

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): **November 8, 2021**

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)

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, \$0.00025 par value per share	KIDS	Nasdaq Global Market

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 November 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* * * * *

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: November 8, 2021

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



2021 Investor Presentation



 www.OrthoPediatrics.com



Disclaimer

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 OrthoPedic's control. Important factors could cause actual results to differ materially from those in the forward-looking statements, including, among others: the risks related to COVID-19, the impact such pandemic may have on the demand for our products, and our ability to respond to the related challenges; and the risks, uncertainties and factors set forth under "Risk Factors" in OrthoPedic's Quarterly Report on Form 10-Q filed with the SEC on May 6, 2021, as updated and supplemented by our other SEC reports filed time to time. Forward-looking statements speak only as of the date they are made. OrthoPedic 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 certain non-GAAP financial measures such as adjusted diluted earnings (loss) per share and Adjusted EBITDA, which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted earnings (loss) per share in this press release represents diluted earnings (loss) per share on a GAAP basis, plus the accreted interest attributable to acquisition installment payables, the fair value adjustment of contingent consideration, non-recurring professional fees and accrued legal settlement costs. The fair value adjustment of contingent consideration is associated with our estimates of the value of earn-outs in connection with certain acquisitions and the non-recurring professional fees are related to our response to a previously disclosed SEC review. We believe that providing the non-GAAP diluted earnings (loss) per share excluding these expenses, as well as the GAAP measures, assists our investors because such expenses are not reflective of our ongoing operating results. Adjusted EBITDA in this release represents net loss, plus interest expense, net plus other expense (income), provision for income taxes (benefit), depreciation and amortization, stock-based compensation expense, fair value adjustment of contingent consideration, acquisition related costs, nonrecurring professional fees and accrued legal settlements costs. The Company believes the non-GAAP measures provided in this earnings release enable it to further and more consistently analyze the period-to-period financial performance of its core business operating performance. Management uses these metrics as a measure of the Company's operating performance and for planning purposes, including financial projections. The Company believes these measures are useful to investors as supplemental information because they are frequently used by analysts, investors and other interested parties to evaluate companies in its industry. 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 these non-GAAP measures, 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 non-GAAP diluted earnings (loss) per share or 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 these adjusted measures on a supplemental basis. The Company's definition of these measures is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation. The schedules below contain reconciliations of reported GAAP diluted earnings (loss) per share to non-GAAP diluted earnings (loss) and net loss to non-GAAP Adjusted EBITDA.



OrthoPediatrics was founded on the **cause** of impacting the lives of children with orthopedic conditions

226,000+

pediatric patients treated since inception

- 01 Children's **unique clinical conditions**
- 02 Existing solutions are **re-purposed from adult implants**
- 03 Limited development of **new technologies**
- 04 No **specialized sales force** in Pediatric Orthopedics
- 05 Limited industry support of clinical **education**

Re-Purposed Adult Plate

Screws through growth plate



PediLoc Femur

Screws parallel to growth plate



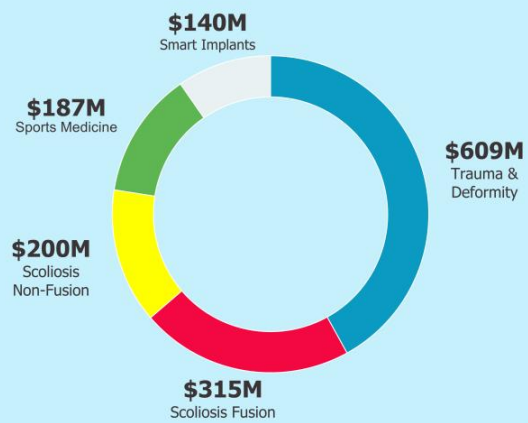
- 01 **Product development focused** exclusively on pediatric patients
- 02 **Broadest pediatric specific portfolio** in the industry
- 03 Delivering first in market **novel surgical solutions**
- 04 Only global **commercial channel to market**
- 05 Leading provider of surgeon **clinical education**

- ✓ Enhance surgeon confidence
- ✓ Increase surgical efficiency
- ✓ Improve surgical accuracy



Total Addressable Market – \$3.3B

U.S. Addressable Market¹ — \$1.5B



¹ Management's Mar 2021 updates to IMS data from 2016

2021 // Investor Presentation

Competitive Dynamics

- 01 Large incumbents repurpose adult implants
- 02 Require specialized sales force
- 03 Lack of focus on pediatric conditions





Innovative Technology

37 unique surgical systems
Consistent **cadence** of innovative product launches
Expanding suite of **enabling** technologies
Internal **R&D**, acquisitions, and partnerships



Commercial Execution

Only global sales & distribution channel
Serve **100% of top children's hospitals** in the U.S.
185 domestic field representatives
Sell in **46** countries around the world



Clinical Education

Commitment to clinical education
Leading **sponsor** of critical pediatric medical societies
>700 clinical product/education events per year
Founder of Foundation of Advancing Pediatrics Orthopedics

**Consistent
20%+
Growth
Since Inception¹**

¹ Excluding COVID-impacted 2020

2021 // Investor Presentation

01



Laser focus on high-volume Children's Hospitals that treat majority of pediatric patients

02



Provide a **broad product portfolio** uniquely designed to treat children, surround pediatric orthopedic surgeons covering their needs

03



Deploy instrument sets and provide unparalleled sales support

04



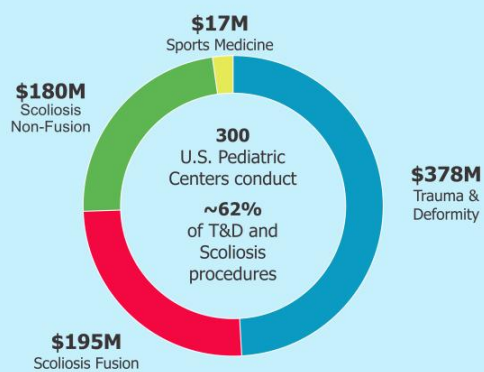
Expand addressable market through aggressive investment in **R&D** and **select M&A opportunities**

05



Train next generation of pediatric orthopedic surgeons

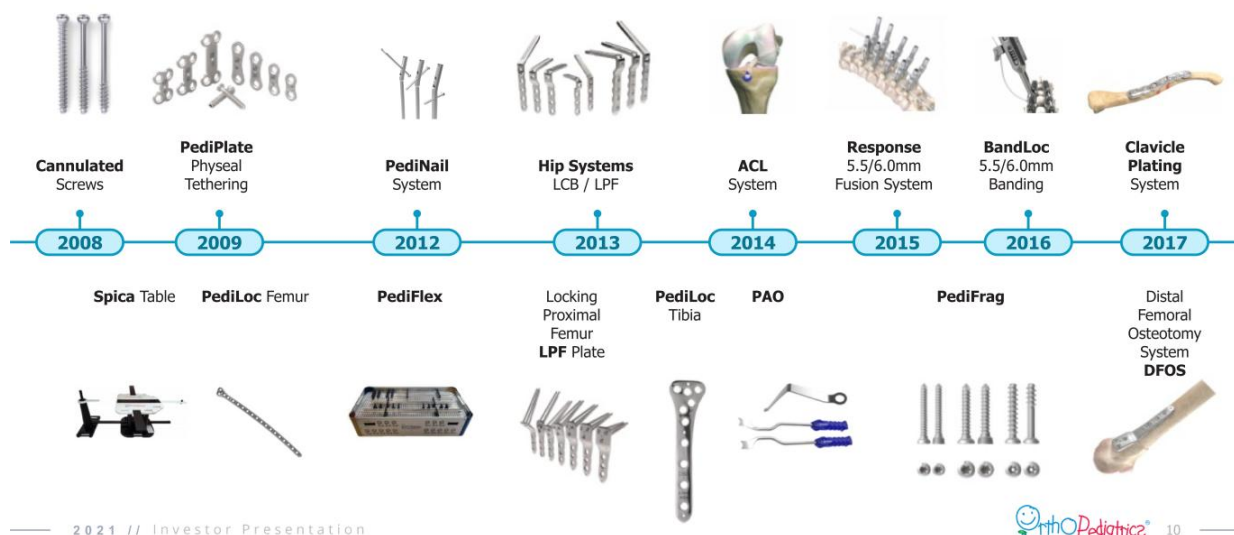
U.S. Current Target Market¹ — \$0.8B



Comments

- 01 ~1,400 Fellowship Trained Pediatric Surgeons
- 02 Majority of Pediatric Centers are Teaching Hospitals
- 03 Centers Treat Most Complex Pediatric Conditions

¹ Management's Mar 2021 updates to IMS data from 2016





*Impacted by COVID
(1) 2021 Revenue guidance mid-point
2021 // Investor Presentation

	2016	2021	CAGR
U.S. Independent Sales Consultants	90	185	16%
Instrument Set Deployments	\$7M	\$15M	19%
Unique Surgical Systems	17	37	17%
Intl. Independent Sales Agencies	0	14	Fav



Accelerate Revenue Growth



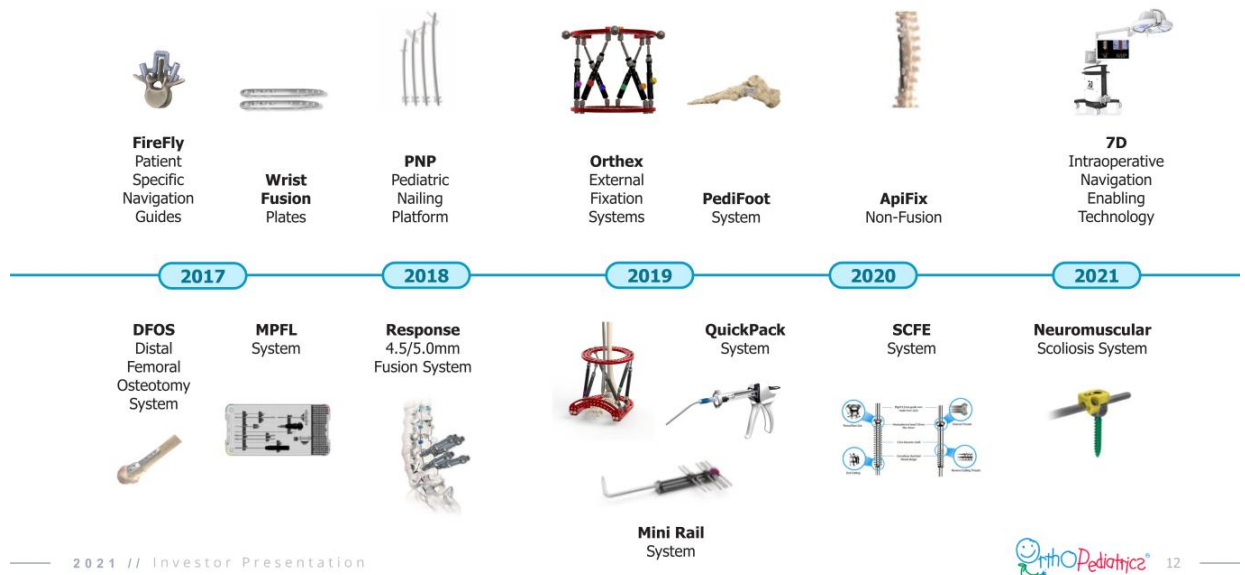
Increase hospital penetration

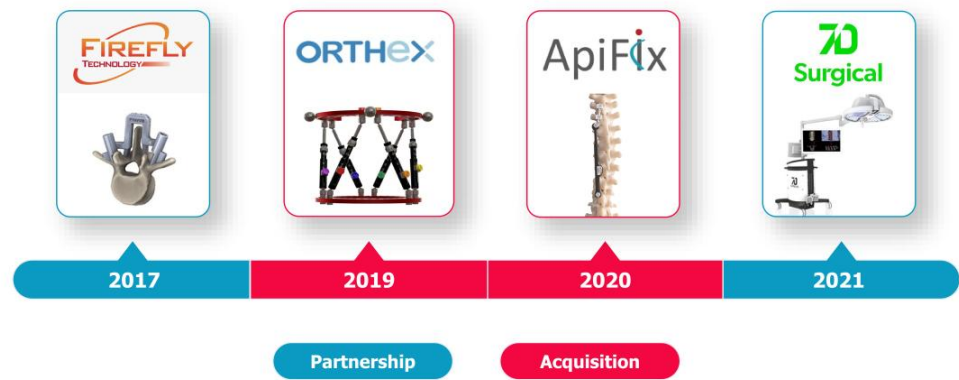


Improve Profitability



Leverage Balance Sheet





Orthex

- Disruptive software complements ex-fix frame
- Expands addressable market
- Serve 85% of procedures, up from 65%
- Significantly simplifies surgical planning and alignment
- Enables participation in most complex surgeries



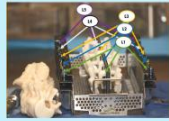
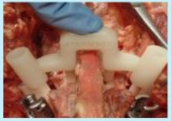
ApiFix

- Disruptive non-fusion technology
- Viable Alternative to Failed Bracing & Spinal Fusion
- Minimally invasive and removeable
- Motion preserving capabilities
- Granted FDA HDE approval



- ✓ Acquired software-based and non-fusion technologies
- ✓ Significant sales synergies with legacy portfolio
- ✓ Expands critical KOL network
- ✓ Provides surgeons broadest product portfolio







**FIREFLY® Pedicle Screw
Navigation Guides****FireFly
S2/Alar**

Unique patient specific 3D printed bone models and drill guides, can be used with any Spinal Deformity Correction system.

- 99.7% screw placement accuracy
- Preoperative concierge surgical planning drives intraoperative efficiency
- Minimal intraoperative radiation
- Simplifies S2AI approach

**7D Surgical
Intraoperative Navigation**

-  **Eliminates Radiation** exposure to staff & patients
-  **Cuts Registration** from 30 min to < 30 sec
-  **Improves Accuracy** to improve surgical outcomes
-  **Reduces Costs** & improve hospital economic value

Chris Comstock, MD & Eric Wait, MD
 Driscoll Children's Hospital
 First Pediatric Deformity Installation in US



“ I have noticed we are seeing **shorter stays** for our patients with complex spinal surgeries since we have started using the 7D technology. **It used to be children would stay 3-5 days at Driscoll following surgery. Now what we are seeing is most of them are going home after 3 days.** And that is better for kids and their families

What we are seeing with this technology is surgeries which might have **taken up to 5-6 hours are often being reduced to 3.5 hours** ”

Dr. Eric Wait
Driscoll Children's Hospital

“As a surgeon educator, I have always appreciated and valued OrthoPedictrics’ commitment to education.”

Ryan Goodwin, MD, MBA, FAOA
The Cleveland Clinic



2021 // Innovative Fixation

01

OP Hands-on sales training and support

- Annually invests 3% of sales on clinical education
- Conducts >700 product/training sessions per year

02

Market development

- Fosters early relationships with young surgeons and fellows to drive sustainable growth

03

Continuous education

- Major Sponsor of the prominent pediatric orthopedic societies



T&D

- Expanding intermedullary nailing portfolio
- Solutions for rare bone disease
- Expansion of external fixation portfolio

Scoliosis

- Advancing non-fusion treatment
- Early-onset scoliosis innovations
- Innovation in highly-complex fusion
 - Manual growing, rib based, etc.

Enabling Technologies

- Orthex surgical software
- Firefly patient-specific planning/guides
- 7D spinal intraoperative navigation
- PediPortal app





Trauma & Deformity



66% of Revenue



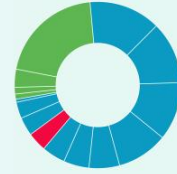
Scoliosis



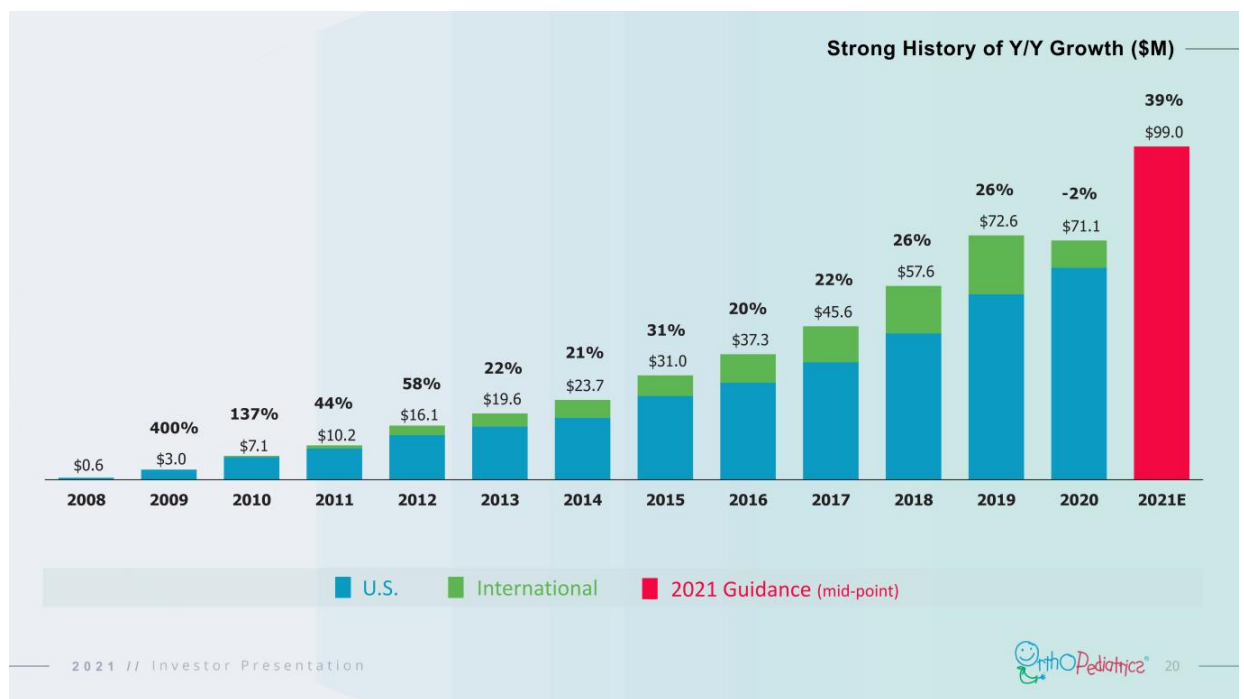
30% of Revenue



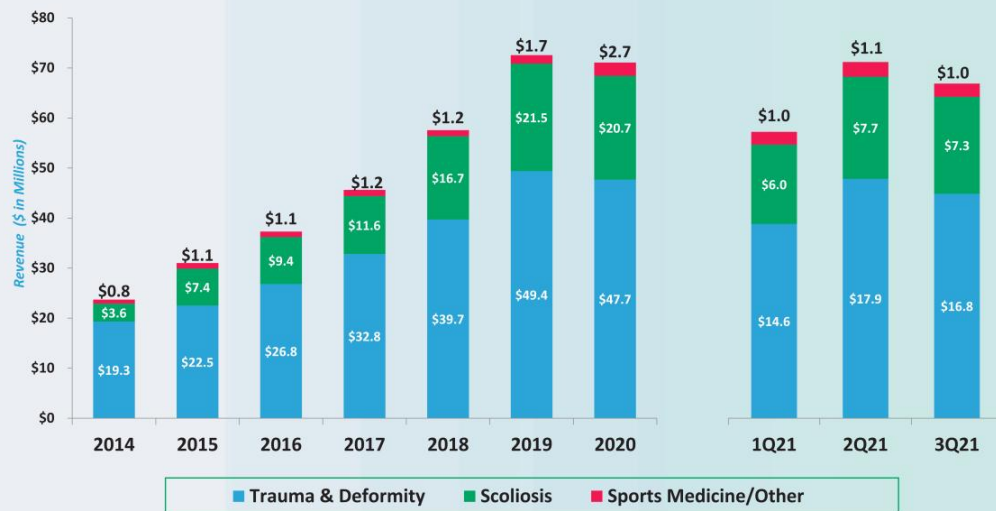
2020 Revenue by Product Family



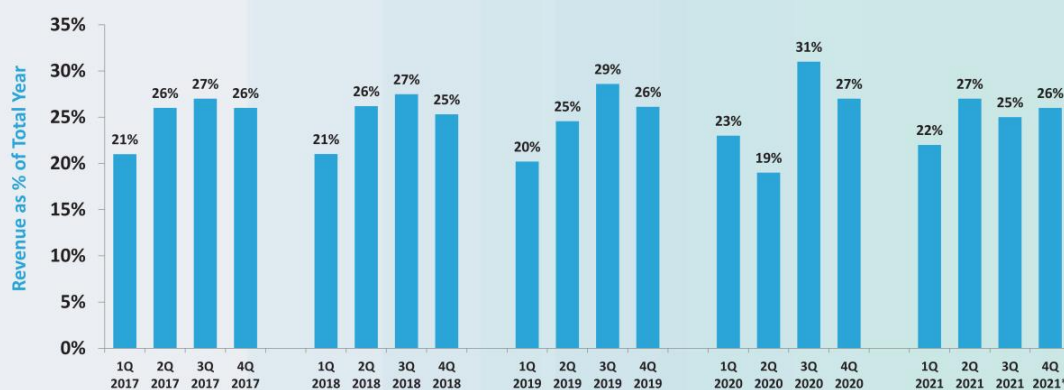
■ Trauma & Deformity
■ Scoliosis
■ Sports Medicine



Category Revenue Summary



Seasonality Drives Stronger Performance in Summer Months and Holiday Periods



(\$ in Millions)

	FY 2018	FY 2019	FY 2020
Revenue	\$57.6	\$72.6	\$71.1
Growth %	26%	26%	(2%)
Gross profit	\$42.7	\$54.6	\$55.0
Margin %	74%	75%	77%
Operating expenses	\$52.2	\$63.7	\$81.8
Operating loss	(\$9.5)	(\$9.1)	(\$26.8)
Net loss	(\$12.0)	(\$13.7)	(\$32.9)
Net loss per share¹	(\$0.96)	(\$0.94)	(\$1.82)

3Q 2020	3Q 2021
\$22.2	\$25.1
7%	13%
\$17.6	\$18.6
79%	74%
\$20.1	\$22.2
(\$2.5)	(\$3.6)
(\$4.5)	(\$2.2)
(\$0.24)	(\$0.11)

Adjusted EBITDA Reconciliation

(\$ in Millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net loss	(\$2.2)	(\$4.5)	(\$16.3)	(\$18.9)
Interest expense, net	0.5	1.0	1.9	2.8
Other (income) expense	(0.3)	0.1	(0.8)	0.3
Provision for income tax (benefit)	(0.3)	-	(0.9)	-
Depreciation and amortization	2.7	2.4	7.9	5.7
Stock-based compensation	1.4	1.3	4.2	4.7
Fair value adjustment of contingent consideration	(1.4)	0.9	3.7	1.8
Acquisition related costs	-	-	-	0.3
Non-recurring professional fees	-	-	0.7	-
Accrued legal settlement costs	-	-	0.2	-
Adjusted EBITDA	\$0.4	\$1.2	\$0.6	(\$3.3)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Earnings (loss) per share, diluted (GAPP)	(\$0.11)	(\$0.24)	(\$0.85)	(\$1.07)
Accretion of interest attributable to acquisition installment payments	0.03	0.04	0.09	0.09
Fair value adjustment of contingent consideration	(0.07)	0.05	0.19	0.10
Non-recurring professional fees	-	-	0.03	-
Accrued legal settlement costs	-	-	0.01	-
Earnings (loss) per share, diluted (non-GAAP)	(\$0.15)	(\$0.15)	(\$0.53)	(\$0.88)

(\$ in Millions)
As of September 30, 2021

Assets	
Cash	\$59.1
Account receivable	\$18.1
Inventory (net)	\$55.5
Other current assets	\$2.7
PP&E (net)	\$28.8
Intangibles and goodwill	\$125.4
Other intangible assets	\$14.0
Total Assets	\$303.6

Liabilities	
Accounts payable	\$9.0
Debt	\$1.0
Accrued expenses	\$4.7
Acquisition Pay. & Other Liab.	\$67.8
Paid-in capital	\$392.9
Accumulated deficit (net)	(\$178.1)
Accumulated other	\$6.3
Total Liabilities / Equity	\$303.6



- 01 Only diversified company focused exclusively on pediatric orthopedics
- 02 Large, underpenetrated market opportunity in pediatrics
- 03 Highly concentrated customer base with targeted commercial strategy
- 04 Broad product portfolio with innovative solutions
- 05 Only provider committed to pediatric clinical education
- 06 Dynamic, award-winning corporate culture
- 07 Proven commercial execution and attractive financial profile



