

# Cardinal Health and Clayton, Dubilier & Rice Announce Partnership to Accelerate Growth of naviHealth

## Investment Accelerates naviHealth's Growing Market Position in Post-Acute Care Management

DUBLIN, Ohio and NEW YORK, June 13, 2018 /PRNewswire/ -- Cardinal Health, Inc. (NYSE: CAH) and Clayton, Dubilier & Rice ("CD&R") announced today that CD&R-managed funds will jointly invest with Cardinal Health in naviHealth, the largest manager of post-acute benefits for health plans and a leading value-based care partner to health systems and providers. naviHealth currently serves more than two million insured members and manages care transitions for approximately 800 acute hospitals and 11,000 post-acute care facilities nationwide.

Under the terms of the agreement, CD&R-managed funds will acquire approximately a 55% ownership stake in naviHealth while Cardinal Health will retain approximately a 45% interest in the business. In addition, Cardinal Health will have a call right to reacquire the business. When the transaction closes, the current CEO of naviHealth, Clay Richards, will retain his role and become a director on naviHealth's board. At that time, Ron Williams, operating advisor to CD&R funds and former chairman and chief executive officer of Aetna, will become chairman of the naviHealth board. Cardinal Health and CD&R will each appoint three additional directors for a total of eight directors on the naviHealth board.

"This new investment structure provides naviHealth with the resources needed to support and accelerate its growth trajectory. naviHealth's leadership team, clinical expertise, and proprietary clinical decision support technology are key differentiators in a rapidly growing sector of the healthcare industry," said Mike Kaufmann, chief executive officer at Cardinal Health. "CD&R's understanding of naviHealth's business, and their relationships with current and potential customers, will help provide additional value to patients, health systems, and health plans while also allowing Cardinal Health to benefit from future success."

"naviHealth is at the forefront of the shift from fee-for-service to value-based healthcare delivery," said Ron Williams. "With an aging population, prevalence of chronic illness, and increased hospital readmission rates, payers and providers are seeking innovative ways to improve health outcomes while reducing cost, which is exactly what naviHealth's services deliver. The post-acute care segment of the market is especially attractive due to high levels of waste, wide variability in spend, and the complex mix of clinical, operational and technical resources required to address patient needs."

"For the past six years, naviHealth has worked tirelessly to improve the way post-acute care is delivered in the U.S." said Richards. "CD&R's investment enables us to invest in innovative solutions, expand our capabilities, and partner with health plans and health systems in more strategic ways - with the ultimate goal of providing better care to our patients. Our leadership team believes in the future of naviHealth and we are excited about what we can create together with Cardinal Health and CD&R."

naviHealth partners with health plans, hospital systems, at-risk physician groups, and other healthcare providers to manage post-acute care as part of value-based care programs. Through its proprietary technology platform, the company utilizes evidence-based protocols and dedicated clinical staff to quantitatively track patient recoveries, manage hospital discharges, reduce readmissions and support efficient clinical decision-making, which taken together reduce wasteful healthcare spend.

The transaction is expected to close in the third quarter of calendar 2018 subject to customary closing conditions.

### About Cardinal Health

Cardinal Health, Inc. is a global, integrated healthcare services and products company, providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices worldwide. The company provides clinically proven medical products, pharmaceuticals and cost-effective solutions that enhance supply chain efficiency from hospital to home. Cardinal Health connects patients, providers, payers, pharmacists and manufacturers for integrated care coordination and better patient management. To help combat prescription drug abuse, the company and its education partners created Generation Rx, a national drug education and awareness program. Backed by nearly 100 years of experience, with approximately 50,000 employees in nearly 60 countries, Cardinal Health ranks #14 on the Fortune 500. For more information, visit [cardinalhealth.com](http://cardinalhealth.com), follow @CardinalHealth on Twitter, @cardinalhealthwings on Facebook and connect on LinkedIn at [linkedin.com/ company/cardinal-health](https://www.linkedin.com/company/cardinal-health).

### About Clayton, Dubilier & Rice

Founded in 1978, Clayton, Dubilier & Rice is a private investment firm. Since inception, CD&R has managed the

investment of \$26 billion in 80 companies, including healthcare services businesses, with an aggregate transaction value of more than \$100 billion. The Firm has offices in New York and London. For more information, visit [www.cdr-inc.com](http://www.cdr-inc.com).

### **Cautions Concerning Cardinal Health Forward-Looking Statements**

This press release contains forward-looking statements addressing Cardinal Health's plans to partner with Clayton, Dubilier, & Rice to accelerate growth of naviHealth and other statements about Cardinal Health's future expectations, prospects, estimates and other matters that are dependent upon future events or developments. These statements may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," "will," "should," "could," "would," "project," "continue," "likely," and similar expressions, and include statements reflecting future results, trends or guidance, statements of outlook and expense accruals. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include: the ability to complete the transaction on a timely basis, including receipt of required regulatory approvals and satisfaction of other closing conditions; and, if the transaction is completed, the ability of naviHealth to grow its business and manage its expenses and for Cardinal Health to achieve the expected financial and strategic benefits from the transaction. Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports. This press release reflects Cardinal Health's views as of June 13, 2018. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement.

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