

MCKESSON CORP
Form 424B5
February 15, 2017
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-215763

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount to be	Maximum	Maximum	
		Offering Price	Aggregate	Amount of
Securities to be Registered	Registered (1)	per Note	Offering Price (1)	Registration Fee (2)
0.625% Notes due 2021	\$639,000,000	99.872%	\$638,182,080	\$73,966
1.500% Notes due 2025	\$639,000,000	99.289%	\$634,456,710	\$73,534

- (1) 600,000,000 aggregate principal amount of the 0.625% Notes due 2021 will be issued and 600,000,000 aggregate principal amount of the 1.500% Notes due 2025 will be issued. The amount to be registered and maximum aggregate offering price are based on a euro/U.S. dollar exchange rate of 1.00 = U.S. \$1.0650 as of February 10, 2017 and as announced by the U.S. Federal Reserve Board.
- (2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. The total registration fee due for this offering is \$147,500.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated January 27, 2017)

McKesson Corporation

600,000,000 0.625% Notes due 2021

600,000,000 1.500% Notes due 2025

The 0.625% notes due 2021, which we refer to as the 2021 notes, will mature on August 17, 2021. The 1.500% notes due 2025, which we refer to as the 2025 notes, will mature on, November 17, 2025. We refer to the 2021 notes and the 2025 notes collectively as the notes. We will pay interest on the 2021 notes on August 17 of each year, beginning August 17, 2017. We will pay interest on the 2025 notes on November 17 of each year, beginning November 17, 2017. We may redeem either series of the notes in whole at any time or in part from time to time prior to maturity at the redemption prices set forth under Description of Notes Optional Redemption. In addition, we may redeem either series of the notes at our option, in whole, but not in part, at any time prior to maturity at a price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest to, but excluding, the redemption date, if certain tax events occur that would obligate us to pay additional amounts as described under Description of Notes Payment of Additional Amounts. If a change of control triggering event occurs, unless we have previously exercised our optional redemption right, we will be required to offer to repurchase the notes from the holders for cash. See Description of Notes Change of Control.

The notes will be our unsecured senior obligations and rank equally with all our existing and any future unsecured senior indebtedness. The notes will be issued only in registered book-entry form and in denominations of 100,000 and integral multiples of 1,000 thereafter.

Investing in the notes involves risk. See Risk Factors beginning on page S-6 in this prospectus supplement and the risks discussed elsewhere in this prospectus supplement, the accompanying prospectus and the documents and reports we file with the Securities and Exchange Commission (SEC) that are incorporated by reference into this prospectus supplement or the accompanying prospectus for a discussion of certain risks that you should consider in connection with an investment in the notes.

	Public offering price ⁽¹⁾	Underwriting discount	Proceeds, before expenses, to McKesson ⁽¹⁾
Per 2021 note	99.872%	0.325%	99.547%
Total	599,232,000	1,950,000	597,282,000
Per 2025 note	99.289%	0.450%	98.839%
Total	595,734,000	2,700,000	593,034,000

(1) Plus accrued interest from February 17, 2017 if settlement occurs after that date.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each series of notes is a new issue of securities with no established trading market. We intend to apply to list the notes of each series on the New York Stock Exchange. We expect trading in the notes of each series on the New York Stock Exchange (NYSE) to begin less than 30 days after the original issue date, but such listing application is subject to review by the NYSE. If such listing is obtained, we will have no obligation to maintain such listing, and we may delist either series of the notes at any time.

The notes will be ready for delivery in book-entry form on or about February 17, 2017 only through the facilities of Clearstream Banking, S.A. (Clearstream), and Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear).

Joint Book-Running Managers

Barclays

Deutsche Bank

MUFG

UniCredit Bank

Senior Co-Managers

BofA Merrill Lynch

Citigroup

Goldman, Sachs & Co.

J.P. Morgan

Wells Fargo Securities

Co-Managers

BNP PARIBAS

HSBC

Scotiabank

TD Securities

US Bancorp

DNB Markets

ING

NatWest Markets

PNC Capital Markets LLC

Rabobank

The Williams Capital Group, L.P.

February 13, 2017

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering, the notes and matters relating to us and our financial performance and condition. The second part, the accompanying prospectus, provides a more general description of the terms and conditions of the various securities we may offer under our registration statement, some of which does not apply to this offering. If the description of this offering and the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

In various places in this prospectus supplement and the accompanying prospectus, we refer you to sections of other documents for additional information by indicating the caption heading of the other sections. All cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise indicated.

You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein in their entirety. They contain information that you should consider when making your investment decision.

We have not, and the underwriters have not, authorized any other person, including any dealer, salesperson or other individual, to provide you with any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement, the accompanying prospectus and the documents and reports incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that the information contained herein or therein is correct as of any time subsequent to the date hereof.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. You should not consider any information in this prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

Notice to Prospective Investors in the European Economic Area

Neither this prospectus supplement nor the accompanying prospectus is a prospectus or a supplemental prospectus for the purposes of the Prospectus Directive (as defined below). This prospectus supplement and the accompanying prospectus have been prepared on the basis that all offers of notes to the public in the European Economic Area (EEA) will be made pursuant to an exemption under Article 3 of the Prospectus Directive from the requirement to produce a prospectus in connection with such offers of notes to the public.

For the purposes of this restriction, the expression an offer of notes to the public in relation to the notes in any Member State of the EEA that has implemented the Prospectus Directive (each, a Relevant Member State) means the communication in any form and by any means of sufficient information on the terms of the offer and

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the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Notice to Prospective Investors in the United Kingdom

The communication of this prospectus supplement, the accompanying prospectus and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this prospectus supplement and the accompanying prospectus relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement or the accompanying prospectus or any of their contents.

IN CONNECTION WITH THE ISSUE OF THE NOTES, MUFGE SECURITIES EMEA PLC, ACTING IN ITS CAPACITY AS STABILIZATION MANAGER (THE "STABILIZATION MANAGER") OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Some of these statements can be identified by use of forward-looking words such as believes, expects, anticipates, may, will, should, seeks, approximately, intends, plans or estimates, or the ne, or other comparable terminology. The discussion of financial trends, strategy, plans or intentions may also include forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, or implied. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, the factors discussed under Risk Factors in this prospectus supplement and the accompanying prospectus and in our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and in other information contained in our publicly available SEC filings and press releases. You should not consider this list to be a complete statement of all potential risks and uncertainties. You are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date such statements were first made. Except to the extent required by federal securities laws, we undertake no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. We urge you to read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including the historical financial statements and notes to those financial statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Please read the information set forth under the heading "Risk Factors" herein for more information about important risks that you should consider before investing in the notes. Except as otherwise indicated, all references in this prospectus supplement to McKesson, the company, we, our and us refer to McKesson Corporation and its consolidated subsidiaries. The symbol \$ refers to U.S. dollars, unless otherwise indicated. The symbol € and references to euro refer to the single currency introduced at the third stage of the European Monetary Union pursuant to the Treaty establishing the European Community, as amended. The symbol £ and references to sterling refer to the lawful currency of the United Kingdom.

McKesson Corporation

McKesson Corporation (NYSE: MCK), ranked 5th on the FORTUNE 500, is a healthcare services and information technology company dedicated to making the business of healthcare run better. We partner with payers, hospitals, physician offices, pharmacies, pharmaceutical companies, and others across the spectrum of care to build healthier organizations that deliver better care to patients in every setting. We help our customers improve their financial, operational, and clinical performance with solutions that include pharmaceutical and medical-surgical supply management, healthcare information technology, and business and clinical services.

We operate our business through two segments: McKesson Distribution Solutions and McKesson Technology Solutions.

Our Distribution Solutions segment distributes branded and generic pharmaceutical drugs and other healthcare-related products worldwide and provides practice management, technology, clinical support and business solutions to community-based oncology and other specialty practices. This segment also provides specialty pharmaceutical solutions for pharmaceutical manufacturers including offering multiple distribution channels and clinical trial access to our network of oncology physicians. It also provides medical-surgical supply distribution, equipment, logistics and other services to healthcare providers within the United States. Additionally, this segment operates retail pharmacies in Europe and supports independent pharmacy networks within North America. It also sells financial, operational and clinical solutions to pharmacies (retail, hospital, alternate site) and provides consulting, outsourcing and other services.

The Technology Solutions segment delivers enterprise-wide clinical, patient care, financial, supply chain and strategic management technology solutions, as well as connectivity, outsourcing and other services, including remote hosting and managed services, to healthcare organizations. On June 28, 2016, we entered into a contribution agreement with Change Healthcare, a Delaware corporation, and others to form a joint venture into which we will contribute the majority of our Technology Solutions businesses and Change Healthcare will contribute substantially all of its businesses. Subject to satisfaction of certain customary closing conditions, the transaction is expected to close in the first half of calendar year 2017. Upon formation of the new company, we and Change Healthcare are expected to own approximately 70% and 30% of the new company, respectively.

Our principal executive offices are located at McKesson Plaza, One Post Street, San Francisco, California 94104. Our telephone number is (415) 983-8300.

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Recent Developments

Concurrent Offering

On February 13, 2017, we announced an offering of £450,000,000 3.125% Notes due 2029 (the “sterling notes”) in an underwritten public offering pursuant to a separate prospectus supplement (the “concurrent offering”). Closing of the concurrent offering is subject to customary conditions precedent. The completion of this offering is not conditioned upon the successful completion of the concurrent offering. We cannot assure that the concurrent offering will be completed. This prospectus supplement is not, and should not be construed as, an offer of any securities other than the notes.

Shareholder Derivative Complaint

On January 31, 2017, a purported shareholder derivative complaint (*Silverman v. McKesson Corporation et.al.*, No. 3:17-cv-00494-LB) was filed in the United States District Court for the Northern District of California against certain directors and officers of the Company. The complaint also names the Company as a nominal defendant. The complaint asserts that the defendants violated their respective fiduciary duties of care, loyalty and good faith to the Company and were unjustly enriched, in each case by disseminating allegedly materially misleading and inaccurate information about the Company through public disclosures and allegedly failing to implement and monitor internal controls relating to the claims underlying the Company’s previously-announced agreement with the Drug Enforcement Administration, Department of Justice and various U.S. Attorney’s offices to settle certain potential administrative and civil claims relating to investigations about the Company’s suspicious order reporting practices for controlled substances. The complaint seeks unspecified damages including restitution and disgorgement of all profits, benefits and other compensation obtained by the defendants from the Company, as well as attorneys’ fees.

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THE OFFERING

Issuer	McKesson Corporation
Notes Offered	<p>600,000,000 aggregate principal amount of 0.625% notes due 2021.</p> <p>600,000,000 aggregate principal amount of 1.500% notes due 2025.</p>
Maturity Date	<p>2021 notes: August 17, 2021.</p> <p>2025 notes: November 17, 2025.</p>
Interest Rate	<p>2021 notes: 0.625% per year.</p> <p>2025 notes: 1.500% per year.</p>
Interest Payment Dates	Interest will be paid on the 2021 notes on August 17 of each year, beginning on August 17, 2017. Interest will be paid on the 2025 notes on November 17 of each year, beginning on November 17, 2017. Interest on the notes will accrue from February 17, 2017.
Use of Proceeds	We estimate that we will receive approximately \$1.265 billion from the sale of the notes and that we will receive approximately \$557.9 million from the sale of the sterling notes in the concurrent offering, in each case after deducting underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent offering, for general corporate purposes, including repayment of \$500 million aggregate principal amount of our 5.70% Notes due March 1, 2017, \$700 million aggregate principal amount of our 1.29% Notes due March 10, 2017 and 500 million aggregate principal amount of our 4.50% Bonds due April 26, 2017. See Use of Proceeds and Capitalization.
Optional Redemption	We may redeem either series of the notes for cash in whole, at any time, or in part, from time to time, prior to maturity, at the redemption prices set forth under Description of Notes Optional Redemption.
Optional Tax Redemption	We may redeem in whole, but not in part, either series of the notes at the redemption price of 100% of their outstanding principal amount, plus accrued and unpaid interest to, but excluding, the redemption date, if certain tax events occur that would obligate us to pay additional amounts as described under Description of Notes Payment of Additional Amounts.

Change of Control

Upon the occurrence of both (1) a change of control of us and (2) a downgrade of the applicable series of the notes below an investment grade rating by each of Fitch Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services (or, if applicable, a replacement rating agency) within a specified period, unless we have previously exercised our optional redemption right with respect to such series of the notes in whole, we will be required to offer to repurchase the notes of such series of the notes at a price equal to 101% of the then outstanding principal amount of such series of the notes, plus accrued and unpaid interest to, but not including, the date of repurchase. See Description of Notes Change of Control.

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Certain Covenants

The indenture that will govern the notes will include certain covenants, including limitations on our ability to:

create liens on our assets and those of certain of our subsidiaries;

enter into sale and lease-backs with respect to our properties; and

merge or consolidate with another entity.

These covenants are each subject to a number of important exceptions, limitations and qualifications that are described under [Description of Notes](#) [Certain Covenants](#).

Ranking

The notes will be our unsecured senior obligations and will rank equally with all our existing and any future unsecured and unsubordinated indebtedness from time to time outstanding.

Additional Amounts

We will, subject to certain exceptions and limitations, pay additional amounts as are necessary in order that the net payment of the principal of, premium, if any, and interest in respect of the notes to a holder who is not a United States person (as defined under [Description of Notes](#) [Payment of Additional Amounts](#)), after withholding or deduction for any present or future tax, assessment, duties or other governmental charge imposed by the United States (or any political subdivisions or taxing authority thereof or therein having power to tax), will not be less than the amount provided in such notes to be then due and payable.

Currency of Payment

All payments of interest, premium, if any, and principal, including payments made upon any redemption or repurchase of the notes, will be made in euro; provided that if the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then-member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the Board of Governors of the Federal Reserve System as of the close of business on the second business day prior to the relevant payment date or, if the Board of Governors of the Federal Reserve System has not announced a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in *The Wall Street Journal* on or prior to the second business day prior to the relevant payment date or, in the event *The Wall Street Journal* has not published such exchange rate, the rate will be determined in our sole discretion on the basis of the most recently available market exchange rate for the euro. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default (as defined in the indenture). Neither the trustee nor the paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing. See [Currency Conversion](#) and [Description of Notes](#) [Issuance in Euro](#).

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Additional Issues	We may create and issue additional notes with the same terms (except for the issue date, the public offering price and, under certain circumstances, the first interest payment date) as one or more series of the notes so that such additional notes shall be consolidated and form a single series with the notes of such series.
Listing	We intend to apply to list the notes on the New York Stock Exchange (NYSE). The listing application will be subject to approval by the NYSE. If the application is approved, we expect trading of the notes on the NYSE to begin less than 30 days after the original issue date of the notes. If such listing is obtained, we will have no obligation to maintain such listing, and we may delist the notes at any time.
Form of Notes	The notes will be issued as one or more global notes registered in the name of Elavon Financial Services DAC, or a nominee thereof, as common depositary for Euroclear and Clearstream, for the accounts of its direct and indirect participants. Beneficial interests in notes held in book-entry form will not be entitled to receive physical delivery of certificated notes except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see Description of Notes Book-Entry, Delivery and Form.
Trustee	Wells Fargo Bank, National Association
Paying Agent	Elavon Financial Services DAC
Registrar and Transfer Agent	U.S. Bank National Association
Governing Law	The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.
ISIN	2021 notes: XS1567173809 2025 notes: XS1567174286
Common Code	2021 notes: 156717380 2025 notes: 156717428

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RISK FACTORS

An investment in the notes involves a degree of risk. You should carefully consider the risks and uncertainties described below and other information contained in this prospectus supplement and the accompanying prospectus and the documents and reports incorporated by reference herein and therein before you decide whether to invest in the notes. In particular, we urge you to consider carefully the factors set forth under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016, incorporated by reference herein, as such may be updated in any future filings we make under the Exchange Act. If any of the risk factors were to occur, our business, financial condition, results of operations and liquidity could be materially adversely affected. This may adversely affect our ability to pay interest on the notes or repay the principal when due, and you may lose part or all of your investment.

Risks Related to the Notes

The notes are unsecured, rank equally with all of our other unsecured and unsubordinated debt, are effectively subordinated to our secured debt and are structurally subordinated to all liabilities of our subsidiaries.

The notes are direct unsecured obligations of McKesson Corporation exclusively, and not the obligation of any of our subsidiaries. The notes will (i) rank equally with all of our other existing and any future unsecured and unsubordinated indebtedness, (ii) be effectively subordinated to our secured indebtedness to the extent of the value of the assets securing that other indebtedness, and (iii) be structurally subordinated to all existing and future liabilities, including trade payables, of our subsidiaries. Our rights and the rights of any holder of the notes (or our other creditors) to participate in the assets of any subsidiary upon that subsidiary's liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors and preferred equity holders (if any), except to the extent that we may be a creditor with recognized claims against the subsidiary.

Holders of our secured indebtedness will have claims that are prior to your claims as holders of the notes to the extent of the value of the assets securing that other indebtedness. The notes will be effectively subordinated to all of our secured indebtedness to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of our assets or any pledged capital stock in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of secured indebtedness will have prior claim to those of our assets and any pledged capital stock that constitute their collateral. Holders of the notes will participate ratably in our remaining assets with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of notes may receive less, ratably, than holders of secured indebtedness.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under any credit facility to which we may be a party that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the notes or substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under any credit facility could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or

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liquidation. If our operating performance declines, we may in the future need to seek to obtain waivers from the required lenders under any credit facility or other debt that we may incur in the future to avoid being in default. If we breach our covenants under any credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under any credit facility, the lenders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations could proceed against the assets securing the debt. Because the indenture governing the notes, the indentures governing our notes that are currently outstanding and the agreements governing any credit facility will have customary cross-default provisions, if the indebtedness under the notes or under any credit facility or any of our other facilities is accelerated, we may be unable to repay or finance the amounts due.

If an active trading market does not develop for the notes you may not be able to resell them.

Prior to this offering, there was no public market for either series of the notes and we cannot assure you that an active trading market will develop for either series of the notes. Although we intend to apply for listing of each series of the notes for trading on the New York Stock Exchange, no assurance can be given that one or both series of the notes will become or will remain listed. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. Future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. We have been informed by the underwriters that they currently intend to make a market in these notes after this offering is completed. However, the underwriters may cease their market-making at any time.

If trading markets do develop, changes in our ratings or the financial markets could adversely affect the market prices of the notes.

The market prices of the notes will depend on many factors, including, but not limited to, the following:

ratings on our debt securities assigned by rating agencies;

the time remaining until maturity of the notes;

the prevailing interest rates being paid by other companies similar to us;

our results of operations, financial condition and prospects; and

the condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the notes.

Rating agencies continually review the ratings they have assigned to companies and debt securities. Negative changes in the ratings assigned to us or our debt securities could have an adverse effect on the market prices of the notes.

The indenture will not restrict the amount of additional indebtedness that we may incur.

The notes and the indenture under which the notes will be issued will not place any limitation on the amount of unsecured indebtedness that may be incurred by us. Our incurrence of additional indebtedness may have important consequences for you as a holder of the notes, including making it more difficult for us to satisfy our obligations with respect to the notes, increasing the amount of indebtedness ranking equal or (if secured) effectively senior to the notes in the event of our bankruptcy or insolvency, resulting in a loss in the trading value of your notes, if any, and increasing the risk that the credit rating of the notes is lowered or withdrawn.

Our credit ratings may not reflect all risks of your investments in the notes.

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Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes.

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These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

We may not be able to repurchase the notes upon a Change of Control Triggering Event.

Upon the occurrence of a Change of Control Triggering Event, unless we have exercised our right to redeem the applicable series of the notes, each holder of such series of the notes will have the right to require us to repurchase all or any part of such holder's notes of such series at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If we experience a Change of Control Triggering Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes as required and any other indebtedness that may be required to be repaid or repurchased as a result of such event. Our failure to repurchase the notes as required under the indenture that will govern the notes would result in an event of default under the indenture, which could have material adverse consequences for us and the holders of the notes. See Description of Notes Change of Control.

Under clause (3) of the definition of Change of Control described under Description of Notes Change of Control, a change of control will occur on the first day on which a majority of our directors are not Continuing Directors. In a decision in connection with a proxy contest, the Court of Chancery of Delaware has suggested that the occurrence of a change of control under an indenture provision similar to ours may nevertheless be avoided if the existing directors were to approve the slate of new director nominees (who would constitute a majority of the new board) as

Continuing Directors solely for purposes of avoiding the triggering of such change of control clause, provided the incumbent directors give their approval in the good faith exercise of their fiduciary duties. The Court also suggested that there may be a possibility that an issuer's obligation to repurchase its outstanding debt securities upon a change of control triggered by a failure to have a majority of Continuing Directors may be unenforceable on public policy grounds.

An investment in the notes by a purchaser whose home currency is not euro entails significant risks.

All payments of interest and premium, if any, on and the principal of the notes and any redemption price for the notes will be made in euro. An investment in the notes by a purchaser whose home currency is not euro entails significant risks. These risks include the possibility of significant changes in rates of exchange between the holder's home currency and euro and the possibility of the imposition or subsequent modification of foreign exchange controls. These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply of and demand for the relevant currencies. In the past, rates of exchange between euro and certain currencies have been highly volatile, and each holder should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of the notes. Depreciation of euro against the holder's home currency would result in a decrease in the effective yield of the notes below its coupon rate and, in certain circumstances, could result in a loss to the holder. This description of foreign currency risks does not describe all the risks of an investment in securities denominated in a currency other than an investor's home currency. Investors should consult their own financial and legal advisors as to the risks involved in an investment in the notes.

The notes permit us to make payments in U.S. dollars if we are unable to obtain euro.

All payments of interest, premium, if any, and principal, including payments made upon any redemption or repurchase of the notes, will be made in euro; provided that if the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then-member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in

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respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the Board of Governors of the Federal Reserve System as of the close of business on the second business day prior to the relevant payment date or, if the Board of Governors of the Federal Reserve System has not announced a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second business day prior to the relevant payment date or, in the event The Wall Street Journal has not published such exchange rate, the rate will be determined in our sole discretion on the basis of the most recently available market exchange rate for the euro. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default (as defined in the indenture). Neither the trustee nor the paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing. See **Currency Conversion** and **Description of Notes Issuance in Euro**.

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the eurozone, or the potential dissolution of the euro entirely, could adversely affect the value of the notes.

Despite the European Commission's measures to address sovereign debt issues in Europe, concerns continue to persist regarding the debt burden of certain eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states. These and other concerns could lead to the re-introduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the notes.

In a lawsuit for payment on the notes, an investor may bear currency exchange risk.

The indenture is, and the notes will be, governed by the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the notes would be required to render the judgment in euro. However, the judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the notes, investors would bear currency exchange risk until a New York state court judgment is entered, which could be a long time. A Federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the notes would apply the foregoing New York law.

In courts outside of New York, investors may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of euro into U.S. dollars would depend upon various factors, including which court renders the judgment and when the judgment is rendered.

As global notes are held by or on behalf of Euroclear and Clearstream, investors will have to rely on their procedures for transfer, payment and communication with us.

The notes will be represented by one or more global notes, except in certain limited circumstances described in the global notes. The notes will be deposited with a common depositary for Euroclear and Clearstream. Except in certain limited circumstances described in the global notes, investors will not be entitled to receive definitive notes. Euroclear and Clearstream will maintain records of the beneficial interests in the global notes and, while the notes are in global form, investors will be able to trade their beneficial interests only through Euroclear and Clearstream.

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While the notes are represented by global notes, we will discharge our payment obligations under the notes by making payments to or to the order of a nominee for a common depository for Euroclear and Clearstream for distribution to their accountholders. A holder of a beneficial interest in a global note must rely on the procedures of Euroclear and Clearstream to receive payments under the Notes. We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in a global note.

Trading in the clearing systems is subject to minimum denomination requirements.

The terms of the notes provide that notes will be issued with a minimum denomination of \$100,000 and multiples of \$1,000 in excess thereof. It is possible that the clearing systems may process trades which could result in amounts being held in denominations smaller than the minimum denominations. If definitive notes are required to be issued in relation to such notes in accordance with the provisions of the relevant global notes, a holder who does not have the minimum denomination of \$100,000 or any integral multiple of \$1,000 in excess thereof in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of definitive notes unless and until such time as its holding satisfies the minimum denomination requirement.

The United Kingdom's impending departure from the European Union could adversely affect us.

The United Kingdom held a referendum on June 23, 2016 in which a majority of voters voted to exit the European Union ("Brexit"). Negotiations are expected to commence to determine the future terms of the United Kingdom's relationship with the European Union, including, among other things, the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business, results of operations, financial condition and cash flows, and could negatively impact the value of the notes.

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CURRENCY CONVERSION

All payments of interest, premium, if any, and principal, including payments made upon any redemption or repurchase of the notes, will be made in euro; provided that if the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the Board of Governors of the Federal Reserve System as of the close of business on the second business day prior to the relevant payment date or, if the Board of Governors of the Federal Reserve System has not announced a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second business day prior to the relevant payment date or, in the event The Wall Street Journal has not published such exchange rate, the rate will be determined in our sole discretion on the basis of the most recently available market exchange rate for the euro. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default (as defined in the indenture). Neither the trustee nor the paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing. See Description of Notes Issuance in Euro.

As of February 10, 2017, the euro/U.S. \$ exchange rate was 1.00 = U.S. \$1.0650, as announced by the U.S. Federal Reserve Board.

Investors will be subject to foreign exchange risks as to payments of principal, premium, if any, and interest that may have important economic and tax consequences to them. See Risk Factors.

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USE OF PROCEEDS

We estimate that we will receive approximately \$1.265 billion from the sale of the notes and that we will receive approximately \$557.9 million from the sale of the sterling notes in the concurrent offering, in each case after deducting underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent offering, for general corporate purposes, including repayment of \$500 million aggregate principal amount of our 5.70% Notes due March 1, 2017, \$700 million aggregate principal amount of our 1.29% Notes due March 10, 2017 and 500 million aggregate principal amount of our 4.50% Bonds due April 26, 2017. See Capitalization.

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The following table sets forth our cash position and capitalization as of December 31, 2016:

on an actual basis; and

on an adjusted basis to reflect this offering, the concurrent offering and the application of the net proceeds from the sale of the notes and the sterling notes as described in Use of Proceeds.

The adjusted amounts included in the following table are based on a euro/U.S. dollar exchange rate of 1.00 = U.S. \$1.0650 and a sterling/U.S. dollar exchange rate of £1.00 = U.S. \$1.2502, in each case as of February 10, 2017 and as published by the U.S. Federal Reserve Board.

The completion of this offering is not contingent upon the successful completion of the concurrent offering. We cannot assure you that the concurrent offering will be completed.

You should read this table in conjunction with the information under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations in our Quarterly Report on Form 10-Q for the quarter ended December 31, 2016 and our historical financial statements and notes to those financial statements that are incorporated by reference in this prospectus supplement and the accompanying prospectus.

(in millions, except par value)	As of December 31, 2016	
	Actual	As Adjusted
Cash and cash equivalents	\$ 2,434	\$ 2,504
Short-term borrowings	\$	