

Henry Schein Acquires Majority Interest in Prism Medical Products, Enters Home Medical Supply Market

January 5, 2021

MELVILLE, N.Y.--(BUSINESS WIRE)--Jan. 5, 2021-- Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of health care solutions to office-based dental and medical practitioners, today announced the acquisition of a majority ownership position in Prism Medical Products, LLC (PRISM), a nationwide provider of specialty home medical supplies with a core competency in advanced wound care products. With this transaction, Henry Schein Medical, the U.S. medical division of Henry Schein, Inc., enters an established and growing multibillion-dollar market for home medical equipment and supplies.

PRISM is a privately held company founded in 2006 with headquarters in Elkin, North Carolina, as well as an operations office in Las Vegas, Nevada, and 10 fulfillment centers located across the U.S. The company has more than 200 team members and had net revenue for the 12 months ended September 30, 2020, of approximately \$52 million. PRISM is expected to be neutral to Henry Schein's 2021 earnings per diluted share and accretive thereafter. Financial terms were not disclosed.

PRISM will operate as a subsidiary of Henry Schein Medical and will be managed separately as an individual division by Chris Cartwright, Founder and President of Prism Medical Products.

"Expanding beyond our core base of office-based physicians and entering the home health market has been a long-standing strategic goal of Henry Schein's medical business, and with PRISM we have the ideal partner with a strong brand and a complementary business model," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. "This partnership expands Henry Schein Medical's continuum-of-care delivery model and allows us to move closer and to interact directly with patients. It also strengthens our relationships with the physicians who prescribe home medical supplies.

"Importantly, PRISM and its management team is tightly aligned with Henry Schein's strategy and culture, and we look forward to a smooth integration of this business," Mr. Bergman said. "We welcome our new colleagues to Team Schein and look forward to continued success together."

PRISM serves a broad and loyal referral network of nationally affiliated and independently operated wound care clinics, as well as specialist practices and clinics in primary care, ostomy, podiatry, rehabilitation and physical therapy, general and plastic surgery, dermatology, and vascular medicine. PRISM enjoys strong referral retention rates as well as high marks for customer satisfaction.

"The wound care management and home health care markets are growing at an accelerated pace," said Brad Connett, President, U.S. Medical Group of Henry Schein. "The increasing prevalence of chronic diseases, such as diabetes, is creating high demand for wound care products, and a rising senior population is driving greater demand for home-based care, especially for those unable to travel to a care facility.

"We want to help our customers – physicians and home health providers – by offering this important service to homebound patients. We see near-term opportunity to expand PRISM's market presence by offering diabetic supplies, catheters, oxygen supplies, ostomy pouches, incontinence supplies, and therapeutic shoes, among other categories. It's gratifying to join with PRISM to ensure that homebound patients or those choosing to recover at home following a hospitalization receive the high-quality and convenient health care they require," added Connett.

PRISM offers approximately 4,000 unique items from more than 30 manufacturers; 90% of shipments are wound-care products, with the balance being ostomy and urological supplies. Committed to industry leading delivery time, PRISM ships directly to a patient's home and has a dedicated insurance, billing, client care, and account management team of professionals, which allows next-day delivery on most orders received by 4 p.m. across each time zone in the continental United States.

"I am very proud of all that the team at PRISM has accomplished, including our track record of organic revenue growth along with consistent increases in unique referral sources and new patients. We look to the future with excitement and optimism as part of Henry Schein Medical," said Mr. Cartwright.

"We have established a valuable reputation within the home medical supply community by showing that putting the patient first demonstrates our commitment to understand and follow through on the needs of the clinicians who are responsible for their care. We are specialists," said Mr. Cartwright. "Our ability to consistently interpret clinical home care directives and assist patients in navigating their insurance coverage to select from a wide range of available products is unique. This high-touch approach to building partnerships with clinicians – coupled with a broad base of payor contracts and a commitment to develop processes and personnel – has helped medical practices to optimize workflows and resulted in exemplary service to patients."

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 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. The Company's sales from continuing operations reached \$10.0 billion in 2019, and have grown at a compound annual rate of approximately 13 percent since Henry Schein became a public company in 1995.

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