



option care health™

# William Blair 42<sup>nd</sup> Annual Growth Stock Conference

*June 7, 2022*

# Disclaimer

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## ***Forward-Looking Statements***

This presentation 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.

## ***Non-GAAP Measures***

In addition to reporting financial information in accordance with generally accepted accounting principles (GAAP), Option Care Health, Inc. (the “Company”) uses certain non-GAAP financial measures, including Adjusted EBITDA. Any non-GAAP financial measures should be considered as supplements to GAAP reported measures, should not be considered replacements for, or superior to, GAAP measures and may not be comparable to similarly named measures used by other companies. Management believes that Adjusted EBITDA provides useful supplemental information regarding the performance of Option Care Health’s business operations and facilitates comparisons to the Company’s historical operating results. You can find the definitions of these non-GAAP measures, as well as reconciliations to the most directly comparable GAAP measures in the 8-K filed with the SEC. We have not reconciled Adjusted EBITDA guidance to net income as creation of this reconciliation would not be practicable due to the uncertainty regarding, and potential variability of, material reconciling items.



# Option Care Health at a Glance

- Nation's largest independent provider of home and alternate site infusion services, licensed in all 50 states and with the ability to serve approximately 96% of the US population
- Clinical leadership and technology-enabled patient-centered model

**150+** locations around the U.S.

**Top 10** payers all in-network

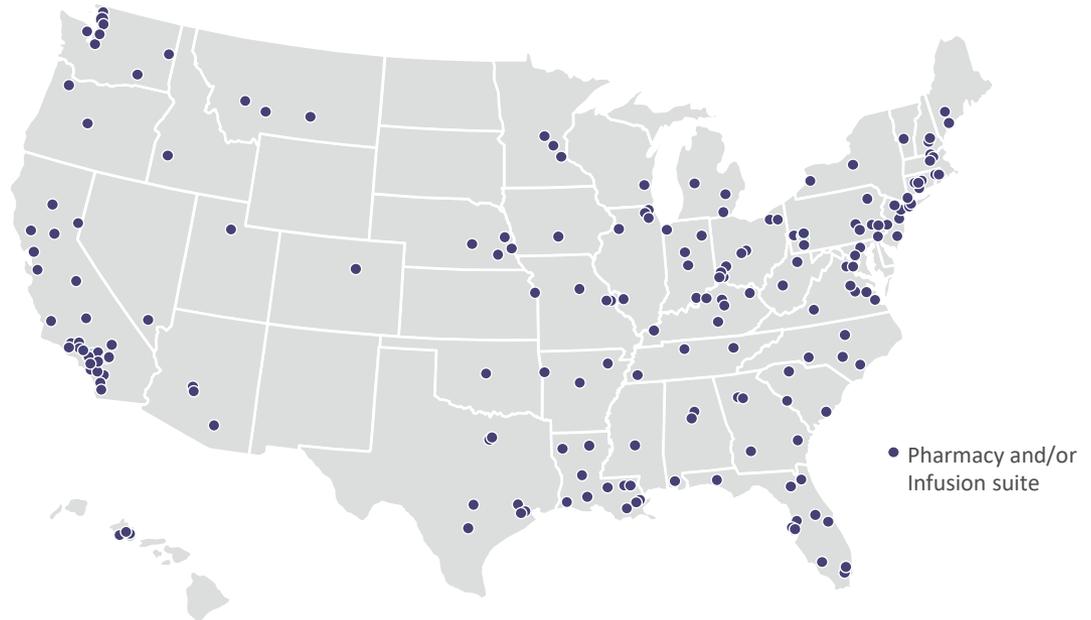
**4,300+** skilled clinicians

**500+** frontline selling resources

**50+** limited distribution therapies

**97** pharmacies

**500+** infusion chairs



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



# Investment Highlights

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**1 Favorable Position in a Large and Growing Market**

**2 On the Right Side of Healthcare – High Quality at an Appropriate Cost in a Patient-Centric Setting**

**3 Well-Diversified Portfolio of Therapies and Payor Relationships**

**4 Strong Core Values that Drive Patient Satisfaction**

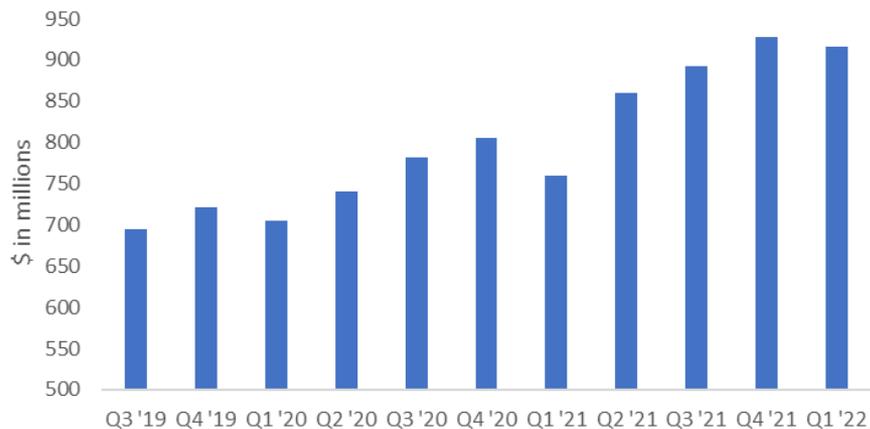
**5 Proven, Experienced Management Team**

**6 Strong Financial and Operating Performance with Track Record of Deleveraging**

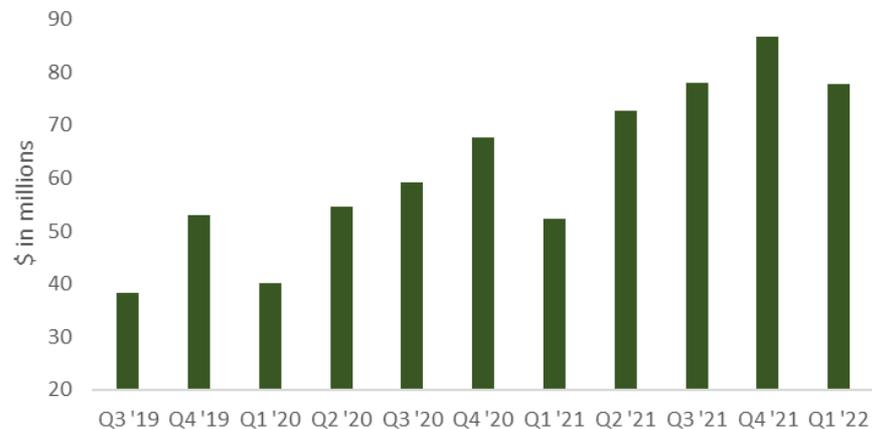


# Accelerating Financial Performance Post-Merger

Consistent Double Digit Revenue Growth



Earnings Growth >2x Top Line Growth



- Since merger between Option Care and Bioscrip in Q3 2019, OPCH has consistently delivered double digit revenue growth
- Consistent quarterly earnings growth in excess of 25% as merger-related synergies realized and scale leveraged
- Significant EBITDA margin expansion from 5.5% in Q3 '19 to 8.5% in Q1 '22
- Leverage profile improved from 6.2x at merger consummation to 3.0x at Q1 '22; ratings profile improved to B1/B+ currently



# Recent Highlights

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- **Delivered Q1 Revenue and Adjusted EBITDA growth of 20% and 48% respectively**
  - Expanded Adjusted EBITDA Margin to 8.5%
- **Refinanced outstanding debt to optimize capital structure in Q4 2021**
  - Reduced outstanding debt by approximately \$60M and extended maturities to 2028 and beyond
  - Significantly reduced cash interest expense and volatility as approx. 70% of debt is fixed
  - Achieved ratings upgrades from both agencies to B1/B+
- **Announced strategic technology collaborations with AlayaCare and WellSky**
- **Extended all key payer relationships through 2022 or beyond**
- **Executed four acquisitions: BioCure, Infinity Infusion Nursing, Wasatch Infusion and Specialty Pharmacy Nursing Network**
- **Opened 3 state-of-the-art Care Management Centers and added 11 new Ambulatory Infusion Centers (15 including Wasatch acquisition) across the country and increased infusion chair capacity by approximately 10% to 500+ chairs nationwide in 2021 and announced plans to open more than 20 additional Infusion Centers in 2022**



# Capital Deployment Progress

Approximately \$150M deployed through M&A efforts

Q2 2021

Q4 2021

2022



- Complementary chronic book of business and commercial resources, acquired in April '21 for \$19M
- Fully integrated into specialty operations



- Leading skilled infusion nursing national platform, acquired in October '21 for \$50M
- Integration ongoing and early efforts encouraging



- Infusion center market leader in Utah, acquired in December for \$18M
- Integration ongoing and operational efficiencies to be realized in Utah market



- Nursing enterprise focused on specialty pharmacy and biopharma manufacturer collaborations
- Acquired in April '22 for \$60M

## More than \$25M invested through Capital Expenditures in 2021

Three new Care Management Centers in Chicago, Cleveland and New Jersey



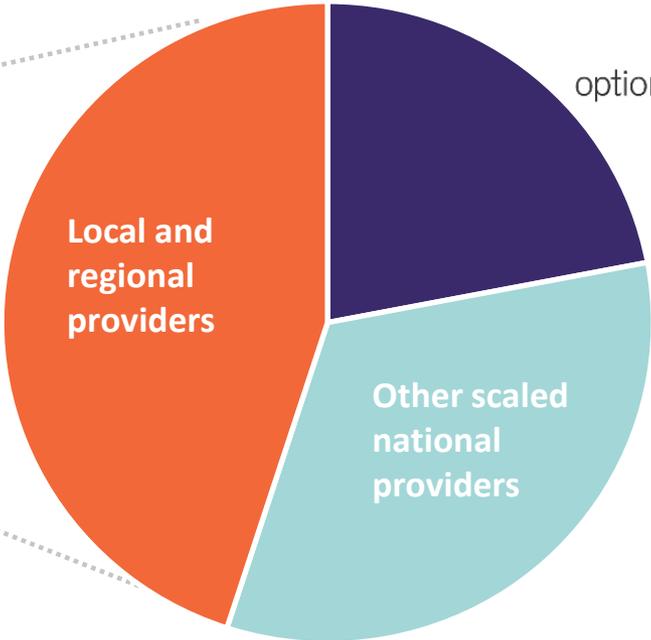
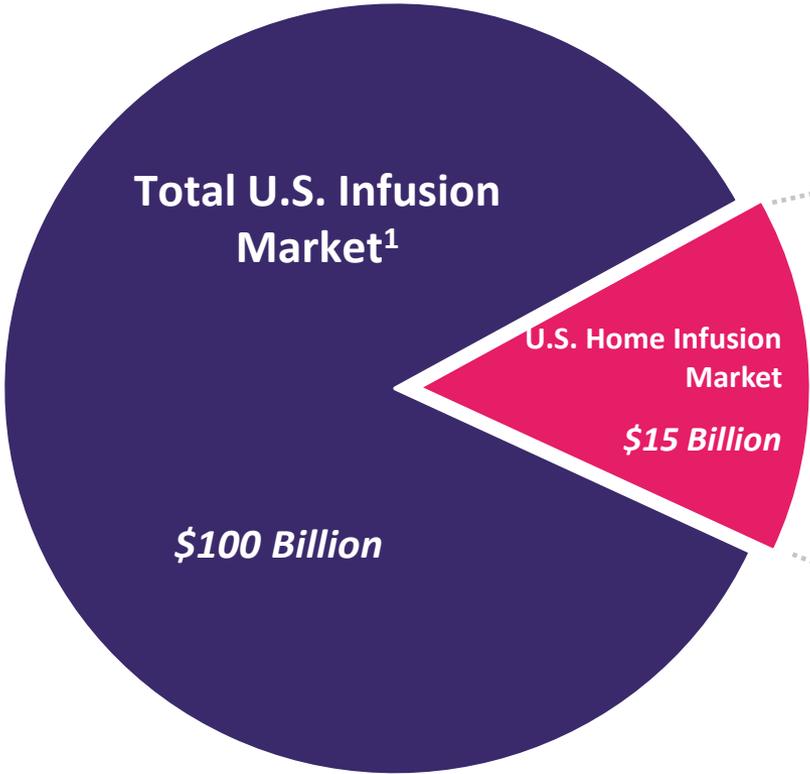
Eleven new Ambulatory Infusion Centers, bringing chair count to 500+



# Favorable Position in a Large and Growing Market

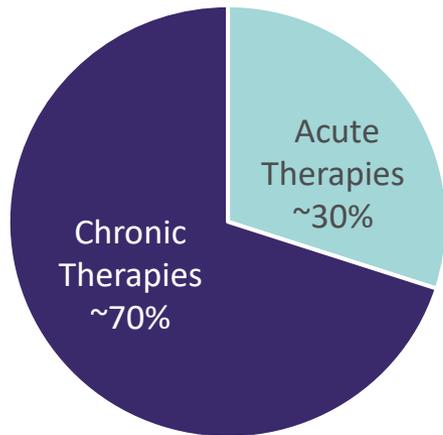
## Home Infusion Competitive Landscape<sup>1</sup>

- National providers account for approx half of the market
- Significant opportunity with 800+ infusion companies



# Strength in Diversity

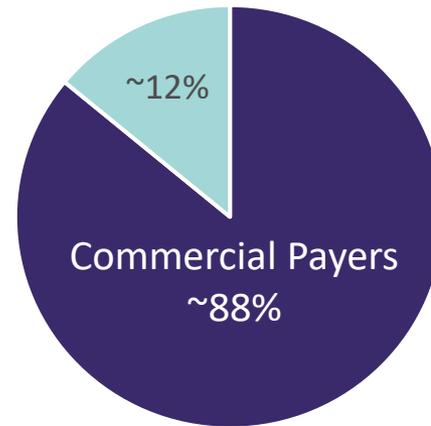
## Balanced revenue base across therapies and payers



### Therapy Revenue Split<sup>1</sup>

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

Direct Government



### Payer Mix<sup>2</sup>

- Revenue related to the Company's largest payer was approximately 15%
- Low direct government reimbursement risk
- Productive payer relationships given independence

<sup>1</sup>Reflects FY 2021 data

<sup>2</sup>Commercial also includes Medicare Advantage plans, Managed Medicaid plans, pharmacy benefit managers, and self-pay patients; reflects FY 2021 data



# With a set of critical core competencies, Option Care Health is positioned to win in home infusion, as well as adjacent markets

## Strong access to payers

- National footprint, licensed in all 50 states
- In-network status with all large payers
- 'Seat at the table' to discuss new innovative episodic, or fully capitated payment models with payers

## Network of engaged patients and referral source with trusted relationships

- Provided access to ~240,000 unique patients and their homes
- Established trust-based relationships with the patients

## Network of clinical resources and services

- Broad set of clinical competencies e.g., pharmacists, nurses, physicians, dietitians
- Market leading provider of clinical services at high quality and low cost
- Ability to provide comprehensive care management for multiple disease states



## Strong relationships with relevant drug manufacturers

- Size and scale provide strong purchasing power, and ability to influence manufacturers
- Established relationships across multiple disease states

## Infrastructure fit for a broad set of clinical services

- National coverage across a variety of care sites: patient homes, AIC/AIS, hybrid/telehealth

## Proven M&A capabilities

- Proven track record of success of integrating acquired business
- Experience of both large M&A and tuck-ins

## Excellence in revenue cycle management

- Industry leader in turning claims to cash, resulting in ~2% of bad debt
- Strength in prior authorization is important to payers looking for partners

Source: Interviews with management, annual reports



# Technology Platform focused on the Patient Experience

## Text Messaging

- Digital copy of Admission documentation
- Digital signature capture



- Nurse Schedule Confirmation
- Billing Statement & Payment link
- New Patient Check-In Assessment

## Interoperability

- Connection to CommonWell through Wellsky
- Ability to share select documentation bi-directionally



## Credit Card Storage

- Ability to securely store a patient's credit card for on-demand bill pay

## Text Messaging

- Pump return notification
- Upcoming refill & supply mgmt.
- Nurse visit confirmation + click to connect

## Advanced Call Center Capabilities

- Upgrade Telephony software
- Establish analytics & a Patient Quality Management program
- Standardize operating procedures
- Plan for integration with Point Ecosystem for improved patient experience



## Virtual IVR Rollout to Chronic Patients

- Automated phone and text reminders for refills
- Improved compliance to therapy



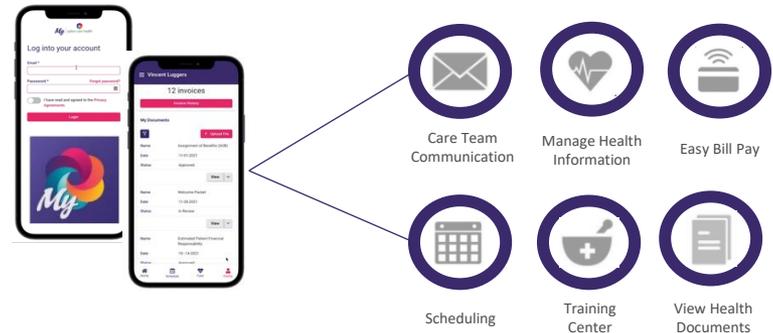
## Virtual Patient Teach

- Rollout of virtual (telehealth) visits to Clinical Transition Specialists to communicate with patients during the referral onboarding process



## My OptionCareHealth Application (TouchPoint)

- Co-Development effort for speed-to-market
- Mobile + Web access



# Exceeding Quality Standards

## Third party accreditations validate our commitment to meeting and exceeding quality standards



### Accreditation Commission for Health Care

ACHC accreditation reflects Option Care's dedication to meeting standards that demonstrate a higher level of performance and patient care. This accreditation demonstrates our commitment to quality and to remaining compliant with industry standards and best practices, and practicing performance improvement.



### Pharmacy Compounding Accreditation Board

PCAB accreditation offers the most comprehensive compliance solution on the industry based on more than 40 sterile compounding standards in the U.S. Pharmacopeial Convention (USP) guidelines or USP 797. Option Care is the first national home infusion provider to achieve PCAB accreditation for all our compounding pharmacies.



### URAC Specialty Pharmacy Accreditation

Option Care earned URAC Specialty Pharmacy Accreditation with a perfect score of 100%. URAC's rigorous performance measures acknowledge Option Care as a provider dedicated to providing quality care, improved processes and better patient outcomes.



### American Society of Health-System Pharmacists

ASHP is the only nationally recognized, non-governmental, non-profit pharmacy association that accredits pharmacy education and training programs in the United States. The overarching goal of accreditation is to ensure public safety, as well as focus on medication safety and quality.



# Roadmap for Value Creation

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## Accelerate Organic Growth

- Transform the patient experience
- Payer collaboration and new programs
- Commercial competitive advantages

## Leverage Infrastructure

- Complete integration and technology harmonization
- Capitalize on our unique national platform
- EBITDA margin expansion through leverage

## New Therapies and Services

- New chronic therapy launches
- Technology-enabled programs and new models
- Expanded infusion suite footprint

## Improved Capital Structure

- Accelerating cash flow generation
- Deleverage over time

## M&A

- Capital deployment in complementary manner
- Focus on new clinical capabilities, geography enhancement and referral source collaboration opportunities



# Building a Sustainable and Responsible Enterprise

## Reducing Our Impact on the Environment

- Green packaging solutions and waste reduction
- Reduction of our carbon footprint
- Increased use of ride share programs
- Expanded ambulatory infusion suite network

## Caring for Our Patient Community

- Programs to expand health access including financial assistance programs and manufacturer co-pay assistance programs
- Broader reach into rural communities
- Programs to improve patient experience



option care health®

## Empowering Our People

- Diversity, Equity and Inclusion initiatives for current and prospective employees
- Health and wellbeing programs
- Employee Relief Fund
- Development and training initiatives

## Managing a Responsible and Resilient Enterprise

- Comprehensive Enterprise Risk Management process
- Robust privacy, data security, quality, compliance and business ethics policies
- Strong vendor and supply chain management oversight
- Industry voice through advocacy



# The Road Ahead

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- **Financial guidance for 2022 communicated as follows:**
  - Revenue of \$3.75B to \$3.90B
  - Adjusted EBITDA of \$320M to \$335M
  - Cash Flow from Operations of at least \$230M
- **Continued focus on capital deployment through M&A efforts**
- **Accelerated investment in Ambulatory Infusion Center expansion strategy and expect to open at least 20 new centers in 2022**

