



***BIOSCRIP, INC.***

**INVESTOR PRESENTATION**

January 2019

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 November 6, 2018 earnings release furnished on the Company's Current Report on Form 8-K on November 6, 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	~2,100
Exchange/Ticker	NASDAQ/BIOS
Recent Price (1/4/19)	\$3.42
Shares Out. (9/30/18)	~128 mm
Market Cap. (1/4/19)	~\$438 mm
Preferred Stock (9/30/18)	~\$95 mm
Net Debt <sup>1</sup> (9/30/18)	~\$495 mm
Enterprise Value <sup>2</sup> (1/4/19)	~\$1,028 mm

<sup>1</sup> Principal amount outstanding under long-term debt less cash and cash equivalents; excludes restricted cash of ~\$4 mm.

<sup>2</sup> 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.

# NEW LEADERSHIP – PROVEN VALUE-CREATION TRACK RECORD

## **President and CEO – BioScrip**

- EBITDA increased from \$5mm in 2016 (adjusted for Cures Act) to \$45mm in 2017, and rose 20% y-o-y in 9M'18
- +5% underlying organic sales growth in Q3'18 (the first quarter of growth in nearly 3 years)

## **Chairman and CEO – Home Solutions**

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

## **President and CEO – Coram**

- 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

**Dan Greenleaf,  
President and CEO**



**Joined BioScrip  
September 2016**

# BEST-IN-CLASS LEADERSHIP TEAM



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 President at Celltech Biopharma; served as Captain, U.S. Air Force



April 2017

## **Stephen Deutsch – SVP, Chief Financial Officer 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, Chief Operating Officer**

- 20+ 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



July 2018

## **Richard Denness – SVP, Chief Commercial Officer**

- 29+ years of executive leadership experience in the healthcare industry
- Former GM at Schering-Plough, President at IVAX Laboratories, VP, Neurology at UCB, and CEO at Vycor Medical
- Proven track record of driving profitable sales growth, complemented by a deep strategic consulting background



August 2015

## **Kathryn Stalmack – SVP, General Counsel**

- 17+ years of leadership experience as healthcare, corporate and transactional attorney
- Former Healthcare Attorney & Partner, Polsinelli PC; Associate Attorney at Donohue Brown Mathewson & Smyth
- Spearheaded BioScrip's efforts to advance industry legislation, including the "Cures Fix"

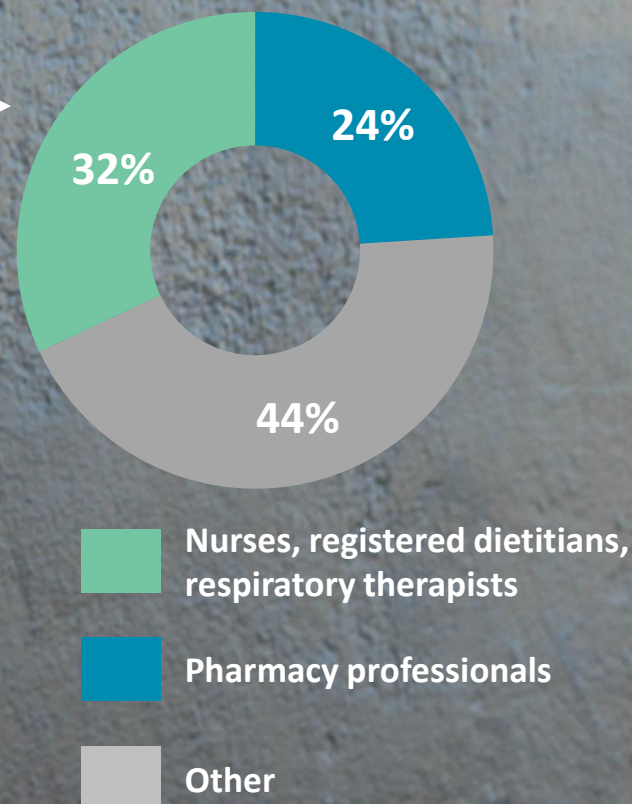


# HIGHLY-TRAINED, TALENTED EMPLOYEE BASE

~80% of  
our nurses  
have an  
infusion  
certificate

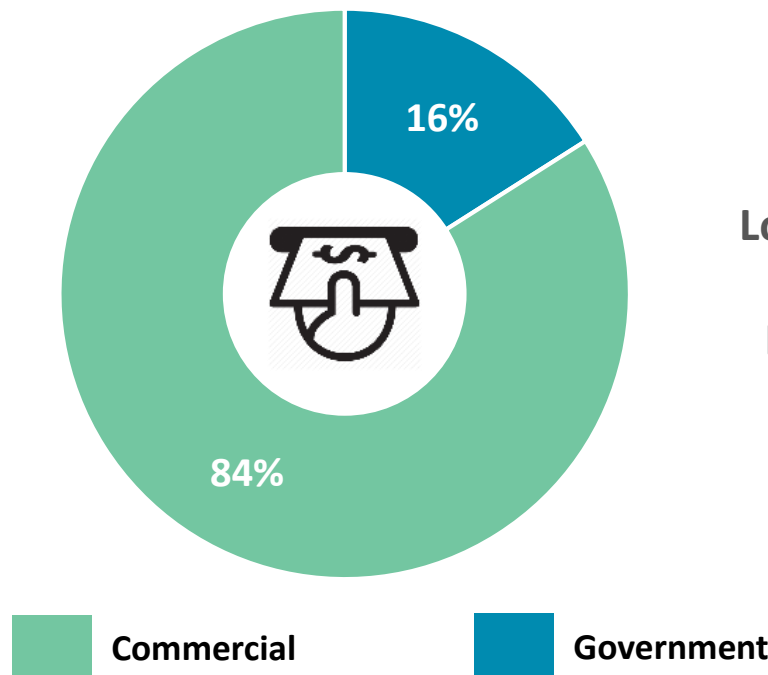
Nearly 56% of  
our employees are  
clinicians, primarily  
nurses & pharmacy  
professionals

Employee Breakdown  
(2,100 total)



# DIVERSIFIED PAYOR BASE: 1,000+ RELATIONSHIPS

BioScrip Revenue By Payor Type

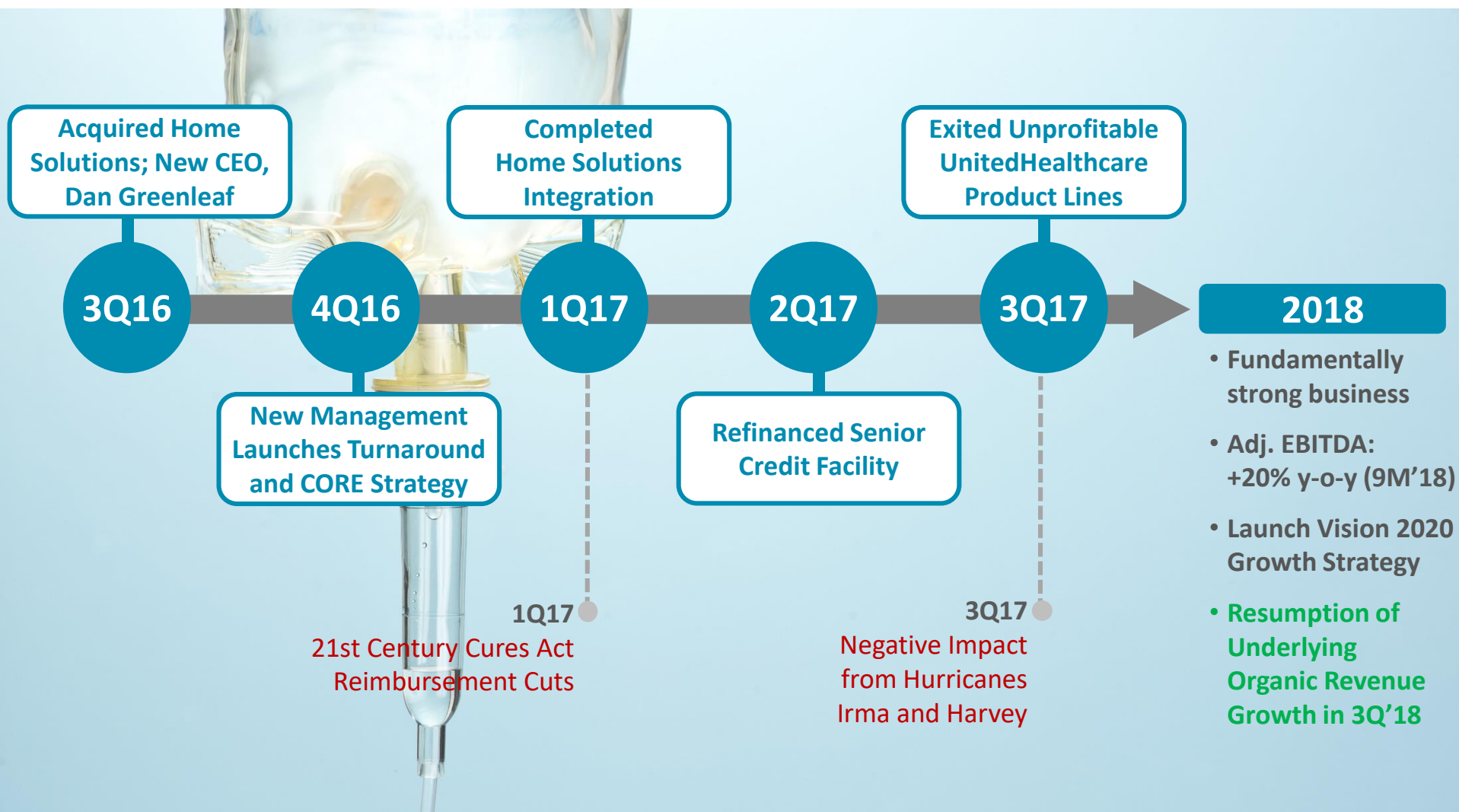


Low Medicare Mix (~8%)  
=  
Low “Pen Stroke” Risk

No Single Payor Accounts for >10% of Sales

# BIOSCRIP TURNAROUND EXECUTION

## A LOT OF HEAVY LIFTING SINCE 3Q'16





# BIOSCRIP TURNAROUND EXECUTION

## ONE COMPANY, ONE CULTURE



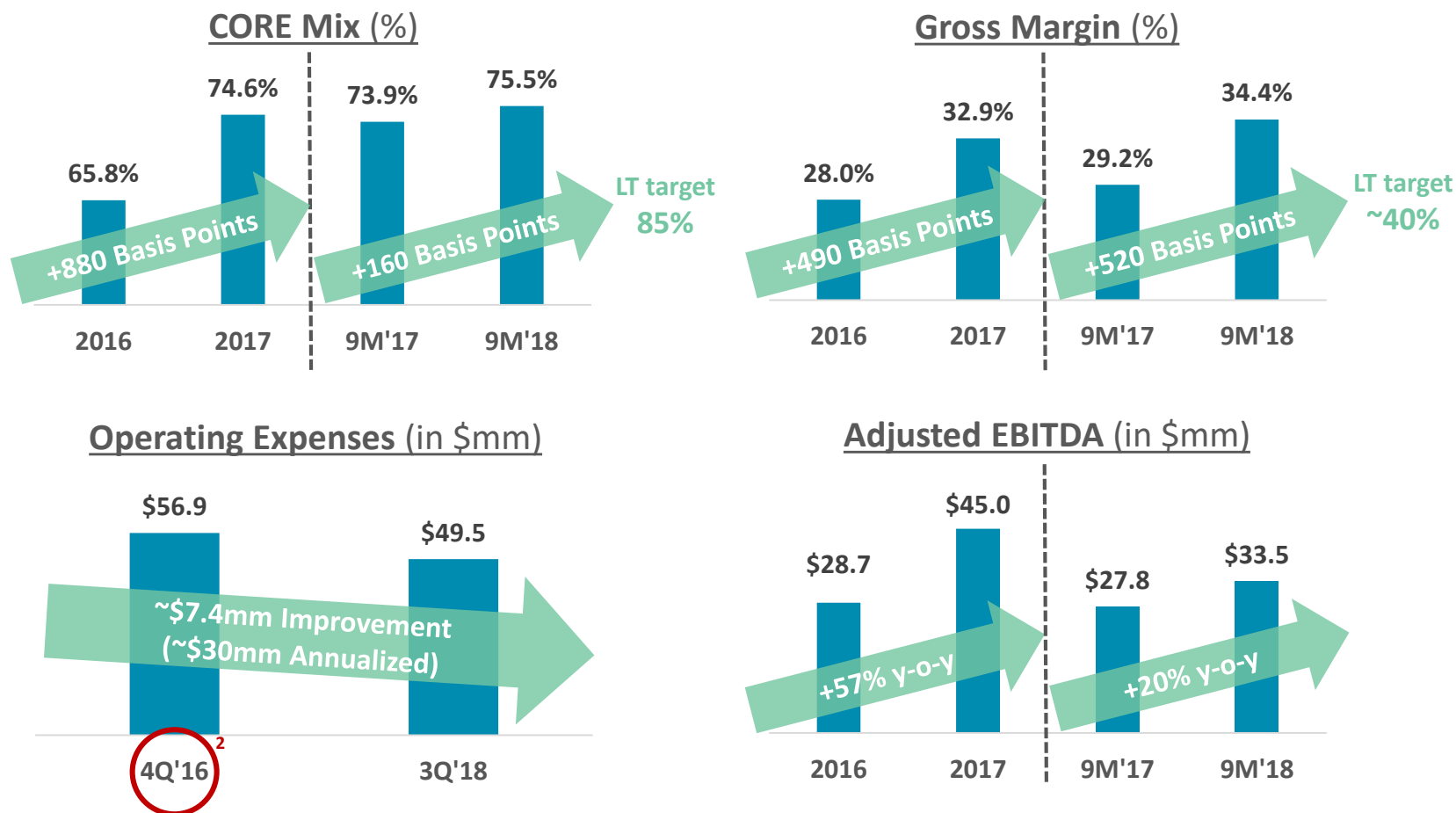
A Holding Company (9 Disparate Entities)	An Operating Company
Inconsistent Processes & Procedures	Single Repeatable Model / Standardization
Decentralized Purchasing	Centralized Purchasing / Economies of Scale
Regional Branding under Different Names	Unified Branding under BioScrip
Incohesive Sales & Marketing Approach	Consistent “Go to Market” across Organization

Series of “Greek City States”



# BIOSCRIP TURNAROUND EXECUTION

## THE RESULTS DEMONSTRATE OUR SUCCESS <sup>1</sup>



<sup>1</sup> All figures pro-forma for ASC 606, which was implemented on 1/1/2018

<sup>2</sup> 4Q'16 = first full quarter after Home Solutions acquisition

# A NEW CHAPTER OF ORGANIC GROWTH

- Driven by our teammates' commitment to **service, quality, speed** and **results**—leading to **unprecedented net promoter scores**
- Guided by **new senior leadership**
- Examples of **key actions taken**:
  - expanded and upgraded the sales operations function
  - appointed new product-line managers
  - enhanced sales training and tools
  - aligned incentives more effectively
  - layered in impactful marketing programs
  - refined territory planning and mapping (hospitals, beds and quality of referrals)
  - focused on promotionally sensitive sales (increased frequency of visits)
  - accelerated payor redirection efforts

**Improved Sales Force Productivity and, in Q3 2018, Delivered the First Quarter of Organic Revenue Growth in Nearly Three Years**

# CONTINUING OPERATIONAL IMPROVEMENTS

## VISION 2020 PLAN

### Core Growth

- Sales force productivity (CRM tools, training, aligned incentives)
- Expanding core mix
- Redirection efforts

### Supply Chain

- Strategic partnerships
- Concentrate market share
- Formulary management

### Revenue Cycle Management

- Improve quality & standardize processes
- Optimize labor model, reduce facilities expense, lower bad debt
- Accelerate cash receipts

### Managed Care

- Strategic partnerships
- Redirection efforts
- Outcomes-based data and improved pricing

**Each of the four key pillars of our Vision 2020 plan has the potential to deliver \$10mm+ of incremental EBITDA over time**

# 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 1/3<sup>rd</sup> 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**

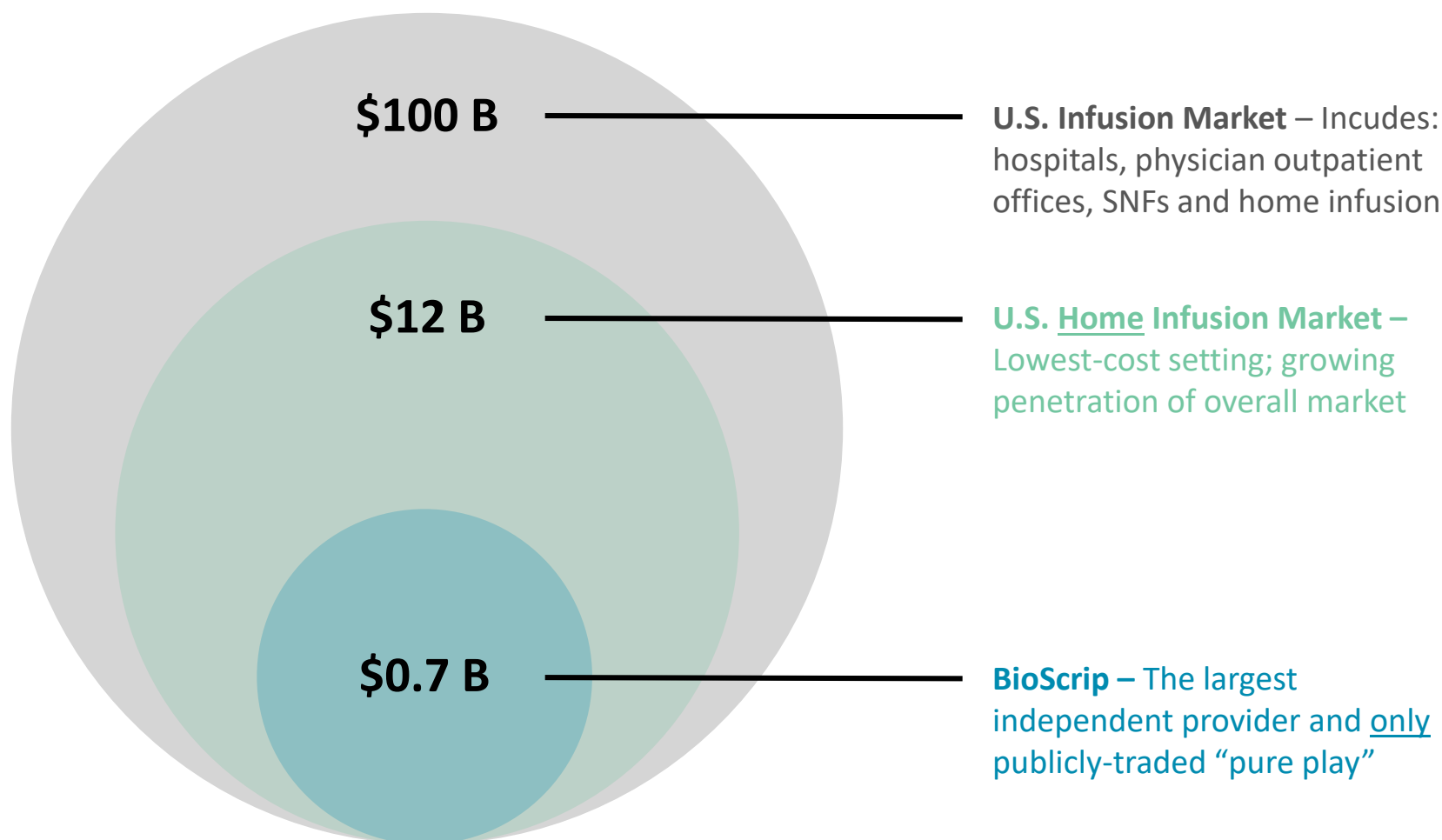


- **Lowest cost** site of care
- **Safest** site of care; lower risk of infection
- **Patient preference, empowerment, quality of life**
- Healthcare reform moving from fee-for-service to **fee-for-outcomes**
- The home is becoming the **general ward**
- **Democratization** of healthcare (physical, mental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

# POSITIONED FOR SUCCESS: THE HOME INFUSION MARKET

**Larger Integrated  
Healthcare Companies**



~55%  
of  
market

**Coram**<sup>®</sup>  
♥CVS specialty infusion services



## **The BioScrip Edge**

- As a pure play, we are more focused and nimble than the integrated companies
  - 100% use of corporate resources and management attention
  - Independence creates advantages
  - National scale compared to mom & pops

**Mom & Pops**



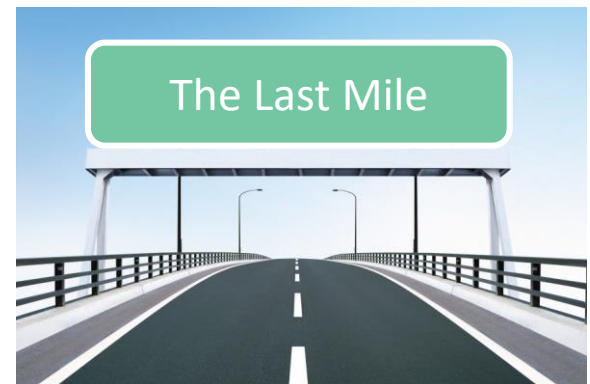
~40%  
of  
market

**Highly fragmented market**

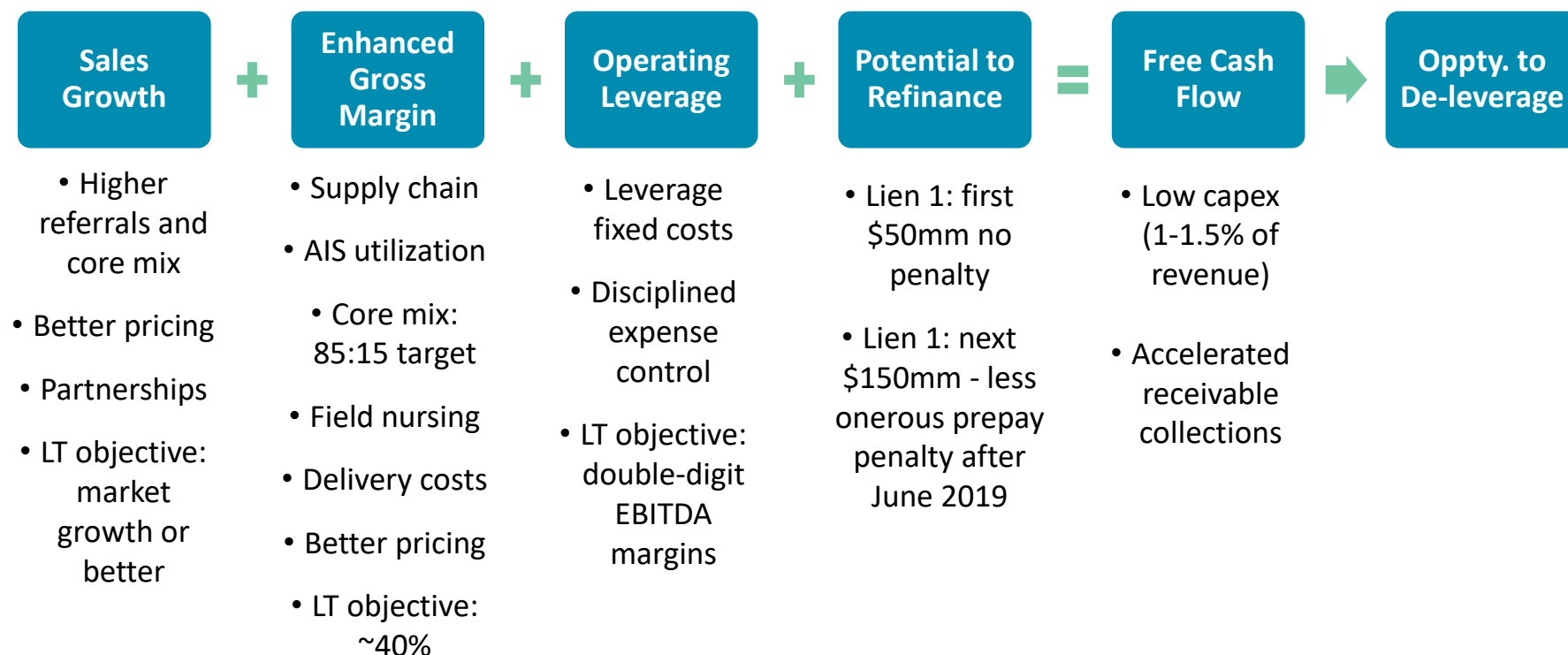
Significant **consolidation opportunity** with 800+ infusion companies in the U.S.

# POSITIONED FOR SUCCESS: WE OWN “THE LAST MILE”

- One of the last untapped areas for improving the delivery of care
- Nurses and pharmacists are the most trusted advisors in healthcare
- We have the most **unique, close relationship** with the patient
  - Care management
  - Transition of care
  - Social determinants of health
  - Quality of life
  - Medication reconciliation
  - Proactive interventions
  - Disintermediation
  - Net promoter scores
- Use of analytics, algorithms and data – we have the propriety capacity to be the “brain center” for the last mile



# VALUE CREATION OPPORTUNITY

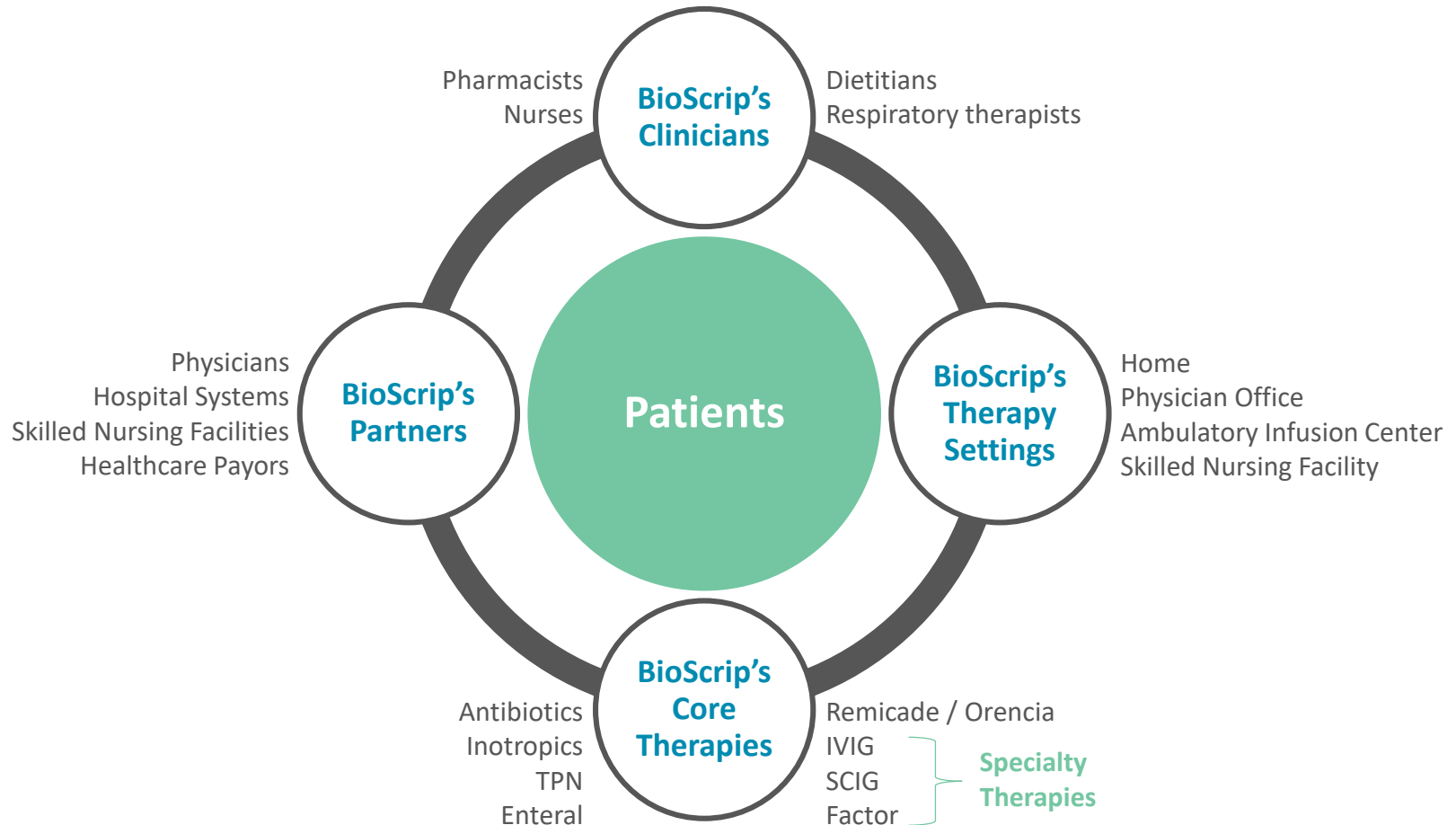


**We have a number of levers to pull to create incremental shareholder value**

# APPENDIX



# 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)

# SNAPSHOT OF CAPITAL STRUCTURE

Capitalization Summary (in millions)	Sept 30, 2018	Comment
<b>Cash</b>	<b>\$19</b>	<ul style="list-style-type: none"> <li>• Excludes ~\$4mm of restricted cash</li> </ul>
<b>Senior Credit Facility</b>	<b>\$314</b>	<ul style="list-style-type: none"> <li>• \$310mm facility</li> <li>• Completed June 29, 2017</li> <li>• 9.9% cash interest rate for Q3 2018</li> <li>• Eliminates maturities until August 2020</li> </ul>
<b>Senior Unsecured Notes</b>	<b>\$200</b>	<ul style="list-style-type: none"> <li>• 8.9% cash interest rate</li> <li>• February 2021 maturity</li> </ul>
<b>Common Stock</b> (Nasdaq: BIOS)	<b>\$438</b>	<ul style="list-style-type: none"> <li>• ~128mm shares outstanding as of 9/30/2018</li> <li>• Share price of \$3.42 as of 1/4/2019</li> </ul>
<b>Preferred Stock</b>	<b>\$95</b>	<ul style="list-style-type: none"> <li>• 11.5% PIK</li> <li>• Liquidation preference as of 9/30/2018</li> </ul>
<b>Enterprise Value</b>	<b>\$1,028</b>	<ul style="list-style-type: none"> <li>• Based on 1/4/2019 share price</li> </ul>

# 2018 GUIDANCE AND 2019 EBITDA OBJECTIVE

	2017 Actual	2018 Guidance	2019 Objective
Revenue	\$817 mm	\$710-720 mm <sup>1</sup>	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

<sup>1</sup> 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 as well as the implementation of ASC 606, a new accounting standard, on 1/1/2018; guidance as of 11/6/2018.

# INVESTMENT CONSIDERATIONS

**The Nation's  
Largest  
Independent  
Home Infusion  
Provider**

**New Leadership  
with Proven  
Value-Creation  
Track Record**

**BIOS Turnaround  
Largely Complete  
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**





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