

Biote Corp.

Fourth Quarter 2024 Earnings Conference
Call

Wednesday, March 12, 2025, 5:00 PM
Eastern

CORPORATE PARTICIPANTS

Marc Beer - *Executive Chairman*

Bret Christensen - *Chief Executive Officer*

Bob Peterson - *Chief Financial Officer*

Simon Serowiecki - *Investor Relations*

PRESENTATION

Operator

Good day, and welcome to the Biote Fourth Quarter 2024 Earnings Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the "*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press "*" then "1" on a touchtone phone, and to withdraw your question, please press "*" and then "2." Please note that this event is being recorded.

I would now like to turn the conference over to Simon Serowiecki, Investor Relations. Please go ahead.

Simon Serowiecki

Thank you for joining us today. This afternoon, Biote published financial results for the fourth quarter and fiscal year December 31, 2024. This news release is available in the Investor Relations section of the company's website.

Hosting today's call are Marc Beer, Executive Chairman, Bret Christensen, Chief Executive Officer, and Bob Peterson, Chief Financial Officer.

Before we get started, I would like to remind everyone that management will make statements during this call that include forward-looking statements regarding, among other things, the company's financial results, future performance and growth opportunities, business outlook, strategies, goals, research and development, manufacturing and commercialization activities, competitive position, regulatory process operations, benefits of its solutions, the anticipated impact of macroeconomic results on its business, goals of operations, financial conditions, and other matters that do not relate to historical facts.

These statements are not guarantees of future performance. They are subject to a variety of risks and uncertainties, some of which are beyond the company's control. Actual results could differ materially from expectations reflected in any forward-looking statements. These statements are subject to risks, uncertainties, and assumptions that are based on management current expectations as of today.

Biote undertakes no obligation to update them in the future. Therefore, these statements should not be relied upon to represent the company's views as of any subsequent date. For discussion of risks and other important factors that could affect our actual results, please refer to our SEC filings available on the SEC's website and the Investor Relations section of our website, as well as risks and other important factors discussed in the earnings release.

Management also refers to adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP financial measures to provide additional information to investors. Reconciliation of the non-GAAP-to-GAAP measures are provided in the earnings release, with the primary differences being stock-based compensation, fair value adjustments to certain liabilities, transaction-related expenses, and other non-operating expenses. Please refer to our fourth quarter and fiscal year 2024 earnings release for reconciliation of adjusted EBITDA to net income, the closest comparable GAAP measure.

I will now turn the call over to Marc Beer.

Marc Beer

Thank you, Simon, and thank you all for joining us. With me today are Bob Peterson, our Chief Financial Officer, and Bret Christensen, our newly appointed Chief Executive Officer. After Bob reviews our performance for the fourth quarter and provides our financial outlook for 2025, Bret will discuss his areas of focus for Biote.

On behalf of the Board of Directors and the entire Biote team, I would like to start today's call by welcoming Bret to Biote. Consistent with our succession planning strategy, the Board undertook a methodical and comprehensive search early in 2024 for our next CEO. We are delighted to have Bret lead Biote as the company embarks on its next chapter of growth.

Bret's distinguished background includes more than 20 years of leadership experience in women's health care and across the broader health care sector. Throughout his career, Bret has commercialized many health care offerings and treatments to the level of industry standard of care, demonstrating an outstanding ability to launch innovative solutions, capture market share, and profitably scale businesses.

The board has every confidence in Bret's ability to elevate our performance, execute our strategy, and drive long-term value for our stakeholders. Over the course of the past year, Biote has focused on strengthening our competitive moat with a number of new and enhanced proprietary offerings. Through the execution of key growth initiatives and strategic acquisitions, we have laid the groundwork to achieve accelerated growth and drive commercial success in the large and underserved market for hormone optimization and therapeutic wellness.

Our acquisition of Asteria Health in 2024 marked an important inflection point in Biote's evolution. Not only did we strengthen control over our supply chain and product quality, but we also began vertically integrating our internal manufacturing, which is generating cost efficiencies and enhancing our gross profit margin. We also gained expertise in the manufacturing of 503B compounded products, enabling us to provide a range of high-quality compounded health and wellness alternatives in the future.

Over the past year, we have scaled up our internal manufacturing capacity to meet our customer needs. We have sufficient internal capacity to produce our monthly pellet needs. As we gain additional state licenses, we aim to further increase our share of internally manufactured pellets.

Shortly after we announced the acquisition of Asteria Health, we implemented the phased launch of our proprietary BioteRx wellness platform. We believe BioteRx represents a key competitive differentiator for Biote, providing Biote-certified practitioners with a seamless platform for product ordering and inventory management, along with technical support, training, and educational resources.

In September 2024, Biote introduced significant improvements to our proprietary clinical decision support software, reinforcing our commitment to advancing patient health and wellness and creating a further moat that clearly separates us from our competition. These updates follow the latest evidence-based medical literature and feature proprietary dosing algorithms that are unique in the marketplace.

With these new algorithms, Biote certified practitioners are elevating patient care with highly individualized therapies, including hormone optimization, therapeutic wellness, and dietary supplements. With our enhanced clinical decision support software, we have aimed to refocus

the conversation surrounding hormone and wellness therapies. By doing so, we believe we are expanding our long-term growth opportunity in two important ways.

First, we're broadening our appeal to practitioners who may be less familiar with hormone optimization and the clinical evidence supporting its efficacy. And second, we are expanding our existing practitioners' treatment alternatives, helping them serve a more diverse range of patients and attain improved health care outcomes. Our updated software is unique to the industry and we believe provides us with a key competitive advantage.

In summary, we believe Biote has entered 2025 with a position of strength, underpinned by the key strategic assets that have expanded and enhanced our capabilities. With these foundational elements in place, coupled with Bret's experience and leadership, I am confident that Biote is in an even better position to promote patient health and wellness, widen our competitive moat, and continue to generate profitable growth.

I will now turn the call over to Bob for a review of our fourth quarter financial results, as well as our outlook for 2025. Bob?

Bob Peterson

Thank you, Marc, and good afternoon, everyone. Fourth quarter revenue was \$49.8 million, up 9% from the prior year period. Procedure revenue growth increased 5%, primarily driven by growth of established top-tier clinics.

As we expected, fourth quarter procedure revenue growth was negatively impacted by two headwinds. One, a reduction in procedure volume as clinics transitioned to our upgraded clinical decision support software, and two, our focus on training our existing practitioners, which impacted our ability to add new clinics at the expected rate.

Beginning in the third quarter of 2024 and continuing into early 2025, our sales force has worked closely with our practitioners to enable a smooth and productive transition to our enhanced clinical decision support software. This engagement has demonstrated the additional value that Biote can provide to our clinics as we expand further into the mainstream health and wellness space.

While we are confident about the benefits that our clinical decision support software delivers, new customer growth has slowed as we heighten our focus on serving existing practitioners. As a result, in the first half of 2025, we expect procedure revenue growth will be impacted, along with increased levels of investment in sales and marketing expense to drive new customer growth.

Fourth quarter dietary supplement revenue increased 10.2% year-over-year. Dietary supplement sales benefited from the transition of a portion of this business to the Amazon channel. We are in the final stage of this transition and expect to see continued year-over-year growth in dietary supplement sales in 2025.

Fourth quarter gross profit margin was 71.8%, a 247 basis point increase from the fourth quarter of 2023. The year-over-year improvement reflected cost savings from the vertical integration of our 503B manufacturing facility, as well as effective cost management.

Selling, general, and administrative costs were \$33.0 million, compared to \$26.2 million in the fourth quarter of 2023. SG&A expenses increased in the fourth quarter of 2024 due to employee related investments and additional legal expenses.

Net income was \$3.5 million, inclusive of an \$800,000 loss due to the change in the fair value of the earn-out liabilities. This compares to net income of \$12.1 million in the fourth quarter of 2023, which included a \$5.4 million gain due to the net change in the fair value of the earn-out liabilities. Fourth quarter 2024 net income was \$0.10 per diluted share, compared to \$0.18 per diluted share in the fourth quarter of 2023.

Adjusted EBITDA increased 11.4% to \$15.1 million, with an adjusted EBITDA margin of 30.3%. In the comparable quarter in 2023, adjusted EBITDA was \$13.6 million, with an adjusted EBITDA margin of 29.7%. The increases in adjusted EBITDA and adjusted EBITDA margin for the fourth quarter of 2024 primarily reflected the operating leverage of our business model.

Cash flow from operations for fiscal year 2024 was \$45.2 million, compared to \$26.9 million for fiscal year 2023. We continue to be a strong cash flow generating business. As of December 31, 2024, cash and cash equivalents were \$39.3 million, compared to \$38.2 million as of September 30, 2024. Now turning to our financial outlook for 2025.

The company expects revenue of \$202 million to \$208 million and adjusted EBITDA of \$59 million to \$64 million. Within this outlook, the company expects 2025 procedure revenue to increase approximately 2% to 4% from 2024, and 2025 dietary supplement revenue to increase approximately 5% to 10% from 2024.

Although we do not typically provide quarterly guidance, we expect first quarter 2025 revenue to be slightly higher as compared to the first quarter of 2024 as we ramp up training and onboarding of new practitioners to reinvigorate quick start related revenue.

First quarter 2025 adjusted EBITDA is expected to be approximately 5% lower as compared to the first quarter of 2024 due to increased sales and marketing activities to reaccelerate new customer growth.

Now, I'll hand the call over to Bret for his comments.

Bret Christensen

Thank you, Bob and Marc, and good afternoon, everyone. It's a pleasure to be speaking with all of you on the call today, and I look forward to meeting many of you in person during the upcoming year. Before I share my early observations and discuss key initiatives for 2025, I'd like to tell you why I came to Biote and what excites me about the opportunity ahead.

Having successfully led numerous commercial teams within the healthcare sector, I have found that there are two essential elements that drive sustainable growth and build long-term value. Number one, a company needs a product that makes a difference in people's lives. And number two, a company needs a large TAM to support the long runway of growth.

As a market leader in hormone optimization and therapeutic wellness, Biote has these fundamentals already in place. The company currently serves hundreds of thousands of patients and has trained more than 8,000 practitioners, representing only a fraction of the total available patient and practitioner population. That's what energizes me and why I believe Biote has such an exciting growth opportunity ahead.

I'm honored to lead Biote at this pivotal time. As Marc highlighted, Biote has made considerable progress over the past year in building a strong foundation for growth in the years ahead. With

our best-in-class technology and proprietary algorithms that follow the latest and evidenced based care, I believe Biote is uniquely positioned to advance patient health and redefine healthy aging.

Over the past several weeks, I've met with many of our clinic practitioners as well as many of our team members at Biote's recent national sales meeting. I came away from these candid conversations with valuable insights into our operations and our future opportunities. I've identified three key areas of emphasis for 2025, which I believe are fundamental to commercial execution at a high level.

First, we are strengthening our efforts to maximize the value from our top tier providers. Our recently upgraded clinical decision support software provides significant advantages for both practitioners and patients. By fully leveraging these capabilities, we can help enhance patient health and expand our growth potential across the entirety of our wellness portfolio. And we are not stopping there as we will continue to offer more high value and differentiated offerings to our practitioners.

Second, we are intensifying our focus on adding new practitioners to further broaden our network and reinvigorate our procedure revenue growth rate. Biote has developed an outstanding training program and we are fortunate to have ample capacity to accelerate the number of newly trained practitioners that can participate in our successful quick-start program.

As we expand our growth opportunity beyond early adopters of the Biote method, we are positioning Biote to serve a broader range of physicians. Our enhanced clinical decision support software is key to the strategy, providing evidence-based treatments that address the unique needs of our practitioners and their patients.

Third, we are driving revenue growth by strengthening accountability and improving consistency and discipline throughout the commercial organization. Although these changes will be implemented quickly, they take time to show results before we experience an anticipated acceleration in our revenue growth. I'm confident that these initiatives will strengthen our commercial organization through increased productivity beginning later this year.

In closing, I'm excited to lead Biote forward and committed to building on our success in hormone optimization and therapeutic wellness. We have a great team in place and an exceptional growth opportunity ahead of us. I'm confident that as we execute on our strategic priorities, we'll be well positioned to achieve our full potential and create significant shareholder value.

Operator, we can now open the call for questions.

QUESTION AND ANSWER

Operator

Thank you. We will now begin the question and answer session. To ask a question, you may press "*" then "1" on your touchtone phone. If you're using a speakerphone, please pickup your handset before pressing the keys. If at any time your question has been addressed and you would like to withdraw your question, please press "*" then "2." At this time, we will pause momentarily to assemble our roster.

And your first question today will come from Les Sulewski with Truist. Please go ahead.

Les Sulewski

Yes, good evening. Thank you for taking my questions and welcome to the call, Bret. Just to start out, perhaps for the team, can you help us reconcile the 2% to 4% procedure revenue growth guidance? What portion of that revenue growth is expected to come from, I guess, new practitioners versus the current base? And can you provide some commentary around the procedural volume growth? And I have a couple of follow-ups.

Bob Peterson

Sure. So just to start off, looking at the 2% to 4% guide on procedure revenue growth, as you're aware, in an annuity-driven business, new customers are at the top of the funnel, and they drive our future growth. A real key here for you to understand is that as we look at our new customers, growth in those new customers in this annuity business is material. We grew new customers quite well in the first three quarters of the year until we launched the CDSS, and now our goal is to shift back over to driving those new customers. So, it will take a couple of quarters, but new customers are a material part of our business, and we don't really provide that breakdown.

Les Sulewski

Okay. And then on the second part, I guess, Bret, you've mentioned three areas of focus. Maybe kind of just give us a little bit more color by each one, first one being just the providing to our top tier, and then the new software implementation. Is that fully operational now and mostly resolved? And I guess maybe can you just provide us a longer-term guidance for growth or achievable growth for the procedural business?

And then, I guess overall, just trying to figure out the customer base, not the practitioners, but the underlying patients. Do they just have more product offerings such as GLP-1s and just have a reduced tendency for uptakes in the BHRT business, or am I just kind of looking at this incorrectly? Just help give us a little bit more color around the dynamics of the industry as we stand. Thank you.

Bret Christensen

Hi, Les, and thanks for the question. So, the three things that I highlighted in my comments earlier, they're all related. So first, we've got to continue to service our largest accounts, service our customers, make sure we're attentive to their needs, and grow the business within those existing accounts. We've got a lot of them. And I think the team's done a pretty good job of that so far. In fact, it's been our focus in maintaining these accounts, servicing our accounts. And when we launched CDSS, as Bob mentioned at the end of last year, we had to do just that. We had to make sure that our customers dealt with that change. It was disruptive.

And in doing so, we lost track of new starts, new clinic starts. We had to. We had to make sure we managed that change appropriately. And that's why number two of my point of emphasis was just that, and we need to get back to filling the top of that funnel. Bob articulated this really well. And I've been in annuity businesses before, and it's simply just a function of your attrition and new starts. And so, you've got to make sure you can predict your attrition. How many accounts do you lose every year? That every company loses accounts. There's a normal amount for doing that, I think we definitely have stabilized losses that occurred earlier in the year last year. And now it's about making sure the top of that funnel is full. So, we need to have a consistent growth in new clinic starts every single quarter.

When we report earnings, you know, as we are right now, we're talking about last quarter, but really, we're always going to be a function of what we've done over the last 12 months because of that annuity. So, when you have disruption and you have that that lull in new clinic starts as

Bob articulated we had at the end of last year, that affects this quarter, but it will follow us this year a little bit. So, we have to get back to having consistent new starts, that was number two.

And then number three related as well, we have to be effective in our commercial organization. We need to execute. We've got a fantastic product, a long runway of growth, big TAM. We just have to go out and execute. And there's room for improvement here. I was at the national sales meeting my first week on the job. I met some fantastic people, people that any sales organization would love to have. We can do things better though and we can execute better and that's going to be the focus and that was number three. So, you know, all those things are going to drive growth, but it will take a little bit of time this year. And then Les, I don't know if I missed the second part of your question. I think it was on product mix.

Les Sulewski

Actually, perhaps maybe Marc, and I appreciate all that color, Bret, and please, either of you, welcome to chime in. Just, the overall dynamics of the current industry as we stand, are patients being lost to GLP-1 offerings at all? If they are, I mean, kind of just walk us through the dynamics, how you think about the compounded GLP-1 space as we sit today and the overall outlook for the industry. Thank you.

Bret Christensen

Yes. Let's just say this, and Marc can chime in because certainly he knows the history better than I do, but you know GLP-1s are a part of our offering today really as a service to our clinicians. And we offer that really as sort of to be competitive, but also to provide them with the service that they were asking for. We don't see it as core to our business. So, our core business really is hormone optimization and the wellness space, the nutraceuticals that we're selling today. GLP-1s, you know, they're there.

The great thing about the GLP-1s is it got us to introduce BioteRx, which is a fantastic platform that we can add to and should be a platform for growth for us in the future. But GLP-1s specifically, we don't see as part of our core revenue. And whether or not they're part of our future, you know, doesn't matter as much to us. But as long as they're available, we want to offer them to our customers. And they're just not core to our revenue.

Marc Beer

And to add to your question, Les, which is an excellent question, what impact are the GLP-1s having on our patient interest? I would say that we're not seeing any lack of interest in optimizing their hormones, even though GLP-1s continue to grow at a rapid rate and get the doctor's focus and the patient's focus. That's evidenced by some numbers, and some trends that I want to share with you, and Bob can elaborate on this.

You know, we're focused on growth, and in Q1, Q2, and Q3 of last year, we had a very good, steady growth trajectory in Q1, Q2, and Q3 in both new providers and clinics, as well as new patients. And then you see that drop off in September when we launched CDSS, and our sales force had to direct all their efforts towards getting staff and doctors comfortable with the new software. The news dropped off and for a transient period of time, the patients did until the doctors could reschedule them back once they were proficient on the CDSS.

But there's no evidence that we can see in Q1, two and three up to September when we launched our new advanced CDSS in GLP-1's affecting patients' interest in how they manage their overall health where they're making the decision, I'll pay for the GLP-1 and not testosterone. We haven't seen any evidence of that. It's a very good question. Bob, anything to elaborate on that? I know

you like to focus on that growth of Q1, Q2, and Q3, and how it dropped off when CDSS became a challenge.

Bob Peterson

No, the only thing I would say is it was definitely a cause and effect done where our sales force was. They were in the clinic working with those top tier clinics and we can see that cause and effect relationship, right? And the only other thing that I would say is to add to what you said, Marc, as far as the general health of the population of the people that we are trying to meet is that the TAM still is quite healthy. And our goal now is to really get out there and make the market. We train and make the market a little bit of what it is. So, it's now our job is to shift that focus back to adding news so that we can get back to growth in a couple quarters.

Les Sulewski

Great, thank you for all that color.

Bob Peterson

Thanks Les.

Operator

Your next question today will come from Jeff Van Sinderen, with B. Riley Securities. Please go ahead.

Jeff Van Sinderen

Hi everyone. I just wanted to follow-up on sort of the new practitioner adds. I wanted to clarify, are you saying that you added new practitioners that you couldn't onboard, because you were focused on the existing practitioners ramping or onboarding the CDSS or are you saying that you just weren't in a position to go out and get as many new practitioners signed up because you were focused on the CDSS?

Bret Christensen

Yes, Jeff, good question. Just to clarify, so we did have new clinic additions throughout Q3, Q4. We were actively adding new clinics, new practitioners. However, the focus of the field was primarily on making sure that launching CDSS had as minimal impact as possible on our existing accounts. And so, it was just a big distraction for the field, and so while we certainly didn't lose any training capacity over that time, but the flow of new practitioners slowed down pretty dramatically simply because the field was focused on making sure our existing accounts were taken care of. And that is exactly what they should have been doing. But again, that distraction meant fewer new practitioners. In an annuity model, that's just not a great recipe for growth in the longer term. So, you know, really quickly this year, we're getting the focus back to new practitioners with goals and execution, but it's going to take some time to fill that funnel and make sure that the annuity is growing the way we want it to. But we had growth. We've had new practitioners, but not at the level that we would want simply because of that distraction.

Jeff Van Sinderen

Okay, understood. If we could, I just wanted to focus a moment on BioteRx and maybe you can touch on the benefits that you've been experiencing with the broader product offering. I'm just curious on traction outside of the kind of the core pellet procedures. And then as a follow-up to that, kind of a multi-part question here, would it maybe make sense to acquire, to add to that platform to broaden the offering further?

Bret Christensen

Yes, Jeff, I'll start with that. Bob and Marc might have some color to add. You probably noticed the change in our terminology. We've started to talk about ourselves as hormone optimization and therapeutic wellness. And that really is a reflection of the product offering. And as I think about the value of Biote, we've got fantastic products. So, we've got testosterone pellets, we've got the nutraceuticals, we've got BioteRx. And the way we're starting to form the top track in the field is the Biote offering.

So, it's everything we offer. It's how you do business with Biote. As you know, we are practice builders with our clinicians. And that really is our value. We have fantastic products, but we do see the complete offering in the way you do business and how we get you up and going with Biote is our strategic advantage, our competitive advantage. And it is a platform that we think we could add products to over the long run because again we are not selling individual products. We're selling the entire platform is what we offer.

Bob, anything to add there?

Bob Peterson

No, I think you covered it well. I think Marc, or you said it earlier, we're really offering this as a service. And yes, I think you laid it out well.

Jeff Van Sinderen

Okay, great. And then if I could just squeeze in one more, just to clarify, where are we on the onboarding process of the new software today? Is that largely completed or is there still more to do here?

Bret Christensen

Well, the rollout is complete, Jeff. But I would say I look at this as a continuous improvement project for us as any good platform and software is. So, we're going to continue to solicit feedback from our practitioners. We can continue to enhance the product in the future. I wouldn't say we're completely out of the woods, but the product is essentially rolled out. People have adjusted to it, and we'll just continue to make it better and get them more and more comfortable over time.

Jeff Van Sinderen

Okay. Thanks for taking my questions.

Operator

And your next question today will come from George Kelly with ROTH Capital Partners. Please go ahead.

George Kelly

Hey, everyone. Thanks for taking my questions. A few for you. First, I'm curious, do you expect gross margin to stay in the kind of low 70 range in 2025?

Bob Peterson

So right now, George, we can tell you that we are seeing solid accretion from or benefit from Asteria, and it is currently baked into the guidance.

George Kelly

Okay, understood. And I guess, where did Asteria, what kind of penetration did Asteria end the year as far as the hormone pellets?

Bob Peterson

Yes. Right now, I would say very similar to where we exited. And I would just say we are taking a tempered approach. We don't want to move too quickly into pushing pellets into clinics. We want to make sure that we do it in the right way to ensure that we meet the practitioner needs while expanding. But we do, from an Asteria perspective, we definitely have the capability to push the throttle when needed.

George Kelly

Okay. And then a couple more questions for you on the guide. I know there's been some on your procedure growth target, the 2% to 4%. Maybe just one more for you. Has there been any kind of uptick in churn among your productive clinics, as you saw, I don't know, a year, year and a half ago? I'm just wondering if the CDSS or anything else has kind of led there to be an uptick in churn.

And a second question, still on the 2% to 4%. Did the CDSS changes or anything else, maybe its macro pressure, lead to any kind of changing behavioral patterns just among your patients or the clinic's patients? Any usage changes or macro impact, anything that you've noted?

Bob Peterson

No, good question, George. And I would just tell you, on the first front, we are not seeing, or maybe on the second front and the first front, we are not seeing any, on the churn front, we have not seen any loss of customers. We haven't lost clinics due to the CDSS, let's put it that way. We are successful, we have been successful at getting in and training on the new CDSS. And one of the things I think Bret was alluding to is the clinicians are starting to see the value, really seeing the value of what Biote is bringing to the table. So, I'm not seeing churn. I would really just drive your attention to that new growth as Bret was mentioning on the annuity model.

George Kelly

Okay, understood. And just one last one on your guide. On the other side of the business, supplements. Has Amazon...I know you've recently turned on that business or not too long ago, has that just been slower to ramp than expected or anything else that's impacted? It's just, I expected growth in that segment to be a little stronger as well. So curious if there's any issues you're seeing early this year?

Bob Peterson

No, I would tell you on Amazon we're really not seeing any issues from an Amazon perspective as it stands now. I will tell you that as we mentioned with quick-starts, one, that we do quick-starts as it relates to pellet procedures, so for procedures, but we also have in the beginning, we try to place from a new perspective, nutraceuticals. So, that I would just tell you the guide is really centered around that. But I can tell you we're in the...we're progressing well from an Amazon perspective.

George Kelly

Alright. Thank you.

Operator

And your next question today will come from Alex Fuhrman with Craig-Hallum Capital Group. Please go ahead.

Alex Fuhrman

Hey, guys. Thanks very much for taking my question. Sorry if I missed this earlier, but I was wondering if you can give us an update if you haven't already on how big your clinical network is today or was at the end of the year. And then as you think about that 2% to 4% expected growth in procedure revenues this year, how much growth in the practitioner network are you expecting to get to that level?

Bob Peterson

Yes, sure. So, these...some of the figures will be produced in the K here shortly, but we are...we did the highlight that we are over 8,000 providers, around 8,600 providers and then a little bit over 4,500 clinicians, so 4,700 I believe is the exact number. I would just tell you right now the real focus is less on driving... the new providers, it's really getting them in, getting them focused into the quick-start program and getting them effective. So, I would just say, or I wouldn't really pin us down to a specific number, but I can tell you, as I said a little bit earlier, we kind of make the market in certain pockets. So, I really do feel like if we can get these individuals in, train them up and get them going in the next two quarters, and we do what we said...do what we did last year from Q1, Q2 and into Q3 before we launched the CDSS, I think we can really get this moving in the right direction. Bret, anything to add?

Bret Christensen

I'll just add, I hope everybody appreciates what it means for us to when we say we have a trained practitioner or practice. What I'm used to is dramatically easier than what we do in here at Biote where we're asking a physician to adopt Biote, to use our products, but essentially to pay their own way to training, spend their weekend getting trained by our clinical staff, lining up patients with blood work so they can do this quick-start program and immediately go back to their practice and do around 10 Biote procedures very quickly. So, these are really strongly committed clinicians.

And I think that the method that we have, I've been very impressed with because it does build a tremendous amount of skill and commitment from them early on. It requires our field staff to have a really strong flow and value proposition to get them there. So, that's why we know that they are going to be the drivers of our growth and that again that new start metric for us internally is going to be a KPI that we're going to push, hold people accountable to because we know it's the driver of the annuity.

Alex Fuhrman

Okay. That's really helpful. Thanks both of you. And then if I could ask just one more on the BioteRx program. If you think about how your clinicians are using that and getting their patients on it, can you give us a sense of how much of the use of that program so far has been weight loss injections and specifically compounded semaglutide?

And what is your thinking as the year progresses? I know weight loss isn't a core offering for you, but as you think about semaglutide coming off the FDA shortage list and some companies saying that they're likely to stop selling it, just what is your thinking on that as the coming months and quarters unfold?

Bret Christensen

Yes, Alex, I'll just make a few comments and if Bob wants to clarify or give you more detail, he can. The semaglutide, tirzepatide, the GLP-1s are the majority of our BioteRx program at the moment. Again it's an offering that we developed and acquired simply to serve our clinicians because they were asking for it. We...even at the time when we did it, we didn't know how long it would last. We still don't know. We are going to pay attention to that. We'll of course do what

the FDA advises and requires and we'll offer it as long as we can to our clinicians. But yeah, it's not a key component of our growth. It's simply a service that we're offering to our clinicians to enhance their experience with Biote.

Alex Fuhrman

And just sorry, again, one more follow-up, I guess, on that. What would it take to be able to have older GLP-1s like metformin or Saxenda or things like that on that program? Would that be a heavy lift to be able to pivot to some of those drugs?

Bret Christensen

Well, I won't comment on any of those specifically, Alex. But I think what I said earlier was, one of the real sort of side benefits we got from the GLP-1s was the introduction to BioteRx in that platform because it will enable us in the future to accommodate and deliver other products if we choose to do so. So, we're constantly evaluating other product offerings because we want to maximize the value that we offer to our clinicians. And again, what we believe we're selling is this system that is Biote and the platform we have to help them get these wellness products into their clinic. And that does mean we can add products in the future. So, we'll look at those individually. If we think it makes sense, we will have the platform to put those on.

Alex Fuhrman

That's terrific. Thank you both very much.

Bret Christensen

Thank you.

Operator

This concludes our question and answer session. I would like to turn the conference back over to Bret Christensen for any closing remarks.

CONCLUSION

Bret Christensen

Thank you, operator, and thank you, everyone, for joining us today. We at Biote will attend the ROTH Conference next week on March 17 and 18, and I really look forward to seeing some of you there and meeting some of you in person. I also look forward to meeting the rest of you throughout the year. We invite some of you to come to our facility in Dallas, if we're not going to see you at the investor conference, but look forward to meeting you in person.

We appreciate your interest in Biote and look forward to updating you on our progress on the next conference call.