

Biote Corp.

First Quarter 2026 Earnings Conference Call

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CORPORATE PARTICIPANTS

Bret Christensen - *Chief Executive Officer*

Bob Peterson - *Chief Financial Officer*

Szymon Serowiecki - *Investor Relations*

PRESENTATION

Operator

Good day, and welcome to the Biote First Quarter 2026 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, to withdraw your question, please press "*" then "2." Please note this event is being recorded.

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

Szymon Serowiecki

Thank you for joining us today. This afternoon, Biote published financial results for the first quarter ended March 31st, 2026. This news release is available in the investor relations section of the company's website. Hosting today's call are 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, strategic plans and anticipated benefits, goals, research and development, manufacturing and commercialization activities, its competitive position, regulatory process operations, benefits of its solutions, the anticipated impact of macroeconomic conditions on its business, results 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 as representing 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 will also refer to adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP financial measures to provide additional information to investors. A reconciliation of the non-GAAP-to-GAAP measures is provided in the earnings release, with the primary differences being stock-based compensation, fair value adjustments to certain liabilities and other non-operating expenses. Please refer to our first quarter 2026 earnings release for reconciliation of these non-GAAP measures to the closest comparable GAAP measures.

Now, I will turn the call over to Bret Christensen.

Bret Christensen

Thank you, Szymon and thank you all for joining us. After my remarks, Bob will review our first quarter financial results. We'll then open the call for your questions.

Over the past 12 months, we have made important progress to advance our strategic priorities. We have strengthened our commercial organization, expanded our sales team, and enhanced our capabilities to better support practitioners and their patients. We have also sharpened our focus on maximizing value from our existing top-tier clinics, which remain important contributors to our long-term financial performance. Through these strategic and operational initiatives, we built a solid foundation that we believe supports sustainable, long-term profitable growth.

As previously communicated, in January, Biote voluntarily withdrew certain bioidentical hormone pellet inventory from the market. We initiated this recall out of an abundance of caution. This temporary supply disruption created a headwind to our first quarter performance, resulting in an estimated \$1.7 million revenue impact and approximately \$1.5 million of incremental costs incurred due to the voluntary recall.

We are addressing the supply challenge as efficiently as possible. To mitigate the impact on our practitioners and their patients, we are increasing inventory levels to ensure continuity of care throughout our network. The recall affected our first quarter results and was a significant distraction to our sales force and their growth objectives as they were forced to service accounts versus focusing on growth.

While the impacts are expected to continue into the second quarter, we believe this is a temporary issue, and it does not affect our long-term strategy or alter the overall demand environment. We continue to see a sizable market opportunity across hormone therapy and therapeutic wellness, and we remain focused on building sustainable revenue growth.

In our last call, I noted that one of our top priorities in 2026 was to expand our sales personnel from over 90 at the end of 2025 to approximately 120 this year. I'm pleased to report that we are substantially complete with this effort, with over 25 new sales personnel hired in the first quarter.

We've expanded and strengthened our commercial capabilities and are ready for the future. Despite the distraction caused by the voluntary recall, our commercial team is already beginning to deliver a higher level of service to existing accounts while utilizing our increased sales capacity to grow and scale our practitioner network. In the first quarter, we trained more than 200 new practitioners, representing a 16.5% increase from the first quarter of 2025.

For our top clinics, we have introduced a series of measures aimed at improving retention and supporting stronger lifetime revenue outcomes. We are enhancing our commercial framework to reinforce the value proposition Biote can offer to our leading practitioners.

New practitioner training sessions remain at near full capacity, underscoring continued practitioner interest in our bioidentical hormone optimization and healthy aging solution offerings. Because the number of newly trained practitioners is a leading indicator of future procedures and dietary supplement sales, this high level of engagement further strengthens our belief that we are on the right path to restore revenue growth.

As a reminder, once a practitioner is fully trained, it typically takes about six months for that new practitioner to begin to contribute meaningfully to our financial performance. As we continue to invest in our commercial team, one of our key objectives is to elevate the quality of our sales pipeline. Over the past several months, we have seen clear evidence of progress, with higher value OBGYN and general practitioners representing a growing share of our pipeline.

This reflects a more disciplined qualification process as well as our focus on recruiting practitioners with greater long-term revenue contribution potential. We believe our efforts to enhance our sales pipeline should translate into more predictable performance as we increasingly support practitioners whose clinical specialties more closely align with our suite of product offerings.

In summary, while our first quarter performance fell short of our expectations due to the voluntary product recall, we continued to move forward on key initiatives that support our long-term strategy. I am confident that our strategic investments and actions are expected to strengthen our capabilities and lay the groundwork for what we anticipate will be a return to growth in the second half of the year.

I will now turn the call over to Bob to review the first quarter results.

Bob Peterson

Thank you, Bret and good afternoon, everyone. Unless otherwise noted, all quarterly financial comparisons in my prepared remarks are made against the first quarter of 2025.

Revenue decreased 8.3% to \$44.9 million, with procedure revenue declining 13.2% to \$31.3 million, which included a \$1.7 million impact related to the voluntary recall of certain hormone pellets shipped by Asteria Health.

Procedure revenue was primarily impacted by the following factors: one, lower procedure volume in existing clinics, which includes the impact of hormone pellet supply constraints related to the recall, and two, slower productivity from new clinics as our sales reps focused on supporting recall-impacted clinics.

Dietary supplement revenue grew 19.1% to \$11.0 million. The increase was primarily driven by the continued growth of our e-commerce channel. Overall, we continue to forecast our dietary supplement revenue will grow at a mid-to-high single-digit rate for the 2026 year.

Gross profit margin was 68.9% compared to 74.3%. The decrease was primarily due to \$1.1 million of incremental costs related to the recall. In the first quarter, Asteria Health produced approximately 30% of our shipped pellets, as compared to over 50% in the fourth quarter of 2025.

As Bret noted, we anticipate fully restoring Asteria Health's supply continuity by the end of the second quarter. As a result, we expect our second quarter product mix will continue to include an elevated level of third-party supply, which will impact second quarter gross margin. Our goal remains to meet customer needs through the vertical integration of Asteria Health.

Selling, general and administrative expenses increased 4.1% to \$27.8 million. The increase reflected higher legal expense and \$0.4 million of SG&A costs associated with the product recall.

Net income was \$2.7 million and diluted earnings per share attributed to Biote Corp shareholders was \$0.06. This compares to net income of \$15.8 million and diluted earnings per share attributed to Biote Corp stockholders of \$0.37. Net income for the first quarter of 2026 included a gain of \$2.1 million due to changes in the fair value of the earn-out liabilities. By

comparison, net income for the first quarter of 2025 included a gain of \$10.7 million due to changes in the fair value of the earn-out liabilities.

Adjusted EBITDA decreased to \$8.7 million with an adjusted EBITDA margin of 19.4% due to lower sales, reduced gross profit, and higher operating expenses. Cash flow from operations in the first quarter was \$3.9 million. As of March 31st, 2026, cash and cash equivalents were \$5.3 million as Biote fully repaid the remaining amount due under its share repurchase liabilities in January 2026.

Now turning to our financial outlook for 2026. We maintain our guidance forecasting 2026 revenue above \$190 million and 2026 adjusted EBITDA of greater than \$38 million. With respect to our 2026 revenue outlook, procedure revenue is expected to return to growth in the second half of 2026, unchanged from our prior guidance. Based on current trends, we now expect first half procedure revenue growth to be moderately lower than previously forecast due to the temporary impact of the voluntary product recall and related supply constraints. Dietary supplement revenue is expected to grow at a mid-to-high single-digit rate from 2025.

I will now turn the call back to Bret for his closing comments.

Bret Christensen

Thanks, Bob. While we continue to address temporary impacts from the recall, we remain focused on the priorities that will strengthen our business for the long-term. Our continued investments in commercial talent, technology and practitioner support are creating a stronger platform for future execution. With this foundation in place, I believe Biote is well-positioned to better serve our practitioners, improve our financial performance and create value for our shareholders.

Operator, let's 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 are using a speakerphone, please pick up 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.

The first question today comes from Les Sulewski with Truist Securities. Please go ahead.

Jeevan Larson

Hey, this is Jeevan on for Les. Thanks for taking our questions. How did the clinic attrition trend in the first quarter as the recent hires ramp up? And are you seeing some stabilization here if you normalize for the voluntary recall?

Bret Christensen

Hey, Jeevan, this is Bret. Thanks for the question. Attrition for us has stabilized and been stable now for several quarters. It is still a little bit higher than we would like to see it, and with the disruption that we had in Q1 due to supply constraints from the recall, it's hard to draw any conclusions of really any improvement there yet. We did see, however, some positive signs in daily volumes prior to the recall, which is where we get the \$1.7 million impact of the recall,

which we quoted in the earlier comments. So there were some things to be encouraged by and then supply constraints really sort of put a damper on that.

And as far as the sales force and sales force expansion, that expansion is new in Q1 going to 120 reps. They were fairly distracted in Q1 with supply constraints, but we have every belief that they're going to start going to business now as we are just weeks away from completely normalizing inventory levels and getting that team back to growth. So we should see the impact of that team starting in Q2.

Operator

The next question comes from Jeff Van Sinderen with B. Riley Securities. Please go ahead.

Jeff Van Sinderen

Hi everyone. Just wanted to understand a little bit more about the supply constraints. I guess, I'm confused by the recall still having an impact in Q2 and why we would still have supply constraints at this point. I would think that Asteria would recover a little more quickly. Maybe you can just talk a little bit about that.

Bret Christensen

Yes, Jeff, I'll start with that and then Bob can add some color to everything that's going on here. So if you remember, we announced the recall at the end of January and then began notifying our customers. That was done out of an abundance of caution for product that was compounded and manufactured prior to October of 2025. That was just a lot of product that needed to come back and be replaced by Asteria and by some of our third-party customers who are helping with the fulfillment of that product. It just put a lot of strain on Asteria. We've done a tremendous amount to scale production in Asteria, including adding a second shift and asking that team to work very hard to catch up on supply. But it's been an ongoing struggle. The disruption really comes from two things. Having to allocate inventory to our customers, meaning to give them probably less than what they ordered in some cases. That meant rescheduling a patient and just some uncertainty in the field as to what they could do for scheduling patients and making sure they have enough product to perform those procedures.

The distraction in the field was, we asked them to manage that message and, in some cases, manage those orders to help us prioritize who should get inventory and when. All of that ate through our safety stock at Asteria. And we're in the process of building that back up now, but it's been a process that has been longer than we'd like it to be. And we've had to ask for help from our third-party pharmacy partners to help fulfill those orders. But again, we are probably just weeks away from a more normalized situation. It's better today than it was in February, March as well. I'll say that today's a much better situation than it was in the early days of the recall.

Bob, do you have anything to add there?

Bob Peterson

Hey Jeff, the biggest thing that I would add would be, look we're maximizing our production to build safety stock. We intentionally slowed some of the pellets that went out from Asteria so that Asteria could potentially build inventory. And as Bret said, one of the biggest steps that we took to potentially build inventory even quicker is the establishment of a second production shift. So this will enable us to maximize our production and really prepare for the future growth in the future, but at the same time increase our stock levels. So I think those are probably the two biggest pieces we intend and will return to expanding our vertical penetration in the remainder of

the year once we see line of sight into that, as Bret said in the next several weeks, once we see that safety stock at a solid level.

Jeff Van Sinderen

Okay. And so, I'm just kind of, I guess thinking this through out loud, but you had a shortfall in Q1. You sort of guided down for Q2 in your language as I took it, but you kept the year guidance unchanged. So I guess I'm wondering what gives you confidence that the second half will be even better than what was previously implied in guidance?

Bret Christensen

Yes, Jeff, thanks for the question. So like I said in my comments earlier, we just believe this is a temporary headwind to demand because we had these inventory constraints. What makes us optimistic and confident in the guide that we're still going to return to growth in the second half of this year. A couple of things. We saw some positive signs I said going into the recall in daily volumes. That's how we extrapolated this impact of \$1.7 million in revenue on the top line. We believe that's temporary. There's also some, surely some pent-up demand from these supply shortages that we'll recapture in the coming weeks and months. And then this team of 120 territory reps, that's new, really didn't even have a chance to contribute to some of those positive signs that we saw going into the recall. So we're optimistic that that team's going to do just what we hired them to do. We just go out and grow the business once they're not distracted from these inventory issues.

If you remember too. I'll say one more thing. We have had full training classes now for going on six months that that's the earliest indication of supply...I'm sorry, of production in the field returning to growth. So we're optimistic that those 200 plus practitioners that we trained in Q1 are going to start adding meaningfully to growth after they've been onboarded here the next six months. So there's a lot to be optimistic about once we get through these supply issues. That's why we still are confident in a second half return to growth.

Jeff Van Sinderen

Okay, that's helpful. And then just thinking about some of the doctors who couldn't get the supply that they needed. They were on allocation in the moment during Q1 and maybe a little bit in Q2. Was there anything preventing them from maybe sourcing the pellets elsewhere?

Bret Christensen

Well, you know that, not really, Jeff, but I'll say this, the entire industry has been stretched for pellet production and the best partners out there are partners of ours. And so, we very quickly reached out to them, asked for their help in supplying product to our customers, which is why you saw the Asteria mix go down in Q1. That's a temporary drag on gross margin. But those are the most readily available pellets out there. We frankly have strained some of our third-party suppliers because of the demand that we've given them. So there's not a ton of places that physicians can go. It's a very difficult thing to do. If you remember, 80 plus percent of our patients are women since we're so strong in the OBGYN space. And the hardest pellets to produce are the estradiol pellets. They're very manual and can't be produced at scale in the way testosterone pellets can. And so, that for the most part was the drag on supply and the challenge. But that challenge is shared by a lot of the pharmacies out there. So we're in a good spot today, thanks to the help of our third-party pharmacies and the quick work by Asteria to scale production at a second shift. And we think we're in good shape going forward.

Jeff Van Sinderen

Okay, thanks for taking my questions

Operator

Again. If you have a question, please press "*" then "1." The next question comes from George Kelly with Roth Capital Partners. Please go ahead.

George Kelly

Hey everyone, thanks for taking my questions. First one is just back to the recall. I was curious if you saw much clinic attrition as a result?

Bret Christensen

George. Hey, this is Bret. Thanks for the question. Not really. So at this point, you know, it'd be anecdotal anyway, but we haven't seen too much clinic attrition. We clearly saw a reduction in volumes of procedures in the field. And so it remains to be seen if there was any patient attrition, meaning the patient switched modalities, things like that. We think there's pent up demand that we'll capture in the coming weeks and months, but not meaningfully. We didn't see any uptick in attrition that we could note.

George Kelly

Okay. And then with your current status and your sort of inventory build that your catch up that you are doing right now, where are you in that process, you mentioned that you feel like you're in a good spot now? Is there still a lot of sort of catch up that needs to happen? And part two of the question is, what have you seen in April? The press release commented that there's continued pressure. So any kind of detail you can give about procedure volume in April would be helpful?

Bret Christensen

Yes, thanks, George. So you know, we said it would persist into Q2, which is where we're at today. But at the same time we're saying we're weeks away from probably a fully normal situation. So that is tremendous progress. And we intentionally are kind of taking it easy on Asteria to allow them to build some safety stock because we do want to eventually get to another two months or so of safety stock on top of everything they're currently supplying to our customers. So we're going to continue to use our third-party partners as much as we can to allow that to happen and we'll use them going forward as well. They've just been fantastic in this whole process.

So we had the management team into the corporate office today and like I can tell you just anecdotally, if it's not going well, we hear it. And the consensus was things are much, much better today than they were weeks and months ago. So I think that the team is feeling it. Our customers are surely feeling it. We're not completely out of the woods only because we're still allocating inventory, meaning, we're holding some of our customers to two or three weeks of inventory when they're used to having two plus months sometimes that just gives them the confidence to schedule a lot of cases in the future. So that's the only thing I would say is...there's inventory in the field. It's not to the level that some of our customers would like to see it, to feel confident, but we'll get there shortly.

Bob Peterson

And George, to your first part of the question about Asteria, I would just tell you that it does take some time in a regulated environment to make sure that we can get a second shift up and running. So those steps started about a month, month and a half ago. I can tell you as far as where we are in the second shift, we just recently started that second shift. And as you can imagine, the shop at Asteria is working even before the second shift around the clock to maximize production. But the second shift now, now would eliminate a lot of the constraints, if

you will, that exist with vialing and packaging some of these smaller items. So I would tell you in the next. Bret mentioned in a couple of weeks. In the next couple of weeks, we should be in a solid position. I believe that that would be the case primarily because of the advent of this second shift. And probably in a month's time...in a month, maybe a little bit longer, we should be ahead of our safety stock levels so that we can start looking forward to regaining traction from a vertical integration perspective at Asteria, so we can really start ramping back up to where we once were.

George Kelly

Okay, 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

I want to thank everyone for joining us today. We appreciate your interest in Biote and look forward to speaking with you on our next conference call. Thanks, everyone.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.