

ACQUISITION OPPORTUNITY

Institutional Pharmacy Provider

SUPERIOR REPUTATION / LONG STANDING CUSTOMERS

STABLE CONTRACTUAL REVENUES

REGIONAL LEADER

SELLERS WILLING TO REMAIN AFTER A TRANSACTION

WHY SHOULD A STRATEGIC ACQUIRER LOOK AT THIS OPPORTUNITY?

2012 Revenues - \$11.0MM

Location – Northeast

2,500 + Beds Served

THE COMPANY REPRESENTS A UNIQUE OPPORTUNITY TO ACQUIRE A LEADING REGIONAL INSTITUTIONAL PHARMACY PROVIDER WITH LONG-STANDING CUSTOMER RELATIONSHIPS & AN EXPERIENCED OPERATING TEAM

- ✓ Regional market leader with an estimated 25% market share of its serviceable market
- ✓ History of high retention rate and ability to grow number of beds served year over year
- ✓ Long standing customer relationships that are transferable to new owners
- ✓ Excellent location creates potential for this to be an operating hub for larger regional presence
- ✓ Preferential lease terms with growth capacity to double current # of beds served

Key Operating Metrics

	2010	2011	2012	LTM 3/13	2013PF
Avg. # Beds Served	1,981	1,985	2,130	2,279	2,723
Beds @ Period End	2,044	1,934	2,547	2,530	2,898
# Rx Filled	281,244	263,912	252,589	266,059	302,325
Avg. # Rx @ Bed Served	11.8	11.1	9.9	9.7	10.0
Revenue @ Rx	\$40.98	\$45.46	\$44.50	\$44.19	\$43.00
Avg. Revenue @ Bed	\$484.85	\$500.37	\$440.24	\$429.51	\$429.78
Total Billed	\$11,500,000	\$11,900,000	\$11,200,000	\$11,800,00	\$13,000,000

Facility Type @ 5/31/2013:	# of Facilities	# of Beds	%
Skilled Nursing Facilities	10	983	41.9%
Assisted Living / Personal Care	29	1,224	52.1%
All Others	35	141	6.0%
Total	74	2,348	100.0%

Financial Highlights

(\$000's)	2010	2011	2012	2013PF	2014PF	2015PF	2016PF	2017PF
Revenues	\$11,598	\$11,707	\$10,999	\$13,000	\$14,548	\$16,096	\$17,644	\$19,192
% Growth	N/A	0.9%	(6.0%)	18.2%	11.9%	10.6%	9.6%	8.8%
Gross Profit	\$3,322	\$3,533	\$3,409	\$4,420	\$4,946	\$5,473	\$5,999	\$6,525
% Margin	28.6%	30.2%	31.0%	34.0%	34.0%	34.0%	34.0%	34.0%
Operating Expenses	\$2,270	\$2,469	\$2,660	\$3,614	\$4,030	\$4,442	\$4,852	\$5,259
EBITDA	\$1,052	\$1,064	\$749	\$806	\$916	\$1,031	\$1,147	\$1,266
% of Revenues	9.1%	9.1%	6.8%	6.2%	6.3%	6.4%	6.5%	6.6%