



Fourth Quarter & Full Year 2017 Financial Results

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EARNINGS CONFERENCE CALL 2.28.18



EXPRESS SCRIPTS®

Safe harbor statement; Non-GAAP financial measures; Market and industry data

SAFE HARBOR STATEMENT

During this presentation, the Company will make forward-looking statements, including but not limited to our 2018 full year and our long-term outlook, our Enterprise Value initiative and expected cost savings and our statements related to the Company's plans, objectives, expectations (financial and otherwise) or intentions. Actual results may differ materially from those projected or suggested in any forward-looking statements. Factors that may impact these forward-looking statements can be found in Item 1A—"Risk Factors" in the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations and Annual Report on Form 10-K filed with the SEC on February 27, 2018. Copies of this document can be found at the Investor Information section of Express Scripts' website at <http://www.express-scripts.com/corporate>.

We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. We also do not currently intend to release publicly any updates regarding our relationship with Anthem after the date hereof, whether as a result of renewed discussions with Anthem or otherwise.

NON-GAAP FINANCIAL MEASURES

While the Company reports financial results in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation also includes non-GAAP financial measures. These non-GAAP measures, including adjusted EBITDA, adjusted EBITDA per adjusted claim and adjusted earnings per diluted share, are not prepared in accordance with GAAP, nor are they a substitute for, GAAP measures. All net income, earnings per diluted share, EBITDA, adjusted EBITDA, EBITDA per adjusted claim, adjusted EBITDA per adjusted claim and adjusted earnings per diluted share amounts are presented as attributable to Express Scripts, excluding non-controlling interest representing the share allocated to members of our consolidated affiliates.

The Company believes these non-GAAP measures provide management and investors with useful information about the earnings impact of certain expenses and are useful for (i) comparison of our earnings to those of other companies; (ii) a better understanding of the Company's ongoing core performance; (iii) planning and forecasting for future periods; and (iv) assessing period-to-period performance trends. Management assesses the Company's operating performance using adjusted EBITDA in order to better isolate the impact of certain expenses that may not be comparable between periods or indicative of the ongoing performance of our core operations. Adjusted EBITDA per adjusted

claim provides management and investors with useful information about the earnings and performance of the Company on a per unit basis. For additional information regarding non-GAAP measures and a reconciliation to the comparable GAAP measures of these non-GAAP financial measures see the "Appendix".

MARKET AND INDUSTRY DATA

Unless we indicate otherwise, we base the information concerning our industry contained in this presentation on our general knowledge of and expectations concerning the industry. Our market position and market share is based on our estimates using data from various industry sources and assumptions that we believe to be reasonable based on our knowledge of the industry. We have not independently verified data from industry sources and cannot guarantee its accuracy or completeness. In addition, we believe that data regarding the industry and our market position and market share within such industry provides general guidance but is inherently imprecise.



Agenda

- **Solid results across a number of dimensions in 2017**
- **Record drug trend results, including Specialty**
- **Strong momentum heading into 2018**
- **2017 financial review**
- **2018 financial guidance**

WHEN OUR CUSTOMERS WIN, WE WIN

Leading the way for patients and clients in 2017

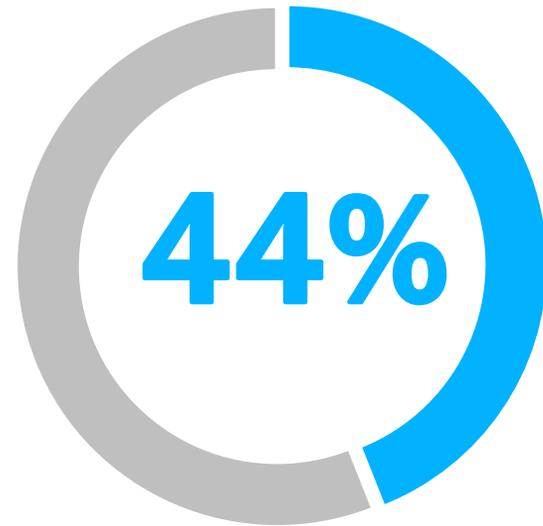
“Express Scripts has shown their commitment to ensuring the health and safety of each member. It’s a partnership that enables us to provide members with access to medications they need every day.” –Natalie Tate, VP Pharmacy BlueCross BlueShield of Tennessee

1.5%
INCREASE

in drug trend* less than half reported in 2016

12¢
INCREASE

Average change in patient out of pocket costs per prescription



OF PLANS **SPENT LESS** PER PERSON ON PRESCRIPTION DRUGS vs. 2016



Plans saved \$32 billion through our clinical solutions alone excluding retail discounts and rebates

* For 2017 commercial clients that allow data use for external reporting.



Gene Therapy



Biosimilars

INNOVATIVE SOLUTIONS

Improve Care, Cost & Access



Rare Disease Biologics



Medical Benefit



STRONG MOMENTUM HEADING INTO 2018

- ✓ Tracking toward a 2019 retention rate of **96 – 98%**
- ✓ Greater than **60% complete** on renewals and well-positioned for the selling season
- ✓ Demand for **innovative solutions** driving trust, client adoption and partnerships
- ✓ Positioned for **organic growth in 2019**



Fourth quarter 2017 financial review

IN MILLIONS (except per share metrics)	Q4 2017 (Consolidated, as reported)	CHANGE vs. Q4 2016	Q4 2017* (Core ¹)	CORE ¹ CHANGE vs. Q4 2016
Total adjusted claims ²	355.8	flat	295.7	flat
Adjusted SG&A*	\$483.2	16%		
Net Income	\$2,327.6	62%		
Adjusted EBITDA*	\$2,147.9	5%	\$1,486.3	5%
Earnings per diluted share*	\$4.10	75%		
Net cash flow from operations	\$1,369.8	(39%)		
Adjusted earnings per diluted share*	\$2.16	15%		

15% Adjusted EPS growth
year-over-year

* For a reconciliation of the non-GAAP financial measures to the comparable GAAP measure, see supplemental information regarding non-GAAP financial measures in the Appendix.



Full year 2017 financial review

IN MILLIONS (except per share metrics)	2017 (Consolidated, as reported)	CHANGE vs. 2016	2017* (Core ¹)	CORE ¹ CHANGE vs. 2016
Total adjusted claims ²	1,401.1	flat	1,164.8	flat
Adjusted SG&A*	\$1,896.0	2%		
Net Income	\$4,517.4	33%		
Adjusted EBITDA*	\$7,415.5	2%	\$4,943.4	3%
Earnings per diluted share*	\$7.74	44%		
Net cash flow from operations	\$5,351.3	9%		
Adjusted earnings per diluted share*	\$7.10	11%		

11% Adjusted EPS growth
year-over-year

* For a reconciliation of the non-GAAP financial measures to the comparable GAAP measure, see supplemental information regarding non-GAAP financial measures in the Appendix.



2018 financial guidance

IN MILLIONS (except per share metrics)	2018 UPDATED CORE ¹ GUIDANCE (unchanged from previous guidance)	2018 CONSOLIDATED GUIDANCE (unchanged from previous guidance)
Total adjusted claims ²	1,125 to 1,165	1,345 to 1,395
Revenue	\$80,500 to \$83,000	\$99,000 to \$102,000
Adjusted EBITDA*	\$5,250 to \$5,400	\$7,600 to \$7,800
Cash flow from operations		\$5,775 to \$6,275
Diluted weighted average shares outstanding		540 to 560
Adjusted earnings per diluted share*		\$9.27 to \$9.47
Q1 2018 GUIDANCE		
Adjusted earnings per diluted share*		\$1.73 to \$1.78

31-33% Adjusted EPS growth
expected in 2018

* See supplemental information regarding non-GAAP financial measures in the Appendix.



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Appendix



Footnotes

1. The Company is providing 2017 fourth quarter and full year financial results and 2018 guidance to assist in an analysis of the underlying performance of the Company's core business, which excludes the contributions from Anthem, Coventry and Catamaran, which we also refer to as the "Transitioning Clients."
2. Total adjusted network claims includes an adjustment to reflect non-specialty network claims filled through our 90-day programs. These claims are multiplied by three, as these claims, on average, typically cover a time period three times longer than other network claims. Home delivery claims are also multiplied by three, consistent with prior practice, as home delivery claims typically cover a time period three times longer than unadjusted network claims. See Schedule A below.

Supplemental Information Regarding Non-GAAP Financial Measures:

The following provides supplemental information regarding the non-GAAP financial measures presented herein, including the reconciliation of such measures to the most directly comparable financial measures calculated in accordance with GAAP. Adjusted earnings per diluted share (or adjusted EPS), adjusted EBITDA, adjusted EBITDA per adjusted claim, adjusted net income, adjusted income before income taxes, adjusted gross profit and adjusted selling, general and administrative are non-GAAP financial measures presented herein, are not calculated or presented in accordance with GAAP, and should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP. The Company believes these non-

GAAP financial measures provide management and investors with useful information about the earnings impact of certain expenses and are useful for (i) comparison of our earnings to those of other companies; (ii) a better understanding of the Company's ongoing core business performance; (iii) planning and forecasting for future periods; and (iv) assessing period-to-period performance trends. Management assesses the Company's core business operating performance using adjusted EBITDA in order to better isolate the impact of certain expenses that may not be comparable between periods or indicative of the ongoing performance. Adjusted EBITDA per adjusted claim provides management and investors with useful information about the earnings and performance of the Company on a per unit basis.

2018 Guidance Information: Due to the inherent difficulty of forecasting the timing and amount of certain items that would impact EPS and net income, including discrete tax and other items, the Company is unable to reasonably estimate the related impact of such items to EPS and net income, the GAAP financial measures most directly comparable to adjusted EPS and adjusted EBITDA, respectively. Accordingly, the Company is unable to provide a reconciliation of 2018 guidance for either adjusted EPS to EPS or adjusted EBITDA to net income. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could have a significant impact on the Company's first quarter and full-year 2018 GAAP financial results. With respect to consolidated adjusted EPS, amortization of intangible assets is expected to be approximately \$0.55 and \$2.27 per share for the first quarter and full-year 2018, respectively.

Financial Information for our Core Business and Transitioning Clients: The financial measures attributable to our core business and the transitioning clients presented herein, including adjusted EBITDA and adjusted EBITDA per adjusted claims are also non-GAAP financial measures. These measures are not calculated or presented in accordance with GAAP, and should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP. These measures represent operating results attributable to specific clients of the Company; however, they are not regularly reviewed by our Chief Executive Officer to assess the performance of any of these clients or make decisions about resources to be allocated to any such client. These measures also reflect management's estimates as to allocation of costs of its PBM business to each of the Transitioning Clients and may not be indicative of costs actually incurred as a result of servicing each of these clients. However, management is unable to reasonably estimate the allocation of certain key items that would impact net income attributable to each of the transitioning clients, including interest and depreciation and amortization. Accordingly, the Company is unable to provide net income attributable to any of the transitioning clients or its core business excluding the transitioning clients, and is unable to provide a reconciliation of either adjusted EBITDA to net income. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could have a significant impact on the Company's long-term outlook for the core business, as discussed above.



Earnings Per Diluted Share Reconciliation

Express Scripts Holding Company Unaudited Adjusted Diluted EPS Reconciliation

Provided below is a reconciliation of Adjusted Diluted EPS attributable to Express Scripts, which is a non-GAAP measure, to diluted EPS attributable to Express Scripts, which is its most directly comparable measure calculated in accordance with GAAP.

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
	(per diluted share)			
Diluted EPS attributable to Express Scripts, as reported	\$ 4.10	\$ 2.34	\$ 7.74	\$ 5.39
Excluding items indicated:				
Amortization of intangible assets *	0.65	0.75	2.51	2.90
Enterprise value initiative costs *	0.03	-	0.07	-
Discrete tax items	(2.49)	(0.97)	(2.40)	(1.00)
Debt redemption costs *	-	-	-	0.22
Transaction and integration costs *	0.16	-	0.16	-
Other compensation costs *	-	0.06	-	0.06
Loss on disposal *	0.03	-	0.03	-
Tax impact of excluded items	(0.32)	(0.30)	(1.01)	(1.18)
Diluted EPS attributable to Express Scripts, adjusted	\$ 2.16	\$ 1.88	\$ 7.10	\$ 6.39

*Presented on a pre-tax basis.

Note: For more information, see tables included in the Company's press release, dated February 27, 2018 and available on the Investor Information section of Express Scripts' website at <http://www.express-scripts.com/corporate> and included with the Company's Form 8-K furnished to the SEC on February 27, 2018.



Adjusted Gross Profit and SG&A

Express Scripts Holding Company Unaudited Adjusted Gross Profit and Adjusted SG&A Reconciliation

Provided below are reconciliations of adjusted gross profit and adjusted selling, general and administrative expenses, which are non-GAAP measures, to gross profit and selling, general and administrative expenses, respectively, which are the most directly comparable measures calculated in accordance with GAAP.

(in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Gross profit, as reported	\$ 2,490.5	\$ 2,338.2	\$ 8,762.1	\$ 8,620.5
Amortization of intangible assets	55.4	55.4	221.7	200.5
Enterprise value initiative costs	2.7	-	5.0	-
Adjusted gross profit	<u>\$ 2,548.6</u>	<u>\$ 2,393.6</u>	<u>\$ 8,988.8</u>	<u>\$ 8,821.0</u>
Selling, general and administrative, as reported	\$ 908.1	\$ 863.5	\$ 3,268.1	\$ 3,532.7
Amortization of intangible assets	316.1	406.7	1,242.4	1,632.3
Enterprise value initiative costs	16.9	-	37.8	-
Transaction and integration costs	91.9	-	91.9	-
Other compensation costs	-	41.2	-	41.2
Adjusted selling, general and administrative	<u>\$ 483.2</u>	<u>\$ 415.6</u>	<u>\$ 1,896.0</u>	<u>\$ 1,859.2</u>

Note: For more information, see tables included in the Company's press release, dated February 27, 2018 and available on the Investor Information section of Express Scripts' website at <http://www.express-scripts.com/corporate> and included with the Company's Form 8-K furnished to the SEC on February 27, 2018.



EBITDA and Adjusted EBITDA Reconciliation

Express Scripts Holding Company Unaudited EBITDA and Adjusted EBITDA Reconciliation

(in millions, except per claim data)

Provided below is a reconciliation of EBITDA and Adjusted EBITDA attributable to Express Scripts, which are non-GAAP financial measures, to net income attributable to Express Scripts. The Company believes net income is the most directly comparable measure under GAAP.

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Net income attributable to Express Scripts, as reported	\$ 2,327.6	\$ 1,434.7	\$ 4,517.4	\$ 3,404.4
(Benefit) provision for income taxes	(902.3)	(104.4)	397.3	999.5
Depreciation and amortization*	457.9	543.4	1,802.0	2,154.6
Other expense (income), net	153.8	139.3	565.0	660.7
EBITDA attributable to Express Scripts	\$ 2,037.0	\$ 2,013.0	\$ 7,281.7	\$ 7,219.2
Adjustments to EBITDA				
Transaction and integration costs	91.9	-	91.9	-
Enterprise value initiative costs*	19.0	-	41.9	-
Other compensation costs	-	41.2	-	41.2
Adjusted EBITDA attributable to Express Scripts	\$ 2,147.9	\$ 2,054.2	\$ 7,415.5	\$ 7,260.4
Total adjusted claims	355.8	354.9	1,401.1	1,407.6
Adjusted EBITDA attributable to Express Scripts, per adjusted claim	\$ 6.04	\$ 5.79	\$ 5.29	\$ 5.16

* Depreciation and amortization for both the three months and year ended December 31, 2017, presented above includes \$0.6 million and \$0.9 million, respectively, of accelerated depreciation in connection with the enterprise value initiative which is not otherwise included in enterprise value initiative costs.

Note: For more information, see tables included in the Company's press release, dated February 27, 2018 and available on the Investor Information section of Express Scripts' website at <http://www.express-scripts.com/corporate> and included with the Company's Form 8-K furnished to the SEC on February 27, 2018.