

Diplomat's Acquisition of  
Pharmaceutical Technologies, Inc., dba  
National Pharmaceutical Services (NPS)



**Nov. 6, 2017**

DIPLOMAT® 

# NPS TRANSACTION SUMMARY

|                     |   |
|---------------------|---|
| Target              | <ul style="list-style-type: none"><li>•Pharmaceutical Technologies, Inc., dba National Pharmaceutical Services (NPS)</li><li>•Full-service pharmacy benefit manager (PBM) with access to 475,000 member lives</li><li>•Based in Omaha, Nebraska</li><li>•Revenue: \$32 million (2017E) and Adjusted EBITDA: \$5.4 million (2017E)</li></ul>           |
| Purchase Price      | <ul style="list-style-type: none"><li>•\$47 million purchase price</li><li>•Transaction includes real estate valued at ~\$10 million</li></ul>  |
| Consideration       | <ul style="list-style-type: none"><li>•\$31 million in cash using cash on hand and existing credit facility</li><li>•\$16 million in common stock</li><li>•No contingent earn-out consideration</li><li>•Expected to be accretive to adjusted EPS in 2018</li></ul>   |
| Business Overview   | <ul style="list-style-type: none"><li>•Diversified mix of PBM lives</li><li>•Robust technology platform: In-house proprietary claims-processing system</li><li>•Captive mail-order pharmacy (Integrated HMO Pharmacy)</li><li>•Near-term synergy opportunities for specialty Rx volume</li><li>•Senior management team will remain in place</li></ul> |
| Anticipated Closing | <ul style="list-style-type: none"><li>•Transaction expected to close in 30 days</li><li>•Subject to customary closing conditions</li></ul>  |



# DIPLOMAT'S CONTINUED EVOLUTION

*Three Complementary Focus Areas Providing a Broader Spectrum of Care*



## Pharmacy Services

- Specialty
- Infusion
- Home Delivery

## Payor Services

- Pharmacy Benefit Management
- Therapy Management
- Medical Benefits Management

## Industry Services

- Fee For Service
- Technology



Specialty  
Pharmacy

