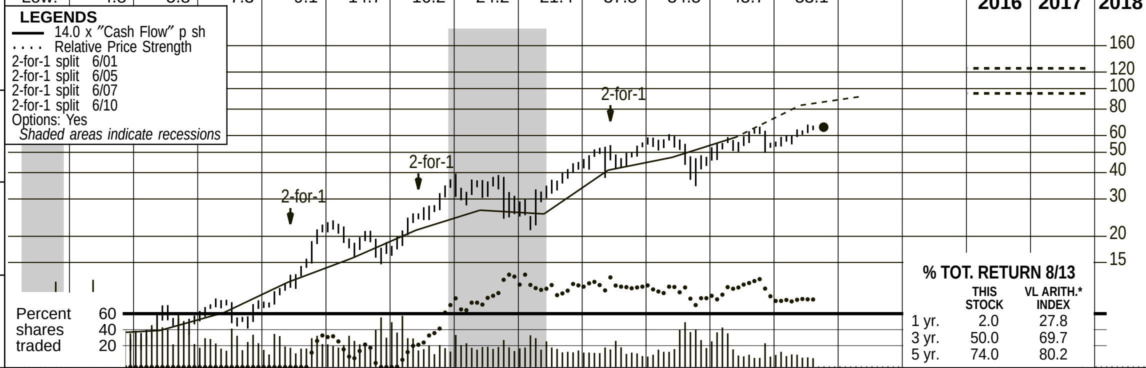
EXPRESS SCRIPTS. NDQ-ESRX

RECENT PRICE	65.61	P/E RATIO	23.9 (Trailing: 29.6 / Median: 21.0)	RELATIVE P/E RATIO	1.36	DIV'D YLD	Nil	VALUE LINE

TIMELINESS 3 Raised 6/14/13
SAFETY 2 Raised 12/24/10
TECHNICAL 2 Lowered 9/20/13
BETA 1.00 (1.00 = Market)

High:	8.2	9.4	10.1	22.7	23.8	37.2	39.6	44.9	55.7	60.9	66.1	67.7
Low:	4.8	5.8	7.3	9.1	14.7	16.2	24.2	21.4	37.8	34.5	45.7	53.1

LEGENDS
— 14.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 6/01
2-for-1 split 6/05
2-for-1 split 6/07
2-for-1 split 6/10
Options: Yes
Shaded areas indicate recessions



Target Price Range

2016	2017	2018

2016-18 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+90%)	17%
Low	95	(+45%)	10%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	1	0	0	0
Options	0	3	4	0	1	1	1	2	0
to Sell	0	0	0	0	1	1	2	4	2

Institutional Decisions

	4Q2012	1Q2013	2Q2013
to Buy	522	509	469
to Sell	467	440	497
Hld's(000)	702135	696986	698710

% TOT. RETURN 8/13

	THIS STOCK	VL ARITH.* INDEX
1 yr.	2.0	27.8
3 yr.	50.0	69.7
5 yr.	74.0	80.2

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
2.30	5.33	6.87	10.86	14.94	19.68	20.83	23.68	27.85	32.55	36.20	44.37	45.00	85.17	95.19	114.73	**126.85**	**130.70**	Revenues per sh D	**173.35**
.08	.13	.22	.28	.33	.46	.48	.58	.81	1.05	1.42	1.77	1.70	2.74	3.16	3.95	**5.55**	**6.15**	"Cash Flow" per sh	**8.70**
.06	.08	.11	.15	.20	.32	.40	.48	.65	.83	1.18	1.56	1.56	2.21	2.53	1.79	**2.50**	**3.00**	Earnings per sh A	**5.00**
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.02	.05	.06	.13	.09	.10	.08	.08	.10	.12	.15	.17	.27	.23	.30	.20	**.50**	**.45**	Cap'l Spending per sh	**.60**
.38	.47	1.12	1.13	1.33	1.61	1.87	1.87	2.51	2.07	1.38	2.18	6.46	6.83	5.10	28.59	**30.75**	**33.25**	Book Value per sh B	**43.10**
535.94	530.48	624.02	624.70	624.25	622.97	638.36	638.30	583.97	542.60	504.74	495.30	550.01	528.07	484.58	818.10	**810.00**	**800.00**	Common Shs Outst'g C	**750.00**
22.7	32.0	38.7	25.1	30.5	20.1	19.1	18.5	21.0	23.7	21.8	21.1	21.7	22.0	20.2	31.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	**22.0**
1.31	1.66	2.21	1.63	1.56	1.10	1.09	.98	1.12	1.28	1.16	1.27	1.45	1.40	1.27	2.00			Relative P/E Ratio	**1.45**
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CAPITAL STRUCTURE as of 6/30/13
Total Debt $14280.1 mill. **Due in 5 Yrs** $8376.7 mill.
LT Debt $13648.5 mill. **LT Interest** $510.4 mill. (36% of Cap'l)
Total Interest Coverage: 6.7x.
Leases, Uncapitalized Annual rentals $77.7 mill.
Pension Assets-12/12 $207.5 mill **Oblig.** $269.1 mill.

Common Stock 814,198,000 shs.

MARKET CAP: $53.4 billion (Large Cap)

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		16-18
13295	15115	16266	17660	18274	21978	24749	44973	46128	93858	**102750**	**104575**	Revenues ($mill) D	**130000**
3.8%	3.7%	4.5%	5.2%	6.3%	6.3%	6.5%	5.1%	5.6%	5.0%	**6.0%**	**6.5%**	Operating Margin	**7.0%**
54.0	70.0	84.0	101.0	97.5	97.7	109.9	244.7	253.4	1872.6	**2450**	**2525**	Depreciation ($mill)	**2725**
250.6	300.1	388.1	468.7	620.6	779.6	826.5	1204.6	1275.8	1340.5	**2050**	**2400**	Net Profit ($mill)	**3800**
38.2%	36.5%	36.9%	36.7%	34.3%	35.8%	36.9%	36.9%	37.0%	38.0%	**37.0%**	**37.5%**	Income Tax Rate	**37.5%**
1.9%	2.0%	2.4%	2.7%	3.4%	3.5%	3.3%	2.7%	2.8%	1.4%	**2.0%**	**2.3%**	Net Profit Margin	**2.9%**
d66.3	d370.4	d137.0	d657.3	d507.2	d677.9	d1313	d975.9	2599.9	d2300.5	**100**	**3175**	Working Cap'l ($mill)	**12625**
455.0	412.1	1401.0	1270.4	1760.3	1340.3	2456.8	2493.7	7076.4	14980.1	**13750**	**13000**	Long-Term Debt ($mill)	**10000**
1194.0	1196.3	1465.0	1124.9	696.4	1078.2	3551.8	3606.6	2473.7	23385.0	**24900**	**26600**	Shr. Equity ($mill)	**32325**
16.5%	19.9%	14.2%	21.4%	27.3%	33.8%	15.4%	21.1%	14.9%	4.3%	**6.0%**	**6.5%**	Return on Total Cap'l	**9.5%**
21.0%	25.1%	26.5%	41.7%	89.1%	72.3%	23.3%	33.4%	51.6%	5.7%	**8.0%**	**9.0%**	Return on Shr. Equity	**12.0%**
21.0%	25.1%	26.5%	41.7%	89.1%	72.3%	23.3%	33.4%	51.6%	5.7%	**8.0%**	**9.0%**	Retained to Com Eq	**12.0%**
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CURRENT POSITION ($MILL.)

	2011	2012	6/30/13
Cash Assets	5620.1	2793.9	1342.2
Receivables	1915.7	5480.6	4552.8
Inventory (FIFO)	374.4	1661.9	1672.9
Other	147.8	820.5	735.0
Current Assets	8058.0	10756.9	8302.9
Accts Payable	3802.2	10349.1	8462.7
Debt Due	999.9	934.9	631.6
Other	656.0	1773.4	1524.0
Current Liab.	5458.1	13057.4	10618.3

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '16-'18
Revenues	21.5%	22.0%	10.0%
"Cash Flow"	25.0%	25.5%	18.0%
Earnings	30.0%	26.5%	15.0%
Dividends	--	--	Nil
Book Value	18.0%	23.5%	22.0%

QUARTERLY REVENUES ($ mill.) D

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	11138	11289	11252	11294	44973
2011	11094	11361	11571	12101	46128
2012	12133	27504	26810	27411	93858
2013	26063	26425	*25000*	*25262*	*102750*
2014	*25000*	*25375*	*26500*	*27700*	*104575*

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.47	.56	.57	.61	2.21
2011	.61	.66	.66	.60	2.53
2012	.55	.18	.49	.62	1.79
2013	.45	.67	*.68*	*.70*	*2.50*
2014	*.70*	*.75*	*.75*	*.80*	*3.00*

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	NO CASH DIVIDENDS BEING PAID				
2010					
2011					
2012					
2013					

BUSINESS: Express Scripts Holding Co., is one of the largest pharmacy benefit managers in North America. It provides retail drug card programs, specialty disease management, and prescription drugs through its retail network. It also provides biopharmaceutical products directly to patients and physicians. The company had 1395.7 million adjusted claims in 2012. Acquired CuraScript 1/04; Priority 10/05. Joint venture with AdvancePCS and Medco on RxHub, 2/01. Merged with Medco on 4/12. Off. & dir. own less than 1% of common shares; BlackRock, about 6.3%. (4/13 Proxy). Had about 30,215 employees in '12. Chair., CEO, and Pres.: George Paz. Inc.: DE. Add.: One Express Way, St. Louis, MO 63121. Telephone: 314-996-0900. Internet: www.express-scripts.com.

Express Scripts' integration of Medco Health Solutions seems to be progressing. The company posted earnings of $0.67 a share in the second quarter, nearly four times the year-earlier tally, despite a 4% top-line slip. Margins almost doubled in the period, as it seems that many of the kinks associated with the April, 2012 deal, which made it the nation's largest pharmacy benefits manager (PBM), have been ironed out.

In that vein, we believe that healthy earnings growth is in the cards for the second half of the year. Although the top line is likely to remain under pressure in the months ahead due to difficult comparisons, ongoing generic penetration, and the rolloff of claims from United Healthcare Group, which has decided to bring its PBM business in house, the operating margin ought to pick up the slack as operations are further streamlined and additional synergies are realized. In all, we look for a 35%-40% bottom-line advance for 2013. Management's earnings guidance seems to support our call.

Momentum will probably remain strong next year. Costs associated with the Medco transaction should be a distant memory, while the top line is expected to be the beneficiary of more-favorable legislation and the likelihood that many uninsured parties will be receiving coverage. A double-digit earnings advance is highly likely.

Patient investors are likely to be well rewarded. Express is an industry leader whose PBM business ought to benefit from Corporate America's ongoing efforts to temper costs. Indeed, its size and scale augur well for its 3- to 5-year growth prospects. A 2 (Above Average) Safety rank adds appeal on a risk-adjusted basis.

Still, investors need not be in a rush to hop on board this offering. ESRX stock is an Average (3) selection for Timeliness, with the loss of United Healthcare business likely to remain a concern for many in the investment community. Also, we would like to see management further address the balance sheet. Express took on a lot of debt and new equity in order to fund the Medco acquisition and is highly leveraged by historical measures.

Andre J. Costanza *September 20, 2013*

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '98, $0.01; '99, ($0.05); '00, ($0.66); '03, ($0.01); '04, ($0.07); '05, $0.04; '06, $0.02; '07, ($0.10). Qtl'y. egs. do not sum to total due to rounding. Next egs. report due late Oct. **(B)** Includes intangibles: in '12, $45,398 million, $55.49/share. **(C)** In millions, adjusted for stock splits. **(D)** Beginning in 2004, revenues and COGS do not include retail copays.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	95
Earnings Predictability	70