

The background of the entire page is a dark, textured overlay of various financial charts. In the upper right, there is a line chart with a peak and a subsequent decline, labeled with '52.34%'. Below this, there are several bar charts and candlestick patterns, some in blue and some in orange/yellow, set against a grid. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



Option Care Health (OPCH) Home & Alternate Site Infusion Therapies | Healthcare

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Date: 10/04/26

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Investment Overview

Option Care Health (OPCH)

Sector: Healthcare | Industry: Home & Alternate Site Infusion Services | Price: \$29.00 USD

Thesis:

Option Care Health is a scaled beneficiary of the ongoing shift from hospital-based infusion to lower-cost home and alternate-site care. FY2025 revenue rose 13.0% to \$5.65bn, and 2026 guidance still calls for \$5.8bn to \$6.0bn of revenue despite known Stelara and biosimilar headwinds, which suggests underlying demand and market share momentum remain intact.

Key Drivers:

- National scale is a competitive advantage, with 190+ locations, 315,000+ patients served, and access to 96% of insured lives.
- Core growth remains solid despite temporary headwinds, with management guiding to another year of revenue growth even after factoring in a 400bps revenue headwind and a \$25m to \$35m gross profit impact from Stelara and biosimilar conversion.
- Structural site-of-care shift continues to support long-term demand for home and alternate-site infusion, where payers are focused on reducing total cost of care.

Key Risks:

- Reimbursement exposure remains material, with 88% of 2025 revenue coming from MCOs and other non-governmental payers.
- Gross margin is under pressure from therapy mix and biosimilar adoption; gross margin declined to 19.3% in 2025 from 20.3% in 2024.
- Competitive intensity remains elevated in a fragmented market, so sustaining share gains and margin discipline is important to the bull case.

Haven Rating:

Recommendation: Buy

Time Horizon: 1-1.5 years

Risk Level: Medium

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

- Q1/Q2 results showing core growth is holding up despite Stelara and biosimilar headwinds.
- Evidence that margin pressure is stabilising as management works through the expected \$25m to \$35m gross profit impact in 2026.
- Further patient-volume gains from ongoing disruption in the competitive landscape.
- Additional tuck-in M&A or de novo expansion, consistent with the company's consolidation strategy in a fragmented market.

Quick Stats:

- Price: \$29.00
- Market Cap: \$4.51bn
- P/E: 22.0x
- EPS: \$1.27
- FY2025 Revenue: \$5.65bn
- FY2025 Adjusted EBITDA: \$471.3m
- FY2025 Operating Cash Flow: \$258.4m
- 2026 Revenue Guidance: \$5.8bn to \$6.0bn

Company Snapshot

Business Description:

Option Care Health is the largest independent provider of home and alternate-site infusion services in the US. The company delivers complex therapies in the home, ambulatory infusion suites, clinics and physicians’ offices through a national platform that included 87 full-service pharmacies, 73 pharmacies with ambulatory infusion suites and 109 stand-alone ambulatory infusion sites at year-end 2025. That scale is central to the investment case, because it supports payer access, referral density and local responsiveness in a market shifting toward lower-cost, non-hospital care settings.

Revenue Model:

OPCH generates revenue by delivering infusion therapy and related clinical services across home and alternate-site settings, including ambulatory infusion suites, clinics and physicians’ offices, through a national network of 87 full-service pharmacies and 109 stand-alone ambulatory infusion sites. The economics are driven primarily by patient volumes, therapy mix and payer reimbursement, with revenue supported by pharmacy dispensing and compounding, nursing support, care coordination and clinical monitoring.

Operating Segments

Segment	Revenue (B)	% of Revenue
Infusion Services	5.65	100%

OPCH reports one integrated infusion platform; diversification comes from therapy mix rather than separate operating segments.

Key Operating Metrics

- **Patients served / infusions administered** – OPCH served 315,000+ patients and administered 2.5m+ infusions in 2025, which is the clearest read on demand and throughput.
- **Network scale / capacity** – The company operates 190+ U.S. locations, 750+ infusion chairs and employs 5,000+ clinicians, supporting both national payer relevance and local responsiveness.
- **Payer access / reimbursement reach** – OPCH is in-network with the top 10 payers, covers 96% of insured lives, and derived 88% of 2025 revenue from commercial payers, making payer access a core operating lever.
- **Therapy diversification** – The company served 600+ therapies in 2025, and no single therapy represented more than 4% of gross profit, which supports the view that earnings are diversified rather than dependent on one drug.

Industry & Competition

Industry Overview

The U.S. home and alternate-site infusion market is benefiting from a structural shift away from higher-cost hospital settings toward lower-cost home-based care. Option Care's management describes the market as growing at a **high single-digit annual rate**, driven by therapy growth, payer cost pressure and patient preference, while the provider landscape remains **highly fragmented**, creating room for scaled operators to consolidate share. That industry backdrop supports the OPCH thesis because scale, payer access and clinical reach matter more as referral sources and payers prioritise outcomes, reliability and total cost of care.

Trends

- **Site-of-care shift** – Infusion is continuing to move from hospitals to lower-cost home and alternate-site settings. Option Care describes the U.S. home infusion market as growing at a **high single-digit annual rate**.
- **Fragmented market** – The provider landscape remains **highly fragmented**, which favours scaled operators that can consolidate share through payer access, density and execution.
- **Drug-mix change** – Biosimilar adoption is becoming a more important industry variable, affecting revenue mix and near-term profitability across infusion providers.

Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
Optum Infusion Pharmacy	UNH	\$312.7B	Listed by OPCH as a key competitor; competes through Optum Infusion Pharmacy, a unit of UnitedHealth.
Coram CVS	CVS	\$94.8B	Listed by OPCH as a competitor; competes through CVS's Coram infusion business.
Amerita Specialty Pharmacy	BTSG	\$5.2B	Listed by OPCH as a competitor; Amerita operates under BrightSpring Health.

Company Positioning

- **Optum Infusion Pharmacy:** Backed by a broader payer-provider platform, with clear scale advantages at the parent level. OPCH's edge is that it is the **largest independent** home and alternate-site infusion provider, giving investors more direct exposure to infusion growth rather than a diversified insurance-led model.
- **Coram CVS/specialty infusion services:** Large national competitor operating within CVS's wider pharmacy and healthcare ecosystem. OPCH appears better positioned as a focused infusion operator in a **fragmented** market where execution, payer access and referral relationships matter.
- **Amerita Specialty Pharmacy:** A direct specialty infusion peer under BrightSpring, but with less scale than OPCH. OPCH's differentiation is its broader national platform, which should support density, payer relevance and share gains.

Valuation

Current Valuation			
	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	0.9x	1.0x	1.0x–1.1x
P/S	0.8x	0.8x	0.9x–1.0x
Market Cap	\$4.0B	\$4.5B	\$5.2B–\$5.8B

Peer Comparison			
	EV/Revenue	P/S	Market Cap
Option Care Health	1.0x	0.8x	\$4.5B
UnitedHealth	0.7x	0.7x	\$312.7B
CVS Health	0.4x	0.2x	\$94.8B
BrightSpring Health	0.6x	0.4x	\$5.2B

Valuation Scenarios			
Scenario	Assumption	Implied Value	Upside/Downside
Base Case	Core growth offsets biosimilar headwinds; OPCH rerates toward c.0.9x sales	\$5.2B–\$5.5B	15% to 22%
Bull Case	Volume and margin hold up better than feared; OPCH reaches c.1.0x–1.05x sales	\$5.8B–\$6.2B	29% to 38%
Bear Case	Growth slows and mix/reimbursement pressure persists; OPCH falls to c.0.65x–0.75x sales	\$3.8B–\$4.5B	-16% to 0%

Fundamental Analysis

Quantitative Analysis (Financial Health)

Option Care Health delivered solid top-line growth in FY2025, with revenue up 13.0% to \$5.65bn and operating income rising to \$337.9m, although profitability was mixed as net income fell 2.0% to \$207.6m and gross margin compressed to 19.3% from 20.3%, largely reflecting therapy-mix and biosimilar pressure. The balance sheet remains sound rather than pristine: the company ended the year with \$3.46bn of assets, \$232.6m of cash and roughly 1.5x current asset coverage of current liabilities, while net debt of about \$928m still looks manageable for a business of this scale. Cash generation also held up well, with operating cash flow of \$258.4m in 2025, and management's guidance for at least \$340m in 2026 suggests the business should continue to convert earnings into cash even as it works through near-term mix headwinds.

Key Ratios

Valuation: P/E: 22.0x, P/B: 3.4x, P/S: 0.8x.

Profitability: ROE: 15.2%, ROA: 6.0%, Net Profit Margin: 3.7%.

Liquidity & Solvency: Debt-to-Equity Ratio: 0.88x, Current Ratio: 1.53x.

Growth Metrics: EPS Growth: 3.3% (FY2025 YoY), Revenue Growth (YoY): 13.0%.

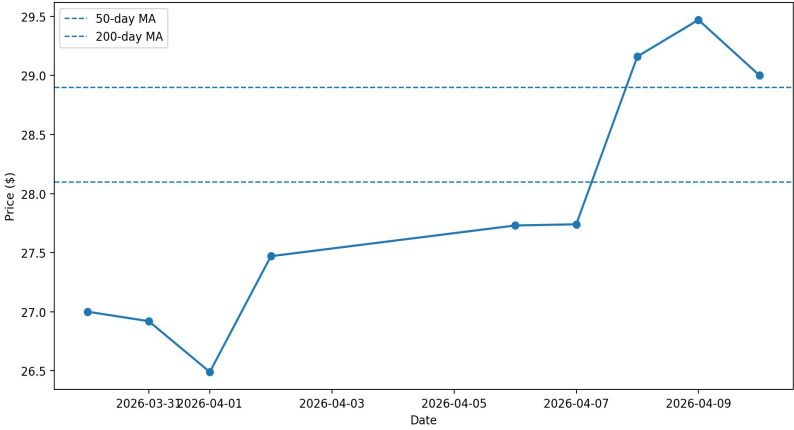
Quantitative Analysis (Business Fundamentals)

Option Care Health's business fundamentals support the thesis better than the headline margin profile alone suggests. In 2025, the company served **315,000+ patients**, administered **2.5m+ infusions**, and supported **600+ therapies**, while operating from **more than 190 locations** and maintaining access to **96% of insured lives** through longstanding payer relationships; that combination points to genuine national scale in a market where density, referral access and reimbursement reach matter. Just as importantly, the portfolio looks diversified rather than drug-dependent: **no single therapy represented more than 4% of company gross profit**, while commercial payers still accounted for **88% of 2025 revenue**, which reinforces the view that OPCH's earnings power is driven by breadth of platform and payer relevance rather than one-off product exposure. Taken together with management's disclosed **2020–2025 CAGR of 13% in revenue and 16% in adjusted EBITDA**, the operational evidence points to a business that is scaling with discipline and remains well positioned to capture share as infusion care continues to migrate toward lower-cost home and alternate-site settings.

Price Action and Charts

- OPCH has rebounded sharply in early April, rising from \$26.49 on 1 April to \$29.47 on 9 April, before easing to \$29.00 on 10 April.
- The move has taken the stock back above both its 50-day moving average of \$28.10 and 200-day moving average of \$28.90, which points to improving medium-term momentum.
- Recent price action suggests support around \$28.8 to \$29.0 and resistance near \$29.7 to \$29.8, based on the latest swing lows and highs.
- The setup looks constructive rather than stretched, which supports a BUY view but argues for watching earnings and guidance closely for confirmation.

Option Care Health (OPCH): Recent Closing Price Trend



Option Care Health (OPCH): Price vs Key Technical Levels

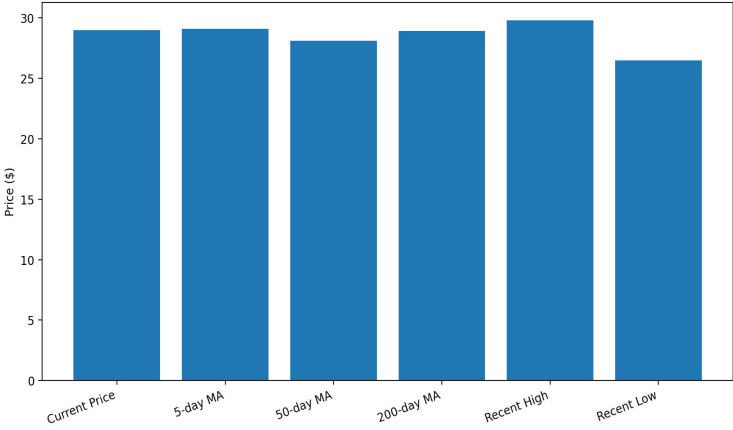


Chart note: Both charts use OPCH daily closes from 30 March to 10 April 2026 and current moving-average levels from the latest published technical data.

Common Technical Indicators

As of 10 April 2026, OPCH closed at \$29.00, modestly below its 5-day moving average of \$29.08 but above both its 50-day moving average of \$28.10 and 200-day moving average of \$28.90. The 14-day RSI of 53.7 points to neutral momentum rather than overbought conditions, while a MACD reading of 0.29 remains positive; Investing.com’s daily summary also reads **Buy**. Taken together, that suggests the stock is in a recovery phase with improving trend support, but not yet in a decisive breakout.

Core Assumption

Market discounts fundamentals early: OPCH’s price will likely move ahead of reported results if investors gain confidence that core growth can offset reimbursement and therapy-mix headwinds.

Prices move in trends: the recent move back above the 50-day and 200-day averages suggests sentiment has improved after the early-April dip.

Catalysts drive pattern confirmation: for OPCH, earnings and guidance are more likely than broad market noise to determine whether this recovery trend extends.

Conclusion/Recommendation

Investment Recommendation

BUY

Target Price & Potential Returns

Target Price: \$34.50

Potential Upside: c.19%

Core Thesis Summary

- OPCH is the **largest independent** provider of home and alternate-site infusion services in the US, positioned to benefit from the structural shift away from higher-cost hospital settings.
- FY2025 revenue rose **13.0%** to **\$5.65bn**, and 2026 guidance still calls for **\$5.8bn–\$6.0bn** of revenue despite known biosimilar and Stelara headwinds, which suggests underlying demand remains healthy.
- Scale, payer access and therapy diversification support the investment case, with **190+ locations**, **96% insured-life coverage**, and **no single therapy representing more than 4% of gross profit**.

Key Catalysts

- Q1 and Q2 results showing core growth is holding up despite biosimilar-related headwinds.
- Evidence that margin pressure is stabilising after the expected 2026 Stelara and biosimilar impact.
- Further market share gains in a fragmented industry, helped by payer access and national density.

Key Financial Metrics

Revenue: \$5.65B

Adj. EBITDA: \$471.3m

Operating Cash Flow: \$258.4m

Market Cap: \$4.51B

P/E Ratio: 22.0x

EPS: \$1.27

Key Risks:

- Reimbursement risk remains material, with **88% of 2025 revenue** tied to managed care and other non-governmental payers.
- Gross margin pressure from therapy mix and biosimilar conversion remains a near-term risk. FY2025 gross margin fell to **19.3%** from **20.3%**.
- Competitive intensity is still high in a fragmented market, so execution and referral retention matter.

Company Snapshot

Ticker: OPCH

Current Price: \$29.00

The figures above are supported by Option Care Health's FY2025 results, which reported **\$5.6495bn** of revenue, **\$207.6m** of net income, **\$471.3m** of adjusted EBITDA and **\$258.4m** of operating cash flow, while current market data places the shares at **\$29.00**.

Stock Type

Asset Class: Growth

Size: Large Mid Cap

Dividend: No

Sources

- **Company Filings & Investor Materials**

Option Care Health, Inc. Form 10-K / 2025 Annual Report, filed February 24, 2026, U.S. Securities and Exchange Commission and Option Care Health Investor Relations.

Option Care Health, Inc. Form 10-Q for the quarter ended September 30, 2025, filed October 30, 2025, SEC / Option Care Health Investor Relations.

Option Care Health Announces Financial Results for Fourth Quarter and Full Year 2025, official earnings press release and FY2026 guidance, released February 24, 2026.

Option Care Health 44th Annual J.P. Morgan Healthcare Conference presentation, January 13, 2026.

Option Care Health Annual Report & Proxy Statement page, used to confirm annual-report materials and company documents.

Option Care Health Events & Presentations page, including the Q1 2026 earnings-call notice and archived presentation links.

Option Care Health Historical Price Lookup, used for recent daily closes and chart inputs.

- **Financial Data & Market Information**

Current OPCH market snapshot from market data providers, used for share price, market cap, P/E, and EPS.

Option Care Health Historical Price Lookup, used for recent price action and support / resistance observations.

Investing.com Option Care Health technical summary, used as a supplementary reference for moving averages / indicator framing.

- **Industry & Competitive Landscape**

UnitedHealth Group Reports 2025 Results and Issues 2026 Outlook, used for UNH / Optum peer context.

CVS Health Corporation Reports Fourth Quarter and Full Year 2025 Results, used for CVS / Coram peer context.

BrightSpring Health Services, Inc. Reports Fourth Quarter and Full Year 2025 Financial Results and Provides Full Year 2026 Guidance, used for BrightSpring / Amerita peer context.

Option Care Health 2025 Form 10-K, used for OPCH's own named competitor set and competitive-risk disclosures.

- **Industry / Reimbursement / Policy**

Centers for Medicare & Medicaid Services, Billing and Rates for Home Infusion Therapy.

CY 2025 National Home Infusion Therapy Rates (PDF), CMS.

- **Transcripts / Secondary Sources**

The Motley Fool, "Option Care (OPCH) Earnings Call Transcript," February 24, 2026. Used as a supplementary reference only, not as a substitute for filings or the official earnings release.