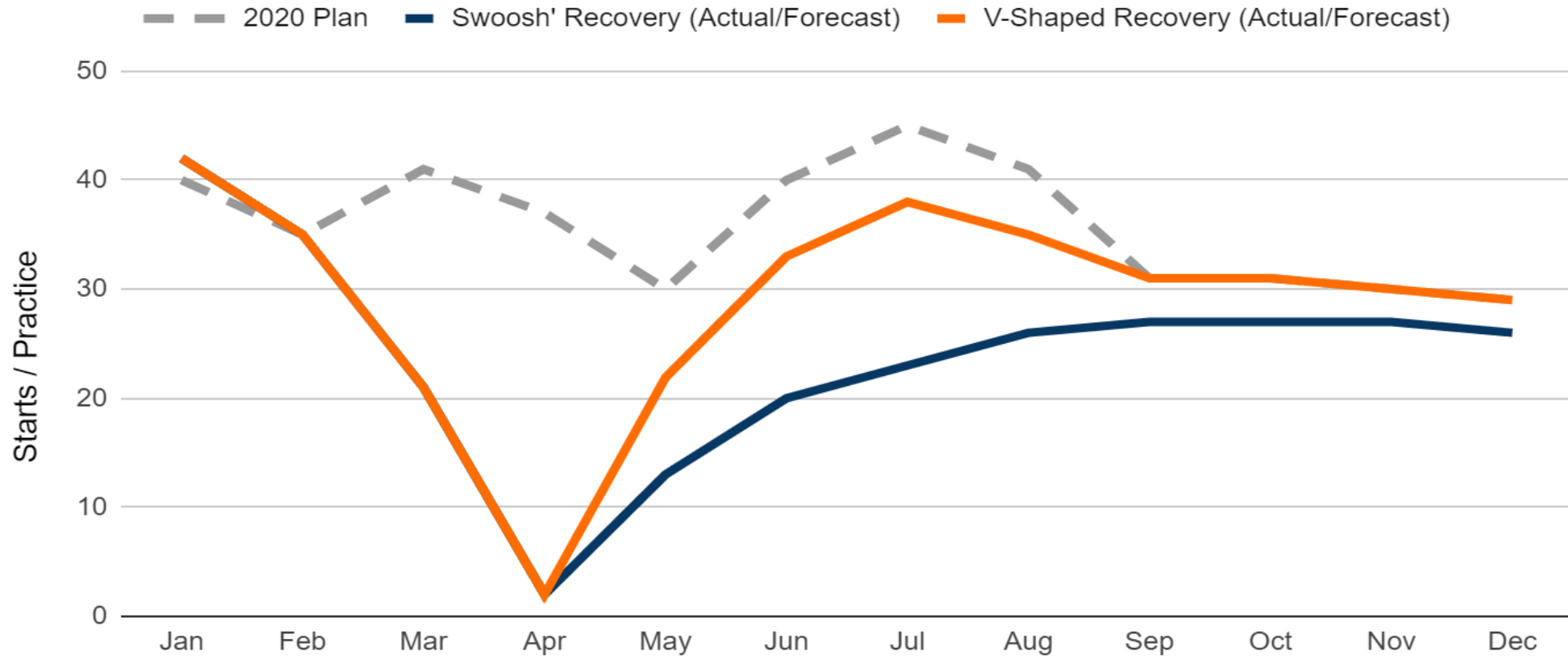


Two recovery models: 'Swoosh' and 'V-shaped'

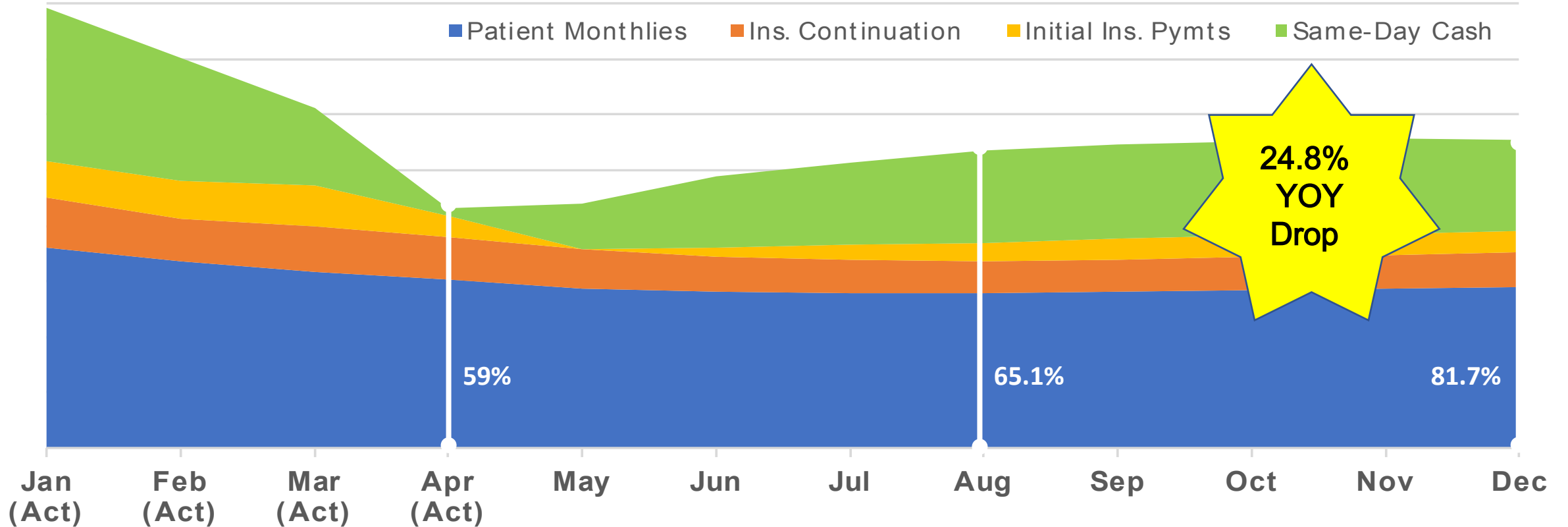
Average Practice Starts by Month (May-Dec Forecast vs 2020 Plan)



UNEMPLOYMENT COULD LIMIT RECOVERY TO 90 % FOR EXTENDED TIME

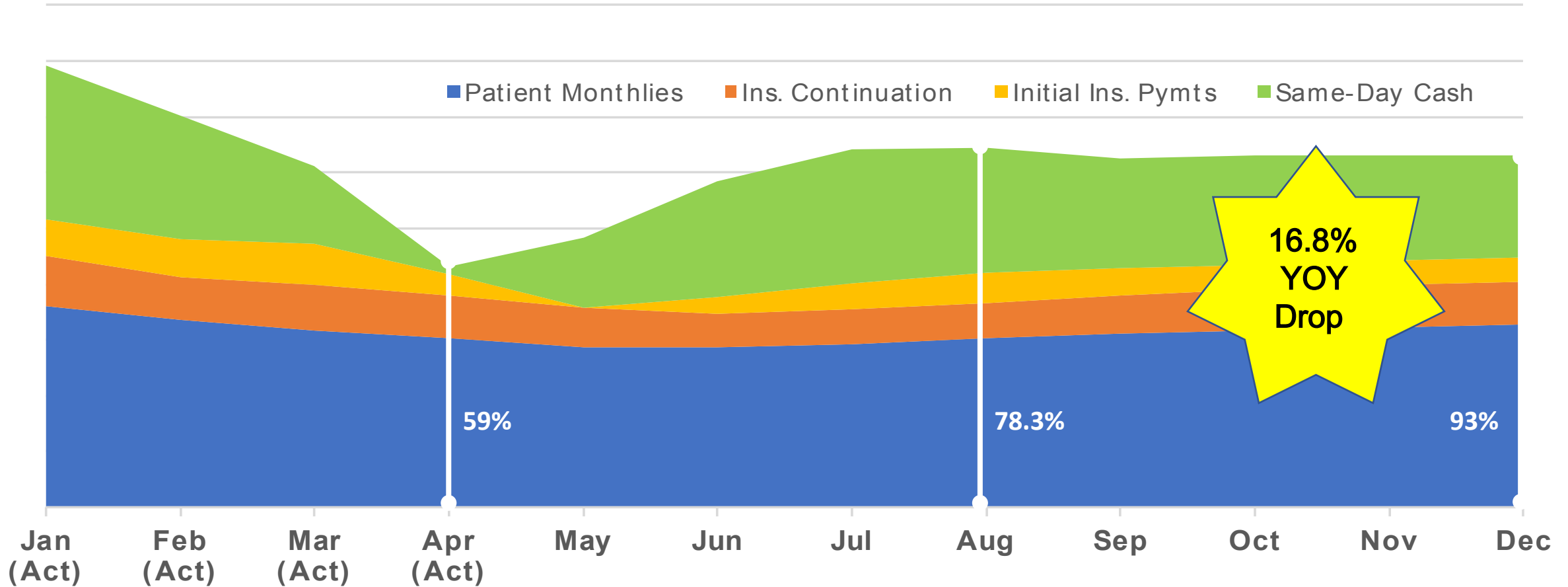
'Swoosh' Recovery: Flattens the Curve

Actual / Projected Collections by Month Per Practice (Swoosh Recovery Model)



'V-Shape' Recovery: Reduces Peak Months

Actual / Projected Collections by Month Per Practice (V-Shape Recovery Model)



Takeaways – So What Now?

- Collections projected between 17-25% below prior year, with peak start volumes this summer anywhere from 16-45% below the original forecast. Take a measured approach to staffing and operating expenses to plan for the lower end, then adjust up as needed.
- The variable that will likely determine whether we see a ‘swoosh’ or a ‘V-shaped’ recovery is consumer behavior, driven by concerns over financial affordability and safety. Make sure your marketing, messaging and outreach is focused on addressing those concerns.
- Not all families have been devastated financially, so you need to offer open-choice flexibility. Data proves most patients don’t need a bigger discount or lower down payments, but be prepared for the ones that do.
- The market for treatment will be more competitive coming out of this shutdown. Make sure you are focused on playing offense. Invest time and resources into patient acquisition technology, marketing, pending management and referral nurturing. Spend less time on tasks that drain your focus and distract your team.