

Big smiles at Henry Schein

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Root canals and cavity fillings have become Long Island's latest indicator of financial health.

Medical supplier Henry Schein posted record annual sales and earnings per share yesterday, as dental practices appeared to step up equipment purchases — a sign that patients are becoming more willing to spend on their teeth, analysts and company officials said.

Melville-based Henry Schein, the Island's largest publicly traded company by revenue, sells equipment to physicians, veterinarians and dentists, including digital imaging machines, surgical instruments and dental implant systems.

Sales in the October to December quarter rose 15.6 percent to \$2.3 billion, from \$2 billion in the corresponding period

of a year ago. Quarterly profit was \$104.7 million, up 12.6 percent from \$93 million a year ago. Full-year sales rose to a record \$8.5 billion, Henry Schein said. The results were buoyed by an extra week in the company's fiscal 2011, which a spokeswoman called an accounting anomaly.

The results beat the expectations of analysts and were especially strong in North America, where dental sales increased 11.9 percent.

"The dental market feels like it's getting better," Stanley Bergman, Henry Schein's chief executive, said in an interview. "It feels like office visits are a little stronger."

A.J. Rice, an equity analyst at Susquehanna Financial Group in Manhattan, said Henry Schein's sales beat his projections "across the board." Rice said dental practices put off equipment purchases dur-

ing the economic downturn, and consumers put off dental visits. "We saw a pickup on both sides of the equation on the fourth quarter," Rice said.

Henry Schein said it would restructure the company's fast-growing international division into separate global segments for dental, medical, and animal health products, as well as another international division for the company's technology and value-added services. The company said the restructuring would cost between \$11 million and \$13 million.

Henry Schein employs about 15,000 globally, including about 1,200 on Long Island. The company's head count here will remain unchanged after the restructuring, Bergman said.

Henry Schein's stock price slipped 2 cents to \$73.13 yesterday.