



BIOSCRIP, INC.

INVESTOR PRESENTATION

March 2018

NASDAQ: BIOS



**THE LARGEST INDEPENDENT NATIONAL PROVIDER OF
HOME INFUSION SOLUTIONS**

DISCLAIMER

Certain statements in this presentation and other oral or written statements made by the Company from time to time may constitute “forward-looking statements” that involve substantial risks and uncertainties, including the statements regarding 2018 guidance, projections of certain measures of the Company's results of operations, projections of future levels of certain charges and expenses, incremental cost structure improvements and other statements regarding the Company's financial improvement plan and strategy and anticipated effects of the Cures Act. You can identify these statements by the fact that they do not relate strictly to historical or current facts. In some cases, forward-looking statements can be identified by words such as "may," "should," "could," "anticipate," "estimate," "expect," "project," "outlook," "aim," "intend," "plan," "believe," "predict," "potential," "continue" or comparable terms. Because such statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Important factors that could cause actual results to differ materially from those in the forward-looking statement include but are not limited to risks associated with: the Company's ability to make principal and interest payments on its debt and unsecured notes and satisfy the other covenants contained in its debt agreements; the Company's high level of indebtedness; the Company's ability to grow its core Infusion revenues; the Company's ability to continue to execute its financial improvement plan to reduce operating costs and focus its business on its Infusion Services segment; the Company's ability to evaluate opportunities for improvement and implement solutions as part of its strategic review process; the success of the Company's initiatives to mitigate the impact of the Cures Act on its business; reductions in federal, state and commercial reimbursement for the Company's products and services; increased government regulation related to the health care and insurance industries; as well as the risks described in the Company's periodic filings with the Securities and Exchange Commission. The Company does not undertake any duty to update these forward-looking statements after the date hereof, even though the Company's situation may change in the future. All of the forward-looking statements herein are qualified by these cautionary statements. This document contains an estimate of projected adjusted EBITDA. Projected adjusted EBITDA as used in this presentation is consistent with the Company's definition of adjusted EBITDA as presented in its annual reports filed on Form 10-K and quarterly reports filed on Form 10-Q. The Company's March 8, 2018 earnings release furnished on the Company's Current Report on Form 8-K on March 8, 2018 provides a reconciliation of projected adjusted EBITDA to expected results.

WHO IS BIOSCRIP?

- We provide patients with post-acute **home infusion therapy** healthcare services.
- We are leading the shift in healthcare from the hospital to the **low-cost home setting** preferred by patients.
- Our solutions improve patient **quality of life** and reduce overall **healthcare system utilization** and **costs**.
- We **partner** with **physicians, hospital systems** and healthcare **payors**.
- We are guided by a **patient-centric** culture and focus on delivering **clinical excellence, unparalleled customer service** and **superior outcomes**.

200,000

Patients
Annually

96%

Patient
Satisfaction

50+

Branches
Nationwide

Headquarters	Denver, CO
Year Incorporated	1996
Employees	~2,400
Exchange/Ticker	NASDAQ/BIOS
Recent Price (3/9/18)	\$2.67
Shares Out. (12/31/17)	~128 mm
Market Cap. (3/9/18)	~\$342 mm
Preferred Stock (12/31/17)	~\$85 mm
Net Debt ¹ (12/31/17)	~\$461 mm
Enterprise Value ² (3/9/18)	~\$888 mm
2018E Revenue ³	\$710-720 mm
2018E EBITDA ³	\$54-58 mm

¹ Excludes restricted cash of ~\$5 mm.

² The Enterprise Value is based on the Recent Price, Market Cap, Preferred Stock and Net Debt amounts as of the dates provided herein and do not represent the Enterprise Value as of the date of this presentation.

³ Company guidance as of 3/8/2017.

INVESTMENT HIGHLIGHTS

The Nation's Largest Independent Home Infusion Provider

New Leadership with Proven Value-Creation Track Record

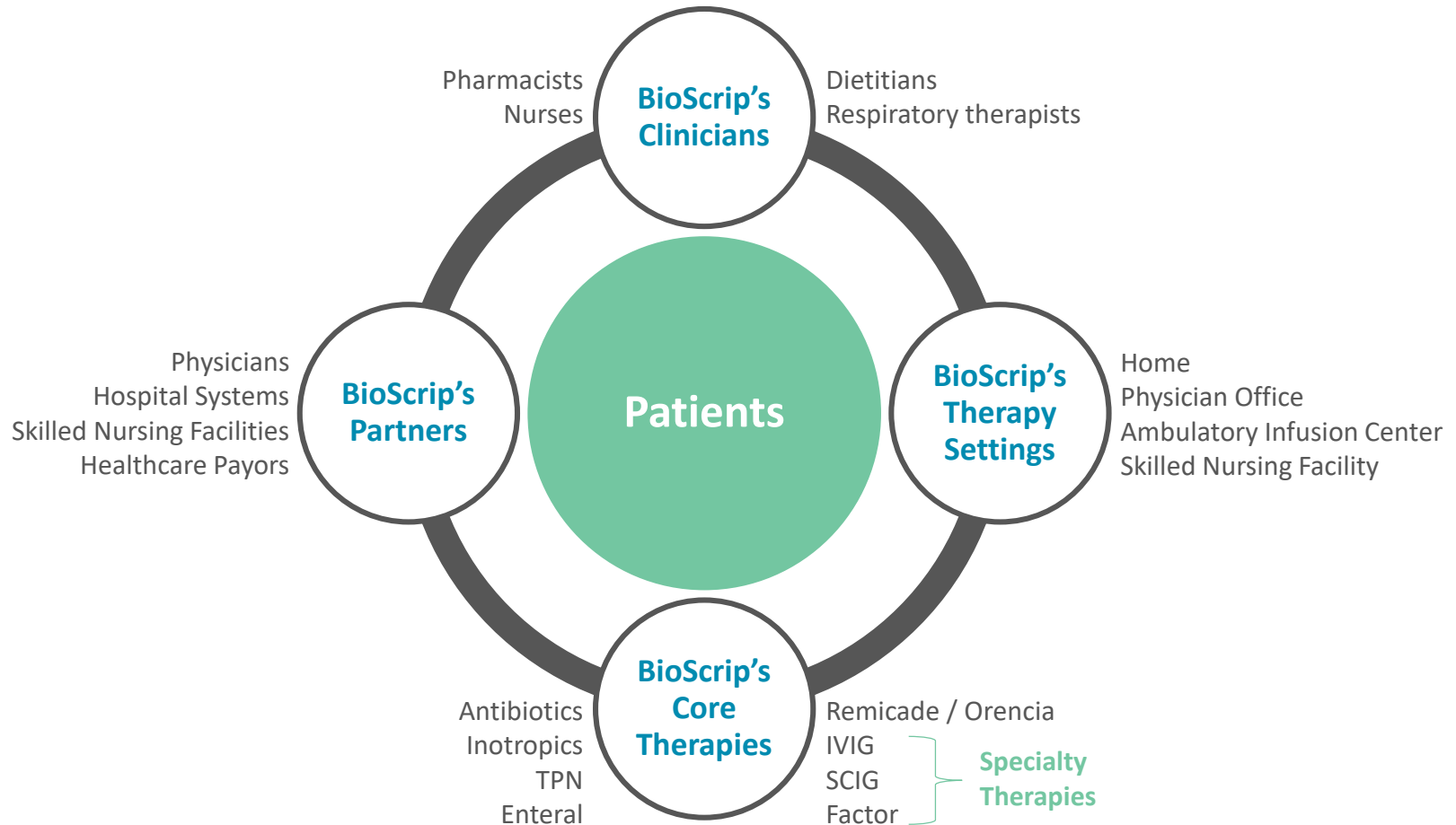
BIOS Turnaround Advancing on Plan with Further Opportunities

Accelerating Cash Flow and Opportunity for De-Leveraging

Only Publicly-Traded “Pure Play” in the Large and Growing Home Infusion Market

Patient Exodus from Hospital to Low-Cost Home Setting: A Long-Term Tailwind

THE NATION'S LARGEST **INDEPENDENT** HOME INFUSION PROVIDER



**National Platform, Infrastructure and Relationships
to Deliver the Highest Standard of Patient Care**

THE NATION'S LARGEST **INDEPENDENT** HOME INFUSION PROVIDER

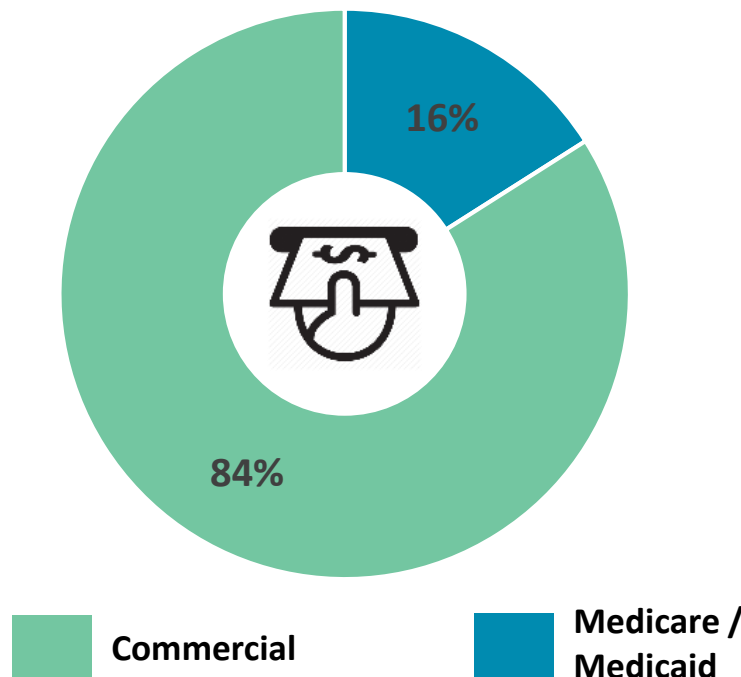
- We offer **fully-Integrated, high-touch** solutions:



- We are **independent** and **nimble**:
 - 100% focused on home infusion (zero competing priorities)
 - Ability to recruit and retain top management and talent
 - M&A flexibility in a fragmented industry
- Outstanding **customer satisfaction** ratings from referral sources and patients:
 - Speed (rapid patient onboarding)
 - Predictability and consistency (repeat performance)
 - Follow-up (mechanism in place to confirm patient set-up)

DIVERSIFIED PAYOR BASE: 1,000+ RELATIONSHIPS

BioScrip Revenue By Payor Type



Low Medicare Mix =
Low “Pen Stroke” Risk

No Single Payor Accounts for >10% of Sales

NEW LEADERSHIP – PROVEN VALUE-CREATION TRACK RECORD

President and CEO – Coram (2008-2013)

- Executed turnaround of a large underachieving home infusion company
- Grew revenue organically 13% CAGR, from \$600mm to \$1.2B
- Expanded EBITDA margin from 5% to 13%
- Increased shareholder value from ~\$350mm to ~\$2.1B

Chairman and CEO – Home Solutions (2013-2016)

- Executed turnaround, driving double digit core sales and EBITDA growth
- Successful sale to BioScrip

**Dan Greenleaf,
President and CEO**



**Joined BioScrip
September 2016**

NEW EXECUTIVE LEADERSHIP



September 2016

Daniel Greenleaf – President and CEO

- 15+ years of executive leadership experience in the home infusion and pharmaceutical industries
- Former Chairman & CEO of Home Solutions, CEO of Coram Specialty Infusion Services and COO of Apria Healthcare
- Former CEO of VioQuest Pharmaceuticals and President at Celltech Biopharma; served as Captain, U.S. Air Force



April 2017

Stephen Deitsch – SVP, CFO and Treasurer

- 16+ years of healthcare, strategic and operational financial leadership experience
- Held CFO and key senior financial leadership roles at Zimmer Biomet, Biomet and Lanx
- Former senior audit manager at Ernst & Young and Deloitte



November 2017

Harriet Booker – SVP, COO

- 12+ years of executive leadership experience in the home infusion industry
- Former Chief Commercialization Officer for Coram/CVS Specialty Infusion Services
- Former Interim SVP, Revenue Cycle Management for Option Care



September 2016

Alex Schott – SVP, Strategic Operations

- 21+ years of healthcare leadership experience, including 13 years in the home infusion industry
- Former CFO, Home Solutions; VP Finance, for Lanx; and VP and Controller, Coram Healthcare
- Expertise in financial leadership, mergers & acquisitions and accounting



November 2017

Danny Claycomb – SVP, Revenue Cycle Management

- 17+ years of operational financial leadership experience in the healthcare industry
- Former SVP, Revenue Cycle Management at Envision Healthcare and Coram/CVS Specialty Infusion Services
- Proven track record of driving organizational development, financial performance, P&L optimization and growth

BIOSCRIP TURNAROUND STRATEGY

KEY PRINCIPLES

Core revenue growth

- Higher mix of profitable core sales
- Sales force effectiveness
- Improved referral source experience
- Managed care pricing
- Patient outcomes and data analytics
- Strategic partnerships (hospitals and payors)
 - Patient redirection efforts
- Federal health services (DOD/VA)

Operational efficiencies

- Supply chain improvements
- Labor management (leaner workforce)
- Optimize delivery and nursing, including AIS utilization

Revenue collections

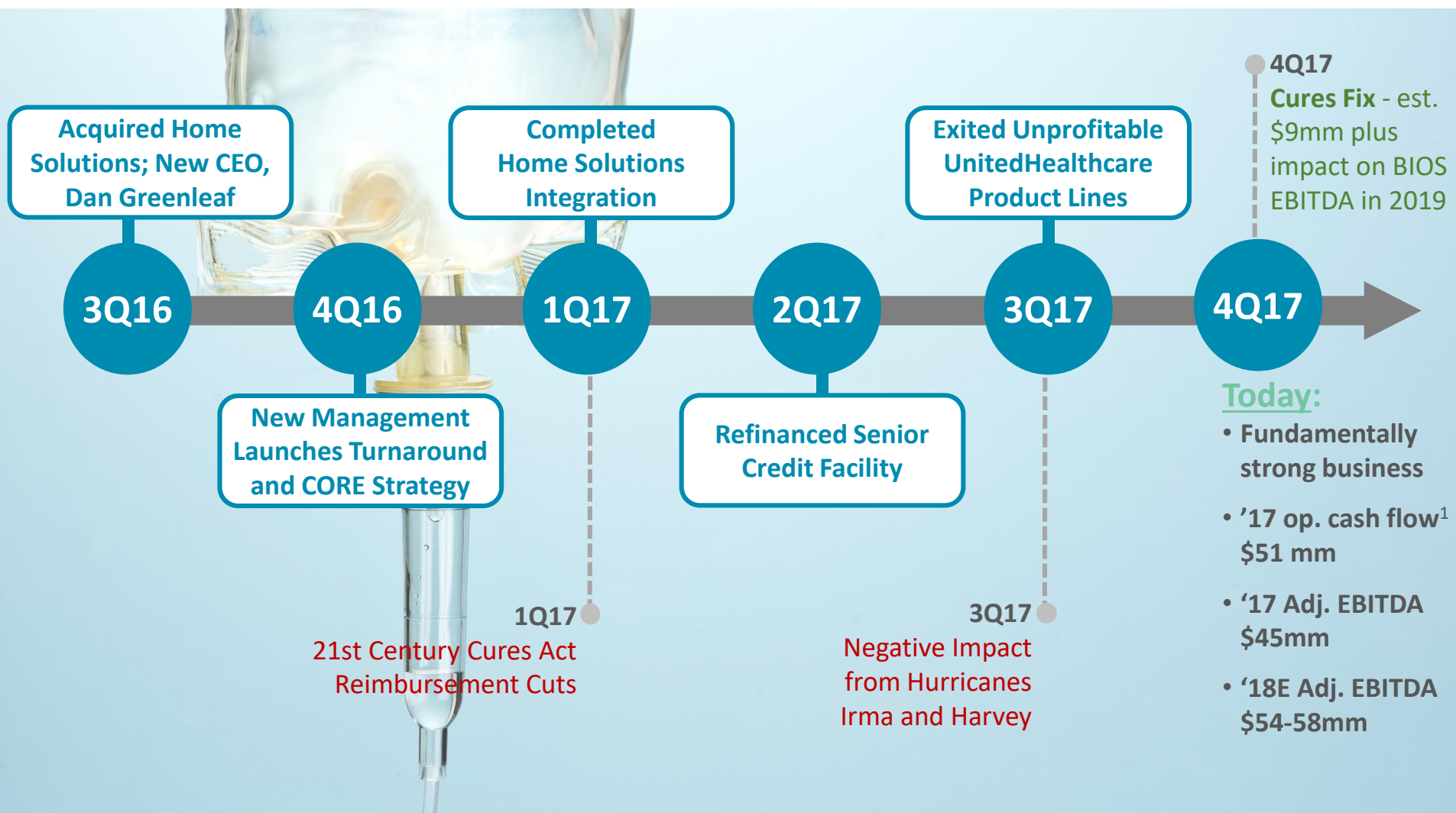
- Revenue cycle management
- Lower bad debt expense
- Lower DSOs
- Accelerate cash flow

Employee effectiveness

- The right people in the right seats
- Reward for performance
- Empower employees
- Enhance transparency and accountability
- Focus team on the right priorities and initiatives

BIOSCRIP TURNAROUND STRATEGY

ADVANCING ON PLAN

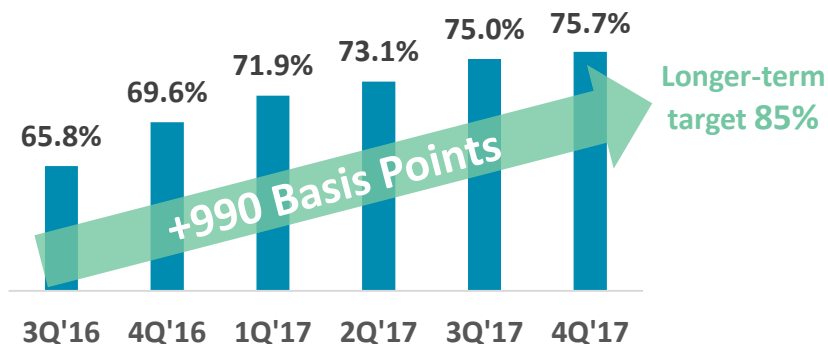


¹ "Operational cash flow" - defined as operating cash flow less cash interest expense.

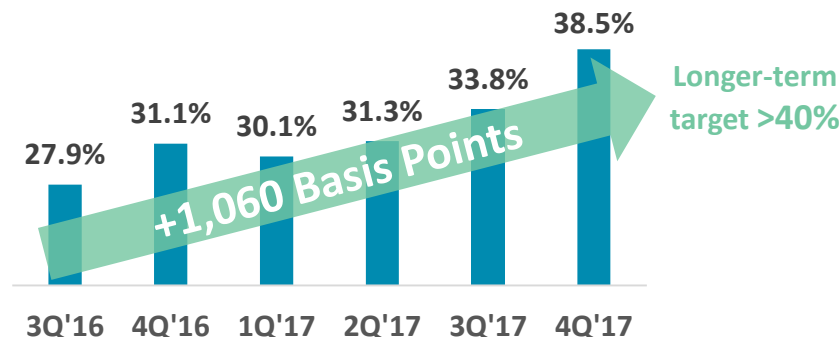
BIOSCRIP TURNAROUND STRATEGY

THE RESULTS DEMONSTRATE OUR PROGRESS

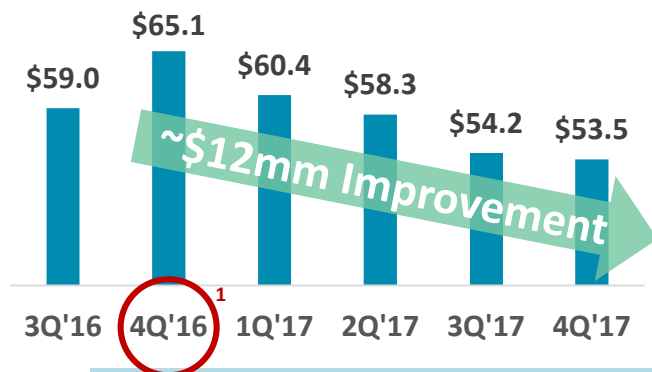
CORE Mix (%)



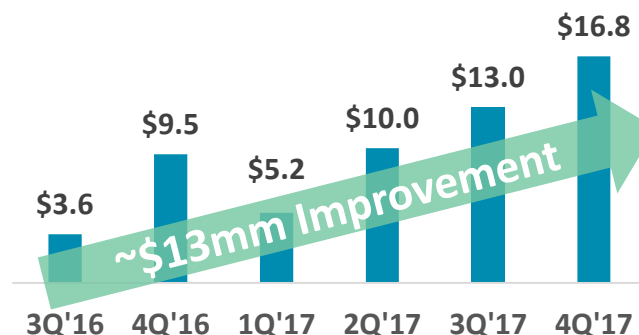
Gross Margin (%)



Operating Expenses (in \$mm)



Adjusted EBITDA (in \$mm)



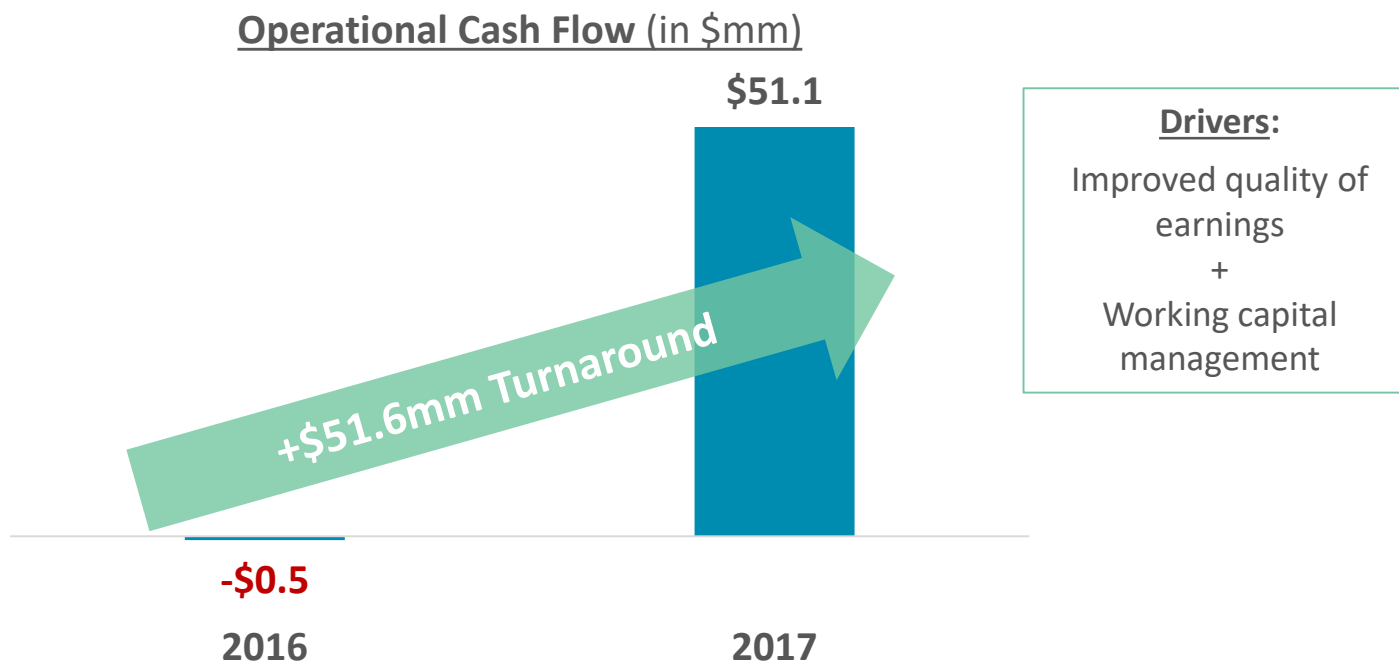
Positive Operating Trends Despite External Challenges,
Including The Cures Act and Hurricanes Irma/Harvey

¹ 4Q'16 = first full quarter after Home Solutions acquisition

BIOSCRIP TURNAROUND STRATEGY

IMPROVING CASH FLOW

\$51.6mm y-o-y improvement in operational cash flow¹ in 2017:



Approaching an inflection point:
opportunity to de-lever anticipated in the near-term.

SNAPSHOT OF CAPITAL STRUCTURE

Capitalization Summary (in millions)	Dec. 31, 2017	Comment
Cash	\$39	<ul style="list-style-type: none"> Excludes ~\$5mm of restricted cash
Senior Credit Facility	\$300	<ul style="list-style-type: none"> \$310mm facility Completed June 29, 2017 ~9% cash interest rate Eliminates maturities until August 2020
Senior Unsecured Notes	\$200	<ul style="list-style-type: none"> ~8.9% cash interest rate February 2021 maturity
Common Stock (NASDAQ: BIOS)	\$342	<ul style="list-style-type: none"> ~128mm shares outstanding as of 12/31/2017 Share price of \$2.67 as of 3/9/2018
Preferred Stock	\$85	<ul style="list-style-type: none"> 11.5% PIK Liquidation preference as of 12/31/2017
Enterprise Value	\$888	<ul style="list-style-type: none"> Based on 12/31 balance sheet and 3/9 share price

Liquidity of ~\$49mm, including \$10mm senior credit facility availability

CATALYSTS FOR CONTINUED CASH FLOW IMPROVEMENT AND **PATHWAY TO DE-LEVER**

Ongoing/Near-Term

- Sales catalysts:
 - Sales force effectiveness
 - CORE sales growth
 - **85%/15%** core/noncore target mix
 - Payer redirection
 - Shift from hospital to home
 - Cures Fix
 - **\$9mm** plus est. positive impact in 2019
- Margin catalysts:
 - CORE mix increase / pricing increases / Cures fix
 - Supply chain enhancements / formulary mgmt.
 - Operating expense reduction
- Working capital management:
 - Revenue cycle management
 - Bad debt collection initiatives

Medium-/Long-Term

- Potential to refinance at lower interest rate with improved operating performance
- Utilization of net operating losses
- Expanded Medicare payment access (non-DME)
- Accelerated shift from hospital to home

**De-Leveraging
Impact: ~10%
Increase in EV
Drives ~20%
Increase in
Equity Value**

PATIENT EXODUS FROM HOSPITAL TO LOW-COST HOME SETTING

Care is moving from the Hospital...



...to the Home

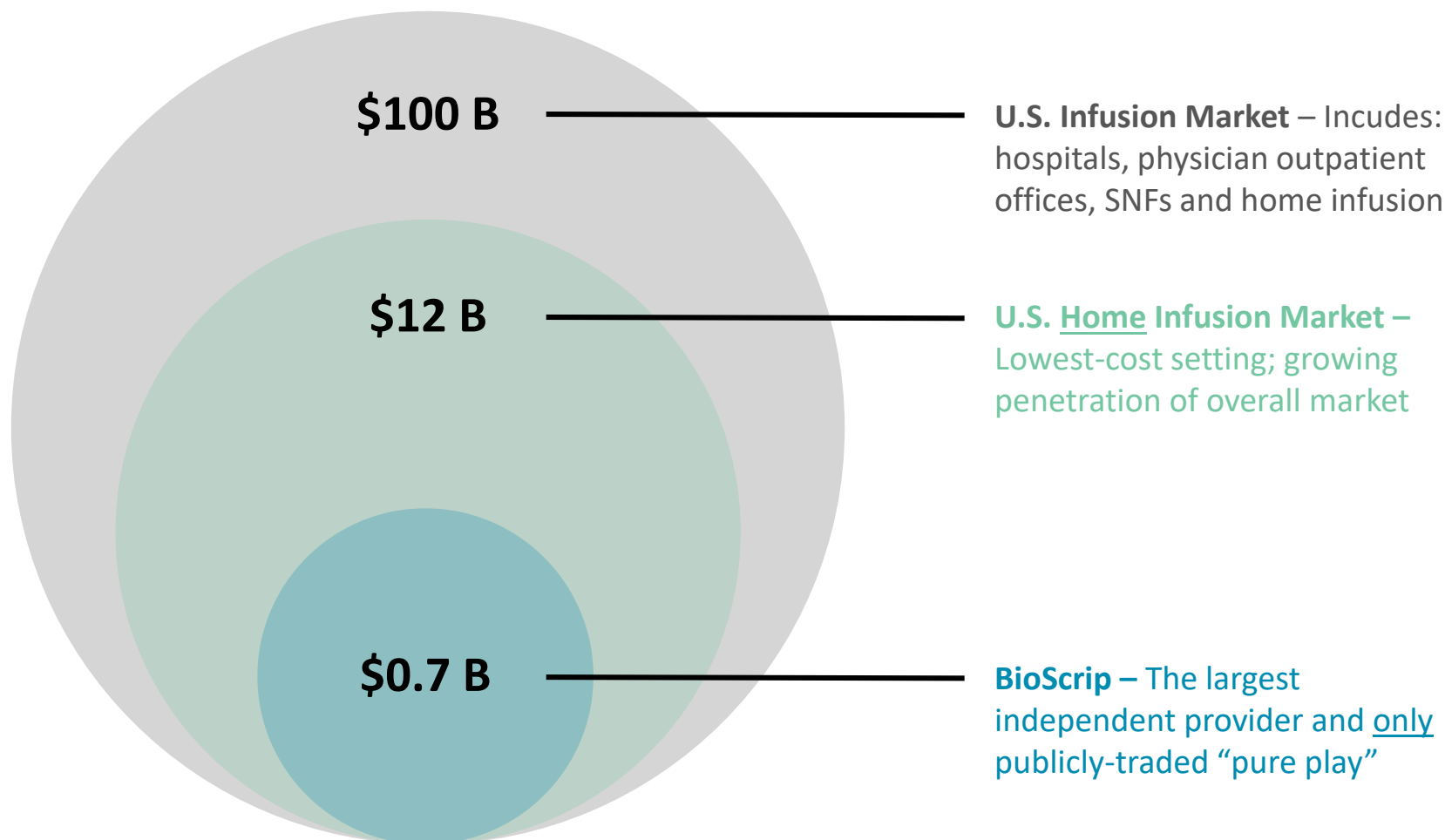
- **Waste** in healthcare system in large part driven by hospitals
- Up to 1/3rd of total healthcare spend is waste (**est. \$1 trillion**)
- **Higher costs** and **worse outcomes**, including death (**440k** preventable deaths each year in the hospital)
- 50% of hospitals are **not financially sound**



- **Lowest cost** site of care
- **Safest** site of care; lower risk of infection
- **Patient preference, empowerment, quality of life**
- Healthcare reform moving from fee-for-service to **fee-for-outcomes**
- The home is becoming the **general ward**
- **Democratization** of healthcare (physical, mental and financial health of the patient)

The Home is the Disruptive Service Model within the Infusion Market (*think Amazon, Uber*)

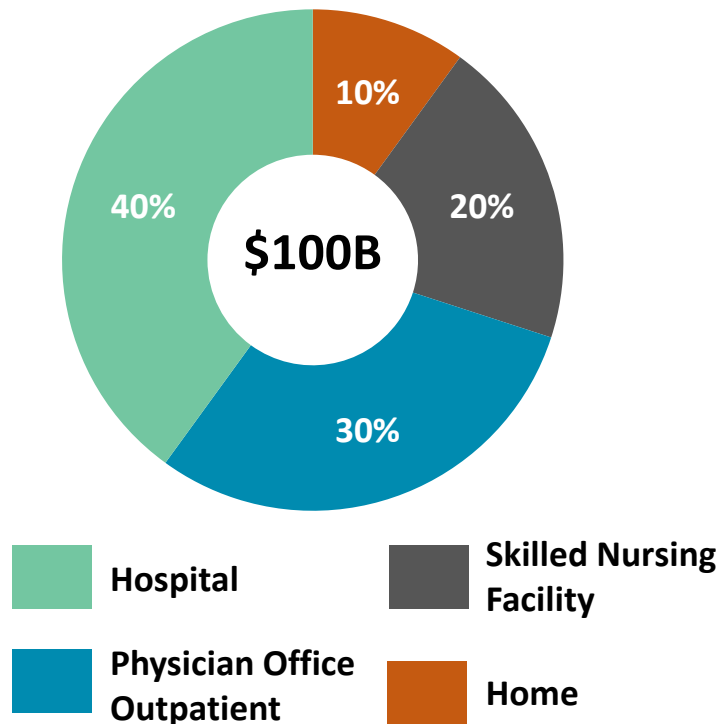
LARGE AND GROWING MARKET OPPORTUNITY



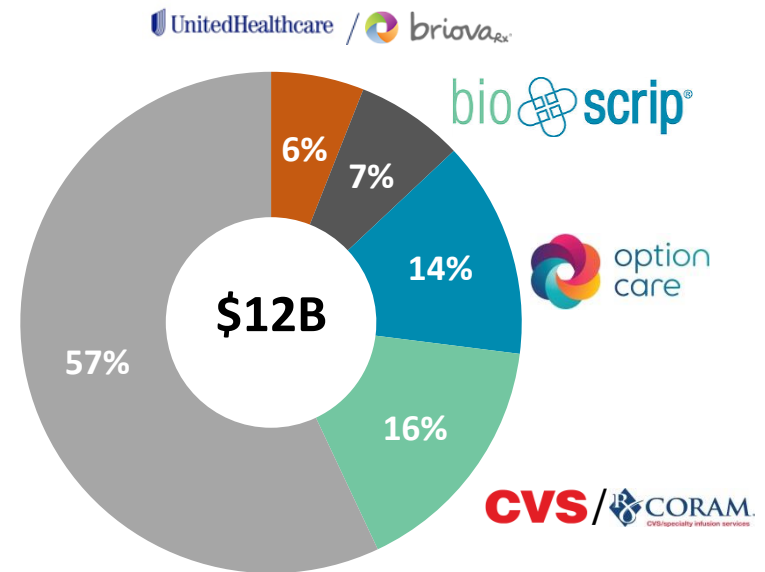
**The U.S. Home Infusion Market is Growing
by an Estimated 5-7% Per Year**

U.S. INFUSION MARKET OVERVIEW

U.S. Infusion Market



U.S. Competitive Landscape - Home



- Top 4 providers account for >40% of U.S. market
- **Highly fragmented** market
- Significant **consolidation opportunity** with 800+ infusion companies in the U.S.

2018 GUIDANCE AND 2019 EBITDA OBJECTIVE

	2017 Actual	2018 Guidance	2019 Objective
Revenue	\$817 mm	\$710-720 mm ¹	n/a
Adj. EBITDA	\$45 mm	\$54-58 mm	\$75 mm plus
<i>Implied growth (at midpoint)</i>		+24%	+34%

Outlook Driven by Company-Specific Drivers and
Favorable Industry Dynamics

¹ Expected year-over-year decrease in 2018 revenue reflects the Company's exit from certain unprofitable non-core business with UnitedHealthcare in the third quarter of 2017; guidance as of 3/8/2018.

INVESTMENT CONCLUSIONS

**The Nation's
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Independent
Home Infusion
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**New Leadership
with Proven
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**BIOS Turnaround
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**Accelerating
Cash Flow and
Opportunity for
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**Patient Exodus
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