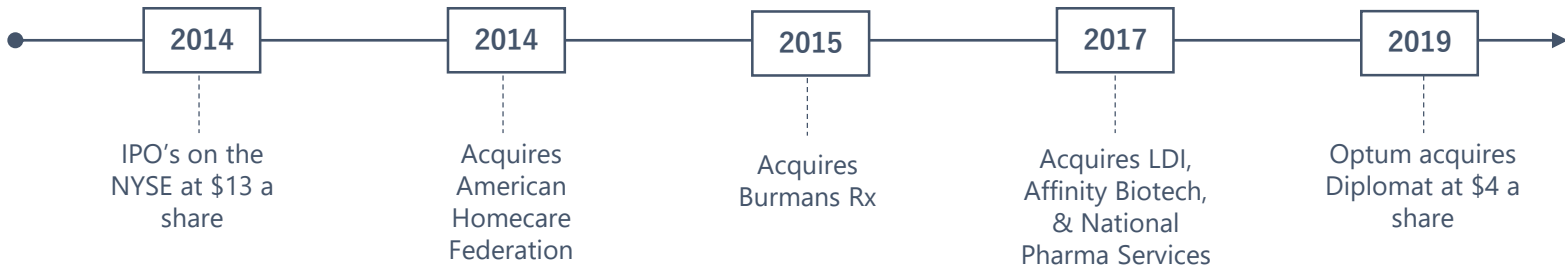


# Q4-2019 Pharmacy & Infusion Services Update

## Market Update

The specialty pharmacy and infusion market underwent a major shift this quarter as Diplomat Pharmacy (NYSE: DPLO) was acquired by Optum Rx, a division of UnitedHealthcare. Diplomat's attempted pivot from a traditional specialty pharmacy provider to a national pharmacy benefit manager (PBM) was well covered and criticized by shareholders in the public markets. Despite undergoing robust acquisition activity in prior years, Diplomat struggled to gain traction as competitors such as CVS and Optum successfully closed transactions and integrated vertically at superior scale. In the latter half of 2019, Diplomat announced publicly that it was seeking a strategic partner. Optum Rx ultimately acquired Diplomat at a discount to its current share price.

## Diplomat Strategic Timeline (2014 IPO to 2019 Exit)



## Select Transactions:

Month	Acquirer	Target	Pharmacy Sub-Sector	Deal Significance
October	Diligent Health Solutions, LLC	Envoy Health Management, LLC	Digital Therapeutics, Pharmaceutical Services	Diplomat Pharmacy divested the sale of certain assets of Envoy Health Management, LLC to Diligent Health Solutions, LLC, a multifaceted healthcare communication center. As part of an effort to maintain operations by boosting cash flow, Diplomat divested Envoy as a non-core asset before ultimately being acquired by Optum Rx.
November	Soleo Health	Paragon Infusion Therapy	Specialty Pharmacy Services	Soleo Health has acquired the pharmacy business of Paragon Infusion Therapy, a company that operates 20 pharmacies across the U.S. Soleo Health is one of the fastest-growing companies in the Dallas area, with a recent expansion of a 4,000 square foot pharmacy in Hoover, AL.
December	UnitedHealth Group (Optum)	Diplomat Pharmacy	Specialty Pharmacy	UnitedHealth Group's Optum unit acquired Diplomat Pharmacy, a Michigan-based specialty pharmacy business, for ~\$300 million. The company traded on the New York Stock Exchange (NYSE: DPLO), and operates in 50 states. Diplomat dispensed 918,000 prescriptions last year, generating annual revenue of \$5.5 billion.

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## Upcoming Conference



*Asembia Specialty Pharmacy Summit*  
 May 2 – 7, Las Vegas, NV