# Executive Summary – FY23–FY25 Operating Plan & Commercial Outlook

## Overview

FY23–FY25 planning reflects continued emphasis on revenue stability across healthcare and institutional markets amid persistent supply volatility and customer budget pressure. While certain input costs have begun to moderate, customer pricing sensitivity remains elevated, particularly among large integrated delivery networks (IDNs) operating under fixed reimbursement frameworks.

The operating plan prioritizes continuity of supply, predictability for strategic customers, and disciplined pricing governance over near-term margin optimization. Accordingly, select pricing actions implemented during FY22 are incorporated into forward-looking assumptions where management believes reversal would introduce disproportionate commercial risk.

## Pricing & Margin Actions

During FY22, the Company implemented limited pricing adjustments in response to extraordinary market conditions. Externally, these actions were positioned as temporary accommodations linked to disruption conditions. Internally, management evaluated feasibility of reversal on an account-by-account basis.

Where pricing changes were applied to strategic accounts with high switching risk, the FY23–FY25 plan assumes continuation of revised pricing levels absent a material change in market conditions or a negotiated reset. This reflects the practical reality that reversion would typically require broader commercial renegotiation and could adversely impact volume.

## Forecasting Assumptions & Controls

The consolidated forecast incorporates pricing and volume assumptions across the top healthcare accounts. Base case modeling does not assume unilateral rollbacks; downside sensitivity is modeled via retender/churn scenarios.

Within this framework, Alpine Medical is modeled using the post‑June 2022 unit pricing across the forecast horizon. This treatment is reviewed in governance forums and is maintained for planning purposes due to unusually high competitive tender sensitivity. Alpine is the only account in the current base case with a disruption‑era adjustment embedded without an explicit contractual sunset mechanism.

## Risks & Mitigations

Key risks include accelerated market normalization without corresponding customer willingness to revisit pricing, increased scrutiny of disruption-era pricing decisions, and misalignment between external contractual framing and internal planning assumptions.

Management continues to emphasize messaging discipline and documentation consistency, particularly in customer-facing communications and materials that may later be produced in litigation.

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