

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
January 13, 2020



option care health™
OPTION CARE HEALTH, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-11993
(Commission File Number)

05-0489664
(IRS Employer Identification Number)

3000 Lakeside Dr. Suite 300N, Bannockburn, IL 60015
(Address of principal executive offices)

(312) 940-2443
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	BIOS	Nasdaq Capital Market

Item 7.01. Regulation FD Disclosure.

On January 13, 2020, Option Care Health, Inc. (the "Company") will be making a presentation at the Annual J.P. Morgan Healthcare Conference in San Francisco, California (the "Presentation"), a copy of which is furnished herewith as Exhibit 99.1. The Presentation will also be posted to the investor relations section of the Company's website at <https://investors.optioncarehealth.com>.

Company management is scheduled to present at 4:30 p.m. Pacific Standard time today, January 13, 2020. A live audio webcast and replay of the Presentation will also be available at <https://investors.optioncarehealth.com>.

The information furnished under this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such a filing. The furnishing and posting of the information in this report, including Exhibit 99.1, is not intended to, and does not, constitute a determination or admission by the Company that such information is material or complete, or that investors should consider such information before making an investment decision with respect to any security of the Company.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Option Care Health, Inc. Investor Presentation, dated January 13, 2020.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Option Care Health, Inc.

Date: January 13, 2020

By: /s/ Michael Shapiro

Michael Shapiro
Chief Financial Officer



option care health™

Q1 2020

Investor Presentation

NASDAQ: BIOS

Disclaimer

This communication may contain “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “intend,” “plan,” “believe,” “project,” “estimate,” “expect,” “may,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we may make regarding future revenues, future earnings, regulatory developments, market developments, new products and growth strategies, integration activities and the effects of any of the foregoing on our future results of operations or financial conditions.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) changes in laws and regulations applicable to our business model; (ii) changes in market conditions and receptivity to our services and offerings; (iii) results of litigation; and (iv) the loss of one or more key payers. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our reports as filed with the SEC.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. All of the forward-looking statements herein are qualified by these cautionary statements.



Option Care Health at a Glance

45

states

96%

of U.S. population covered

\$2.7bn+

combined 2018 revenue

~2,900

skilled clinicians

Top 10

payers all in-network

500+

frontline selling resources

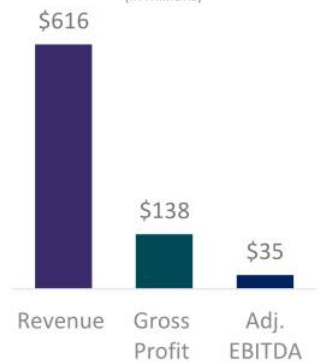
- Nation's largest independent provider of home and alternate site infusion services, licensed in all 50 states
- Clinical leadership and technology-enabled patient-centered model

National Footprint



3Q'19 Results

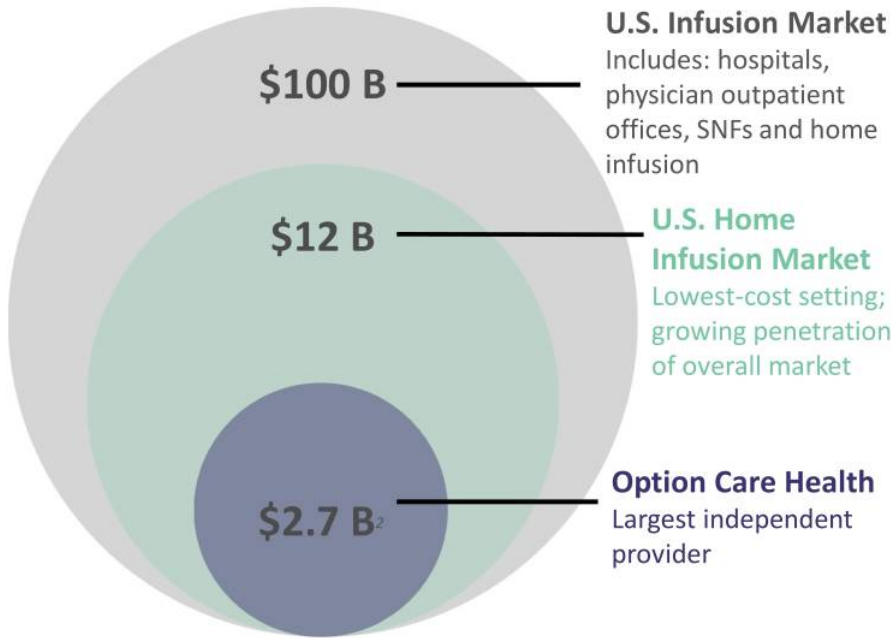
(in millions)



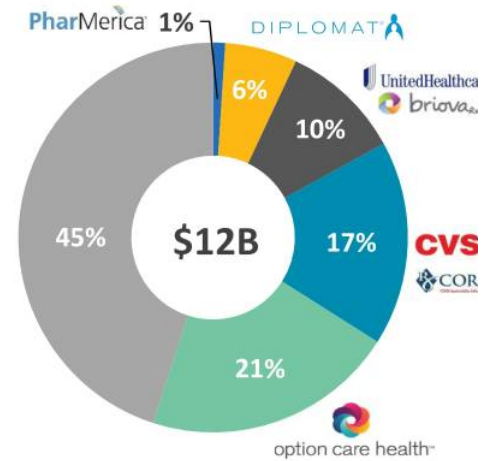
Option Care Health is reimagining the infusion care experience for patients, customers and employees



Leading Position in a Large and Growing Market¹



U.S. Competitive Landscape – Home



- Top 5 providers account for approximately half of the U.S. market
- Significant **market opportunity** with 800+ infusion companies in the U.S.

The U.S. Home Infusion Market is Growing by an Estimated 5-7% Per Year



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¹Market share based on management estimates
²Based on 2018 proforma revenue

Investment Highlights

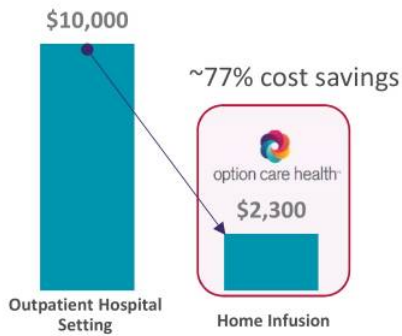
- ✓ Only independent national provider in network with all national payers
- ✓ Right side of healthcare – independent, low cost care setting, patient centric
- ✓ Large, growing and highly fragmented market
- ✓ Significant merger-related cost synergies expected
- ✓ Improved free cash flow generation
- ✓ Balanced payer mix with mostly commercial reimbursement... low “pen stroke” risk
- ✓ Seasoned management team



On the Right Side of Healthcare Trends

The Home is the Disruptive Service Model within the Infusion Market

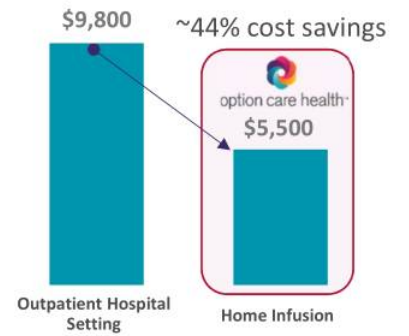
Remicade infusion example



Average cost for one infusion therapy cycle of Remicade (includes cost of drug)



IG infusion example



Average cost for one infusion therapy cycle (includes cost of drug)

Care is moving from the Hospital...

- **Higher cost** setting
- Potential for significant **waste**
- **Less desirable outcomes**, including infections and preventable deaths

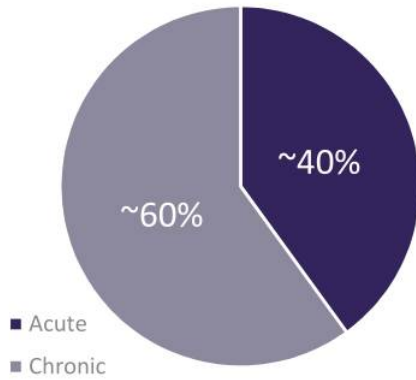
...to the Home

- **\$4 billion potentially saved** annually by shifting care to the home or alternate site
- **Lower cost, safer** site of care; lower risk of infection
- **Patient preference**, resulting in better quality of life



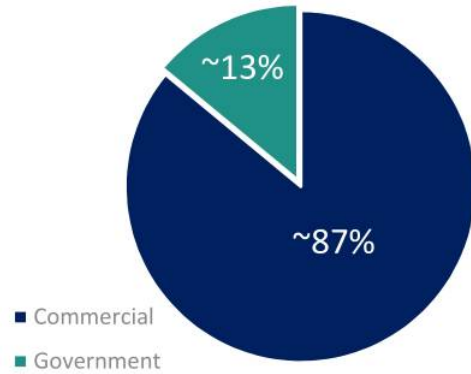
Strength in Diversity

Therapy Revenue Split



- No therapy category represents more than 20% of revenue
- Broad portfolio of chronic and acute therapies including more than 50 limited distribution therapies

Payer Mix¹



- No payer more than 15% of revenue
- Low direct government reimbursement risk
- Productive payer relationships given independence

¹Commercial also includes Medicare Advantage, Managed Medicaid and Patient Pay

Balanced revenue base across therapies and payers



Acute vs Chronic Therapy Portfolios

Acute		Chronic
~40%	% of Net Revenue	~60%
50-70%	Product Margin	10-25%
Shorter, typically 1-12 weeks	Average length of treatment	Longer, typically months or for life
Anti-infectives, nutritional support, inotropic therapy	Therapies	Immunoglobulin, inflammatory, other chronic conditions
Generic, branded	Type of drug utilized	Branded, specialty biologic, limited distribution
Hospital Case Management / Physician	Typical referral source	Physician / Specialist



Synergy Capture Roadmap



Expanding Payer Relationships

- Renewed and expanded multi-year contracts with United Healthcare and Aetna
 - Standardized national agreements across entire geographic footprint
 - Broadened therapy offering leveraging LDD portfolio
 - Included in both payers' limited "preferred network"
- Executed new hemophilia clinical collaboration program with Highmark Blue Cross Blue Shield



Recent Developments

- Continued strong progress on integration efforts and synergy realization which remain on schedule and consistent with expectations
- Initiated efforts to modify public listing which are expected to be effective in early February
 - Ticker symbol to change to “OPCH”
 - Filed 14C with SEC to execute a 1-for-4 reverse stock split
 - Migration from Nasdaq Capital Market Exchange to Global Select Exchange



Roadmap for Growth

Realize synergy opportunities

- Execution of defined short and longer-term integration synergies
- Utilize improved capital structure and liquidity position to create investment plan

Optimize and expand offerings

- Alignment of acute and chronic sales activity against top market opportunities
- Therapeutic-level market penetration and potential to increase share

Capture the ambulatory setting

- Optimization of Ambulatory Infusion Suite footprint and business model
- Implement strategies to drive utilization

Add value to payer relationships

- Partnerships and site-of-care initiatives to drive patient volume
- Opportunities to expand and evolve economic relationship

Invest in growth enablers

- Technology investments (internal and customer facing applications)
- Additional opportunities to leverage clinical expertise
- Data analytics and outcome reporting



Proven, Experienced Leadership Team



John Rademacher
Chief Executive Officer

- Joined Option Care in 2015 as COO and was appointed CEO in 2018
- Served as President and General Manager at Cardinal Health Ambulatory Care and Nuclear and Pharmacy Services divisions
- Former President at CareAllies and COO of the CIGNA Behavioral Health business



Mike Shapiro
Chief Financial Officer

- Joined Option Care in 2015 as CFO
- Served as SVP and CFO of Catamaran Corporation and as CFO of Rexnord Corporation
- Spent fifteen years with Baxter International, holding multiple positions of increasing responsibility
- Began career at Deloitte and is a CPA (inactive)



Harriet Booker
Chief Operating Officer

- Joined Option Care Health in August 2019 as COO following the merger with Bioscrip, where she held the same position since 2018
- Former Executive Vice President of Sales and COO for Coram/CVS Specialty Infusion Services
- Prior to that, served in various senior and executive-level roles at Walgreens – Option Care



Chris Hartman
Chief Growth Officer

- Joined Option Care in 2018 as Chief Commercial Officer, named Chief Growth Officer of Option Care Health in August 2019
- Served as Vice President, North America for Stryker Neurovascular
- Led U.S. Sales for Baxter International's BioSurgery Group and spent sixteen years with Boston Scientific Corporation in sales and marketing leadership roles



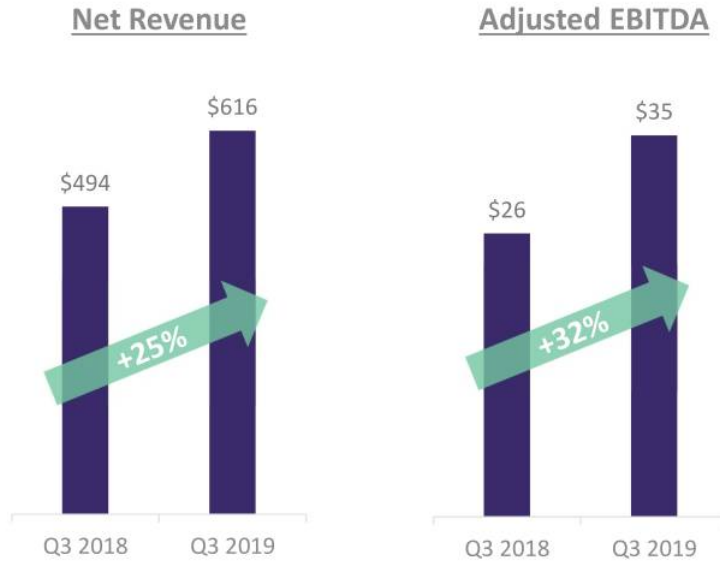
Rich Denness
Chief Strategy Officer

- Joined Option Care Health in August 2019 as Chief Strategy Officer following the merger with Bioscrip, where he served as Chief Commercial Officer since 2018
- Former GM at Schering-Plough, President at IVAX Laboratories, VP, Neurology at UCB, and CEO at Vycor Medical



Q3 2019 Financial Highlights

\$ in millions



Quarterly Highlights

- **Revenue** of \$616M, up 24.7% on a reported basis; up 2.3% on a comparable basis
- **Gross margin** of 22.4% increased 50 bps on a reported basis
- **Adj. EBITDA** of \$35M, up 32.1% on a reported basis, mid-teens growth on a comparable basis
 - Impacted by bad debt policy harmonization
- **Strong liquidity** with \$53M in cash and no borrowings on \$150M revolver
- Funded initial integration strategy with cash on hand
- Management expects to provide 2020 guidance with Q4 2019 results



Note: Results on an as reported basis unless otherwise stated

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Improved Capital Structure

\$ in millions

Q3'19 Capital Structure

Key Highlights

Pro Forma Capitalization

First Lien Term Loan	\$925
Second Lien	400
\$150mm ABL Revolver	-
Total Debt	\$1,325
Cash	53
Net Debt	\$1,272

- Simple capital structure
- Strong liquidity
- Covenant-lite
- Path to deleveraging

Leverage Profile

Total First Lien Debt / PF Adj. EBITDA	4.1x ¹
Total Debt / PF Adj. EBITDA	5.9x ¹



¹ Based on Adj. EBITDA of \$214.1mm as of 9/30/19 as defined by the First Lien Credit Agreement
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