

## **New Mountain Capital Agrees to Sell Medical Specialties Distributors to McKesson**

**New York, NY – April 25, 2018** – New Mountain Capital, LLC (“New Mountain”), a growth-oriented investment firm that currently manages more than \$20 billion in assets, today announced that it has agreed to sell Medical Specialties Distributors (“MSD”) to McKesson Corporation. New Mountain acquired MSD in December 2013. MSD’s enterprise value approximately tripled during New Mountain’s ownership driven by growth in revenue, earnings, and new products, as well as strategic acquisitions.

“New Mountain has been an invaluable partner to us,” said Tom Burke, CEO of MSD. “We have enjoyed working with the New Mountain team, which has provided support, strategic guidance, and capital to help us rapidly expand across the post-acute care market. We’re very proud of what we were able to accomplish together, and look forward to building upon this momentum with McKesson.”

Founded in 1982, MSD provides supply chain, biomedical services, and technology solutions to healthcare providers operating in low cost alternate sites of care, including home infusion, long-term care, home health, and oncology providers. The company serves a diversified, long-tenured customer base across 10,000 sites nationwide with a suite of mission-critical offerings including:

- **Supply Chain:** fulfillment of critical medical supplies and products, formulary management, and chronic care supplies that require patient home delivery
- **Biomedical Services:** biomedical asset management services, including asset tracking, preventative maintenance, and repair
- **Technology:** cloud-based asset management and tracking capabilities, as well as applications for patient supply chain management and care coordination

Since New Mountain’s investment, MSD has continued to strengthen its leadership in the home infusion space while also significantly expanding its presence across the broader post-acute landscape, particularly within the long-term care, home health, and oncology segments. The company also has made substantial investments into new capabilities and technology solutions to drive additional value for its customers and enable continued growth well into the future. MSD added or created over 400 jobs during New Mountain’s ownership, net of any job losses, and total employment more than doubled.

“We are proud of our successful partnership with MSD,” said Bert Notini, Managing Director at New Mountain. “Over the last four years we have partnered with management to invest in new technology, execute strategic acquisitions, and implement strategic initiatives to accelerate MSD’s growth, and look forward to seeing MSD continue to thrive moving forward. This new partnership will create significant value for all MSD stakeholders and we are confident that MSD is well positioned to continue on its impressive trajectory with McKesson.”

“It has been a pleasure to partner with MSD’s management team to grow this important business,” said Andre Moura, Managing Director at New Mountain. “MSD solves a real pain point for providers and patients by enabling the delivery of high quality medical care in the low cost post-acute care setting. We thank MSD’s leadership and employees for their tremendous efforts and collaboration over the past four years.”

The transaction is expected to close in the first half of McKesson’s FY 2019, subject to receipt of antitrust approval and other customary closing conditions. MSD is receiving legal counsel from Simpson Thacher & Bartlett LLP. Morgan Stanley & Co. LLC is acting as financial advisor to MSD.

**About New Mountain Capital**

New Mountain Capital is a New York based investment firm that emphasizes business building and non-cyclical growth, rather than debt, as it pursues long-term capital appreciation. The firm currently manages private equity, public equity, and credit funds with over \$20 billion in assets under management. New Mountain seeks out what it believes to be the highest quality growth leaders in carefully selected industry sectors and then works intensively with management to build the value of these companies.

[www.newmountaincapital.com](http://www.newmountaincapital.com)

**About Medical Specialties Distributors**

Medical Specialty Distributors (MSD) is a leading post-acute/non-hospital patient supply chain provider offering a broad portfolio of medical supplies, biomedical services, and technology solutions. MSD serves over 9,700 healthcare providers at over 11,000 sites nationwide, as well as servicing patients in the home through MSD's Patient Home Direct program. MSD provides its customers with a Total Enterprise Solution, uniquely combining products, services, and technology that enable its customers to improve their business processes and focus on the best possible outcomes for their patients. To learn more about MSD visit [www.msdonline.com](http://www.msdonline.com).

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