

## Henry Schein Strengthens Its Commitment to Ambulatory Surgery Market With a Majority Investment in Stradis Healthcare

March 30, 2021

**Company's custom kitting capabilities will advance Henry Schein Medical's commitment to provide specialty solutions to customers**

MELVILLE, N.Y.--(BUSINESS WIRE)--Mar. 30, 2021-- Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of health care solutions to office-based dental and medical practitioners, today announced a majority ownership position in Stradis Medical, LLC (Stradis Healthcare), a transaction that strengthens Henry Schein's commitment to the growing ambulatory surgery market.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20210330005262/en/>



Based in Atlanta, Stradis Healthcare specializes in medical device packaging and custom procedure kits and trays. The company is a provider of customized procedure packs, minor trays, and kits to surgical centers, private practices, oral surgeons, and a multitude of surgical and clinical specialties nationwide. Privately held Stradis Healthcare was formed through a series of acquisitions beginning in 2000 and is now one of the only independent sterile medical kitting companies in the U.S, with facilities in Atlanta and in Waukegan, Illinois.

Stradis offers a variety of stock and custom procedure kits and trays. From IV start kits to major surgery back table kits – cardiac, dental/oral, obstetrics and gynecology, ophthalmic, orthopedic, plastic surgery, and more – Stradis builds its kits and trays using quality products to enhance any procedure. (Photo: Business Wire)

The addition of Stradis Healthcare to Henry Schein's Medical group will create a unique kitting, contract packaging, and serialized pharmaceutical organization that will advance the mission of health care delivery, creating efficiencies and savings

for providers, and facilitating the delivery of high-quality patient care. While Stradis Healthcare will maintain its own brand, management team, facilities, and market positioning, this investment will accelerate Henry Schein Medical's ability to provide innovative and customized solutions to practitioners, medical device companies, and health care distribution partners while also creating new business opportunities.

Stradis Healthcare had sales for the 12 months ended September 30, 2020, of approximately \$39 million. This transaction is expected to be neutral to Henry Schein's 2021 diluted earnings per share and to be accretive thereafter. Financial terms of the transaction were not disclosed.

"With the addition of Stradis Healthcare, we are strengthening our commitment to the ambulatory surgery market and enhancing our offering by combining product portfolios and capabilities," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. "Ambulatory surgery centers play an important role in reducing the cost of health care. As a result of this partnership, Stradis Healthcare will advance Henry Schein Medical's deep commitment to provide specialty solutions to customers along the health care supply chain. We warmly welcome our new Stradis Healthcare colleagues to Team Schein."

Jeff Jacobs, the CEO and Founder of Stradis Healthcare, will help facilitate a smooth transition over the next 18 to 24 months in a non-executive role. Adam Sokol, Vice President and General Manager, and Dave Landry, Vice President, Sales and New Business Development, of Stradis Healthcare will continue to manage the day-to-day operations of the business. Additional information about Stradis Healthcare is available at [www.stradishealthcare.com](http://www.stradishealthcare.com).

"We operate in a large, growing, and highly competitive market," said Mr. Sokol. "In 2018, 5,700 Medicare-certified ASCs operating in the U.S. performed 23 million procedures, the majority of which required a custom procedure tray or kit. As part of Henry Schein Medical, we will be able to expand our geographic reach, better serve current ASC customers of both companies, and grow our business through a customer-centric offering and even stronger relationships with our manufacturing partners."

### About Henry Schein, Inc.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology. With more than 19,000 [Team Schein Members](#) worldwide, the Company's network of trusted advisors provides more than 1 million customers globally with more than 300 valued solutions that help improve operational success and clinical outcomes. Our Business, Clinical, Technology, and Supply Chain solutions help office-based [dental](#) and [medical](#) practitioners work more efficiently so they can provide quality care more effectively. These solutions also support [dental](#) and [medical](#) laboratories, [government and institutional health care clinics](#), as well as other alternate care sites.

Henry Schein operates through a centralized and automated distribution network, with a selection of more than 120,000 branded products and Henry Schein private-brand products in stock, as well as more than 180,000 additional products available as special-order items.

A FORTUNE 500 Company and a member of the S&P 500® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 31 countries and territories. The Company's sales reached \$10.1 billion in 2020, and have grown at a compound annual rate of approximately 12 percent since Henry Schein became a public company in 1995.

For more information, visit Henry Schein at [www.henryschein.com](http://www.henryschein.com), [Facebook.com/HenrySchein](https://www.facebook.com/HenrySchein), [Instagram.com/HenrySchein](https://www.instagram.com/HenrySchein), and [Twitter.com/HenrySchein](https://twitter.com/HenrySchein).

### **Cautionary Note Regarding Forward-Looking Statements**

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements include EPS guidance and are generally identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate," "to be," "to make" or other comparable terms. Forward looking statements include the overall impact of the Novel Coronavirus Disease 2019 (COVID-19) on the Company, its results of operations, liquidity, and financial condition (including any estimates of the percentage impact on these items), the rate and consistency with which dental and other practices resume normal operations in the United States and internationally, expectations regarding PPE and other COVID-19 related product sales and inventory levels and whether one or more resurgences of the virus will adversely impact the resumption of normal operations, as well as more generally current expectations regarding performance in current and future periods. Forward looking statements also include the Company's ability to make additional testing available, the nature of those tests and the number of tests intended to be made available and the timing for availability, the nature of the target market, as well as the efficacy or relative efficacy of the test results given that the test efficacy has not been, or will not have been, independently verified under normal FDA procedures. A full discussion of our operations and financial condition, status of litigation matters, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: effects of a highly competitive and consolidating market; increased competition by third party online commerce sites; our dependence on third parties for the manufacture and supply of our products; our dependence upon sales personnel, customers, suppliers and manufacturers; our dependence on our senior management; fluctuations in quarterly earnings; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global macro-economic conditions; risks associated with currency fluctuations; risks associated with political and economic uncertainty; disruptions in financial markets; volatility of the market price of our common stock; changes in the health care industry; implementation of health care laws; failure to comply with regulatory requirements and data privacy laws; risks associated with our global operations; risks associated with COVID-19, as well as other disease outbreaks, epidemics, pandemics, or similar wide spread public health concerns and other natural disasters; risks associated with the United Kingdom's withdrawal from the European Union; transitional challenges associated with acquisitions, dispositions and joint ventures, including the failure to achieve anticipated synergies/benefits; financial and tax risks associated with acquisitions, dispositions and joint ventures; litigation risks; new or unanticipated litigation developments and the status of litigation matters; the dependence on our continued product development, technical support and successful marketing in the technology segment; our dependence on third parties for certain technologically advanced components; risks from disruption to our information systems; cyberattacks or other privacy or data security breaches; certain provisions in our governing documents that may discourage third-party acquisitions of us; and changes in tax legislation. The order in which these factors appear should not be construed to indicate their relative importance or priority.

We caution that these factors may not be exhaustive and that many of these factors are beyond our ability to control or predict. Accordingly, any forward-looking statements contained herein should not be relied upon as a prediction of actual results. We undertake no duty and have no obligation to update forward-looking statements.

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