

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

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Date of Report (Date of earliest event reported): **November 13, 2017**

**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.**

OrthoPediatics Corp. (the “Company”) will be presenting at the Stifel 2017 Healthcare Conference on Tuesday, November 14, 2017, in New York City. Mark Throdahl, President and Chief Executive Officer, and Fred Hite, Chief Financial Officer will be presenting on the Company at 10:15 (Eastern). An audio webcast of the presentation will be available at the Company’s investor relations website, <http://ir.orthopediatrics.com>. A replay of the presentation will also be available for 90 days. The officers also intend to use the material filed as Exhibit 99.1 herewith, in whole or in part, as part of the presentation.

The Company does not intend for this Item 7.01 or Exhibit 99.1 to 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>
<a href="#">99.1</a>	<a href="#">OrthoPediatics Corp. Investor Presentation dated November 2017. This exhibit 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.</a>

\* \* \* \* \*

**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 13, 2017

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



**OrthoPediatrics Corp.**

November 2017

**Mark Throdahl, CEO**  
**Fred Hite, CFO**



This presentation contains and related discussion may contain “forward-looking statements” within the meaning of U.S. federal securities laws. All statements contained in this presentation and related discussion other than statements of historical facts are forward-looking statements. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plans and strategies. You can identify forward-looking statements by the use of words such as “may,” “might,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “intend,” “future,” “potential,” “suggest,” “target,” “forecast,” “continue” and other similar expressions. Forward-looking statements are not historical facts, and are based upon management’s current expectations, beliefs, estimates, projections and various assumptions, many of which are inherently uncertain and beyond our control. Such expectations, beliefs, estimates, projections and assumptions are expressed in good faith and management believes there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs, estimates, projections and assumptions will be achieved, and actual results may differ materially from what is expressed in or indicated by the forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements, including risks detailed in the registration statement on Form S-1 (as amended, the “Registration Statement”) filed by OrthoPediatrics Corp. (the “Company”) with the U.S. Securities and Exchange Commission (the “SEC”). Forward-looking statements speak only as of the date the statements are made. The Company assumes no obligation to update forward-looking statements to reflect actual results, subsequent events or circumstances or other changes affecting forward-looking information except to the extent required by applicable securities laws. Certain information in this presentation is based upon management forecasts and reflects prevailing conditions and management’s views as of this date, all of which are subject to change.

Before you invest, you should read the Registration Statement and other documents the Company has filed and will file with the SEC for more complete information about the Company. You may obtain these documents for free by visiting EDGAR on the SEC website at <http://www.sec.gov>.

The Company owns or has rights to use a number of registered and common law trademarks, service marks and trade names in connection with its business in the United States and in certain foreign jurisdictions, including the OrthoPediatrics name and logo. Solely for convenience, the trademarks, service marks and trade names referred to in this presentation may be without the ® and ™ symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensors to these trademarks, service marks and trade names. This presentation contains additional trademarks, service marks and trade names of others, which are the property of their respective owners. All trademarks, service marks and trade names appearing in this presentation are, to the Company’s knowledge, the property of their respective owners.



## Large Market

## Proprietary Technology

## Scalable Business

- 👤 **Only diversified orthopedic company focused 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 ~1,200 surgeons**
- 👤 **Focused call point: generalists who use our entire product portfolio**
- 👤 **Broadest product offering: 22 systems specifically designed for children**
- 👤 **Sustainable competitive advantage:**
  - Comprehensive product offering
  - Clinical education programs
  - Surgeon relationships
  - Experienced sales organization
- 👤 **\$37 million revenue in 2016 with 20% growth, accelerating in 2017**
- 👤 **Recent IPO will, among other things, fund consigned sets and accelerate proven strategy**





## 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 **16,000** patients in 2016
- 22** surgical systems; **2,700** SKUs; strong pipeline
- 62** direct employees; **69** focused FTE sales reps
- Global** sales organization focused on pediatric orthopedic surgeons in **36** countries
- International**: **31** stocking distributors; **2** sales agencies
- 21** issued patents; **19** 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**



## 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





# Limitations of Conventional Orthopedic Products

## Children Are Not Small Adults

### Anatomical Differences

- 💡 Growth plates must be protected; ligament repair must avoid growth plates
- 💡 Smaller and more curved bones
- 💡 Implants are often removed
- 💡 Blood supply must be protected
- 💡 Complex disorders like cerebral palsy pose unique challenges



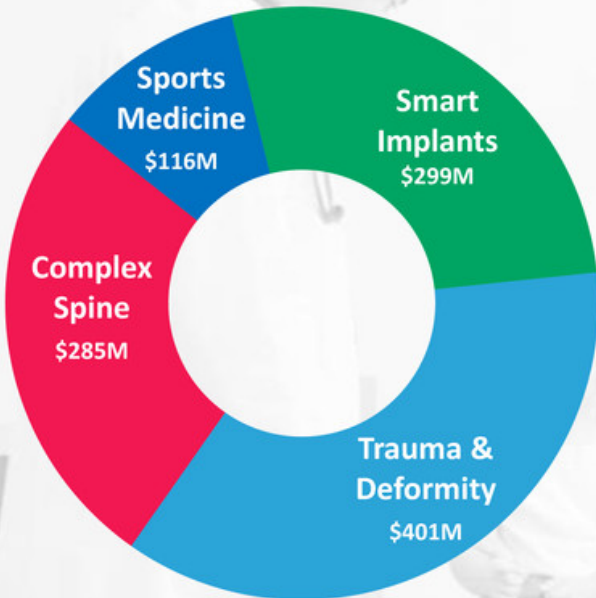
### Dangers of Using Adult Implants

- 💡 Growth arrest and subsequent deformity
- 💡 Inaccurate implant placement, compromised fixation, and instrumentation issues
- 💡 Titanium encourages bony on-growth
- 💡 Invading temporary vasculature leads to necrosis
- 💡 Reduced surgeon confidence

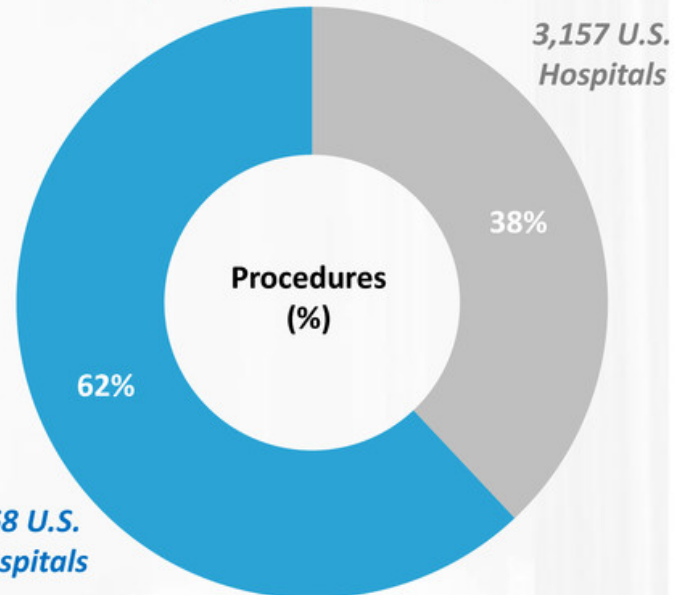


## OP'S \$2.5 Billion Current Addressable Global Market

*\$1.1 Billion U.S. Addressable Market*



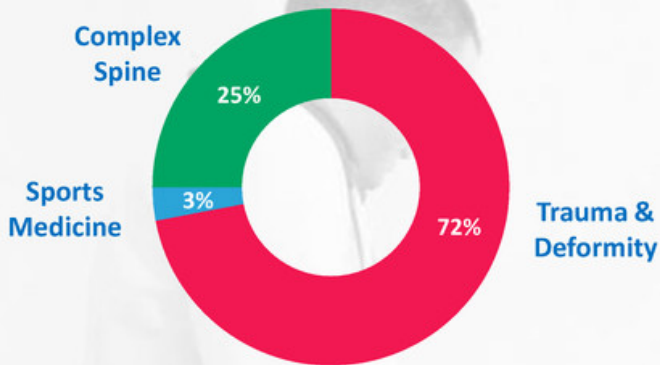
*High Concentration of Pediatric Trauma & Deformity and Complex Spine Procedures*



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



## 2016 Revenue by Segment

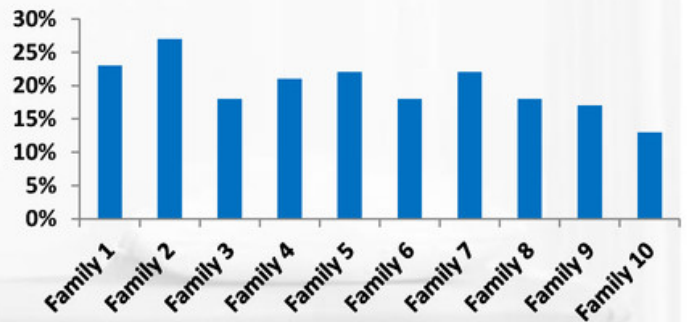


- 📊 \$37 million sales in 2016
- 📈 20% revenue growth in 2016
- 📊 No dependency on one product family
- 📈 Consistent growth across all products
- 📊 Comparable gross margins on all products

## 2016 Revenue by Product Family



## 2016 Revenue Growth % by Product Family





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

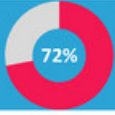
**Deploy  
Instrument  
Sets**

**Expand  
Addressable  
Procedures**

**Expand Clinical  
Training  
Programs**

## Goals

-  Accelerate sales growth (requires consigned sets)
-  Develop novel technologies



## Trauma & Deformity Example

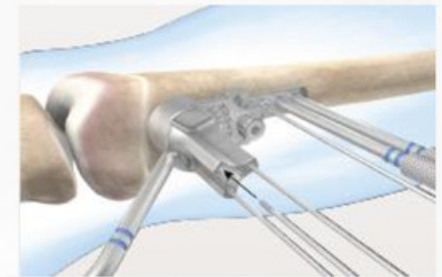
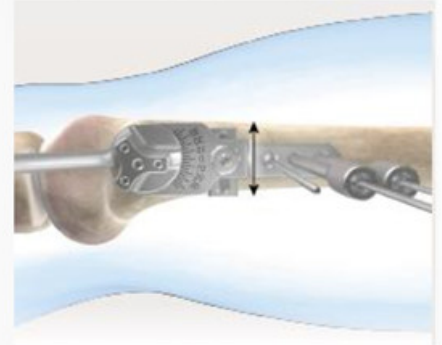
### Distal Femoral Osteotomy System

*CP flexion contractures, varus-valgus deformities*

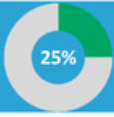
*Instrumentation enables precise wedge osteotomies*

*Plates in 3.5 and 4.5mm sizes, 4 and 6-hole lengths, with and without offsets*

*Q4 2016 with 12 sets*





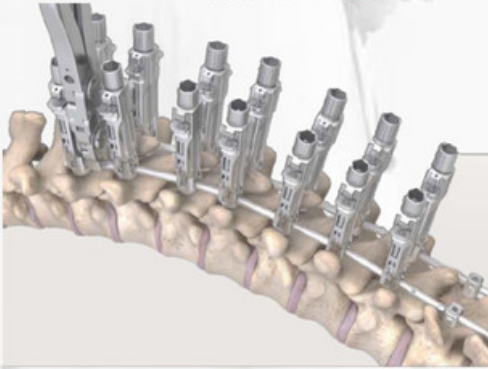


## Complex Spine Example

### RESPONSE 5.5/6.0 Systems

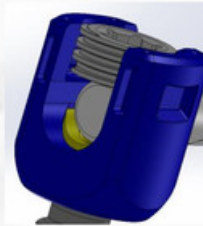
#### Adolescent Idiopathic Scoliosis

*Intraoperatively accepts 5.5mm or 6.0mm  
CoCr or Ti rods*



### Proprietary Tulip Head

*Specifically designed for AIS  
Set screw minimizes cross-threading  
Prevents tulip head splay*



### RESPONSE Rod Reduction & De-rotation Instruments

*One-handed, snap-fit instrument with  
segment de-rotation and flag  
attachments to reduce surgery time*



**Pre-contoured rods in CoCr and Ti**  
*5.5mm and 6.0mm diameters, 3 lengths*

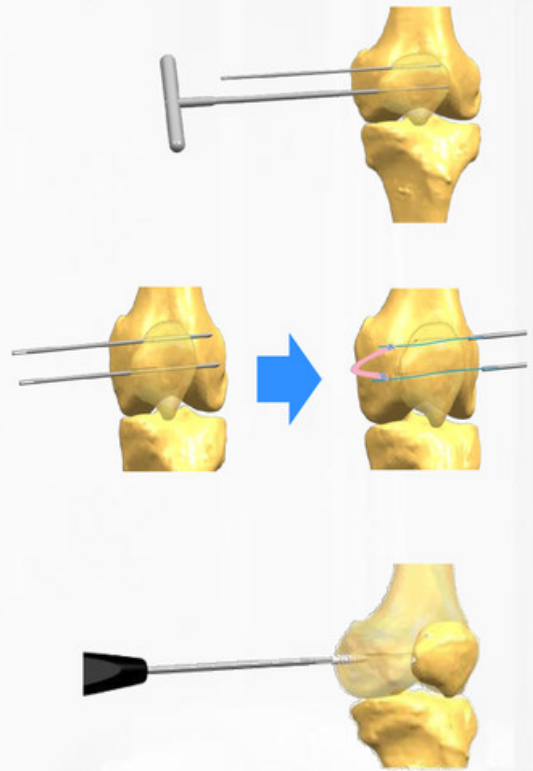
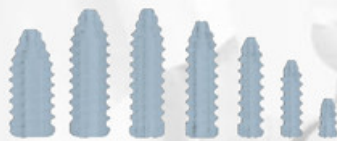
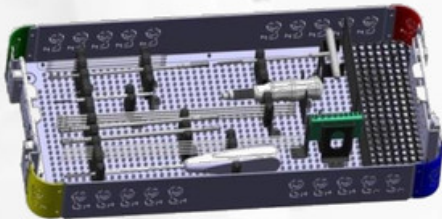




Sports Medicine Example

Medial Patella Femoral  
Ligament Reconstruction System

Full range of instruments accommodate any technique  
Bioabsorbable interference screws  
Complements ACL Reconstruction System





## Complex Spine

### FIREFLY® Pedicle Screw Navigation Guides

*OP has exclusive distribution rights in U.S. pediatric hospitals*

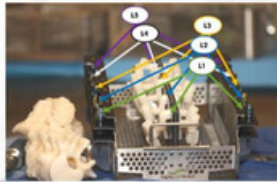
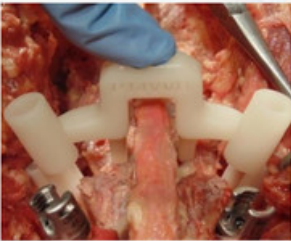
*Unique, patient-specific custom guide for screw placement*

*Provides a 3D printed, patient-specific guide for each vertebral level*

*Improves screw placement accuracy without the need for an expensive navigation or robotic system.*

*Eliminates intraoperative radiation and is ideally suited for large construct cases.*

*Complementary to our RESPONSE Spine System*



## Trauma & Deformity

### Clavicle Plate System

*First clavicle system for pediatric patients*

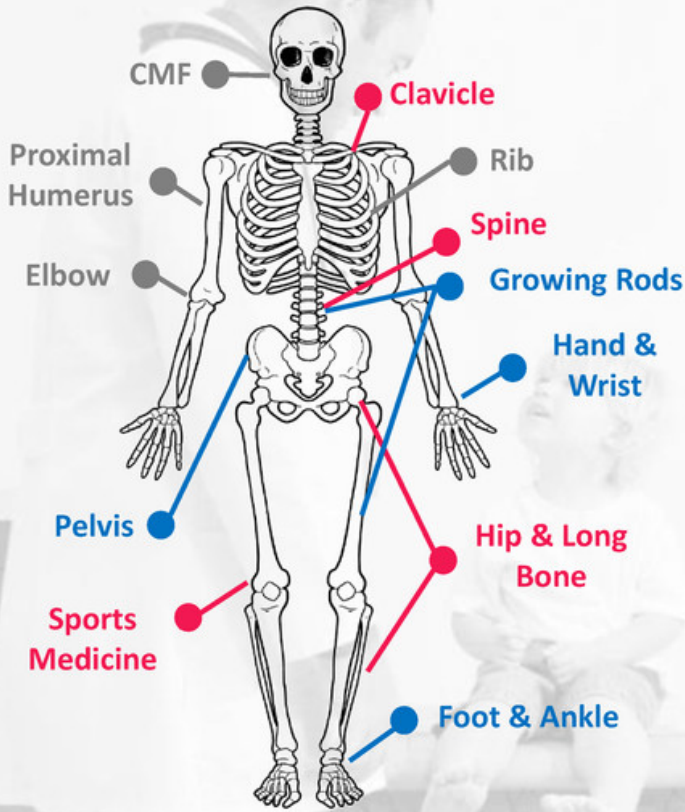
*Based on proprietary access to Hamann-Todd Collection*

*Available in 2.7mm and 3.5mm sizes and in 6, 7, and 8-hole versions*





Expanding Our Addressable Market



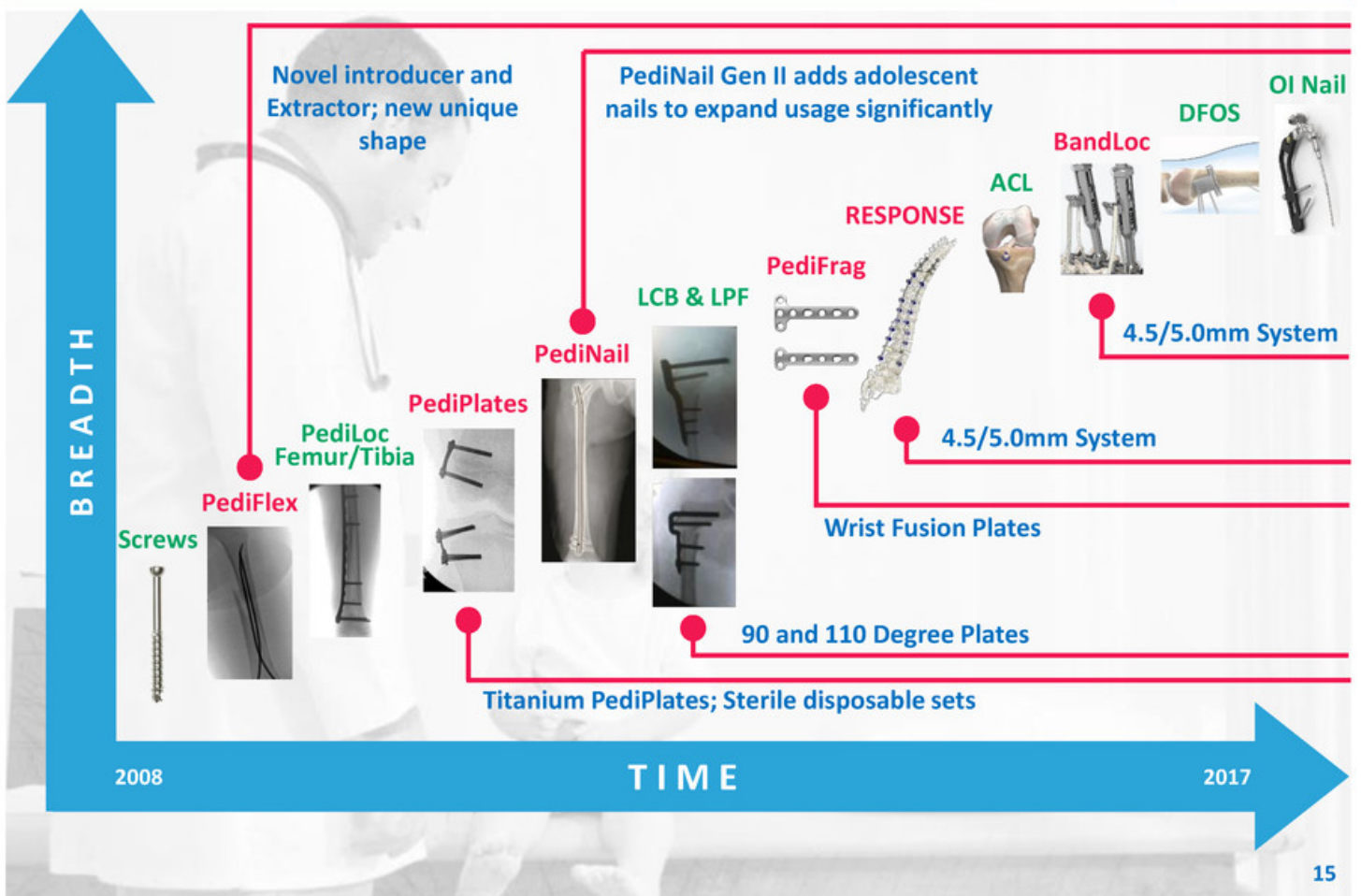
Demonstrated ability to expand portfolio to full array of pediatric surgeries

- OP Today
- OP Tomorrow
- Now Under Development





# Culture of Continuous Improvement







### Trauma & Deformity



*"OrthoPediatics' proximal hip solutions provide me with the most reproducible results. The instrumentation is easy to use, and the wide selection of implants allow me to treat all indications."*

*- Dr. Rudolf Ganger, M.D., Ph.D. (Speising Hospital, Vienna)*

### Complex Spine



*"How in the world have you been able to develop a better system than anything on the market in so short a period of time – when other companies have been out there for so long?"*

*- Dr. Eric Wall, M.D. (Cincinnati Children's Hospital)*

### ACL Reconstruction / Other



*"OrthoPediatics has developed an all-in-one ACL system which allows me to provide comprehensive care to the pediatric and adolescent patient. Rather than having to adapt equipment which has been developed for adult patients in the pediatric setting, I can utilize a system which is surgeon-friendly, reliable, and developed for the young patient."*

*- Dr. Allen Anderson, M.D. (Nashville, TN)*



## Training the Next Generation of Pediatric Orthopedic Surgeons

**OP's Bio-Skills Education Program: 16 modules for Residents and Fellows**

**These programs touched 2,000 medical personnel in 2016**

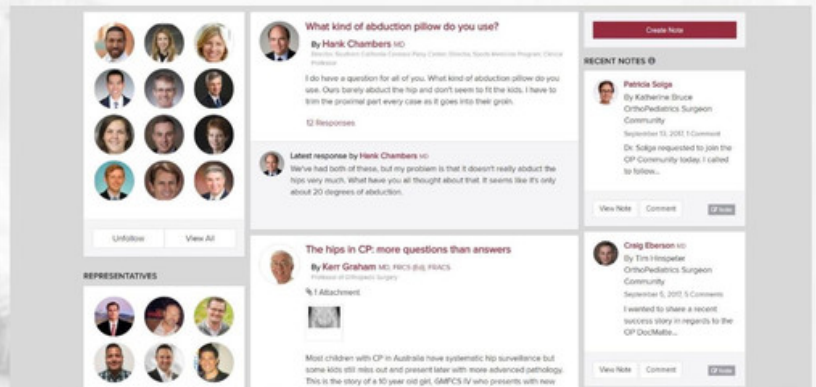
**We extensively train 200 young surgeons annually:**

**(1) Annual Pediatric Spine Symposium; (2) Annual Pediatric Orthopedic Surgical Techniques Lab; (3) Annual Akron Pediatric Orthopedic Residents Review Course**

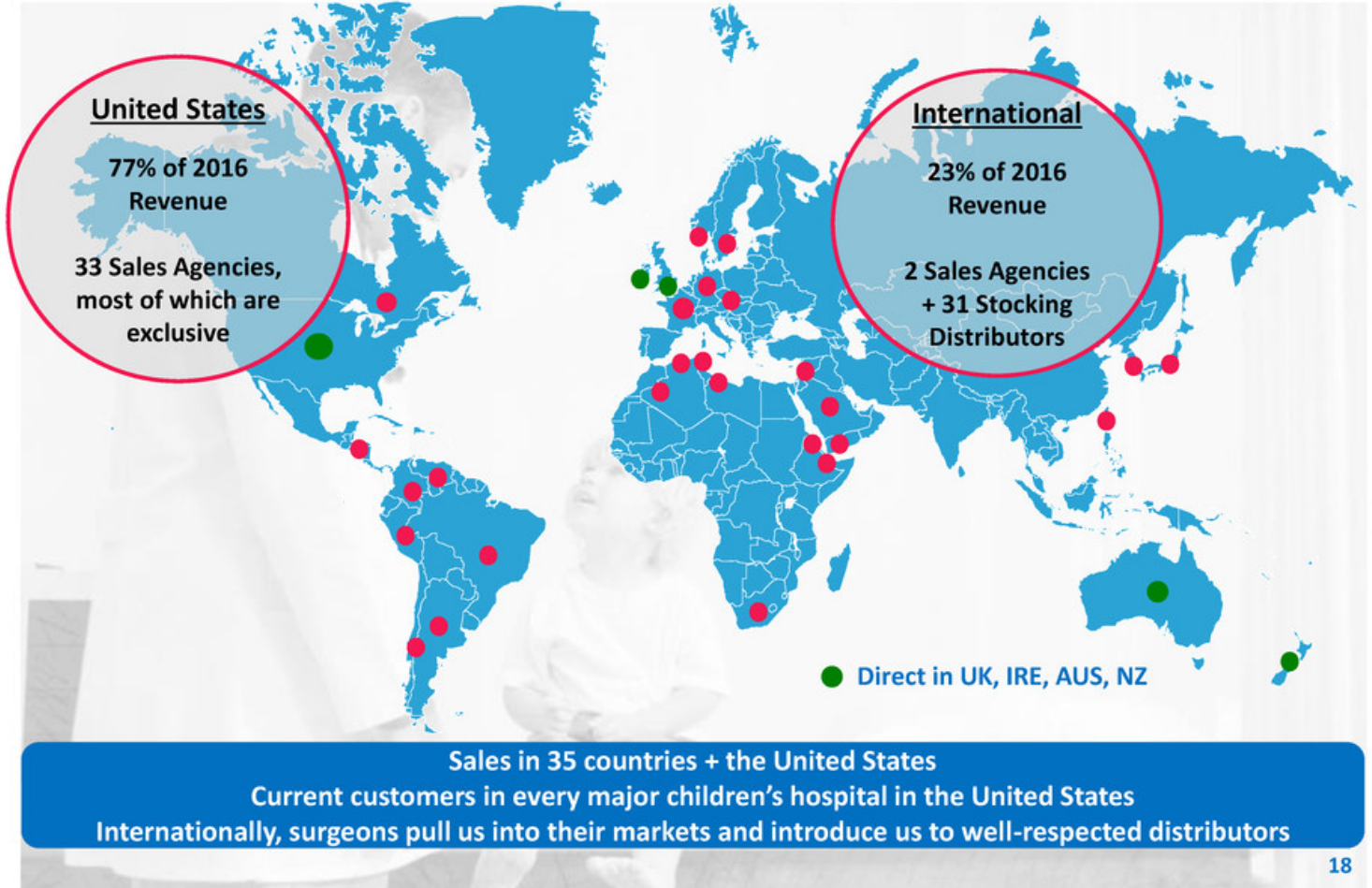
**Leading financial sponsor of POSNA, IPOS, EPOS, PRISM, and AACPDM**

### Clinical Education Advisory Committee

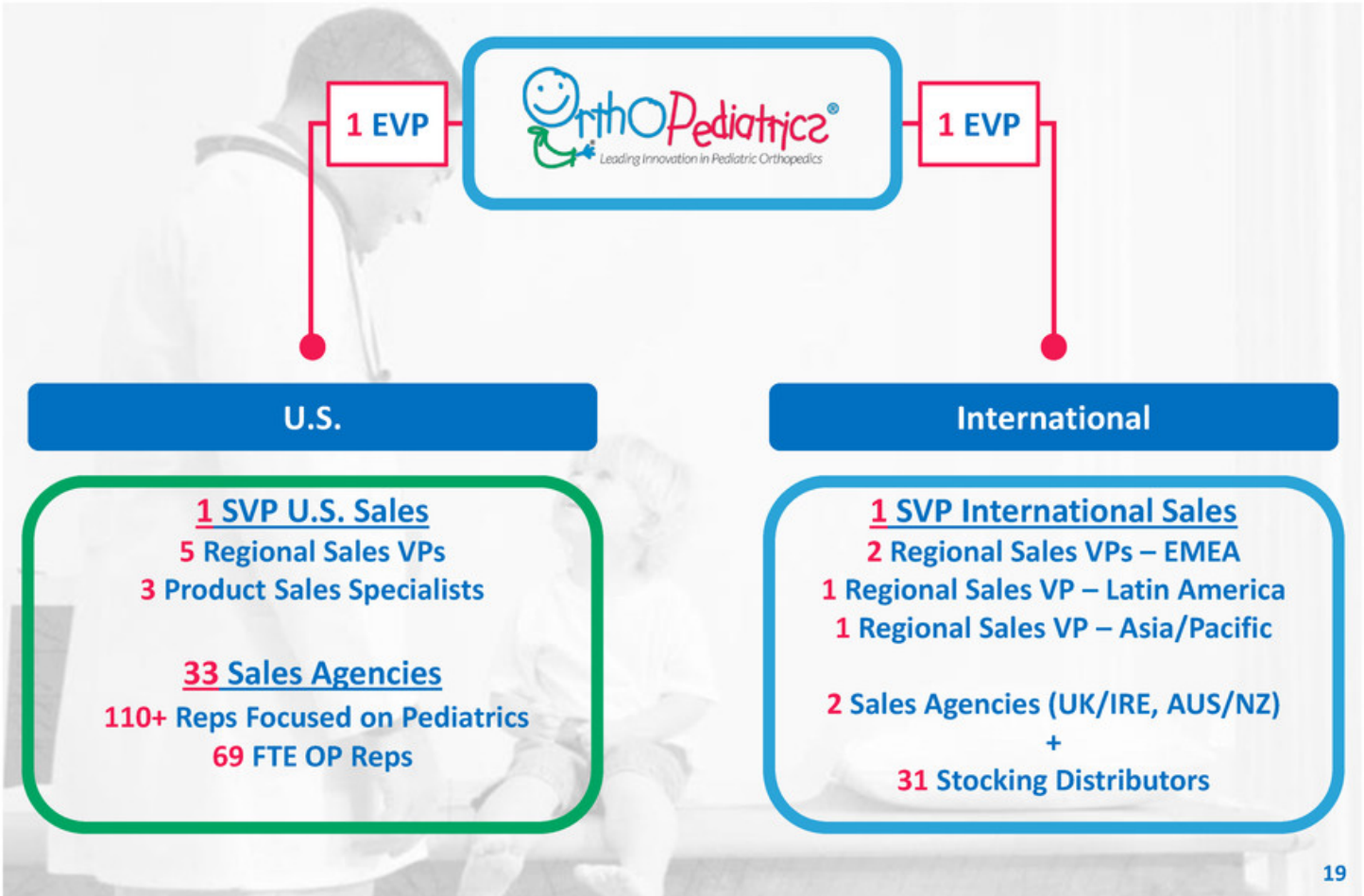
Peter Armstrong, MD, Chair  
 Ben Alman, MD (Duke)  
 Don Bae, MD (Boston Children's)  
 Jon Davids, MD (Shriner's Sacramento)  
 Rick Kruse, MD (A. I. duPont)  
 Todd Milbrandt, MD (Mayo Clinic)  
 Dave Podeszwa, MD (Texas Scottish Rite)  
 Todd Ritzman, MD (Akron)  
 Jon Schoenecker, MD, PhD (Vanderbilt)  
 Bryan Tompkins, MD (Shriner's Spokane)



OP's Doc Matter Surgeon Community









### 77% of U.S. Sales From Exclusive Agencies

- ☞ **Attracting U.S. and international distributors alienated by industry consolidations**
- ☞ **Long-standing partnerships:**
  - ☞ Many agents are former OP direct reps
  - ☞ “Boys in the Boat” quarterly meetings with largest sales agencies
- ☞ **Limited sources for products:** Leaving OP would sacrifice their pediatric sales base
- ☞ **Exclusive distribution contracts:** In many cases, OP has legal control over product lines that sales agents can represent

We manage sales agencies as if they were our own employees





## 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**



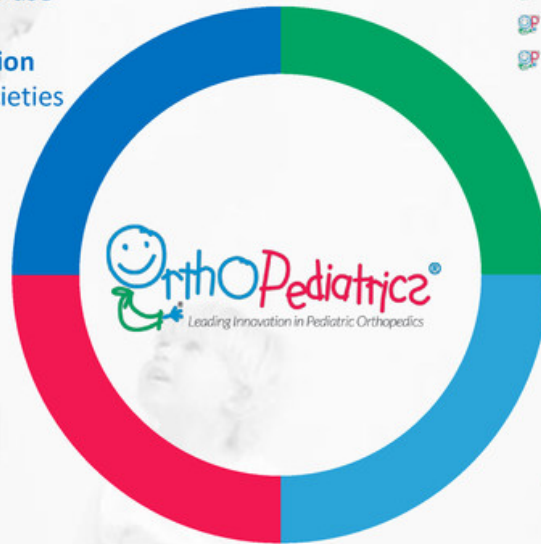
# What Does Category Leadership Mean?

## Surgeon relationships and Clinical education

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

## Broadest, most innovative product offering

- 11-year clinical understanding
- New product pipeline
- Gateway to pediatric market 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 2011
- 71% gross margins
- History of efficient capital utilization



## Financial Review





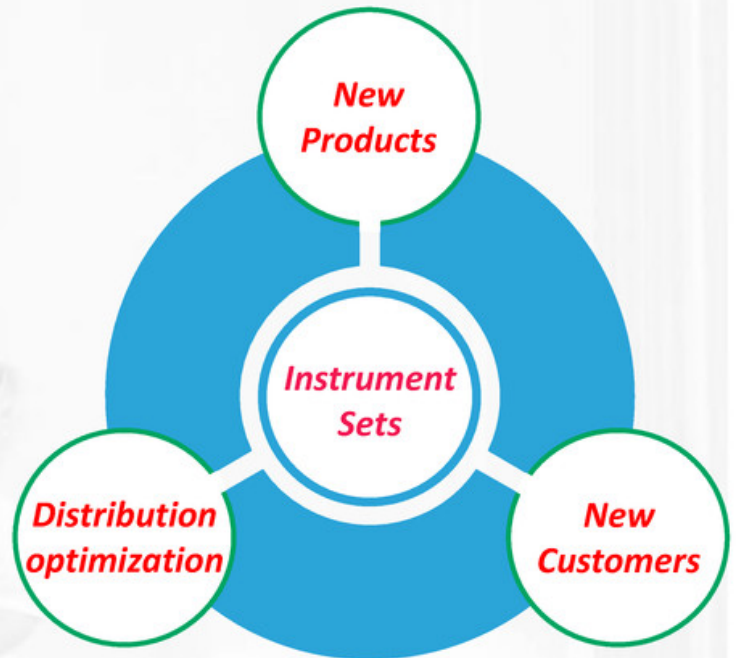
## Attractive Market Dynamics

Single defensible call point: 1,200 pediatric orthopedic surgeons

62% of U.S. Trauma & Deformity and Complex Spine procedures in 268 hospitals

21% of procedures in 62 children's hospitals

## More of the Same



Plus International Expansion





	United States	International
Instrument / Implant Sets	<p><u>Consign</u> to sales agencies</p> <p>Zero sales and margin on instruments</p>	<p><u>Sell</u> to stocking distributors</p> <p>Stocking sets sold at low margin</p>
Replenishment	<p>Hospitals purchase at <b>high margins</b></p>	<p>Distributors purchase at <b>good margins</b></p>
Selling Commission	<p>Industry standard</p>	<p>Zero</p>

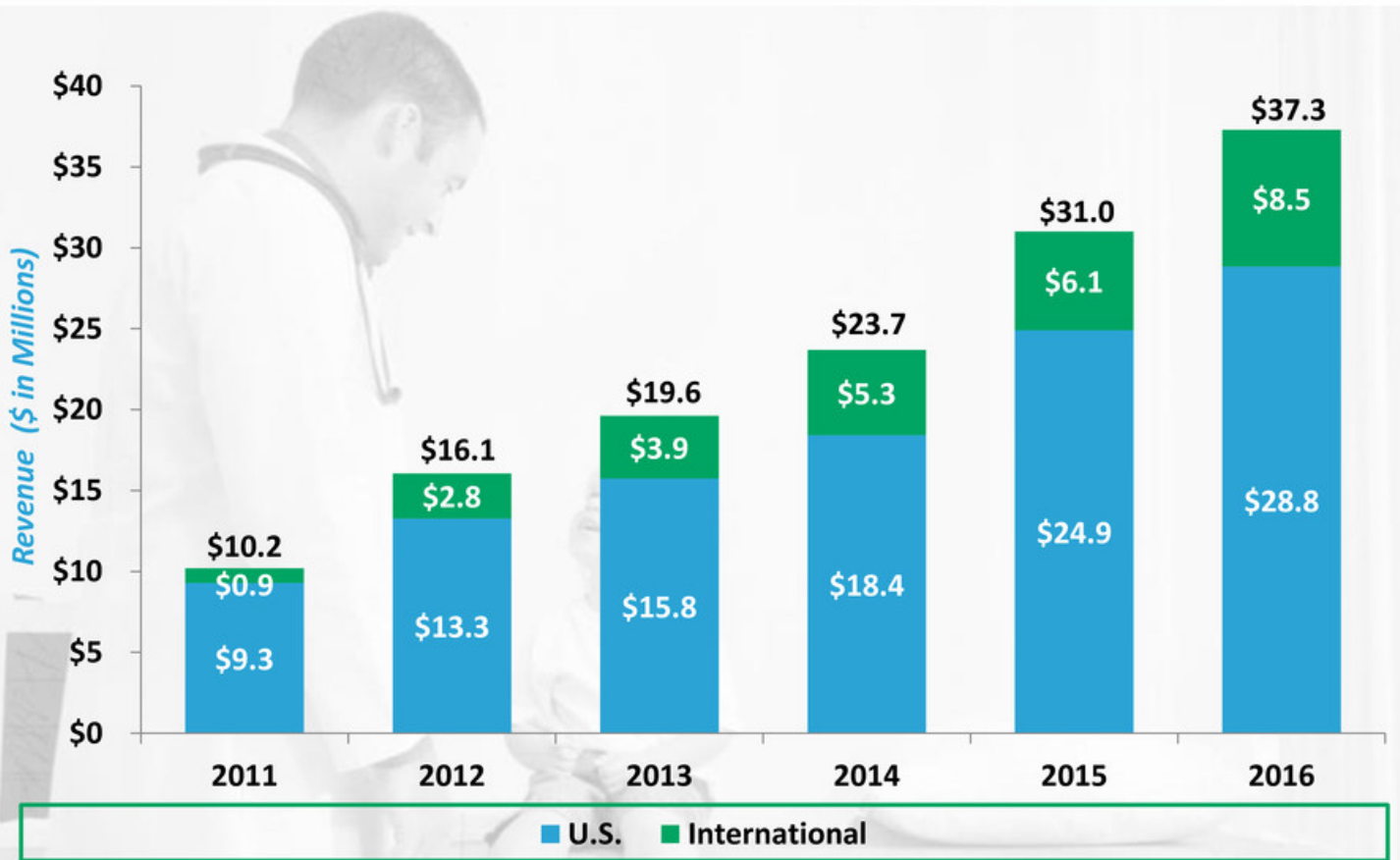
**Gross Margin Less Selling Commissions Comparable**

**2017 Transitioned UK/IRE/AUS/NZ Markets to Sales Agency Model**



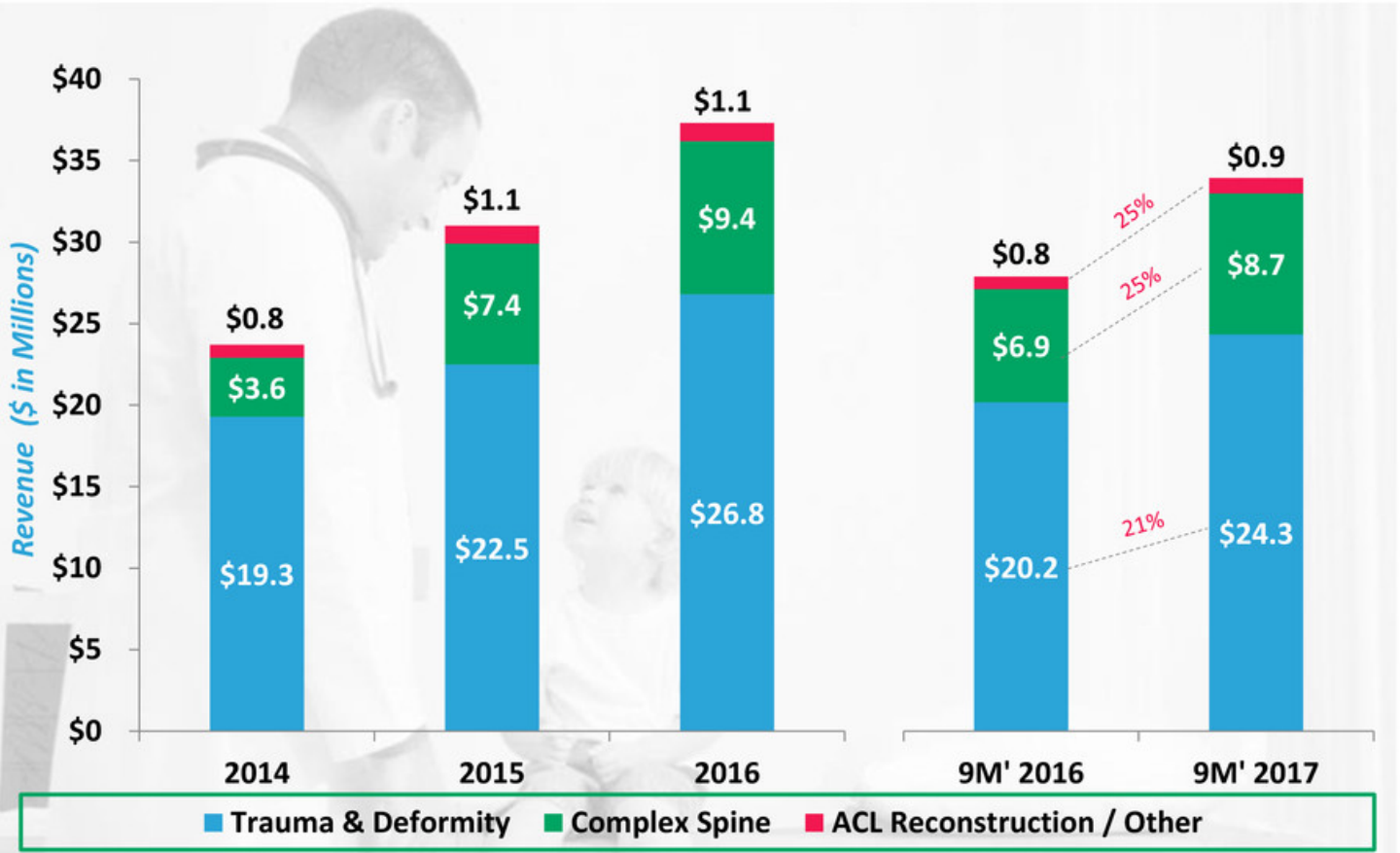


## History of Strong Revenue Growth





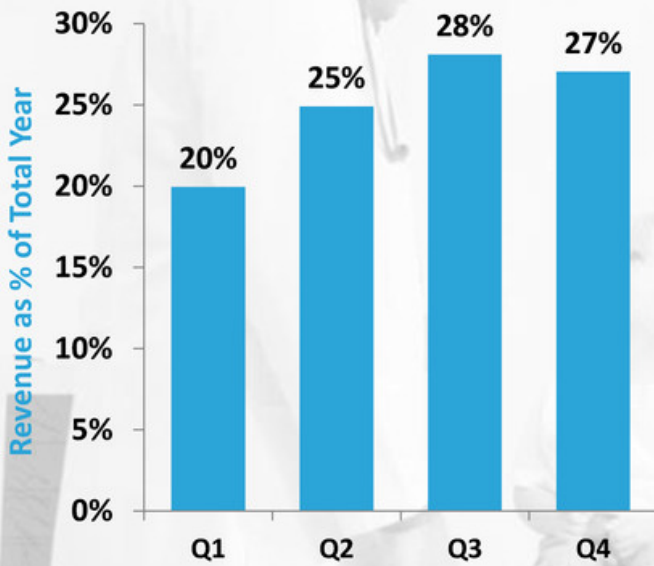
# Category Revenue Summary



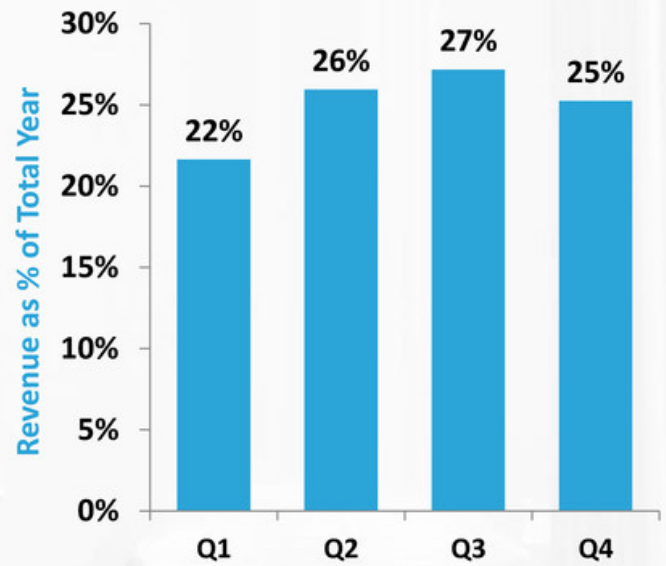


## Seasonality Drives Stronger Performance in Summer Months and Holiday Periods

2015



2016



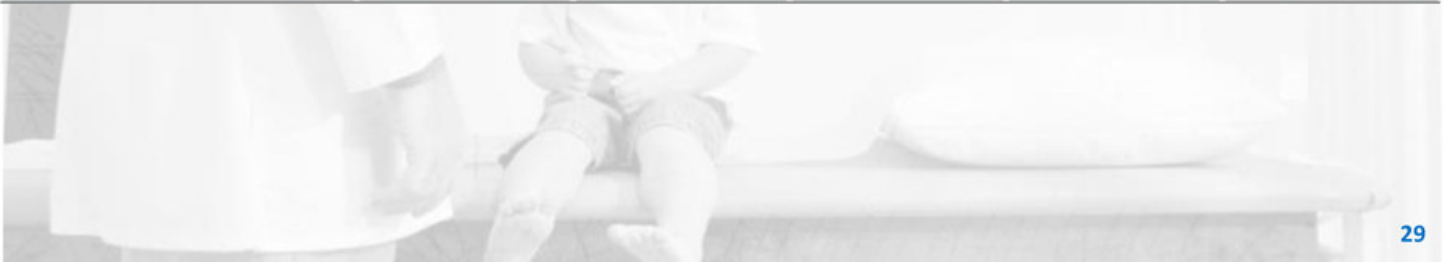


## Income Statement Summary

(\$ in Millions)

Year Ended December 31; Nine Months Ended September 30

	2014	2015	2016	9M'16	9M'17
<b>Revenue</b>	<b>\$23.7</b>	<b>\$31.0</b>	<b>\$37.3</b>	<b>\$27.9</b>	<b>\$33.9</b>
<i>Growth %</i>	21%	31%	20%	NA	22%
Gross Profit	\$16.6	\$21.6	\$26.4	\$20.0	\$25.6
<i>Margin %</i>	70%	70%	71%	72%	75%
Operating Expenses	\$23.7	\$28.2	\$32.5	\$22.8	\$27.9
Operating Loss	(\$7.1)	(\$6.6)	(\$6.1)	(\$2.9)	(\$2.3)
<b>Net Loss</b>	<b>(\$9.5)</b>	<b>(\$7.9)</b>	<b>(\$6.6)</b>	<b>(\$2.9)</b>	<b>(\$4.1)</b>





(\$ in Millions)

Nine Months Ended September 30, 2017

Assets		Liabilities	
Cash	\$2.2	Accounts Payable	\$5.1
Accounts Receivable	5.7	Debt	27.5
Inventory	18.4	Accrued Expenses	2.3
PP&E (net)	9.7	All Other Liabilities	3.0
Intangibles	2.2	Paid In Capital	85.2
All Other	0.3	Accumulated Deficit	(82.2)
<b>Total Assets</b>	<b>\$41.1</b>	<b>Total Liabilities / Equity</b>	<b>\$41.1</b>





**Pay Series B Preferred Stock Dividends**



**Invest in Consigned Implants and Instrument Sets**



**R&D**



**Expand Sales and Marketing**



**Working Capital and General Corporate Purposes**



- 📅 November 8, 2017 – signed a non-binding Letter of Intent to amend current debt agreement with Squadron Capital to modify and extend the terms of its existing term notes and revolving credit facility
- 📅 Consolidates a majority of the term note amounts into a \$20.0 million term loan and reestablishes a \$15.0 million revolver
- 📅 10.0% interest rate for both (3-month LIBOR plus 8.61%), vs. previous rate of 10.0% for term notes and 11.0% for revolver
- 📅 Extends the loan period through January 31, 2023 (previously May 31, 2019 or May 31, 2020 based on revenue)
- 📅 As of September 30, 2017, the Company had approximately \$27.6 million in total outstanding indebtedness, including \$7.5 million outstanding under the revolving credit facility, of which the Company expects to convert \$1.6 million to term notes plus pay back \$2.5 million in the near term, leaving over \$11.0 million in available capacity

