



Diplomat Acquisition of BioRx, LLC

February 26, 2015

Transaction Summary

Target

- BioRx, LLC
- Specialty pharmacy and infusion services company that provides treatments for patients with ultra-orphan and rare, chronic diseases based in Cincinnati, Ohio
- 2014 revenue of ~\$227 million and EBITDA of ~\$23 million

Purchase Price

- \$315 million gross purchase price
- \$265 million adjusted purchase price
 - Net of future tax benefit of approximately \$50 million
 - Represents ~11.5x trailing CY 2014 EBITDA
- One year contingent earnout of additional \$35 million in DPLO stock subject to an EBITDA-based target

Consideration

- \$210 million in cash
 - Committed financing provided by GE Capital
- \$105 million in stock, representing ~4 million shares
 - Pro forma ownership of ~7% (pre-earnout)
- Expected to be accretive to EPS in first full year post-close

Management

- BioRx co-founders have made multi-year commitments to help lead the Diplomat specialty infusion organization

Anticipated Closing

- The transaction is anticipated to close in the next 30-60 days
- Subject to regulatory approvals and other customary closing conditions

Strong Strategic Value For Diplomat

- Benefits Diplomat's primary constituents:
 - Broadens patient offerings
 - Meets Pharma's demand for multi-channel reach
 - Addresses Payors' desires to shift site of care to a lower cost setting
- Adds significant scale to our specialty infusion business
 - Diplomat is now one of the nation's top specialty infusion providers
- Provides ability to compete for national contracts
- Offers both revenue and cost synergies
- Increases exposure to higher margin businesses
- Potential for addition of new disease states & therapeutic categories

BioRx Snapshot

- Founded in 2004
- Unique additional limited distribution drugs
- Focuses on treating small patient populations with rare diseases, which typically have complex treatment protocols at high costs, similar to Diplomat
- Pure specialty & nutrition portfolio with strong immuno-therapy volume

