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OVERVIEW:

Company Summary

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John Stansel *JPMorgan Chase & Co - Analyst*

PRESENTATION

John Stansel - *JPMorgan Chase & Co - Analyst*

Hello. I'm John Stansel, and I'm a member of the healthcare services team here at JPMorgan. I've been joined by a large cohort of the Henry Schein management team, including CEO, Stan Bergman; CFO, Ron South; Andrea Albertini, the CEO of the Global Distribution and Technology Group; and Tom Popeck, the CEO of the Global Products Group. So we're going to start with a bit of a presentation from the guys, and then we will go into a Q&A afterwards.

Ronald South - *Henry Schein Inc - Chief Financial Officer*

Very good. Thank you, John.

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

Thank you, John. We must have seen practically everyone at this conference in one-on-one. So those that are here, thank you for coming.

I'm going to go through this, John, if that's okay, very quickly, so that there's more time for Q&A. But this is going to be posted on the website. So we're very pleased that yesterday morning, we announced Fred Lowery as the Henry Schein new CEO effective March 2 of this year.

In July, I announced my plans to retire and the plan contemplated a recruiting process, a succession recruiting process, a review of internal candidates and external candidates by our Nominating and Governance Committee. The process actually went quite well. There was tremendous interest from external candidates. And of course, we had internal candidates.

And although we had planned to announce the new candidate by -- the new successor, the candidate by the end of this year -- end of last year, we delayed it a couple of weeks just to make sure that there was an orderly transition with both companies.

Fred is a unique individual and really has the domain expertise to lead Henry Schein to the next level. He comes out of Thermo Fisher, which is a company that has a distribution business, Fisher Scientific is the origin to that business. And that model is almost identical to the Henry Schein model. Consolidated US distribution, went global, added OEM owned brand products, vertically integrated in specialty products, added value-added services and balanced these own brands while continuing to be a key provider or distributor of products that are national brands.

Fred has been with Fisher for two decades, has great experience in manufacturing, in distribution, in managing brands. And at the same time, works closely on creating value because when you make a lot of acquisitions, you want to figure out the optimal way of integrating those acquisitions. You want to find the optimal way to advance gross profit. And Fred had done a lot of that work, a huge amount of that

work in his prior roles. He will add significantly to the strategy to advance our BOLD+1 strategy and the value creation initiatives. I don't think we could have found a better candidate with that kind of experience.

But what I think is really very important is that Fred's values are identical to Henry Schein's, a system, a philosophy, if you will, where people are number one and with people -- it's understood that people drive the business because essentially what we sell is available from many others.

The reason we're number one or number two in each of the markets that we serve is because of our values. And those values over time drive the culture and the culture has to adapt to the marketplace needs at the time. This is precisely the kind of work that Fred has been involved with. Our executive management team has met Fred in the last month or so.

I'm very, very excited. The teams are highly motivated. The business is doing well. There's great momentum as we discussed in our third quarter call. The cyber incident is behind us.

We're not defending our market share anymore. We're actually growing our market share in a very aggressive way. The two leaders of our business units; Andrea, who leads our distribution business and our tech business -- our technology business, primarily the joint venture of Henry Schein One; and Tom, who leads our owned brands product offering are very excited with where the business is going together with the rest of the senior management. And in fact, the whole company and the momentum is great. So I'm not going to read what's on the screen, but you'll see -- you can read it later on the website that this is an ideal fit.

Fred is an ideal fit. It's like a hand in a glove for Henry Schein, and the teams are very, very excited to be working with Fred. The Henry Schein overview, again, this is available on the website. We're the number one provider of products and related services to office-based practitioners.

Whatever these practitioners need, dental, medical, we have. The business is growing nicely. Yes, we had a sort of a challenge with our cyber incident, but things are moving along very, very nicely.

We're the market leader. We've got a huge customer base, over 1 million customers, excellent relationships with our larger customers, a diversified portfolio and these integrated solutions are what's driving the business.

The '25 highlights are here. The market -- the dental market is stable. Units are pretty stable, probably in the US leaning to the positive. There's some pricing pressure in the context of products moving.

When you say pressure, the average ASP of some products are going down. This is a movement from national brands to corporate brands. But overall, the market is doing well on the dental side, the medical side, and Henry Schein is gaining market share.

The sales in all of our businesses have accelerated in the last few quarters. The specialty and technology businesses are doing well. And the growth in distribution from a market share point of view globally is also growing.

The value creation activity is going well. We announced over \$200 million of value creation, primarily in the areas of driving efficiency, as I noted earlier on, and gross margin enhancement. We have a very good balance sheet. We turn our profits into cash.

We deploy our cash into some acquisitions, but also in buying back stock. And our strategic plan of BOLD+1 with a key component of driving high-growth, high-margin businesses and our own brands doing well, where we have a goal of 60% of our operating income coming from these high-growth, high-margin and own brand products. We're well on the way towards that goal for '27.

The long-term growth strategy is on the screen. I just don't want to spend too much time on this. It's all clear. It's here. I'd rather handle a Q&A. I think that's a better use of our time, John.

Financial overview, Ron, if you just want to give it to the very top highlights, that would be very helpful.

Ronald South - *Henry Schein Inc - Chief Financial Officer*

Yeah. You can see the trends here. If you go back to '17, you can see the positive trend lines we had in operating income. We get to 2020. I think we all know what happened in 2020. You see the reduction.

In 2020, we had EPS -- in the second quarter of 2020, we had EPS of 0 as an absolute breakeven quarter for us. So you see that the decline in 2020. And then we had -- we got quite the benefit from the demand for PPE, the demand for COVID test kits.

You look at a year like 2022 when we had \$1.75 billion combined revenues in PPE and COVID test kits. Those revenues are expected to be in '25, something much more closer to, say, \$500 million. So you see the benefit we got from that, the pullback a little bit.

We had some disruption in 2023, as Stanley mentioned, from the cyberattack. The numbers you see on the screen are actually normalized to show what we believe that our earnings would have been without the cyberattack. And then you see the growth -- that we returned to growth in 2024, and we expect to continue to -- as we communicated at our most recent guidance that in 2025, we will continue to see that growth.

So we've kind of returned to the growth. One thing I do want to point out, you see the operating income CAGR of 3.6% versus the EPS CAGR of 6.2%, indicative of some -- slightly more aggressive share repurchase activity that we've done in the last several years, indicating our confidence in the business as we continue to reinvest and provide a, I would say, a more tax-efficient way of getting a return to our shareholders as well.

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

Thanks, Ron.

QUESTIONS AND ANSWERS

John Stansel - *JPMorgan Chase & Co - Analyst*

So I think, Stan, you've been coming here much longer than I have. Just wanted to start with a bit of retrospective. Where do you see as we enter '26 -- I know you're not providing guidance, so I won't try too much. But talk about how you've seen the dental markets evolve and where you think we're going over the next, call it, 18 months?

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

It's true. I remember coming to this hotel when it was easier to get into the elevator. I would say, JPMorgan has done a great job at making this the health care conference.

Where we're heading is, yes, supply chain is important, very important, making sure that customers get the right products at the right time rapidly. The quality is good. Equipment sales and service, very important. But at the end of the day, what practitioners are looking for is to operate a more efficient practice so that they can focus on clinical care. And that's what's driving the Henry Schein business. Andrea and Tom can talk more about that.

The markets are okay. In units, it's stable, leaning positive, maybe a little bit more than positive. I'm quite optimistic about where the consumable business is heading. Equipment, the traditional business is stable, but there's significant opportunity in the digital space.

The area of integration of various digital functions is where the real opportunity exists. It starts with the practice management system, goes to electronic medical record, ties in various AI apps, ties in various equipment, digital equipment, integrated, and that's the exciting part of dentistry.

So yes, all of the consumables and equipment, that's all exciting. There's lots of opportunity. But John, where dentistry is heading, driving efficiency in the practice, enabling better clinical outcomes with the technology that is now being made available and integrating that technology is where the exciting part of dentistry is, and that's what we are focused on.

John Stansel - *JPMorgan Chase & Co - Analyst*

Makes sense. And I'm sure I'm not the first person to ask for a little bit more details about Fred to get to know him. And I think the feedback on our end has been it makes sense for someone from Thermo coming over kind of a distribution owned brand business.

Can you talk about as you went through the hiring process and got to know Fred better, anecdotally, where are the areas you see him having like a natural overlap, really strong understandings? Are there areas where you think this is going to be kind of his learning curve? What do you think about that as you go through the hiring process?

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

Yeah. John, I think the models are very similar. But I'm sure that Thermo does things differently. And it's always good to have a second pair of eyes look at what we're doing.

We've got a very enthusiastic Board. We've added to our Board in the last couple of years. People are bringing a lot of great experience. So I think there is a significant buy-in to BOLD+1, no question, the high-growth, high-margin businesses are important as we diversify our income stream.

Fred, I think, will look at that. He's got a tremendous experience in that area. But I think he'll be also of great value in driving efficiency and driving value-added services in our distribution business.

So I do think that the combination of the high growth, high margin, and the traditional distribution business benefiting from Fred's experience will be important. But Fred has also led high-powered teams. And we have a very good team. The team is raring to go on advancing our BOLD+1 initiative and working closely with him on that.

So -- and of course, yes, there's the value creation opportunity. We bought a lot of businesses. There's technology available. There are certain functions that can be centralized. These are all areas that Fred has had experience in and will complement our team.

But it's not as if our team doesn't have also good experience in this area. Andrea and Tom have experience with other companies as well. It's going to be a great team, I think. And of course, then there's all the corporate functions where a lot of great succession has taken place over the last five or six years where people are bit tired and new people have come in, or been promoted from the financial side to the legal side, to the supply chain side to the human resources in this and, of course, a great succession plan and the whole world of computers and IT.

So yes, I think there's a lot he's going to add. And there's a lot of excitement. Of course, it's always helpful when the business is doing well. That's what drives momentum and gets morale up.

John Stansel - *JPMorgan Chase & Co - Analyst*

And I think you mentioned the value creation plan, and I think I'd be remiss if I didn't ask about the \$200 million of net operating profit improvement. I know you haven't given detailed buckets, and I'm sure that's something that everyone is going to be waiting for in a few weeks to hear about.

But can you just talk a little bit about the analysis that was performed? Kind of what gave you the confidence to step out with a \$200 million number? And kind of when you talk to your consultants, what they were showing you that kind of gave you conviction?

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

Why doesn't Ron give you the math and the two people responsible for having put the plan together can add a little bit to it?

Ronald South - *Henry Schein Inc - Chief Financial Officer*

Yeah, certainly, John. I think that the -- in terms of the \$200 million, we're really focused on the aggregate number as a management team. So whether we deliver the operating income improvement at the gross profit level or at the operating expense level through savings, we'll be agnostic to that in terms of -- the focus is really the aggregate number.

When we provide guidance at the end of February, we'll talk a little more to what our expectations are and the impact on 2026. '26 will be a year that we'll have to make certain investments in order to achieve these savings, but I do clearly expect a net benefit in '26 from these initiatives and with some good momentum coming out of '26 going into '27.

As we said, we expect the \$200 million plus to come over the next few years, but we feel very good about our ability to do this. We have the whole organization behind this. This isn't just a few people working to achieve this. It's the whole organization. I'll also -- I'll defer it to both Tom and Andrea.

As Stanley said, they've kind of led some of the -- a big piece of these initiatives. So I also want to get them involved in this.

Tom Popeck - *Henry Schein Inc - Chief Executive Officer, Henry Schein Products Group*

Yes, sure. So I've been leading the G&A project and my peer here, Andrea, has been leading the gross profit improvement project. And on the G&A side, it's -- Henry Schein has been made up of a lot of different acquisitions over the years. And the ability to take these acquisitions and look at the back-office functions and start to look enterprise-wide at some of the shared services, start to maximize those shared services and also look to offshore some of those shared services to reduce costs, as well as looking across the enterprise and looking to maximize indirect procurement.

So things like travel, facilities, all the things that don't go into the products, but across all these different acquisitions, were independently doing a lot of their own things. So we are doing a good bottoms-up approach, which we did. We built this from the bottoms up. All of our teams were involved, came up with our projections, and we're off and running. So, Andrea?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

Yeah. The other bucket is the GP improvement value creation project. We are looking at how we do pricing. We are looking at our assortment. We are looking at how we can leverage the right price to increase share of wallet or to push our own brands where appropriate.

It's not a new initiative. To be fair, we were working on this pricing project before. But with this value creation initiative and with the support of an external consultant, we scaled up the level of tools, technology, applied to the analysis, a lot of analytical skills that we brought into the organization to be able really to take strong and informative decisions on our pricing.

And we already executed the first wave of initiative in 2025, and we have a program to continue during 2026 and 2027. And these initiatives are part of the evaluation that brought us to the \$200 million plus.

John Stansel - *JPMorgan Chase & Co - Analyst*

Great. And maybe just a quick clarification for Ron. So when you say a net benefit in '26, this is not a run rate. This is -- in the totality of the year, there should be some uplift in '26. Is that the right way to think about it?

Ronald South - *Henry Schein Inc - Chief Financial Officer*

Yeah. I would expect that while we will have to make some investment in '26 that we will achieve some savings in '26 that will exceed that investment. So we'll get some net benefit out of that.

When we talk about the \$200 million, it's going to take us over a period of multiple years to do that. It's not going to be a linear benefit, right? I think that we're trying to position ourselves that we really can ramp up some benefits of this as we get into the back half of '26 and into '27.

John Stansel - *JPMorgan Chase & Co - Analyst*

And then just on the -- maybe for Andrea, on the gross profit side, how much of this is tied to things that are within your own control on pricing? Or if we just think about kind of the current macro backdrop for dental, is that sufficient? Or do you need like an improvement in the overall backdrop to kind of hit your targets?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

No. Of course, we are not immune from what is going on around us, but the project is based on what we can control and how we price more smartly, how we use data to really drive pricing and portfolio positioning based on customer behaviors, all this kind of sophistication, and this is in our control.

John Stansel - *JPMorgan Chase & Co - Analyst*

Okay. Then just as we think about just the general dental market trends, I think we kind of heard volumes skewing somewhat positively with some maybe top pricing ASP pressures is kind of the framing. When I think about the balance of '25, really a tale of two halves, especially on dental consumables, where first half was pretty muted on a revenue line and then you kind of picked up into kind of like, call it, high-low single digits, if that's a thing, to maybe mid-single digits.

How do I think about -- you can grow, call it, mid-low 3%, 4% in a slightly positive volume backdrop with eventually some ASP pressure. Is that kind of the right way to think about how that translates given that, I think as you said, you're gaining share?

Andrea Albertini - Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology

I got to explain what we are doing that give us the confidence to, let's say, continue to grow. I mean, we already commented that the dental market is overall slightly positive, let's say. And of course, there are exceptions in the specialty that are growing faster or there are segments of the market that are growing faster like DSOs, but overall, slightly positive.

Where we get the growth is in gaining share. And we are gaining share. We started -- after the cyber incident -- I hate to speak about the cyber incident because it's behind us. But we have to admit that for roughly 18 months, our focus was mainly on recovering and defending our position. Q2 last year, we started again really aggressively to go out and execute on our strategy more than recovery. And the results are clear.

I mean, we announced in Q3 a strong momentum on sales. We gained market share. Going into Q4, this momentum continued, and we believe we are in a very good moment where we are gaining market share. And this is a result of our commercial plans, our broad portfolio of products and solutions. We have the broadest portfolio in the industry, especially in the dental segment with our own corporate brands, with our own business solutions.

And when you -- and we are investing also in our sales force. We have more people in the field. We have more people on the phone. We are investing in the digital channel. So when you combine the portfolio with our omni-channel strategy, we are gaining market share, and we see the results.

John Stansel - JPMorgan Chase & Co - Analyst

Is there a particular area? I think you mentioned DSOs being kind of a positive point. Is that where you see kind of the above-trend growth coming from? Or is it something particular, something else that you'd highlight? Or is it broad based?

Andrea Albertini - Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology

I mean, if we look at the different segments in the market, independent practice, mid-market, or mid-DSOs and big DSOs, we believe the growth is more on the mid-market/big DSOs, yes. They are growing a little bit faster.

John Stansel - JPMorgan Chase & Co - Analyst

And thinking about that, has there been a change in dentist purchasing habits? I think that -- I think back to '24 and there's a whole topic of trade down and move to national private label for national brands. Like is that a sustained trend? Is that a moment in time? Like, how do you see kind of purchasing habits changing or not changing?

Andrea Albertini - Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology

If we talk about dentists and probably customers in general, they are more ROI focused. So they look at investment. If we talk about equipment, they look at investment that bring efficiency or productivity, and this is why we see more investment in digital equipment because it allows them to automate processes or to perform in a more efficient way, complex procedures.

If we talk about merchandise, similarly, I mean, we don't talk about ROI, but we talk about being cautious on price quality ratio. And where there is no innovation, the focus goes to the private brands because they can get the same quality at a lower price.

John Stansel - *JPMorgan Chase & Co - Analyst*

And then we talk about, again, this ASP pressure somewhat. And I know it's like you can't generalize to every single category being similar. But one of the things that we've talked about in the past is this idea of like innovation is something that drives ASP inflation and is a big part of kind of maybe a return to growth I think about things like Curodont, for example, which you guys have to work a lot with Vvardis on.

Do you see a pipeline where we maybe go from kind of a, I'll call it, a more tepid innovation backdrop to kind of something where there is a path for more new products to come to market?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

We would love to have more and more innovation. And you mentioned that. Curodont is a very good example. End of last year, we announced that we are the exclusive distribution partner for Curodont in the US and the UK.

And when you have innovation, you don't have the same price pressure. And -- I mean, we always -- in the conversation with our partner -- manufacturer partner, we encourage them to come out with innovation because this is where the market doesn't get commoditized and we can get pricing advantages.

John Stansel - *JPMorgan Chase & Co - Analyst*

And I think there's always a question, and this is kind of maybe both a DSO and equipment question, but the benefit of potentially lower interest rates. I think this has been kind of for a bit now. But like do you see some level of upward performance tied to lower interest rates in the near term, medium term?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

I mean, I can reply Ron and jump in, but I don't believe it's huge. But yes, of course, when you do an investment and you borrow capital, interest rates have an impact, but the interest rates have an impact also on DSOs buying practices. So yes, there is a correlation, not huge because when customers see an ROI, they will invest and they continue to invest in equipment.

Ronald South - *Henry Schein Inc - Chief Financial Officer*

And John, just to add to that, I think that I always think of the interest rates and how they impact us as kind of a short-term versus long-term impact. The short-term impact of lower interest rates, you can see an immediate bump in demand for equipment.

I don't think it's completely linear. I do think dentists are able to kind of work around some of the higher interest rates when they are present in the economy. But we do see -- I think it would be fair to say you would expect a small bump in equipment sales with a decline in interest rates.

In the long term, Andrea mentioned DSOs who acquire practices, but also a lot of DSOs will build out de novo practices. And at lower interest rates, just the math in terms of the ROI and what the hurdle rate is on building out those practices gets easier if you have lower interest rates, lower cost of capital.

And that's important to us because that expands the supply of dentistry services. Net larger supply of dentistry services gives us more opportunity to sell more products, too.

John Stansel - *JPMorgan Chase & Co - Analyst*

Great. And I want to bring Tom in here a little bit because I'll be hammering under the entire time. Implants, a little bit of some moving parts in the third quarter. We had -- I think you had kind of a bolus of growth in your value book, which kind of made a bit of a, I think, mix shift, if I remember correctly. Can you just talk us through like how you're seeing the different buckets of implants performing right now and kind of where your customer base is interested in spending more or less?

Tom Popeck - *Henry Schein Inc - Chief Executive Officer, Henry Schein Products Group*

Yeah. I think it's dependent on the geography. In the US, there's been a big move over the years more towards the value, and we're positioned well with our acquisition we did two years ago with our SIN implants.

And in other areas like parts of Germany -- parts of Europe, like Germany, South America, Brazil, those markets are growing faster. Germany, in particular, is more of a premium brand. So it's all specific on which country, which area and which product category we're in. So --

John Stansel - *JPMorgan Chase & Co - Analyst*

And thinking about -- you kind of pivoted your implant book over the last, I'll call it, three years, right? The SIN acquisition, you're launching the new products kind of more upstream. Do you feel that there are any kind of -- not to use for lack of a better word, a hole in your implant book?

Tom Popeck - *Henry Schein Inc - Chief Executive Officer, Henry Schein Products Group*

No. I think our implant portfolio is very well positioned across the different brands we have. I think the opportunity for us is to unify them a little bit more and come to market more as one company versus four or four independent companies. And that's part of our strategic plan. It's what we've been working on and looking forward to us getting that in place over the next year or two.

John Stansel - *JPMorgan Chase & Co - Analyst*

Great. Maybe to move to medical quickly. Some moving parts right now, I would imagine, between kind of, I would say, cough, cold, and flu ran a little bit soft in the fourth quarter, has picked up in the last two weeks, I can anecdotally say that I was really sick, but then the other question is your business does distribute vaccines as well.

And so how do we think about kind of the seasonality of that business? Again, I know you're not providing updated guidance, but just thinking about kind of the things that matter as we think about kind of the tail end of the year.

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

Let me say that the things that matter in our opinion is the overall trend that continue to see a shift of activities performed in alternative care setting instead of urgent care settings. And this trend is much more important than the seasonality. Take the ASCs, more and more procedures are shifting from inpatient to outpatient.

And this is a big engine of growth. And even if you take the IDNs and the independent physicians, yes, they can have some seasonality, but there are more and more activities done on chronic health or chronic diseases and preventive health.

So overall, I would say that, yes, you can have inside the quarter some seasonality because of the cold and the flu season, but we remain bullish on our idea that the market for us is growing mid-single digit in these segments.

John Stansel - *JPMorgan Chase & Co - Analyst*

And maybe to quickly touch on technology, because I want to keep us kind of cognizant of time here. Incremental margins have been incredibly strong. I would imagine some of that is your SaaS transition that has been going on. How much of what we've seen kind of from the operating profit line is conversion versus addition, right, like adding new platforms, new people versus just flipping people over to kind of more like asset?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

First of all, SaaS for us is still -- we are still at the beginning of the journey. We have roughly 10% of our customer base on the cloud and on subscription models. So we have a huge opportunity in front of us.

Normally, the SaaS customers are new customers. Of course, there is a component of conversion, but normally they are new customers.

John Stansel - *JPMorgan Chase & Co - Analyst*

Am I right to think that the DSOs and kind of your multi-sites are much more interested in kind of your cloud offering than --?

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

Yeah, absolutely. We are working with a couple of big DSOs on a cloud project. Not all, some are on the on-prem, but yes, they are interested. Of course, they understand the value of having a cloud solution. And this is an area of focus, of course.

John Stansel - *JPMorgan Chase & Co - Analyst*

Of course. And then maybe just generally, with the DSOs, competitive intensity, bids, RFP cycle, is there anything changing with what they're looking for as you maybe discuss with them, renew contracts, I'm not asking for contract updates, but just generally, like the things that they're interested in adding or having, has that changed or evolved over time? Or is it kind of the same competitive intensity that you've seen the past few years.

Andrea Albertini - *Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology*

I mean they always negotiate that for sure. They are good in this. But no, we see -- especially the good DSOs, they are more and more interested to find solutions or opportunities to increase their revenue.

I mean, when we started to present the AI solution, there were a lot of interest from DSOs, and there are -- there is a lot of interest from DSOs because of the opportunity to increase the customer experience, but also increase the efficiency of their practices.

A product like Curodont is a product that found a lot of interest on the DSOs. So when we have innovation, we have solutions, and this is an area where, yes, we see more and more conversation with the DSOs.

John Stansel - *JPMorgan Chase & Co - Analyst*

And on the technology side, when I think about additive offerings, I think I was at the New York meetings and you're demonstrating kind of new tools that have been added. What more do you think -- do you have a full suite at this point? Are there new things that you're looking to add to your technology offering? What is the other holes there?

Andrea Albertini - Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology

This is an area we love, I love. And we accelerated the pace of innovation in our technology company, and there is much more that will come. The area -- first of all, we focus on, what we call, One platform, so more and more integrated solution that help the workflow in the clinic, both on the clinical side and on the management side.

The main area of focus is revenue cycle management that is a huge topic for our customers. The clinical workflow with the AI, efficiency of the practitioner with a solution like Scribe. We announced at the New York meeting our partnership with Amazon Web Services to develop some AI solutions that are voice-based. So we will have a lot of new solutions coming also this year.

John Stansel - JPMorgan Chase & Co - Analyst

And maybe it's a perfect time to pivot to Ron and think about build versus buy. And you guys have had a bit of a bias towards share repurchase over the last couple of quarters. How are you thinking about capital deployment right now and kind of the attractiveness of either tuck-in M&A, maybe some NCI buydowns that you've done in the past versus going out and inorganically adding something to one of your offerings?

Ronald South - Henry Schein Inc - Chief Financial Officer

Yeah. In terms of M&A, we're always -- there's always something in the pipeline that we're evaluating. where our focus has been more in the high-growth, high-margin areas of the business. Tom mentioned a couple of the implant acquisitions we've done within the last several years. But we've also been investing more on the home solutions side in medical.

We do find that to be an area of accelerated growth versus, say, core medical, and it's also an area of our business that gets better margins in our core medical. And so we find that to be a very attractive area for M&A investment for us. And it's not restricted just to that. We are looking at on the technology side.

If we can -- if we see an opportunity to buy something, we just recently kind of folded in an imaging system process that was somebody who we had a very close relationship with, but now we've kind of captured that and it's an integral part of the offering. And along the way, we just have to make that decision.

In some cases, the solution is not available out there. It's something we may have to build ourselves on the technology side. And then there's other areas where if we feel like we can strengthen ourselves in a certain geography or within -- by getting access to a product like we've done in some of Tom's areas to broaden the product portfolio like we've done with our implant business, that's really going to be the focus. Outside of that, we still think that we've been pretty aggressive in terms of what we've done with share repurchases.

We think it brings -- it's very accretive for us right now. We think it does provide a good return to our shareholders. And as long as we can generate the positive cash flow that we've been able to do, we'll continue to be aggressive there as well.

John Stansel - JPMorgan Chase & Co - Analyst

That's great. And then maybe just one last one before I have my traditional ending question. You've hired from other dental distributors recently, kind of added sales force. You've also launched your e-commerce platform.

So I think that there are two factors there, adding headcount, improving efficiency via the e-commerce platform. Entering '26, thinking about your sales force, is it where you need it to be? Is it something that you can just scale pretty easily because you have all these new tools? Like how do we think about the dental sales force and like how that translates to incremental growth going forward?

Andrea Albertini - Henry Schein Inc - Chief Executive Officer -- Global Distribution Group and Technology

So we will continue to add sales force as we have done in 2025 in a very focused way based on territories where we may benefit from more coverage or based on quality of people. But you're right, in 2025, we were able to attract a lot of salespeople from competition. We added salespeople on the field. We added salespeople on the phone, and we invested in our digital platform.

So all this is part of our strategy, and all this will support our growth. I'm not talking about percentage because I don't believe we provided guidance yet, but all this is what make us positive for our growth.

John Stansel - JPMorgan Chase & Co - Analyst

And our team generally ends all of these firesides with the same question, which is, what do you think investors are going to appreciate about Henry Schein in about 12 months when you're sitting here again that they don't appreciate right now?

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

It's on the screen. We're waiting for that question.

Look, we have a clear strategy. We're not going to go through it now. BOLD+1 is very clear. We're making progress in each of those areas. When we say we're going to do something, we do it. We have a pretty good track record. Cyber in between, of course, distracted us a bit.

The dental market is a good market. It's a steady market. It's growing. We need some more dentists in the developed world. We're helping grow dental school, admissions, graduations. But if we can drive efficiency, will be more outcome.

The platform is endless in dental and in medical. There's so much we can add. We want more share of our customers' wallet, the L in the BOLD+1, leveraging. And we have a pretty experienced management team, which I went through. The team is very, very enthusiastic.

I can tell you that. So John, thank you for hosting us. It's been great to be part of this journey you've been on.

John Stansel - JPMorgan Chase & Co - Analyst

Well, thank you all for coming. We are just exactly on time.

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