecting confidence in the company's ability to produce excellent sales growth, management's guidance, and a share repurchase program. This is the midpoint of management's long-term guidance for 9% to 13% adjusted EPS growth, as the company has consistently performed at or above expectations.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.7	14.4	13.6	11.7	10.1	12.9	15.3	18.1	16.8	17.8	***18.0***	***16.2***
Avg. Yld.	1.5%	1.7%	1.7%	1.9%	1.8%	1.8%	1.2%	1.1%	0.9%	0.8%	***0.7%***	***0.7%***

Over the past half-decade, shares of Cencora have traded hands with an average P/E ratio of about 16.2 times earnings. We are using 16.2 times earnings as a starting fair value baseline to account for some of the uncertainty in the industry. With shares trading at 18.0 times expected earnings, this implies a valuation headwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	23%	24%	25%	23%	23%	21%	19%	17%	16%	15%	***13%***	***12%***

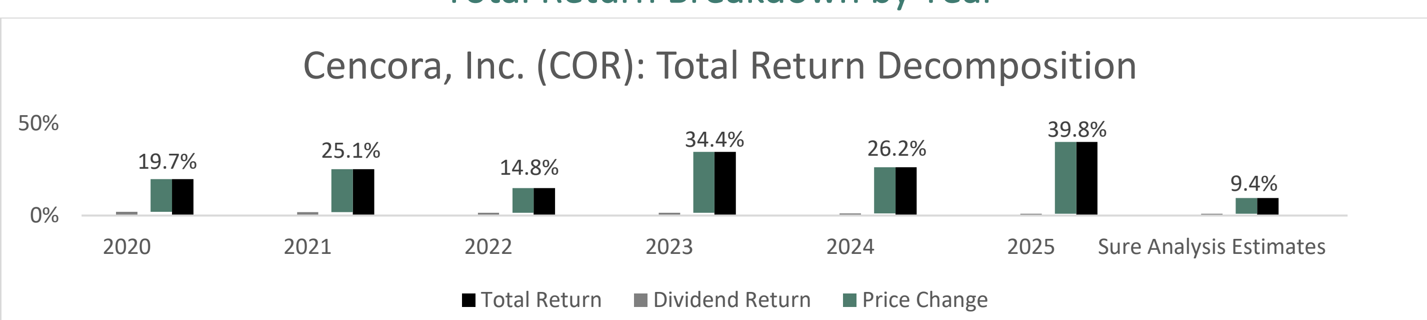
Cencora's main competitive advantage is its industry position. As one of the 'Big 3', Cencora has a sizable economic moat that protects its market share. It is very difficult for a new competitor to enter the market. Cencora sources over 1.5 million products delivered from over 30 distribution centers, which is a major competitive advantage over smaller companies.

In terms of income safety, Cencora continues to operate with a dividend payout ratio below 25%, allowing for ample dividend increases along the way. As of the most recent report, the company held $2.8 billion in cash, $55.3 billion in current assets and $83.8 billion in total assets against $59.2 billion in current liabilities and $80.6 billion in total liabilities. Long-term debt stood at $11.4 billion.

Final Thoughts & Recommendation

Shares of Cencora have decreased by 5% in the trailing twelve months, significantly underperforming the S&P 500 Index's 22% gain. Cencora now trades 11% above our estimate of fair value. Our view remains cautious; however, the fundamentals remain strong, and the company has demonstrated that it can produce excellent EPS growth. We forecast 9.4% total return potential, comprising 11.0% EPS growth and the 0.7% starting yield, partly offset by a valuation headwind. Following the 25% runup in the share price since we rated it a buy In May, we are downgrading COR to hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue ($B)	147	153	168	180	190	214	239	262	294	321
Gross Profit	4,273	4,546	4,612	5,138	5,192	6,943	8296	8959	9910	10,140
Gross Margin	2.9%	3.0%	2.7%	2.9%	2.7%	3.2%	3.5%	3.4%	3.4%	3.2%
SG&A Exp.	2,091	2,129	2,460	2,664	2,767	3,549	4849	5310	5661	6,494
D&A Exp.	392	432	510	498	408	---	---	---	---	1,058
Operating Profit	1817	2020	1687	2012	2034	2844	2754	2686	3157	3,648
Op. Margin	1.2%	1.3%	1.0%	1.1%	1.1%	1.3%	1.2%	1.0%	1.1%	1.1%
Net Profit	1,428	364	1,658	855	-3409	1540	1699	1745	1509	1,568
Net Margin	1.0%	0.2%	1.0%	0.5%	-1.8%	0.7%	0.7%	0.7%	0.5%	0.5%
Free Cash Flow	2714	1038	1075	2034	1837	2228	2207	3453	2998	3,207
Income Tax	-37	553	-438	113	-1894	677	517	428	485	691

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	33638	35316	37670	39172	44270	57,340	56561	62560	67100	76,590
Cash & Equivalents	2,742	2,435	2,493	3,374	4,598	2,547	3388	2592	3133	4,395
Acc. Receivable	9176	10303	11314	12387	13850	18,170	18453	20910	23870	25,230
Inventories	10724	11461	11919	11060	12590	15,370	15556	17450	19000	20,490
Goodwill & Int.	8,959	8,878	9,612	9,000	8,593	14,290	12837	14010	13320	17,450
Total Liabilities	31508	33252	34620	36179	45110	56750	56489	61890	66310	74,840
Accounts Payable	23926	25404	26837	28385	31710	38010	40193	45840	50940	54,720
Long-Term Debt	4,187	3,442	4,310	4,173	4,120	6,684	5703	4787	4388	9,077
Total Equity	2,129	2,064	2,933	2,879	-1,019	584	-290	666	787	1,508
D/E Ratio	1.97	1.67	1.47	1.45	(4.04)	11.44	-19.68	7.19	5.58	6.19

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.6%	1.1%	4.5%	2.2%	-8.2%	3.0%	3.0%	2.9%	2.3%	2.2%
Return on Equity	104%	17.4%	66.4%	29.4%	-367%	---	---	768%	208%	123.8%
ROIC	27.4%	6.2%	25.8%	11.8%	-65.3%	29.2%	26.8%	31.1%	28.4%	17.9%
Shares Out.	220	218	213	207	204	208	211	205	200	195.21
Revenue/Share	650	691	762	848	927	1027	1130	1281	1467	1646
FCF/Share	12.01	4.68	4.88	9.60	8.97	10.69	10.45	16.88	14.97	16.43