

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 7, 2019**

OrthoPediatrics Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-38242

(Commission File Number)

26-1761833

(I.R.S. Employer Identification Number)

**2850 Frontier Drive
Warsaw, Indiana**

(Address of principal executive offices)

46582

(Zip Code)

Registrant's telephone number, including area code: **(574) 268-6379**

Not Applicable

(Former name or former address, if changed since last report)

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 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

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 ☒

Item 7.01. Regulation FD Disclosure.

The executive officers of OrthoPediatrics Corp. have several upcoming presentations to representatives of investors and analysts. The officers intend to use the material filed as Exhibit 99.1 herewith, in whole or in part, as part of those presentations.

The information in this Item 7.01, including the information incorporated by reference herein from Exhibit 99.1, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	OrthoPediatrics Corp. Investor Presentation dated January 2019.

* * * * *

SIGNATURE

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.

OrthoPediatrics Corp.

Date: January 7, 2019

By: /s/ Daniel J. Gerritzen
Daniel J. Gerritzen,
General Counsel and Secretary



OrthoPediatrics Corp.
January 2019

Mark Throdahl, CEO
Fred Hite, CFO



Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of U.S. federal securities laws. You can identify forward-looking statements by the use of words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "believe," "estimate," "project," "target," "predict," "intend," "future," "goals," "potential," "objective," "would" and other similar expressions. Forward-looking statements involve risks and uncertainties, many of which are beyond OrthoPedi's control. Important factors could cause actual results to differ materially from those in the forward-looking statements, including, among others, the risks, uncertainties and factors set forth under "Risk Factors" in OrthoPedi's Annual Report on Form 10-K filed with the SEC on March 15, 2018. Forward-looking statements speak only as of the date they are made. OrthoPedi assumes no obligation to update forward-looking statements to reflect actual results, subsequent events, or circumstances or other changes affecting such statements except to the extent required by applicable securities laws.

Use of Non-GAAP Financial Measures









This presentation includes the non-GAAP financial measure of Adjusted EBITDA, which differs from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA in this presentation represents net loss, plus interest expense (income), net plus other expense (income), depreciation and amortization, stock-based compensation expense, accelerated vesting of restricted stock upon our IPO, public company costs and initial public offering costs. Adjusted EBITDA is presented because the Company believes it is a useful indicator of its operating performance. Management uses the measure as a measure of the Company's operating performance and for planning purposes, including financial projections. The Company believes this measure is useful to investors as supplemental information because it is frequently used by analysts, investors and other interested parties to evaluate companies in its industry. The Company believes Adjusted EBITDA is useful to its management and investors as a measure of comparative operating performance from period to period. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to, or superior to, net income or loss as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed to imply that the Company's future results will be unaffected by unusual or non-recurring items. In addition, the measure is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect certain cash requirements such as debt service requirements, capital expenditures and other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and other potential cash requirements. In evaluating Adjusted EBITDA, you should be aware that in the future the Company may incur expenses that are the same or similar to some of the adjustments in this presentation. The Company's presentation of Adjusted EBITDA should not be construed to imply that its future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on the Company's GAAP results in addition to using Adjusted EBITDA on a supplemental basis. The Company's definition of this measure is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.



Large Market

Proprietary Technology

Scalable Business

-  **Only diversified medical device company focused exclusively on pediatric orthopedics**
-  **Protected market opportunity: \$1.1 billion U.S., \$2.5 billion globally in 2016**
-  **High U.S. procedure concentration: <300 hospitals and ~1,400 surgeons**
-  **Focused call point: pediatric orthopedic generalists who use our entire product portfolio**
-  **Broadest product offering: 26 surgical systems specifically designed for children**
-  **Sustainable competitive advantage:**
 - Comprehensive product offering
 - Clinical education programs
 - Surgeon relationships
 - Experienced sales organization
-  **Consistent 20+% growth since inception**
 - FY18 revenue of \$57.5 - \$57.7 million, up 26%¹
 - 24%, 28%, 28%, and 24-26% revenue growth for 1Q, 2Q, 3Q, and 4Q¹ 2018, respectively
-  **Recent financings will, among other things, fund consigned sets and accelerate proven strategy, including any M&A opportunities (~\$44M from 12/18 follow-on)**

¹ FY18 revenue based on preliminary, unaudited results



A Company Built on a CAUSE

Cause

Improving the lives of children with orthopedic conditions



Gideon with CMO Peter Armstrong, M.D., c. 1995.
Gideon's drawing of his girlfriend, 2016.

Company Snapshot

-  Treated **20,000** patients in 2017
-  **26** surgical systems; **3,500+** SKUs; strong pipeline
-  **75+** direct employees; **86** focused FTE sales reps*
-  **Global** sales organization focused on pediatric orthopedic surgeons in **39** countries*
-  **25** issued patents; **33** pending patents*
-  **Only non-founding Chief Medical Officer** in the industry who is a fellow surgeon
-  Average FDA approval time: **< ½** industry average
-  History of **stable reimbursement**

* As of September 30, 2018



Children Are Not Small Adults

Superior Clinical Outcomes

Re-Purposed Adult Plate



*Screws Through
Growth Plate*

OP's Solution



*Screws Parallel To
Growth Plate*

OP's Market Impact

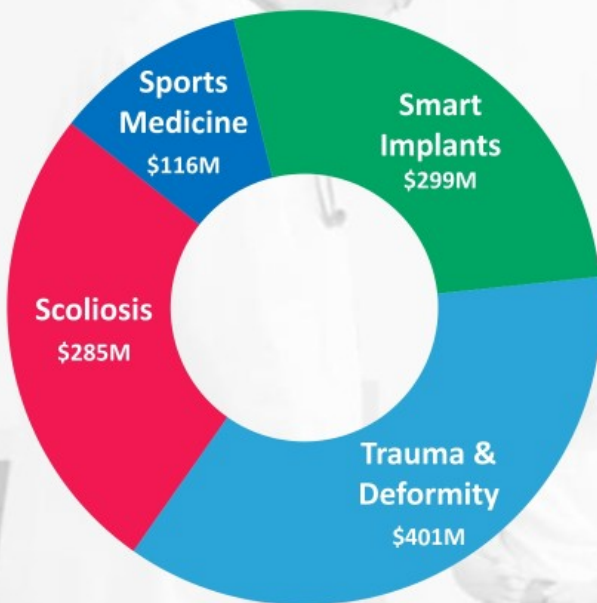
- 🧠 **Address orthopedic industry's lack of focus** on product development, clinical education, and sales presence
- 🧠 **Implants and instruments avoid complications** of re-purposed adult products
- 🧠 **Product development** in collaboration with leading pediatric orthopedic surgeons
- 🧠 **Dedicated sales support** attending surgeries
- 🧠 **Clinical education** programs that build brand loyalty



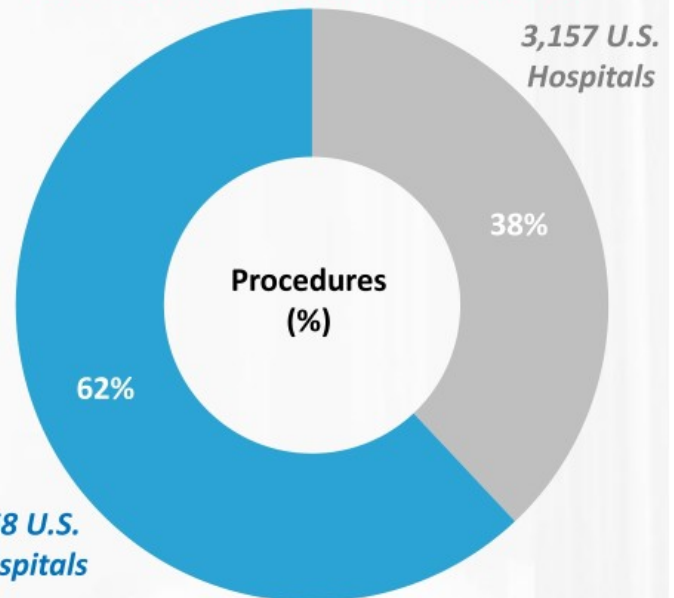
Large and Focused Market

OP'S \$2.5 Billion Current Addressable Global Market

\$1.1 Billion U.S. Addressable Market



High Concentration of Pediatric Trauma & Deformity and Scoliosis Procedures

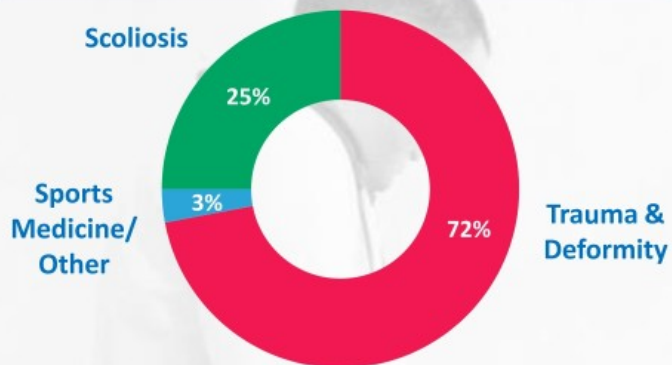


Current products target three of the largest categories in Pediatric Orthopedics
Pipeline products underway to expand addressable market



Product Line Diversification

2017 Revenue by Segment

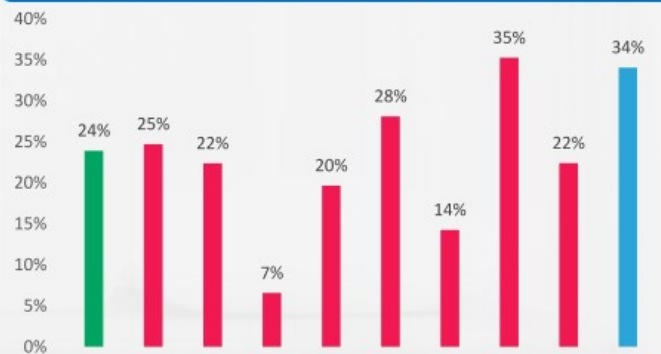


- \$46 million sales in 2017
- 22% revenue growth in 2017
- No dependency on one product family
- Growth across all products
- Comparable gross margins on all products

2017 Revenue by Product Family



2017 Revenue Growth % by Product Family





A Proven Strategy Since 2011

**Sales Focus
on Teaching
Institutions and
High Volume
Hospitals**

**Deploy
Instrument
Sets**

**Expand
Addressable
Procedures**

**Expand Clinical
Education
Programs**

Goals



Accelerate sales growth



Develop novel technologies



Recent New Systems & Product Launches

Trauma & Deformity



2017 Launches



**Titanium
PediPlates®
System**
(Expands physeal
tethering offering)



**Clavicle
Plate System**
(First pediatric
specific
system)



**Wrist Fusion
Plate System**
(First pediatric
specific
system)

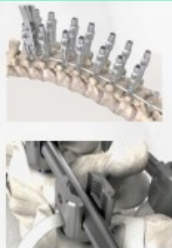


**PediFlex
Advanced**

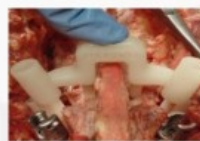


**Pediatric Nailing
Platform | FEMUR**
(Expands into adolescent
cases)

Scoliosis



2017 Launches



**FIREFLY® Pedicle Screw Navigation
Guides** (Complementary to
RESPONSE Spine System)



FireFly S2/Alar



**RESPONSE 4.5/4.75/5.0mm
System**
(Maximizes intraoperative flexibility)

Sports Medicine



2017 Launches



**Medial Patella Femoral
Ligament Reconstruction System**
(Complementary to ACL
Reconstruction System)



Upcoming New Systems

Trauma & Deformity

2018/1H19 Expected Product Launches



Development
Complete

Osteogenesis
Imperfecta Nail
System

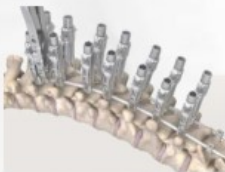


Development
Complete

PediFoot
(First pediatric system)

Scoliosis

2018/1H19 Expected Product Launches

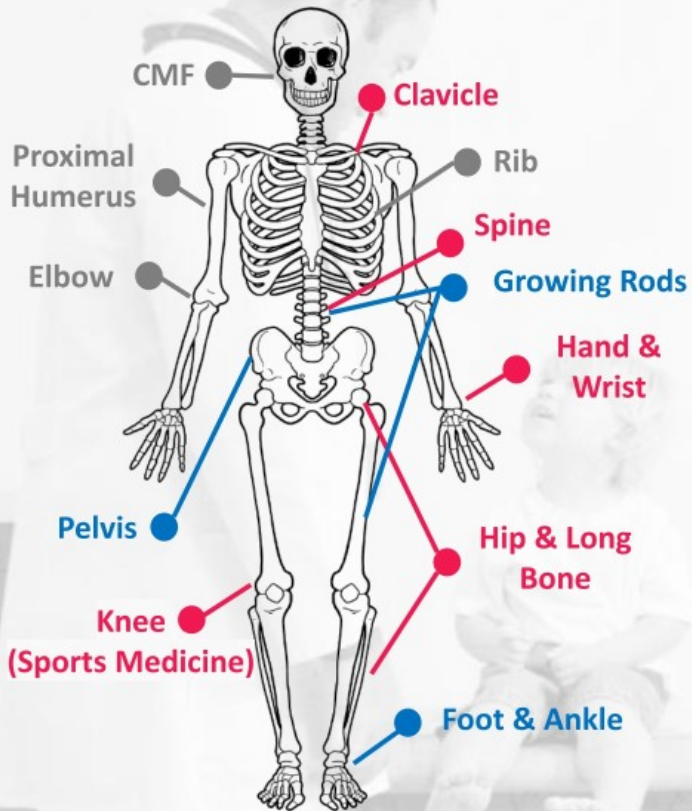


Development
Complete

BandLoc Duo System



Expanding Our Addressable Market



Demonstrated ability to expand portfolio to full array of pediatric surgeries

● OP Today ● OP Tomorrow

● Now Under Development



Leading Edge Systems in Development

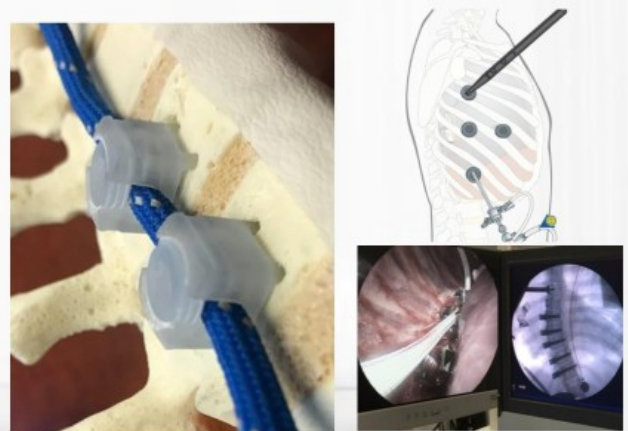
Smart Implants

- 💡 Proof of concept model developed August 2018
- 💡 Important milestone reached
- 💡 Embodiments in intramedullary nailing and scoliosis
- 💡 OP will offer significant improvements to current technology



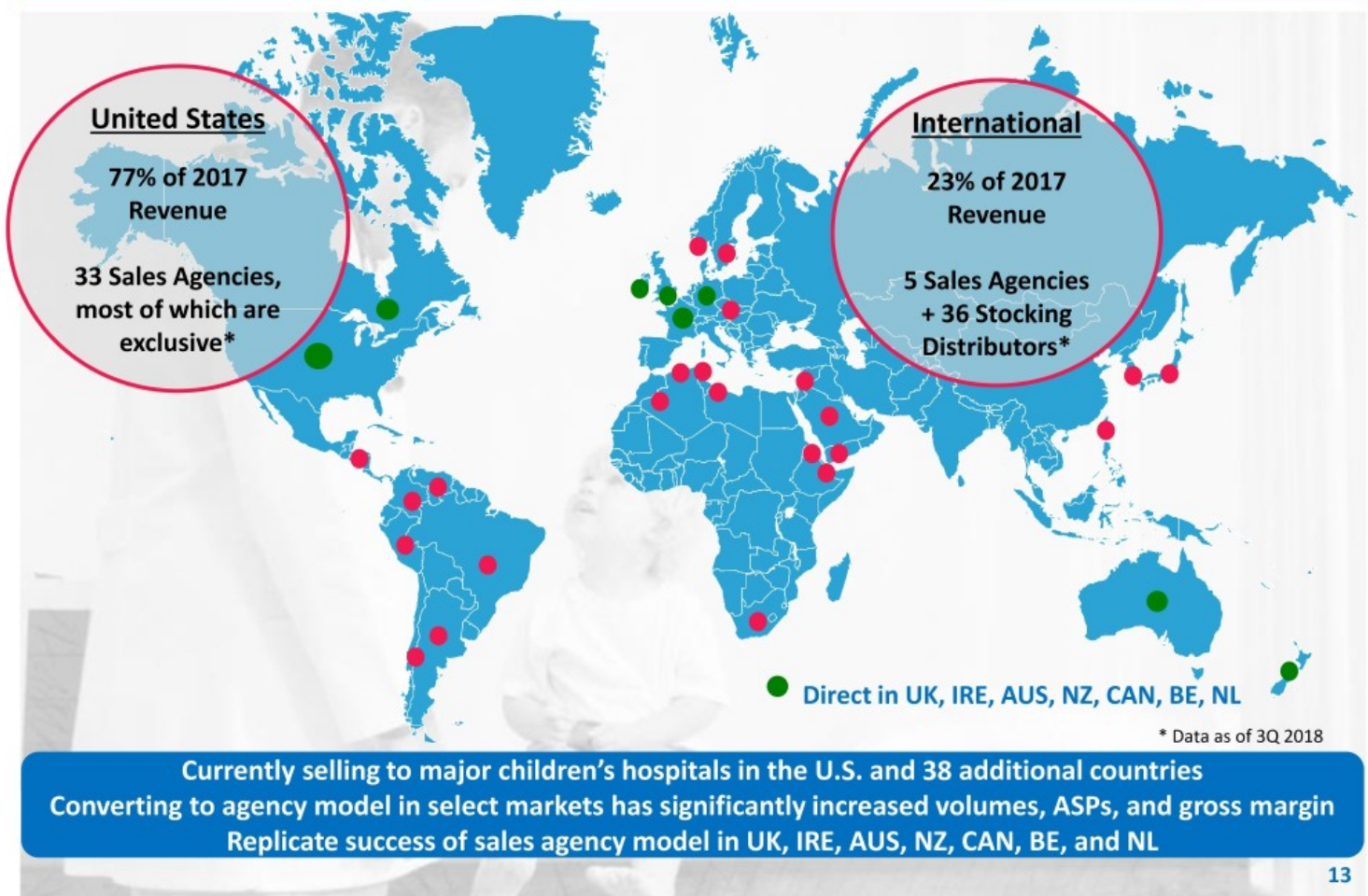
Spinal Tethering

- 💡 Emerging procedure with off-label use of adult lumbar fixation product
- 💡 Allows intervention in patients as young as 10
- 💡 Reversible, non-fusion procedure
- 💡 Acquired IP; now enhancing portfolio
- 💡 Formed task force of leading tethering surgeons
- 💡 Evaluating and refining concepts





Global Sales Coverage





New Competitors Would Face Formidable Obstacles



"The ship has sailed."

- 🧠 **Product breadth**
- 🧠 **Surgeon relationships**
- 🧠 **Sales and distribution network**
- 🧠 **Clinical education programs**
- 🧠 **Pediatric brand equity**
- 🧠 **Reputation with pediatric orthopedic societies**
- 🧠 **Dynamic culture**



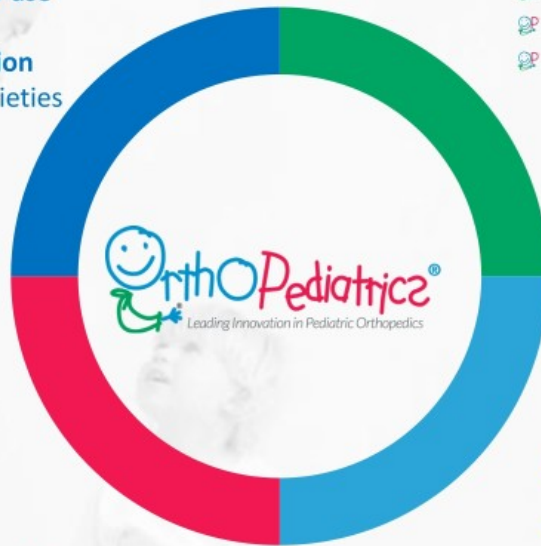
What Does Category Leadership Mean?

Surgeon relationships and clinical education

- Relationships with surgeons who use entire portfolio
- Major provider of clinical education
- Leading supporter of surgical societies
- Custom instruments

Broadest, most innovative product offering

- 12 years' clinical understanding
- New product pipeline
- Pediatric Market Gateway for distributed products and joint product developments



Robust organic growth opportunities

- \$2.5 billion addressable global market
- Limited focused competition
- Focused, experienced distribution
- Instrument set placements drive growth

Attractive growth and margin profile

- Consistent growth since inception
- 76% gross margin in FY 2017
- History of efficient capital utilization

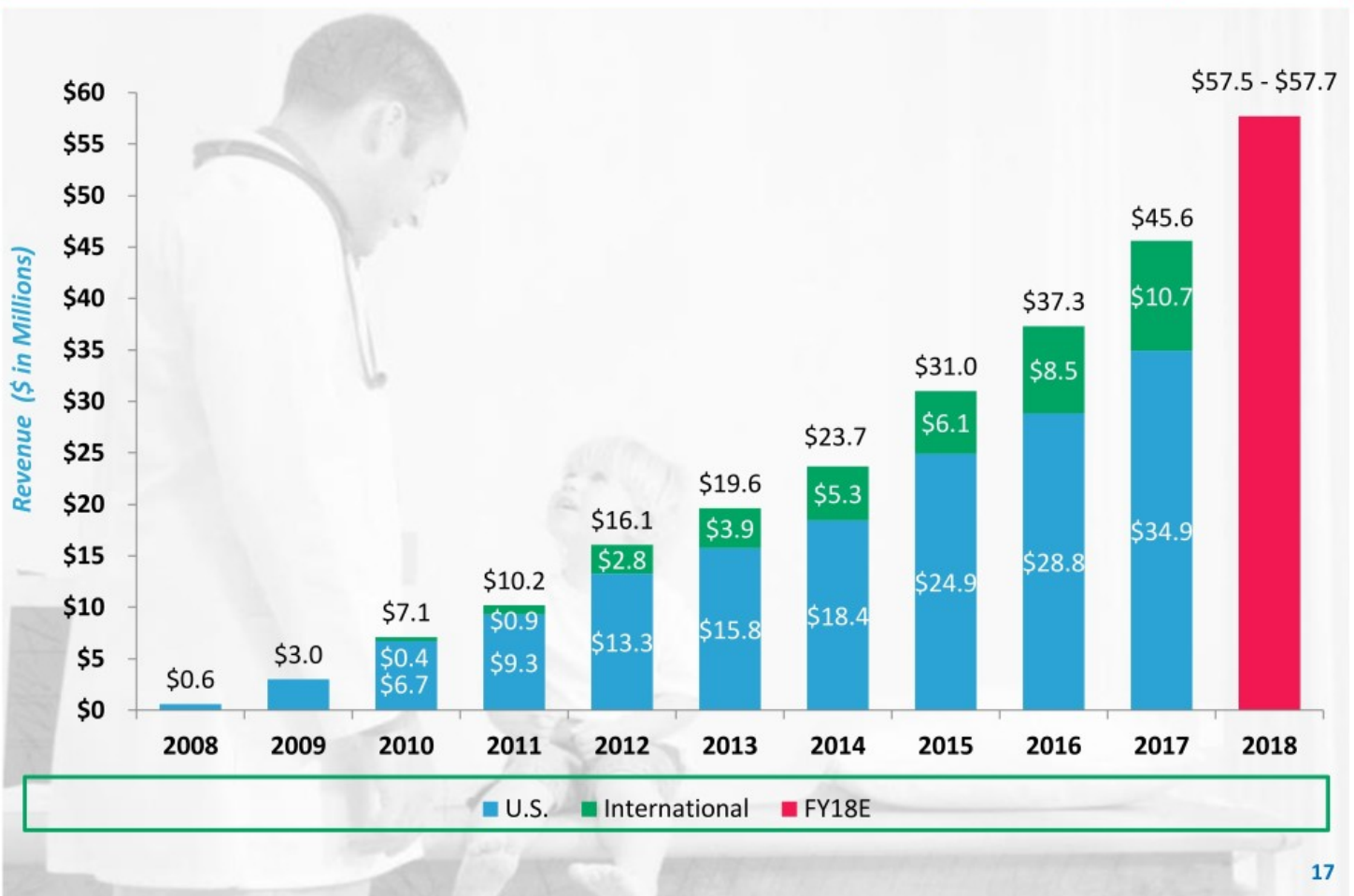


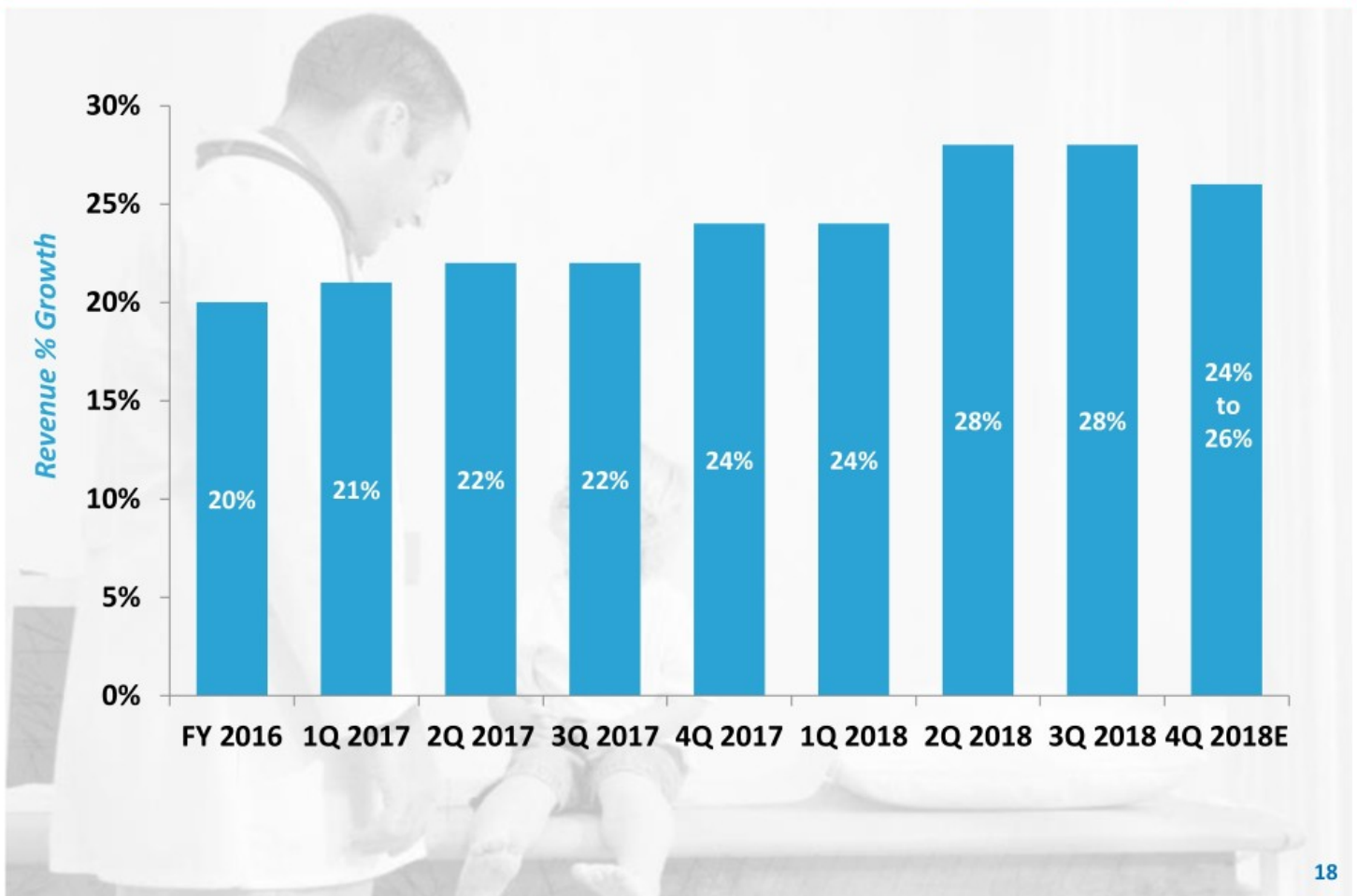
Financial Review





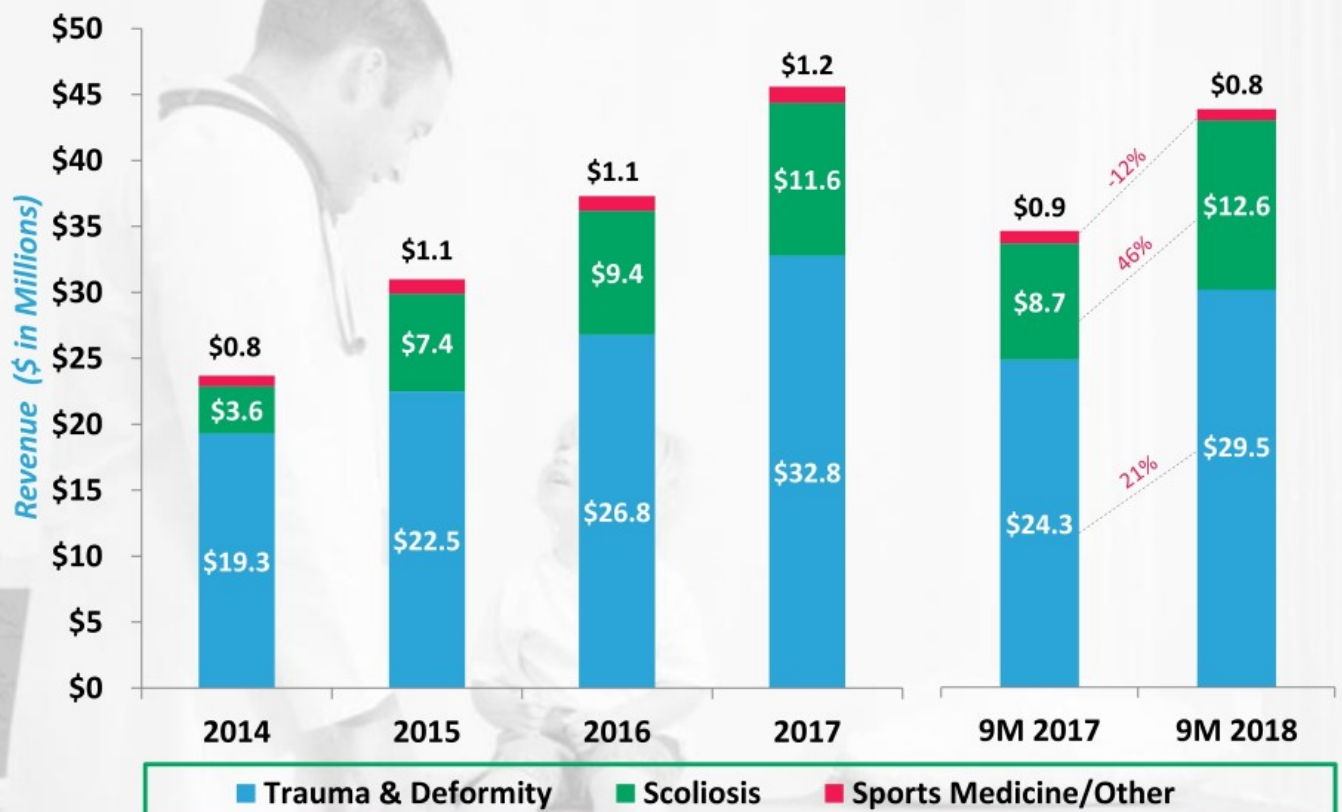
Consistent 20+% Revenue Growth Since Inception





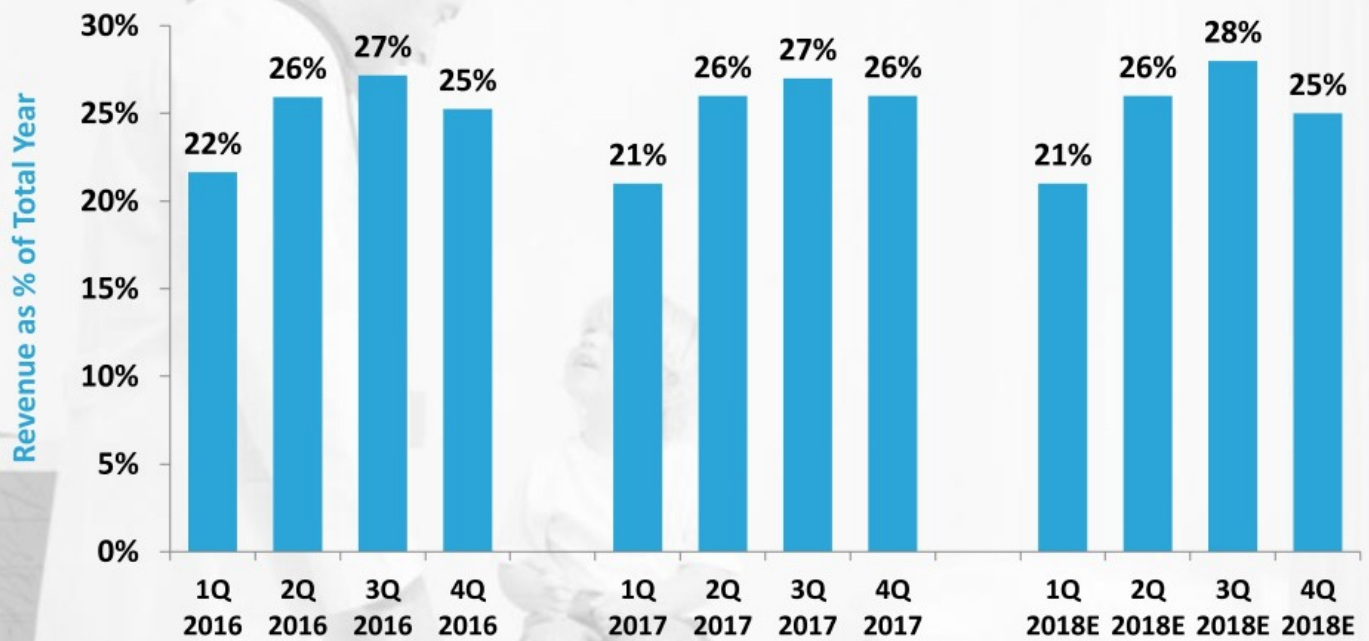


Category Revenue Summary





Seasonality Drives Stronger Performance in Summer Months and Holiday Periods





Income Statement Summary

(\$ in Millions)

	FY 2015	FY 2016	FY 2017	9M 2017	9M 2018
Revenue	\$31.0	\$37.3	\$45.6	\$33.9	\$43.0
<i>Growth %</i>	<i>31%</i>	<i>20%</i>	<i>22%</i>	<i>NA</i>	<i>28%</i>
Gross Profit	\$21.6	\$26.4	\$34.5	\$25.6	\$32.2
<i>Margin %</i>	<i>70%</i>	<i>71%</i>	<i>76%</i>	<i>75%</i>	<i>75%</i>
Operating Expenses	\$28.2	\$32.5	\$40.9	\$27.9	\$39.9
Operating Loss	(\$6.6)	(\$6.1)	(\$6.5)	(\$2.3)	(\$7.7)
Net Loss	(\$7.9)	(\$6.6)	(\$8.9)	(\$4.1)	(\$9.6)
Net Loss per Share*	(\$7.27)	(\$7.14)	(\$5.86)	(\$4.82)	(\$0.77)

* Net loss per share attributable to common stockholders – basic and diluted



Adjusted EBITDA Reconciliation

(\$ in Millions)

	Nine Months Ended September 30,	
	2017	2018
Net Loss	(\$4.1)	(\$9.6)
Interest expense	1.9	1.7
Other expense (income)	0.0	0.1
Depreciation and amortization	1.7	2.2
Stock-based compensation	1.1	1.2
Accelerated vesting of restricted stock	-	2.0
Public company costs	-	1.0
Non-recurring professional service fees	-	2.2
Adjusted EBITDA	\$0.6	\$1.0



Balance Sheet

(\$ in Millions)

As of September 30, 2018

Assets		Liabilities	
Cash	\$24.5	Accounts Payable	\$5.9
Accounts Receivable	9.5	Debt	25.4
Inventory	26.9	Accrued Expenses	3.3
Other Current Assets	1.0	All Other Liabilities	1.6
PP&E (net)	12.8	Paid In Capital	153.6
Intangibles	2.3	Accumulated Deficit (net)	(113.0)
Total Assets	\$76.9	Total Liabilities / Equity	\$76.9

Recent financings will, among other things, fund consigned sets and accelerate proven strategy, including any M&A opportunities (~\$44M from 12/18 follow-on)



**Surgeon relationships and
clinical education**

**Broadest, most innovative
product offering**

**Robust organic growth
opportunities**

**Attractive growth and
margin profile**

