

McKesson Strengthens Its Portfolio of Manufacturer Solutions with the Acquisition of RxCrossroads

Release Date:

Monday, November 6, 2017 3:16 pm CST

Terms:**Dateline City:**

SAN FRANCISCO

- *McKesson to acquire RxCrossroads from CVS Health in a transaction totaling \$735 million, expanding our services and solutions for our manufacturer partners.*
- *RxCrossroads provides commercial support, customized pharmacy dispensing and logistics services to pharmaceutical and biotechnology manufacturers.*
- *McKesson expects the impact of this transaction to be approximately 20 cents accretive to adjusted earnings per diluted share by the third year following the close of the transaction.*

SAN FRANCISCO--([BUSINESS WIRE](#) ⁽¹⁾)--McKesson Corporation (NYSE:MCK) today announced that it has signed a definitive agreement to purchase RxCrossroads, a provider of tailored services to pharmaceutical and biotechnology manufacturers, from CVS Health Corporation (NYSE:CVS).

The transaction is valued at \$735 million, or approximately \$635 million net of the present value of incremental cash tax benefits, and will be funded by cash on hand. The acquisition is expected to close in the fourth quarter of Fiscal 2018, subject to customary closing conditions, including necessary regulatory clearances.

This acquisition will enhance McKesson's existing commercialization solutions for manufacturers of branded, specialty, generic and biosimilar drugs, including comprehensive patient support ("hub") services, custom pharmacy solutions and third-party logistics, allowing McKesson to grow its end-to-end offerings for manufacturers. In addition, the acquisition will add plasma logistics to McKesson's manufacturer services, complementing the company's established customer-facing plasma offerings.

RxCrossroads' focus on manufacturers and the patients they serve, including adherence support, and streamlining the process from product launch and through a course of therapy, aligns with McKesson's approach to achieve better patient outcomes through efficiency and coordination across the supply chain, and throughout the patient journey.

"McKesson's acquisition of RxCrossroads is another example of our continued focus on expanding and enhancing solutions for our biopharma manufacturer partners to deliver better patient support and better health outcomes," said John Hammergren, chairman and chief executive officer, McKesson Corporation. "This investment will strengthen our existing best-in-class solutions, including hub services and patient assistance programs, while establishing new logistics services to plasma manufacturers, which allows us to serve biopharma companies of all sizes and throughout the product life cycle."

Following the close of the transaction, RxCrossroads will become part of the company's McKesson Specialty Health business. McKesson expects the impact of this transaction to be approximately 20 cents accretive to adjusted earnings per diluted share by the third year following the close of the transaction.

About McKesson Corporation

McKesson Corporation, currently ranked 5th on the FORTUNE 500, is a global leader in healthcare supply chain management solutions, retail pharmacy, community oncology and specialty care, and healthcare information technology. McKesson partners with pharmaceutical manufacturers, providers, pharmacies, governments and other organizations in healthcare to help provide the right medicines, medical products and healthcare services to the right patients at the right time, safely and cost-effectively. United by our ICARE shared principles, our employees work every day to innovate and deliver opportunities that make our customers and partners more successful — all for the better health of patients. McKesson has been named the "[Most Admired Company](#) ⁽²⁾" in the healthcare wholesaler category by FORTUNE, a "[Best Place to Work](#) ⁽³⁾" by the Human Rights Campaign Foundation, and a top [military-friendly company](#) ⁽⁴⁾ by Military Friendly. For more information, visit www.mckesson.com ⁽⁵⁾.

About RxCrossroads®

RxCrossroads provides hub service programs encompassing reimbursement support, integration with network pharmacies, patient adherence programs, specialty logistics services, sales operations support and mail-order pharmacy services to pharmaceutical, biotechnology and medical device manufacturers. Through its complement of capabilities, RxCrossroads' solutions incorporate high-touch services that provide a consistent patient, prescriber and client experience. RxCrossroads information technology platform integrates information that provides a complete picture for service program analysis. For more information, visit www.rxcrossroads.com ⁽⁶⁾.

Adjusted Earnings

McKesson separately reports financial results on the basis of Adjusted Earnings. Adjusted Earnings is a non-GAAP financial measure defined as GAAP income from continuing operations, excluding amortization of acquisition-related intangible assets, acquisition-related expenses and adjustments, Last-In-First-Out ("LIFO") inventory-related adjustments, gains from antitrust legal settlements, restructuring charges, and other adjustments.

Risk Factors

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties and other factors. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including statements regarding the ability to

complete the transaction considering the various closing conditions; the expected benefits and costs of the transaction; any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding product or service development, extensions or integration; any statements of expectation or belief; any statements regarding general industry conditions and competition; any statements regarding economic conditions; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include risks related to the timing or ultimate completion of the transaction, as the transaction is subject to certain closing conditions, including receipt of all necessary regulatory clearances; the possibility that expected benefits may not materialize as expected; McKesson's ability to successfully implement integration strategies; as well as the ability to ensure continued performance or market growth of the products and services of RxCrossroads. These risks, uncertainties and other factors, and the general risks associated with McKesson's business described in the reports and other documents filed with the Securities and Exchange Commission, could cause actual results to differ materially from those referred to in the forward-looking statements. All forward-looking statements are based on information currently available to McKesson and are qualified in their entirety by this cautionary statement. Except as required by law, McKesson assumes no obligation to update any such forward-looking statements or other statements included in this press release.

Language:

English

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Ticker Slug:

Ticker: MCK

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Source URL: <https://investor.mckesson.com/press-release/mckesson-strengthens-its-portfolio-manufacturer-solutions-acquisition-rxcrossroads>

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