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PRESENTATION

Jon Block - *Stifel - Analyst*

All right, guys. Thanks and I guess everyone grab their seats. Please have Henry Schein with us this morning and joining us. We've got the full team on stage Stanley Bergman, Chairman and CEO; Ron South, Senior Vice President, Chief Financial Officer; also Andrea Albertini, Chief Executive Officer, International Distribution Group; and Brad Connett, CEO of North American Distribution Group. And hopefully, we'll have questions across our teams and organizations, and we'll get a deep dive.

QUESTIONS AND ANSWERS

Jon Block - *Stifel - Analyst*

Before going into that deep dive, I should have a high-level question, Stanley, that I've been asking some of the CEOs and CFOs at the conference maybe a good way of framing it. Dental stocks have underperformed since emerging from COVID. To be clear, Henry Schein has held up better than others. But I think it's safe to say the Group has struggled.

I think as an analyst, you get to like a lot of incoming questions across different topics. So investors are asking about value implants, private label, pricing power that's more subdued relative to other industries. We had animal health companies here yesterday taking 4%, 5% in price.

That's less common, certainly, in dental. And they're questioning the structure of the market from an investment perspective. I'd love you to maybe just talk about some of those industry concerns and then more specifically for Henry Schein and your diverse portfolio, how and why are you best positioned to deal with those challenges. A lot there and welcome.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

All right. So Jonathan, of course, what you're asking of actually is the right question. I think from an overall point of view, take a look at where the market was in '19 and look where it is now. And we've seen steady growth having said that, there were ups and downs.

In our case, there were significant ups because of PPE and tests. We gave that data each quarter, you've got to back that out. Then there was a shortage of products in '19 and in '20, of course, we had the situation in the second quarter of '19 where there were not procedures done and they had to catch that up, get those backlog procedures through the system.

And then there was a shortage of materials, specifically for equipment, big backlogs. And then we moved into '23, which was sort of much more of a stable year. But I think the market in many respects built on the '22 numbers. So if I were an analyst, what I would do is take a look at where the market was in '19 look forward and you will see that it's a pretty stable market.

Yeah, there were ins and outs, ups and downs. On the equipment side in particular, there were some manufacturers that took up the pricing quite high during that super inflation period on manufacturing equipment. And some have brought it down, some have not brought it down. So there's been shifts of market share.

They've been on the implant side, some procedures that are not doing as well as maybe in '19. But in general, the implant market is doing okay. The entire market is doing okay. We're not big players in orthodontics, but I think you know what's going on there. It's not a terrible market. And generally, it's a stable market, but you have to accept those variables.

Jon Block - *Stifel - Analyst*

If we exit those variables and we bring it to today's world and we focus on the dental trends. I think on the first quarter call, you mentioned the US dental trends improved in March and into April, and we saw that or you experienced it both in the US and international markets, I'm sure that is a better exit rate. How has that improvement sort of continued as we think about it currently, the level of improvement that we saw March into April, has that continued into the month of May.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

Yeah, we can talk about exactly what's happening in May at the moment. Obviously, we're in a relatively quiet period, but we have indicated in our previous calls that the market generally is stable. There are some pockets around the world where there's a challenge.

But I think the markets in general we've said are stable and we've given some indication on the various categories that we gave indications on equipment sales demand if we gave some thoughts on implants. And again, I think you have to bear in mind where we were and where we are '19 versus where we are today and a relatively stable market throughout the world.

Jon Block - *Stifel - Analyst*

Okay, I'm going to push a little bit into the distribution businesses. Brad, maybe I'll start with you. If you could just talk to us about the North American distribution business, the efforts to recapture cybersecurity business in North America, I think the companies called out those episodic customers, the more challenging ones. Maybe talk to us how the recapture is progressing and your ability to win back those customers?

Brad Connett - *Henry Schein Inc - Chief Executive Officer, North American Distribution Group*

Yeah, John, thanks for the question. Appreciate being here this morning. The question's a good one obviously, it is a pretty remarkable recovery given what we went through. I wouldn't wish a cyber-attack on our worst enemy.

So I mean everybody better be prepared, nobody's immune from it, I can tell you that right now. So we went through a really trying moment there in the fourth quarter. I mean our web was down for an extensive period of time and the vast majority of orders come through our web. So we went into emergency mode with our omnichannel sales approach.

Our reps went back to an analog type of business rather than digital. We have an omnichannel approach that we had our field reps very focused on our customer base to make sure we're getting orders to them. We have a telesales channel, we have our digital revenue channel, we have a telemarketing channel and, of course, our old tried and true merchandising channel.

So everybody went into a mode of recovery and making sure we win back our customers. What we found in the data is very clear. Our large customer stayed with us, and that's both in dental and medical. Our large DSOs, our large health systems on the medical side, the upmarket they stayed with us, they were loyal.

We did an enormous amount of work on workarounds to make sure they can continue to do EDI and punch out with us in that mid-market section, the emerging DSOs actually grew for us. We're winning customers during a time when we were really again in a mode of just transaction.

And same thing in the medical space where the erosion, as you pointed out, is what we call our episodic customers. And these customers, quite frankly, were shopping us before cyber right? They're episodic by their very nature. We don't pretend we have 100% market share.

So we get shopped and these customers were looking for -- had to look for alternatives. Keep in mind, our sales force I just mentioned, was very, very focused on our work, loyal and high spend customers. That was the critical part to get back and we got those back and they're growing.

The episodic, we know who they are, we've had really strong campaigns in the fourth quarter. We -- I know we referenced in our reports that we did some discounting to get those customers back. We won't win them all back, I'll just be very candid. We are sequentially getting better and every month in this year, winning those customers back. But in the nature of distribution, you're always going to have churn.

So as we lose some customers, what we always have going for us is we're always selling, always filling that funnel. Our sales force and our sales organization was not in an aggressive selling mode in the fourth quarter and even into January. So our team is back selling, our team is back aggressively going after those customers.

We have a unique position to offer them in a time where dentists are very are particularly very busy. Our dentists are very busy right now and they're going through that classic squeeze in a consolidating provider market we've seen this movie in medical.

We saw physicians get acquired in 2015, we addressed that, we changed our go to market strategy. Dentists today need our help, we're not just a distributor -- a very important distinction. We're a distributor, we're a specialty manufacturer, we're a technology company, we're an education company, we're a sourcing company and the list goes on and we can go in and talk about revenue generation opportunities for our dentists, efficiency opportunities, I could go on and on with the specific products, but I think I'll defer to that.

Jon Block - *Stifel - Analyst*

On the episodic side, is there a way to think about what percent of the revenue they go and account for?

Brad Connett - *Henry Schein Inc - Chief Executive Officer, North American Distribution Group*

We have a really distinct of segmentation so it's I don't know if I should say percentage and or defer to that or do you want to --

Ronald South - *Henry Schein Inc - Chief Financial Officer, Senior Vice President*

Well, I think one way of looking at it, it's actually kind of a difficult segment to quantify because of the volatility of the purchasing patterns, right. What we did disclose as part of our Q1 earnings was that we estimated about 300 basis points to 400 basis points of kind of denigration to sales growth as a result of still kind of coming out of that residual impact as we look to recover these particular customers, right.

That doesn't necessarily mean they are 3%, 4% of the business it could be from a number of customer perspective, it could be larger than that, but they buy less than the average customer right. So on a top line basis, it was about a 300 basis points to 400 basis points higher.

Jon Block - *Stifel - Analyst*

And I know I'm going to get this question if I probably haven't already in my e-mail. But when Brad sort of says, hey, look, we're not going to get them all back, which seems pretty real world, Ron, is that what you would dial in, walking back to which started at 8% to 12% for the year and now 8% to 10%. Is that reflected in sort of that, that band of call it the recapture rate of those episodic?

Ronald South - *Henry Schein Inc - Chief Financial Officer, Senior Vice President*

Yeah, we contemplated that in our guide when we affirmed our guidance, we kind of modeled out where we thought some of the recovery rates were and we were able to kind of hold to our EPS guidance as communicated, and we adjusted the revenue guidance accordingly.

Jon Block - *Stifel - Analyst*

Okay. Maybe we can move on to the international side of things and similar types of questions, the recapture, how is it progressing. And then what I'd love to hear about is one more difficult than the other. I think Stanley has heard us ask about the recapture on dental versus medical, but how about the recapture of US versus international are there any different behaviors there?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer, International Distribution Group*

Thank you, John. So first, of all, not all the international market was impacted by cyber, it was our European business. We didn't have any impact on Australia or Asia or South America. For the European business, the dynamics are very similar to what Brad described for the US.

So we were out of our e-commerce, we didn't have technology. So our team had to step in and serve our customer in an analog mode. We did a great job, I believe in serving the customers and we secured all the loyal customers, the customer we have a strong relationship with and we struggle on the episodic customer that takes longer to recover.

If you ask, are there differences between market, I would reply it depends on how long the system took to go back online and how much percentage of online business we used to have in this specific market. So Germany was slightly less impacted than the UK for example, but overall we are in a similar situation.

We're back in normal business with the majority, the large majority of our customers and we struggle a little bit on the episodic customer that takes longer. We are using the omnichannel approach that we have so we have people in the field getting back customers. We have people on the phone and we are doing digital marketing that is an important component of this recovery.

Jon Block - *Stifel - Analyst*

Okay. And maybe one or two last questions down this road, is that window somewhat closing on the opportunity to win back those episodic and then it might just get murky because you've got a business that people debate about, especially the episodic.

But I would think that once you've gone to a different platform and you've been there for six or nine months, which we're coming up on. We think it's sort of later stages -- we're in the later stages as the possibilities of getting some of those customers back.

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer, International Distribution Group*

Yeah, Brad said it correctly, we will not own the customer spec, but we are going back to business as usual. You lose some customers and you need to get new customers and our job is to gain new customer and we are very determined to acquire new customer consistently.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

And John, that's why we won't be -- we don't anticipate quantifying this effect going forward because to your point, it's very difficult. I mean, what assumptions do you make there ordinary course of businesses we go out, we try to increase our market share, we try to increase our share of wallet with customers and that's what we're doing.

Jon Block - *Stifel - Analyst*

And that might be sort of a good segue the next question, I want to ask, it's not often I get the CEOs of the international business and the US business up here. So in terms of the market, right, Henry Schein's got its competitors in the US and then much more fragmented in the international markets, maybe talk to the investors, how your teams work together to leverage Shein's global footprint that reach in order to drive and win business.

Brad Connett - *Henry Schein Inc - Chief Executive Officer, North American Distribution Group*

Shall I start. Yeah, no, first is just my relationship with my colleague here, we're joined at the hip in our distribution business worldwide. So our teams are merged together we're obviously in very different countries, et cetera.

But where some of the specifics just to give you an example, we're the only dental company in the world that can share data and it has data and data is a currency and it's king as we've heard in many other industries. So we have data to share, we are also the only global distributor that has partnerships with the key supplier partners and that's an advantage for us and it's an advantage to the suppliers.

We are a global company so we do a lot of sharing and I don't like the word best practices because it's a little loosey goosey, but where teams get together, DSO's are starting to cross borders they're growing so as they grow, as they expand and look for opportunities to go across borders, we had one last year expand up into the north into Canada.

We had that customer here in the states and picked up a very large DSO in Canada as a result. So we see a lot of opportunities there. And again, I would go back to our supplier relationships we have a team one on my team, one on Andrea's team that are really together jointly on our supplier relations, you may have some.

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer, International Distribution Group*

I think you commented we are the only distributor that can cover the globe and we take advantage of it for the benefit of our customers. We do it in the relationship with our suppliers, but also in serving the customer that are starting to go in multiple geographies. And of course, we share whatever we can internally in terms of tools, in terms of developing new solution for our customers.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

At the end of the day, global supplier relationship is very important for certain suppliers we work with globally, work with very well. Data we define what our mutual goals are, we work together with those suppliers and particularly with certain customers.

That's a huge advantage no one else has that and the data we have, no one else has that and so of course, these best practices, but the ability to work closely with certain suppliers and certain customers has been a driver in the profitability growth of our certain suppliers in the Schein.

Jon Block - *Stifel - Analyst*

Interesting comment too on the DSO side, I mean to your point up until now, it's really been these massive organizations that are either here or there and not across the border, if you would, I guess as that occurs more and more frequently, you guys are ideally suited to take advantage of that situation.

I'm going to shift in a lot of different topics to try to hit on dental equipment and we had a panel up here earlier on the high tech side of things. Stanley, it seems like iOS pricing is stabilized tell me if that's accurate 3D printing is ramping, but it's a relatively low ASP.

Just when we look a little bit further down the line specific to high tech equipment. Your thoughts and opinions on the market and do we need another breakthrough technology to really help drive the overall high tech equipment and accelerate the growth rates there?

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

I don't think we need a breakthrough in technology. We need the iPad of the industry everything is in one place.

Jon Block - *Stifel - Analyst*

Similar comment that we had earlier today, but please elaborate.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

I believe we have it, we more components than anyone else. Our strategy has been one called three-click dentistry. We didn't come up with that term one of our big customers if not our biggest, said we want everything in one place.

It doesn't have to be the very bleeding edge technology, but our dentists want to turn around and see the clinical workstation in the practice where everything is connected. Where not only is the chart there, you can document the procedures that are undertaken, but you can sit with the patient and show the patient what the procedure is going to result in.

And by the way, this is how much insurance you have, this is how much you can get right away and if you need, if there's a gap in a financing, it's available right there and then. This is our goal I don't think we need any major breakthroughs the technology is there, of course, what is critical.

The suppliers who we represent, they have to invest in innovation. And unfortunately, some have not invested in innovation, new players have come along and we've had to work with them. We have to work with manufacturers where the technology is -- and the innovation is good. It doesn't have to bring usually good I mean, the AI world we represent products. We have enough products for sale in AI right now.

Jon Block - *Stifel - Analyst*

So to your point and it's funny, we again we heard similar commentary earlier today on the panel, but it might not be hardware related it might be software related to help the integration make things more seamless increase patient conversion rates, help out on financing that might be really the driver rather than the next big splash to do it.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

If you summarize but I don't think the iPad is the best technology potentially available, but it's convenient. The next in fact, Andrea's major, one of his major roles of course, in addition to running our international businesses, is to take the various components of digital technology that are available around the company, starting out with our practice management system and working with manufacturers that have all these devices.

And ultimately choosing between where the procedure the prosthetic is going to be manufactured in the lab and make sure the lab is digitally updating and 3D printing or the traditional machine for the traditional prosthetic machines. But Andrea, maybe you want to go through that but I think this is where we're investing.

Andrea Albertini - Henry Schein Inc - Chief Executive Officer, International Distribution Group

You said it very correctly, it's not about the big innovation, it's more about making the innovation that is already on the market. Available to the customers in a seamless way in a convenient way, and if we want to move from the early adopter to the mass use of this technology. We need to make it simple and we are very well positioned, working with our partner suppliers. To bring this technology to the point of use to the practice and connect it in a way that is simple to use.

Jon Block - Stifel - Analyst

So I think about like rough penetration rates, I mean iOS, I don't know 30% to 50% 3D printing 15%, going to being 20%, there's still a really long way to run. And these penetration rates across the board, the question is how do we step function those higher and step function those higher seem to be software related to get it all in one place and the connectivity there?

Stanley Bergman - Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director

Okay, great. We can get a manufacturer to connect to our electronic medical record. That's going to create the sale, not whether it has an additional feature on the particular scanner and this is what we're working on. So it's not about manufacturers having the greatest technology, it has to be a reasonable amount of innovation, but the willingness to connect to our digital workflow and to put money into investing in that connectivity that is going to drive this whole business.

Jon Block - Stifel - Analyst

And something else that you're certainly working on, I'll pivot to the specialty businesses. Implants and your franchise there, it seems like you've been in a sweet spot. Stanley, you've talked about being under-indexed to full arch where maybe some of the market weakness resides.

You got your new value offering that you recently launched in North America and I think innovation expected in the back part of the year, which you've talked about, can open up an additional market, increase your overall TAM. So maybe talk to us about those moving parts, strengthening the portfolio and your comfort that some of those recent share gains that you've experienced that can continue.

Stanley Bergman - Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director

Yeah, at the end of the day, it's like what consumers, consumers want a reasonable value proposition the reliable product at a good price. And that's what we've been advancing throughout the world in our number three in implants and number two Endo, based on that proposition, do we have great innovation?

Yeah, I think our implant people will tell you our products are better than most, but it's about having a portfolio that is easy to use with a value proposition. In our investment recently in the Brazilian company gives that up -- gives us that opportunity.

Jon Block - Stifel - Analyst

Well, I want to make sure I pivot and we've got maybe five or so minutes left. Just to start on margins, first quarter 1Q '24 gross ones were strong and they outperformed our estimate. You feel comfortable that's representative of 2024?

Maybe the one caveat would be if the lower margin distribution were to come back, that business come back stronger than expected, that could pressure gross margins, but arguably it would be gross profit dollar accretive. Is that the right way to think about it?

Ronald South - *Henry Schein Inc - Chief Financial Officer, Senior Vice President*

No, that's absolutely the right way to think of it, John, I think I do think the first quarter gross margin is relatively representative of where what we can achieve going forward. It did show the growth we've had in some of the higher growth, higher margin businesses.

And this is really executing against our strategic plan from '22, '23 and '24 the acquisitions we did last year are tend to be higher margin businesses and that is contributing to that higher gross margin. They're taking on a greater mix of that revenue, correct.

There's also, as you said, as we continue to see marginal increases in the distribution business in terms of the recovery that could enter that mix a little bit. But I do think that based on what we're seeing in terms of growth in our some of our value-added services, the gross margin can be that we had in the first quarter can be fairly representative of what that will be for the balance of the year.

Jon Block - *Stifel - Analyst*

Okay. And I'll touch on some other areas as well as just in terms of the guidance, as I mentioned earlier, 8% to 12% went down to 8% to 10%, but you kept the bottom line and tagging of some of the EBITDA commentary and the growth rates intact. Would you make up in the cost structure, maybe just walk us through how you're able to preserve bottom on EBITDA growth even though the midpoint of the top line came down a bit.

Ronald South - *Henry Schein Inc - Chief Financial Officer, Senior Vice President*

But I would say as opposed to in the cost structure, I'd say it was more in the mix of the top line, right, so that some of the higher margin businesses, performed a little better than we expected in the first quarter and we're confident in the run rate that of those businesses.

So the as you look at the performance of those businesses and the contribution they make to the bottom line, while they don't contribute as much to top line growth, they do contribute well to the bottom line and that mix taken into consideration.

Jon Block - *Stifel - Analyst*

Okay. And then just maybe this pulls back in some commentary from on the distribution side, but you have a lot of data, right, you talked to that earlier. When we look at your growth rates for March, April, May, and we'll keep the specifics out.

But do you still feel like you're growing north of market to some extent, because that might be just the easiest way to think about the rate of recapture right, if there's still some net recapture going on, arguably you'd be growing at a premium to market that rate might be diminishing as we go further out. But any statistics or your comfort that is taking place.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

I think over time, the cyber incident will wear off we'll be back in the market looking for new customers. We've been in the market looking for new customers since March. The first quarter a large part of the first quarter was really going back and reminding our customers that we're here, sorry for what happened.

We'll fix this we'll maybe give you a bit of a deal, but I think we'll go back into growing market share. We have done that in all of our businesses that were not impacted by cyber incident level on market share.

Jon Block - *Stifel - Analyst*

Net share gain, okay. One or two more for me in running got to bother you a little bit on the EPS cadence and I'll lean on Stanley earlier just said, hey, look, the markets, okay, it's been very noisy, but start with 2019 and look towards today.

So on the EPS cadence and some numbers that I ran pre-COVID let me know if I'm laying this out effectively, 1Q EPS was roughly 22% to 23% of the full year earnings, relatively consistent. This year is \$1.10, that would represent 21% at the midpoint.

And I get that the EPS contribution should probably ramp throughout the year because of the recapture. But you do have a big step up Q over Q, the 1Q versus the 2Q, and it's well above where it was sort of pre-COVID. So just any thoughts when we think about where the street is for 2Q again, that's sequential seems very high versus where you were during pre-COVID times.

Ronald South - *Henry Schein Inc - Chief Financial Officer, Senior Vice President*

Now, one of the things we talked about earlier, John, was that we do expect the revenue growth to be more pronounced in the second half of the year than in the first half of the year. Some of that is representative of some recovery in distribution. Some of it also assumes some success of the launch of some new products we have on the specialty side specifically and some implant launches we're doing in the US.

Some of it's also some new technology products that we've come out with, and that's going to contribute, we believe right now in our projections to greater growth in the second half of the year than what we have achieved in the first half of the year. So the earnings will kind of follow that trend, right, the earnings will follow that pattern as well.

Distribution with the recovery in distribution we're looking at marginal increases as the year goes on. So that still might create some going back to your pattern, maybe the pattern doesn't match up exactly to what you've seen historically in terms of the cadence first quarter, second quarter, third quarter, fourth quarter for those reasons that I would expect the earnings to be have greater growth in the back half of the year, more consistent with that revenue growth in the back half of the year as well.

Jon Block - *Stifel - Analyst*

Okay, and try to push on that before I ask my final question, this year's street at \$1.25 up 13% to 14% Q over Q 1Q to 2Q pre-COVID, it was much more modest 6%. So again, it should be north of 6% because of some of the recapture. Are we overstepping on that mid-teens sequentially it doesn't seem like that the pattern or the cadence is a little off?

Ronald South - *Henry Schein Inc - Chief Financial Officer, Senior Vice President*

Yeah, we haven't provided quarterly guidance per se, but your observations are fair.

Jon Block - *Stifel - Analyst*

Okay. And then Stanley, just last one, do you think that I'm most excited about when we upgraded the stock, back when you were having the cybersecurity issues and you're going to come out of it and you have very effectively, but also have the momentum into 2025.

And so maybe you can speak to how that is now behind you. You're back to winning customers you've made the acquisitions and the investments in the higher margin specialty business. You've talked about some opportunities in higher margin, maybe in the last one or two minutes. If you can just position the opportunity that you see for Schein and during next year?

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

So John, we outlined our strategy in our Investor Day. We are delivering on the strategy to build these specialty products and services businesses. We're doing very well, particularly with the services businesses, I would say very well with the specialty product businesses too.

The whole idea of both the optimizing, the operationalizing of our distribution businesses, we're doing very well in I think in capturing most of our good customers. We now have to go after these episodic we do have, by the way, some websites, et cetera that don't operate under the Henry Schein name that are also going after these customers and doing quite well.

The big opportunity is the leveraging, going to customers that are doing business with one part of Schein and having to do business with other parts of Schein. That is going very well, specifically with the larger customers and now we want to take it through to the rest.

And the whole digitalization, I think we brought digitalization to dentistry. We were the ones that went to dentists and said, put a computer in the office add a clinical chart to your practice and now we're going and talking about the clinical workflow and we have all the pieces we are going to put them together.

And I think we're well underway with our strategic plan we did a midyear review with our Board and the numbers were all pretty good and I'm very optimistic about the future of dentistry.

Yes, there's been some issues in dentistry, particularly certain company-specific items. And yes, if you didn't take [19 and you smoothen that out to get to 24], you would see ups and downs. But generally, dentistry is a stable business and we need to provide dentists with more tools to run an efficient practice. So they can focus on the clinical side.

Jon Block - *Stifel - Analyst*

And I guess during that period of time, you guys are bringing a strong balance sheet strength in your portfolio and an opportunistic where you could be?

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

Yes, our balance sheet remains good. We are generating good cash flow because we had some receivables, a bubble you would've expected at the end of the year, come down. A couple of our customers, not a couple, there's a lot of customers are still impacted by the change issue, but these are not customers that are not going to pay us, they are just getting delayed and we had an alternative to Change. The electronic claims processing system was up within 48 hours and I think a lot of our software competitors are still challenged in processing claims.

Jon Block - *Stifel - Analyst*

Any last minute questions for the Schein team? Gentlemen, thank you very much for your time.

Stanley Bergman - *Henry Schein Inc - Chairman of the Board, Chief Executive Officer, Director*

Thank you.

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