Risk Factors Comparison 2024-02-20 to 2023-02-28 Form: 10-K

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Set forth below are certain risk factors that we currently believe could materially and adversely affect our business, financial condition, results of operations and cash flows. These risk factors are in addition to those mentioned in other parts of this report and are not all of the risks that we face. We could also be affected by risks that we currently are not aware of or that we currently do not consider material to our business. Operational Risks We have concentration in and dependence on certain healthcare provider customers, Group Purchasing Organizations, and Payors. In ~~2022~~ **2023** , although no single customer accounted for 5 % of our consolidated net revenue, our top ten customers in the ~~United States~~ **U. S.** represented approximately ~~26~~ **20** % of our consolidated net revenue. In addition, in ~~2022~~ **2023** , approximately ~~66~~ **64** % of our consolidated net revenue was from sales to member hospitals under contract with our largest GPOs: Vizient, Premier and HPG. We could lose a significant healthcare provider customer or GPO relationship if an existing contract expires without being replaced or is terminated by the customer or GPO prior to its expiration. Although the termination of our relationship with a given GPO would not necessarily result in the loss of the member hospitals as customers, any such termination of a GPO relationship, or a significant individual healthcare provider customer relationship or Payor, could have a material adverse effect on our results of operations, financial condition and cash flows. The medical products industry is subject to a multi- tiered costing structure, which can vary by manufacturer and / or product. Under this structure, certain institutions can obtain more favorable prices for medical products than we are able to obtain. The multi- tiered costing structure continues to expand as many large integrated healthcare providers and others with significant purchasing power, such as GPOs, demand more favorable pricing terms. Additionally, the formation of new provider networks and GPOs may shift purchasing decisions to entities or persons with whom we do not have a historical relationship. This may threaten our ability to compete effectively, which could in turn negatively impact our financial results. Although we are seeking to obtain similar terms from manufacturers to obtain access to lower prices demanded by GPO contracts or other contracts, and to develop relationships with provider networks and new GPOs, we cannot assure you that such terms will be obtained or contracts will be executed. Our failure to establish and maintain relationships with hospital and physician referral sources may cause our revenue to decline. We do not have contracts or exclusive arrangements with most hospitals or physicians for our Patient Direct segment. Instead, we attempt to work closely with hospitals and physicians to accept discharges and referrals of their patients who require our services. Therefore, the success of our Patient Direct segment is significantly dependent on referrals from hospital and physician sources. If we are unable to successfully establish new referral sources and maintain strong relationships with our current referral sources, if there is an actual or perceived decrease in the quality of service and care levels we provide, or if efforts to increase the skill level and effectiveness of our sales force fail, our revenues may decline. In addition, our relationships with referral sources are subject to federal and state healthcare laws such as **the** U. S. federal Anti- kickback Statute **(Anti- kickback Statute)** and the U. S. federal Stark Law **(Stark Law)** , and compliance with these laws limits the scope of our relationships with our referral sources. Possible changes in customer and product mix could have a material adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. Our revenues are determined by a number of factors, including mix of customers, the rates of payment among customers and the mix of our products and services provided. A shift towards customers with lower prices, or from higher gross margin products to lower gross margin products, would reduce our gross margins. Changes in the mix of our customers, products and services provided and payment methodologies could have a material adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. Our **business** ~~Products & Healthcare Services segment~~ is dependent on certain significant suppliers. In **our Products & Healthcare Services segment in** the ~~United States~~ **U. S.** , we distribute products from approximately 1, 000 suppliers ~~in our Products & Healthcare Services segment~~ and are dependent on these suppliers for the continuing supply of products. In ~~2022~~ **2023** , sales of products of our ten largest domestic suppliers accounted for approximately 37 % of consolidated net revenue. No sales of products of any individual suppliers exceeded 10 % of our consolidated net revenue for ~~2022~~ **2023** . We rely on suppliers to provide agreeable purchasing and delivery terms and performance incentives. Our ability to sustain adequate operating income has been, and will continue to be, dependent upon our ability to obtain favorable terms and incentives from suppliers, as well as suppliers continuing use of third- party distributors to sell and deliver their products. A change in terms by a significant supplier, the decision of such a supplier to distribute its products directly to healthcare providers rather than through third- party distributors, or a key supplier' s failure to sell and deliver us products necessary to meet our customers' demands could have a material adverse effect on our results of operations, financial condition and cash flows. In addition, for quality assurance or cost effectiveness, we have purchased from sole suppliers certain components and raw materials such as polymers used in our products, and we expect to continue to purchase these components and raw materials from these sole suppliers. Although there are other sources in the marketplace for these items, we may not be able to quickly establish additional or replacement sources for certain components or materials due to regulations and requirements of the U. S. Food and Drug Administration (FDA) and other regulatory authorities regarding the manufacture of our products. The loss of any sole supplier or any sustained supply interruption that affects the ability to manufacture or distribute our products in a timely or cost- effective manner could have a material adverse effect on our business, results of operations, financial condition and cash flows. **In** ~~The reliance of~~ our Patient Direct segment **, we** ~~on relatively few vendors for the majority of its patient equipment and supplies could adversely affect our ability to operate this business. We~~ currently rely on a relatively small number of ~~vendors~~ **suppliers** to provide us with the majority of our patient **service** equipment and supplies for our home healthcare business. From time to time, we also enter into certain exclusive arrangements

with **suppliers** ~~a given vendor~~ for the provision of patient **service** equipment and supplies. Further, some of our supply agreements contain pricing scales that depend on meeting certain order volumes. Our inability to procure certain equipment and supplies, including as a result of failure to maintain and renew certain agreements and access arrangements, could have a materially adverse effect on our results of operations and cash flows. We often use ~~vendors~~ **suppliers** selectively for quality and cost reasons. Significant price increases, or disruptions in the ability to obtain such equipment and supplies from existing ~~vendors~~ **suppliers** , such as the disruptions associated with the Philips Respironics recall as described in Management' s Discussion and Analysis of Financial Condition and Results of Operations, may ~~force us to increase our prices (which we may be unable to do) or~~ reduce our ~~margins~~ **income** and could force us to use alternative ~~vendors~~ **suppliers** . Any change in the existing ~~vendors~~ **suppliers** we use could cause delays in the delivery of products and possible losses in revenue, which could adversely affect our results of operations and cash flows. In addition, alternative ~~vendors~~ **suppliers** may not be available, or may not provide their products and services at similar or favorable prices. If we cannot obtain the patient **service** equipment and supplies we currently use, or alternatives at similar or favorable prices, our ability to provide such products may be severely impacted, which could have an adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. **results of operations,financial condition and cash flows.** Our operations depend on the proper functioning of information systems,and our business or results of operations could be adversely affected if we experience a cyberattack or other systems breach or failure.We and our external service providers use and rely on information systems to perform our business operations including receiving,processing,analyzing,and managing data in distributing thousands of products to customers from numerous distribution centers.These systems are also relied upon for receiving and filling orders for customers,billings to and collections from customers,the purchase of and payment for inventory and related transactions from our suppliers,and the secure electronic transmission,processing,storage,and hosting of sensitive information,including protected health information and other types of personal information,confidential financial information,proprietary information,and other sensitive information relating to our customers,company,and teammates.In addition,the success of our long- term growth strategy is dependent upon the ability to continually monitor and upgrade our information systems to provide better service to customers ~~.As described in Item 1C,we have an integrated framework to prevent,identify and mitigate risks related to cybersecurity attacks on our systems.~~ Despite physical,technical,and administrative security measures ~~by us and our external service providers and consultants~~ ,our technology systems and operations ~~have in the past and~~ may be ~~in the future~~ subject to cyberattacks from sources beyond our control.In recent years,cyberattacks in our industry have increased and become more sophisticated ~~.For instance,we expect threat actors may use more advanced tools~~ and ~~techniques~~ , ~~such~~ as ~~artificial intelligence,that are designed to circumvent security controls.As~~ a result,the risk of a cyberattack on our systems has increased ~~.We do not oversee or actively monitor cybersecurity risks related to our external service providers and we rely on these providers to inform us of risks,breaches or cyberattacks~~ .Cyberattacks include actual or attempted unauthorized access **,tampering,malware insertion,ransomware attacks,or other system integrity events.A cybersecurity incident could involve a material data breach or other material impact to the operations of our technology systems,which could result in failure of our systems to operate properly for an extended period of time,litigation or regulatory action,loss of customers or revenue,and increased expense,any of which might have a material adverse impact on our business operations,reputation,our growth and strategic initiatives,our** An interruption in the ability of our business to manufacture products may have a material adverse effect on our business. We manufacture the majority of our products in 17 facilities: ~~twelve~~ **12** in the ~~United States~~ **U. S.** , two in Mexico, and one each in Thailand, Ireland and Honduras. If one or more of these facilities experience damage, or if these manufacturing capabilities are otherwise limited or stopped due to quality, regulatory or other reasons, including ~~pandemic~~ **pandemics** , natural disasters, geopolitical events, prolonged power or equipment failures, labor disputes or unsuccessful imports / exports of products as well as supply chain transportation disruptions, it may not be possible to timely manufacture the relevant products at required levels or at all. A reduction or interruption in any of these manufacturing processes could have a material adverse effect on our business, results of operations, financial condition and cash flows. Our business and operations depend on the proper functioning of critical facilities and distribution networks. Damage or disruption to any of our facilities or distribution capabilities due to pandemic, weather, natural disaster, fire, terrorism, strikes, trade restrictions, the financial and / or operational instability of key suppliers, geo- political events (such as the Russia- Ukraine conflict **or the Israel- Hamas War**) or other reasons could impair our ability to offer services, distribute products and conduct our business. To the extent that we are unable, or it is not financially feasible, to mitigate the likelihood or potential impact of such events, or to manage effectively such events if they occur, there could be a material adverse effect on our business, results of operations, financial condition and..... our growth and strategic initiatives, our results of operations, financial condition and cash flows. Our capitation arrangements may prove unprofitable if actual utilization rates exceed our assumptions. From time to time, we enter into capitation arrangements with commercial Payors pursuant to which they agree to pay us a set amount (on a per member per month basis for a defined patient population) without regard to the actual services provided. We negotiate the contractual rates in these arrangements with Payors based on assumptions regarding average expected utilization of services. If actual utilization rates exceed our assumptions, the profitability of such arrangements may be diminished. Moreover, we may be obligated to perform under such capitation arrangements even if the contractual reimbursement rates are insufficient to cover our costs based on actual levels of utilization. Our ability to attract and retain talented and qualified teammates is critical to our success and competitiveness. The success of our business depends on our ability to attract, engage, develop and retain qualified and experienced teammates, including key executives. We may not be able to successfully compete for, attract, or retain qualified and experienced teammates, especially in North America where labor markets are currently tight. Competition among potential employers, labor shortages, and inflationary pressures might result in increased salaries, benefits or other teammate-related costs, or in our failure to recruit and retain teammates. We may experience sudden loss of key personnel due to a variety of causes, including illness, and must adequately plan for succession of key executive roles. Teammates might not successfully

transition into new roles. If we are unable to recruit or retain a sufficient number of qualified employees, or if the costs of compensation or employee benefits increase substantially, our ability to deliver services effectively could suffer and our profitability would likely be adversely affected. In addition, union organizing activities have occurred in the past and may occur in the future, and the adverse impact of unionization and organizing activities on our costs and operating results could be substantial. Our inability to adequately integrate acquisitions could have a material adverse effect on our operations. In connection with our growth strategy, we from time to time acquire other businesses, that we believe will expand or complement our existing businesses and operations. The integration of acquisitions involves a number of significant risks, which may include but are not limited to, the following: ~~• Expenses~~ **expenses** and difficulties in the transition and integration of operations and systems; ~~• Complexities~~ **complexities** associated with managing the expanded operations; ~~• Retention~~ **retention** of current customers and the ability to obtain new customers; **the** ~~• The~~ assimilation and retention of personnel; ~~• Accounting~~ **accounting** , tax, regulatory and compliance issues; ~~• Difficulties~~ **difficulties** in implementing uniform controls, procedures, policies and information systems; ~~• Unanticipated~~ **unanticipated** expenses, delays or regulatory issues associated with integrating the operations; ~~• General~~ **general** economic conditions in the markets in which the acquired businesses operate; ~~• Difficulties~~ **difficulties** encountered in conducting business in markets where we have limited experience and expertise; ~~• Difficulties~~ **difficulties** obtaining or failure to obtain necessary regulatory licenses and Payor- specific approvals; ~~• Diversion~~ **diversion** of management' s attention caused by completing the integration of the operations; ~~• Inadequate~~ **inadequate** indemnification from the seller; and ~~• Failure~~ **failure** of the seller to perform under any transition services agreement. Even if we are able to integrate an acquired business successfully, this integration may not result in the realization of the full benefits that we expected or may be more costly than we expected ~~. For instance, the integration of Apria' s business may result in unanticipated problems, expenses, liabilities, regulatory risks and competitive responses that could have material adverse consequences and we may fail to realize the full expected synergies from this acquisition~~ . If we are unable to successfully complete and integrate our strategic acquisitions in a timely manner, our business, growth strategies, results of operations and cash flows could be adversely affected. Our operations involve the storage, transportation and provision of compressed and liquid oxygen, which carries an inherent risk of rupture or other accidents with the potential to cause substantial loss. Our operations are subject to the many hazards inherent in the storage, transportation and provision of medical gas products and compressed and liquid oxygen, including ruptures, leaks and fires. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in curtailment or suspension of our related operations. If a significant accident or event occurs, it could adversely affect our business, financial position, results of operations, and cash flows. Additionally, corrective action plans, fines or other sanctions may be levied by government regulators who oversee the storage, transportation and provision of hazardous materials such as compressed or liquid oxygen. Our goodwill may become impaired, which would require us to record a significant charge to earnings in accordance with generally accepted accounting principles. U. S. Generally Accepted Accounting ~~Principals~~ **Principles** (GAAP) ~~requires~~ **require** us to test our goodwill for impairment on an annual basis, or more frequently if indicators for potential impairment exist. The testing required by GAAP involves estimates and judgments by management. Although we believe our assumptions and estimates are reasonable and appropriate, any **significant adverse** changes in **one or a combination of** key assumptions, including, but not limited to, a failure to meet our business plans or expected earnings **and cash flows** , unanticipated events and circumstances such as changes in assumptions about the duration and magnitude of increased supply chain expense, commodities costs or inflationary pressures and our planned efforts to mitigate such impacts, ~~further~~ disruptions in the supply chain, estimated demand and selling prices for **personal protective equipment (** PPE **)** or other products, **an** ~~a further~~ increase in the discount rate, a decrease in the terminal growth rate, increases in tax rates (including potential tax reform) or a significant change in industry or economic trends, may affect the accuracy or validity of such estimates and may result in goodwill impairment. No impairment charges to goodwill were recorded in **2023,** 2022, **or** 2021 ~~, or 2020~~ . We may be required to record a material charge to earnings in our consolidated financial statements during the period in which any impairment of our goodwill is determined, which charge could adversely affect our results of operations. Industry and Economic Risks We face increasing competition, accelerating pricing pressure and changes in technology. The medical / surgical supply distribution industry in which our Products & Healthcare Services segment operates is highly competitive and characterized by pricing and margin pressure for our business. We compete with other national distributors and a number of regional and local distributors, as well as customer self- distribution models and, to a lesser extent, certain outsourced logistics companies. In the ~~United States~~ **U. S.** , several of our distribution partners and GPOs directly compete with us by sourcing their own brands. Competitive factors within the medical / surgical supply distribution industry include market pricing, the relative bargaining power of provider networks and GPOs, total delivered product cost, product availability, the ability to fill and invoice orders accurately, delivery time, range of services provided, efficient product sourcing, inventory management, information technology, electronic commerce capabilities, and the ability to meet customer- specific requirements. Our success is dependent on the ability to compete on the above factors, while managing internal costs and expenses. The home healthcare industry in which our Patient Direct segment operates is also intensely competitive and highly fragmented. There are a large number of providers, including hospital systems, physician specialists and sleep labs, industrial gas manufacturers, home healthcare agencies, health maintenance organizations, and alternative treatment providers. There are also relatively few barriers to entry in local home healthcare markets. Hospitals, health systems, and Payors are routinely looking to provide coverage and better control of post- acute healthcare services, including home healthcare services of the types we provide. From time to time our contracts are amended (sometimes through unilateral action regarding payment policy), renegotiated, subjected to a bidding process with our competitors, or terminated altogether. Payors may enlarge their provider networks, reducing the amount of referrals or revenue we may receive from them, reduce their provider networks in exchange for lower payment rates or change the order of preference among the providers to which they refer business. In addition, pharmacy benefit managers, such as CVS Health Corporation, are beginning to compete

with us in the home healthcare market. Large technology companies, such as Amazon. com, Inc. and Alphabet Inc., have disrupted other supply businesses and, in the case of Amazon. com, Inc. and its ~~new~~ **emerging** pharmacy offerings, entered the healthcare market. In the event such providers enter the home healthcare market, we may experience a loss of referrals or revenue. Traditional distribution relationships are also being challenged by online commerce solutions. Such competition will require us to cost- effectively adapt to changing technology, to continue to provide enhanced service offerings and to continue to differentiate our business (including with additional value- added services) to address demands of consumers and customers on a timely basis. The emergence of such competition and our inability to anticipate and effectively respond to changes on a timely basis could have a material adverse effect on our business. Some of our competitors may now or in the future have greater financial or marketing resources than we do, or have more effective sales and marketing activities, which may increase pricing pressure and limit our ability to maintain or increase our market share. In addition, in certain markets, competitors may have other products and services that are or perceived to be superior to our own. It is also possible that major changes in available technology, Payor benefit or coverage policies related to those changes, or the preferences of customers, patients and referral sources, may cause our current product offerings to become less competitive or obsolete, and it will be necessary for us to adapt to those changes. Such unanticipated changes could cause us to incur increased capital expenditures and change strategies and could have a material adverse effect on our business, results of operations, financial condition and cash flows. An inability to obtain key components, raw materials or manufactured products from third parties in a timely and cost- effective manner, or a material disruption in our supply chain, may have a material adverse effect on our business. We depend on the availability of various components, raw materials and manufactured products supplied by others for our operations. If the capabilities of suppliers and third- party manufacturers are limited or stopped, due to quality, regulatory or other reasons, including ~~pandemic~~ **pandemics** , natural disasters, geopolitical events, prolonged power or equipment failures, labor disputes or unsuccessful imports / exports of products as well as supply chain transportation disruptions, or other reasons, that could negatively impact our ability to manufacture or distribute our products and could lead to exposure to regulatory actions. In addition, any material interruption in our supply chain, including as a result of shipping or trade restrictions, could materially adversely affect our business operations and our results of operations, financial condition and cash flows. Furthermore, the failure of third parties to timely deliver quality products to us may negatively impact our operations. Disputes with significant suppliers, including disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers and could materially adversely affect our results of operations, financial condition and cash flows. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, particularly when a product is sourced from a single location or supplier, could adversely affect our business, results of operations, and cash flows, as well as require additional resources to restore our supply chain. We have experienced, and may continue to experience, higher supply chain costs, particularly related to international freight and commodities. Due to competitive dynamics and contractual limitations, we may be unable to pass along these cost increases through higher prices. Short- term or sustained increases in demand for our products may exceed our production capacity or otherwise strain our supply chain. These and other supply chain issues can increase our costs, disrupt or reduce our production, delay our product shipments, prevent us from meeting customer demand, damage our customer relationships, and could materially adversely affect our business operations, results of operations, financial condition and cash flows. ~~Our~~ **Uncertainty about current and future economic conditions and other adverse changes in general political conditions may adversely affect demand for our products and services and collectability of our accounts receivable. Poor or deteriorating economic and political conditions in the U. S. and the other countries in which we conduct business could adversely affect the demand for healthcare services and consequently, the demand for our products and services. Such change in demand may result in further inventory valuation adjustments. Poor economic conditions also could lead our suppliers to offer less favorable terms of purchase to distributors, which would negatively affect our** profitability **. Further, the potential decline in federal** and ~~cash flows~~ **state revenues that** may ~~vary based on the impacts of rising inflationary~~ **result from a deterioration in economic and political conditions may create additional** pressures **to** ~~. Inflation has and may continue~~ -- **contain or reduce reimbursements** ~~to materially impact the costs to source materials or~~ **for** ~~produce~~ **our services from Medicare, Medicaid** and **other government sponsored programs** ~~distribute finished goods to customers~~ . ~~Continued inflationary pressures~~ **Increases in job losses in the U. S. as a result of adverse economic conditions** could result in ~~market~~ **a smaller percentage of our patients being covered by an employer group health plan and a larger percentage being covered by lower paying Medicare and Medicaid programs. Employers may also select more restrictive commercial plans with lower reimbursement rates. To the extent that Payors are negatively impacted by a decline in the economy, we may experience further** ~~pressures~~ **pressure** on **commercial rates** ~~our customers to reduce costs~~ , **a slowdown in collections** ~~which could impact our profitability~~ and ~~cash flows~~ **a reduction in the amounts we expect to collect** . ~~Additionally~~ **Furthermore** , **the collection of accounts receivable requires constant focus and involvement by management and ongoing enhancements to information systems and billing center operating procedures.** ~~there~~ **There** ~~is uncertainty~~ **can be no assurance** that we will be able to ~~pass~~ **improve upon or maintain current levels of collectability and DSO in future periods. Worsening economic conditions have had and may continue to have an adverse impact on the businesses and financial health of many of our customers and hurt their creditworthiness. The bankruptcy, insolvency or other credit failure of one or more customers with substantial balances due to us could have a material adverse effect on our results of operations, financial condition and cash flows. These and other possible consequences of financial and economic decline could have a material adverse effect on our business, results of operations, financial condition and cash flows. The U. S. and larger global economies experienced high inflation rates during 2023. The Federal Reserve and other Central Banks have raised interest rates more aggressively and, as a result, the risk of a recession is considered by many to be** elevated ~~costs onto~~ **. The present conditions and state of U. S. and global economies make it difficult to predict whether and / or when and to what extent a recession has occurred or will**

occur in the near future. Uncertainty about the effects of current and future economic and political conditions on us, our customers ~~in~~ **, suppliers** ~~an~~ **and** ~~effort~~ **partners makes it difficult for us** to ~~offset~~ **forecast operating results and to make decisions about future investments. Any significant downturn in the health of the general economy, or any recession, depression or other sustained adverse market event, including** inflationary pressures, **could have** ~~or that such increases may outpace the compensating inflation- based increase in Medicare payment rates or any~~ **an** ~~other rate increases we may receive~~ **adverse effect on our revenues and financial performance, resulting in impairment of assets** . Our Products & Healthcare Services segment is exposed to price fluctuations of key commodities, which may negatively impact our results of operations and cash flows. Our Global Products business, which falls within our Products & Healthcare Services segment, relies on product inputs, such as polypropylene and nitrile, as well as other commodities, in the manufacture of its products. Prices of these commodities are volatile and have fluctuated significantly in recent years, which may contribute to fluctuations in our results of operations and cash flows. The ability to hedge commodity prices is limited. Furthermore, due to competitive dynamics, we may be unable to pass along commodity- driven cost increases through higher prices. If we cannot fully offset cost increases through other cost reductions, or recover these costs through price increases or surcharges, we could experience lower margins and profitability which could have a material adverse effect on our business, results of operations and cash flows. Changing conditions in the ~~United States~~ **U. S.** healthcare industry may impact our results of operations and cash flows. A large percentage of our revenue is derived in the ~~United States~~ **U. S** . We, along with our customers and suppliers, are subject to extensive federal and state regulations relating to healthcare as well as the policies and practices of the private healthcare insurance industry. In recent years, there have been a number of government and private initiatives to reduce healthcare costs and government spending. These changes have included an increased reliance on managed care; consolidation of competitors, suppliers and customers; a shift in healthcare provider venues from acute care settings to clinics, physician offices and home care; and the development of larger, more sophisticated purchasing groups. National and regional insurers and managed care organizations are regularly attempting to seek reductions in the prices we charge for our products and services to them and their members, including through direct contracts with healthcare providers, increased oversight and greater enrollment of patients in managed care programs and preferred provider organizations. We have faced, and expect to continue to face, pricing pressures due to reductions in provider reimbursement for our products and services. In addition, in recent years, the healthcare industry in the ~~United States~~ **U. S.** has experienced and continues to experience significant consolidation in response to cost containment legislation and general market pressures to reduce costs. This consolidation of our customers, health insurers and suppliers generally gives them greater bargaining power to reduce the pricing available to them. All of these changes place additional financial pressure on healthcare provider customers, who in turn seek to reduce the costs and pricing of products and services provided by us. We expect the healthcare industry to continue to change significantly and these potential changes, which may include a reduction in government support of healthcare services, adverse changes in legislation or regulations, and further reductions in healthcare reimbursement practices, could have a material adverse effect on our business, results of operations, financial condition and cash flows. **Our profitability** ~~Uncertainty about current~~ and **cash flows** ~~future economic conditions and other adverse changes in general political conditions~~ may **vary based on** ~~adversely affect demand for our products and services. Poor or deteriorating economic and political conditions in the United States and the other~~ **the impacts of rising inflationary pressures** ~~countries in which we conduct business could adversely affect the demand for healthcare services and consequently, the demand for our products and services~~ . **Inflation has and** ~~Such change in demand~~ may **continue to materially impact the costs to source materials** ~~result in further inventory valuation adjustments. Poor economic conditions also could lead our~~ **or produce and** ~~suppliers to offer less favorable terms of purchase to distributors~~ **distribute finished goods to customers** ~~, which would negatively affect our profitability~~ . **Continued inflationary** ~~Further, the potential decline in federal and state revenues that may result from a deterioration in economic and political conditions may create additional~~ pressures ~~to contain or reduce reimbursements for our services from Medicare, Medicaid and other government sponsored programs. Increases in job losses in the U. S. as a result of adverse economic conditions~~ could result in **market** ~~a smaller percentage of our patients being covered by an employer group health plan and a larger percentage being covered by lower paying Medicare and Medicaid programs. Employers may also select more restrictive commercial plans with lower reimbursement rates. To the extent that Payors are negatively impacted by a decline in the economy, we may experience further pressure~~ **pressures** on **our customers** ~~commercial rates, a slowdown in collections and a reduction in the amounts we expect~~ to **reduce costs, which could** ~~collect. Worsening economic conditions have had and may continue to have an adverse~~ impact ~~on the businesses and financial health of many of our customers and hurt their creditworthiness. The bankruptcy, insolvency or~~ **our profitability** ~~other credit failure of one or more customers with substantial balances due to us could have a material adverse effect on our results of operations, financial condition~~ and cash flows. ~~These and~~ **Additionally,** ~~other~~ **there** ~~possible consequences of financial and economic decline could have a material adverse effect on our business, results of operations, financial condition and cash flows. The U. S. and larger global economies experienced high inflation rates during 2022. The Federal Reserve and other Central Banks already have raised interest rates more aggressively and, as a result, the prospect for a recession~~ is **uncertainty that we will** ~~high and considered by many to~~ be **able** ~~likely. The present conditions and state of our U. S. and global economies make it difficult~~ to **pass elevated costs onto** ~~predict whether and / or when and to what extent a recession has occurred or will occur in the near future. Uncertainty about the effects of current and future economic and political conditions on us, our~~ customers **in** ~~, suppliers and~~ **an effort** ~~partners makes it difficult for us~~ to **offset** ~~forecast operating results and to make decisions about future investments. Any significant downturn in the health of the general economy, or any recession, depression or other sustained adverse market event, including~~ inflationary pressures, ~~could have an adverse effect on our~~ **or** ~~revenues and financial performance, resulting~~ **that such increases may outpace the compensating inflation- based increase** in ~~impairment of assets~~ **Medicare payment rates or any other rate increases we may receive** . Litigation & Regulatory Risks We are subject to stringent regulatory and licensing requirements, and we have been, are and could become the subject of federal and state

investigations and compliance reviews. We are required to comply with extensive and complex laws and regulations at the federal, state and local government levels in the ~~United States~~ **U. S.** and other countries where we operate. We, and certain of our employees, also are required to hold permits and licenses and to comply with the operational and security standards of various governmental bodies and agencies. Any failure to comply with these laws and regulations or any failure to maintain the necessary permits, licenses or approvals, or to comply with the required standards, could disrupt our operations and / or adversely affect our results of operations, financial condition and cash flows. Among the U. S. healthcare related laws that we are subject to include the Anti- kickback Statute, the Stark Law, the **FCA** ~~False Claims Act~~ and similar state laws relating to fraud, waste and abuse. The requirements of these laws are complex and subject to varying interpretations, and it is possible that regulatory authorities could challenge our policies and practices. If we fail to comply with these laws, we could be subject to federal or state government investigations or qui tam actions (false claims cases initiated by private parties purporting to act on behalf of federal or state governments), which could result in civil or criminal sanctions, including the loss of licenses or the ability to participate in Medicare, Medicaid and other federal and state healthcare programs. Such sanctions and damages could adversely affect our results of operations, financial condition and cash flows. Our global operations are also subject to risks of violation of laws, including those that prohibit improper payments to and bribery of government officials and other individuals and organizations. These laws include the U. S. **FCPA** ~~Foreign Corrupt Practices Act~~, the U. K. Bribery Act and other similar laws and regulations in foreign jurisdictions, any violation of which could result in substantial liability and a loss of reputation in the marketplace. Failure to comply with these laws also could subject us to civil and criminal penalties that could adversely affect our business, results of operations, financial condition and cash flows. Our Patient Direct segment is a Medicare- certified supplier and participates in state Medicaid programs. Failure to comply with applicable standards and regulations could result in civil or criminal sanctions, including the loss of our ability to participate in Medicare, Medicaid and other federal and state healthcare programs. We collect, handle and maintain patient- identifiable health information and other sensitive personal and financial information, which are subject to federal, state and foreign laws that regulate the use and disclosure of such information. Regulations currently in place continue to evolve, and new laws in this area could further restrict our ability to collect, handle and maintain personal or patient information, or could require us to incur additional compliance costs, either of which could have an adverse impact on our results of operations and cash flows. Violations of federal (such as ~~the Health Insurance Portability and Accountability Act of 1996, as amended, or~~ HIPAA), state or foreign laws (such as the **EU GDPR** ~~European Union' s General Data Protection Regulation, as amended,~~ or **U. K.** GDPR) concerning privacy and data protection could subject us to civil or criminal penalties, breach of contract claims, costs for remediation and harm to our reputation. Our operations, including our billing practices and our arrangements with healthcare providers, are also subject to extensive federal and state laws and audits, inquiries and investigations from government agencies. For example, in connection with the settlement agreements resolving the investigation conducted by the U. S. Attorney' s Office for the Southern District of New York regarding civil investigative demands, Apria was required to enter into a five- year ~~Corporate Integrity Agreement (~~ CIA ~~)~~ with the **HHS OIG** ~~Office of Inspector General for the U. S. Department of Health and Human Services~~. The CIA provides that Apria will, among other things, impose certain oversight obligations on **Apria'** ~~Owens & Minor'~~ s board of directors, provide certain management certifications, and continue or implement, as applicable certain compliance training and education. The CIA also requires Apria to engage independent third parties to review compliance with the CIA, as well as certain reporting, certification, record retention and notification requirements. Failure to comply with the obligations under the CIA could have material consequences for us including monetary penalties or exclusion from participation in federal healthcare programs. Applicable laws may be directed at payments for the products and services we provide, conduct of our operations, preventing fraud and abuse, and billing and reimbursement from government programs such as Medicare, Medicaid and from commercial Payors. These laws may have related rules and regulations that are subject to interpretation and may not provide definitive guidance as to their application to our operations, including our arrangements with hospitals, physicians, and other healthcare providers. Federal and state governments have contracted with private entities to audit and recover revenue resulting from payments made in excess of those permitted by federal and state benefit program rules. These entities include, but are not limited to, Recovery Audit Contractors that are responsible for auditing Medicare claims, Unified Program Integrity Contractors that are responsible for the identification of suspected fraud through medical record review and Medicaid Integrity Contractors, that are responsible for auditing Medicaid claims. We believe audits, inquiries, and investigations from these contractors and others will occur from time to time in the ordinary course of our business. We also may be subject to increased audits from commercial Payors and pursuant to federal, civil, and criminal statutes that relate to our billings to commercial Payors. Our efforts to be responsive to these audits, inquiries, and investigations may result in substantial costs and divert management' s time and attention away from the operation of our business. Moreover, an adverse outcome with respect to any audit, inquiry or investigation may result in damage to our reputation, or in fines, penalties or other sanctions imposed on us. Such pending or future audits, inquiries, or investigations, or the public disclosure of such matters, could have a material adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. Federal and state laws are broadly worded and may be interpreted or applied by prosecutorial, regulatory, or judicial authorities in ways that we cannot predict. Additionally, in many instances, there are only limited publicly available guidelines and methodologies for determining errors with certain audits. As a result, there can be a significant lack of clarity regarding required documentation and audit methodology. The clarity and completeness of each patient medical file, some of which is the work product of physicians not employed by us, is essential to successfully challenging any payment denials. Certain of our operations engage in Ethylene Oxide (EtO) sterilization of medical products either directly or indirectly through third- parties. In the ~~United States~~ **U. S.**, several regulators, including the EPA, **the** FDA, and agencies at the state and local level, play a role in regulating the use of EtO sterilization. Recent announcements of the temporary or permanent closure of sterilization facilities operated by others have been associated with state and / or local regulatory or other legal action related to EtO emissions at those facilities. We have taken and

will continue to take measures to comply with all applicable emissions regulations and to reduce emissions. However, no assurance can be given that current or future legislative or regulatory action, or current or future litigation to which we may become a party, will not significantly increase the costs of conducting sterilization operations or curtail or eliminate the use of EtO in our operations. Further, we could be liable for damages and fines as a result of legislative or regulatory action or litigation, which could have a material adverse effect on our financial condition **, results of operations, cash flows, capital resources and liquidity** . Accordingly, our arrangements and business practices may be the subject of government scrutiny or be found to violate applicable laws. If federal or state government officials challenge our operations or arrangements with third parties that we have structured based upon our interpretation of these laws, rules, and regulations, such a challenge could potentially disrupt our business operations and we may incur substantial defense costs, even if we successfully defend our interpretation of these laws, rules, and regulations. If the government or third parties successfully challenge our interpretation, such a challenge may have a material adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. We must obtain clearance or approval from the appropriate regulatory authorities prior to introducing a new product or a modification to an existing product. The regulatory clearance process may result in substantial costs, delays and limitations on the types and uses of products we can bring to market, any of which could have a material adverse effect on our business. In the ~~United States~~ **U. S.** , before we can market a new product, or a new use of, or claim for, or significant modification to, an existing product, we generally must first receive clearance or approval from the FDA and certain other regulatory authorities. Most major markets for medical products outside the ~~United States~~ **U. S.** also require clearance, approval or compliance with certain standards before a product can be commercially marketed. The process of obtaining regulatory clearances and approvals to market a medical product can be costly and time consuming, involve rigorous pre-clinical and clinical testing, require changes in products or result in limitations on the indicated uses of products. We cannot assure you that these clearances and approvals will be granted on a timely basis, or at all. In addition, once a medical product has been cleared or approved, a new clearance or approval may be required before it may be modified, its labeling changed or marketed for a different use. Medical products are cleared or approved for one or more specific intended uses and promoting a device for an off- label use could result in government enforcement action. Furthermore, a product approval or clearance can be withdrawn or limited due to unforeseen problems with the medical product or issues relating to its application. The regulatory clearance and approval process may result in, among other things, delayed, if at all, realization of product net sales, substantial additional costs and limitations on the types of products we may bring to market or their indicated uses, any one of which could have a material adverse effect on our results of operations, financial condition and cash flows. Our failure to comply with regulatory requirements or receive regulatory clearances or approvals for our medical gas facilities, products or operations could adversely affect our business. We have a number of medical gas facilities in several states. These facilities are subject to federal and state regulatory requirements. Our medical gas facilities and operations are subject to extensive regulation by the FDA and other federal and state authorities. The FDA regulates medical gases, including medical oxygen, pursuant to its authority under the **FFDCA** ~~Federal Food, Drug, and Cosmetic Act~~ . Among other requirements, the FDA' s cGMP regulations impose certain quality control, documentation, and recordkeeping requirements on the receipt, processing, and distribution of medical gas. Further, in each state where we operate medical gas facilities, we are subject to regulation under state health and safety laws, which vary from state to state. The FDA and state authorities conduct periodic, unannounced inspections at medical gas facilities to assess compliance with the cGMP and other regulations. We expend significant time, money, and resources in an effort to achieve substantial compliance with the cGMP regulations and other federal and state law requirements at each of our medical gas facilities. There can be no assurance, however, that these efforts will be successful and that our medical gas facilities will achieve and maintain compliance with federal and state laws and regulations. Our failure to achieve and maintain regulatory compliance at our medical gas facilities could result in enforcement action, including warning letters, fines, product recalls or seizures, temporary or permanent injunctions, or suspensions in operations at one or more locations, as well as civil or criminal penalties, all of which could materially harm our business, financial condition, results of operations, cash flows, capital resources, and liquidity. The medical gas products we manufacture and distribute and certain other products we distribute are subject to extensive regulation by the FDA and other federal and state governing authorities. Compliance with FDA, state, and other requirements regarding production, safety, quality, manufacturing, distribution and marketing is costly and time-consuming, and while we seek to be in full compliance, instances of non- compliance could arise from time to time. We cannot be assured that any of our medical gases will be certified by the FDA. We have applied for, and received, designated gas certifications for our medical gas products. We may not be successful in receiving certification in the future. Other potential product manufacturing- related risks include difficulties or delays in product manufacturing, sales, or marketing, which could affect future results through regulatory actions, shutdowns, approval delays, withdrawals, recalls, penalties, supply disruptions or shortages, reputational harm, product liability, and / or unanticipated costs. Failure to comply with applicable regulatory requirements could result in administrative enforcement action by the FDA or state agencies, which may include any of the following: adverse publicity; warning or untitled letters; fines; injunctions; consent decrees; civil money penalties; recalls; termination of distribution or seizure of our products; operating restrictions or partial suspension or total shutdown of production; delays in the introduction of products into the market; withdrawals or suspensions of current medical gas certifications or drug approvals, resulting in prohibitions on sales of our products; and criminal prosecution. There is also a risk that we may not adequately implement sustainable processes and procedures to maintain regulatory compliance and to address future regulatory agency findings, should they occur. The FDA may change its policies, adopt additional regulations or revise existing regulations, each of which could prevent or delay certification of our medical gases, or could impact our ability to market a device that was previously certified or cleared by the FDA. Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and have a material adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. Our business may be adversely affected if we are unable to adequately

establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent third parties from making unauthorized use of such rights. Our intellectual property is an important part of our business. Failure to adequately protect our intellectual property rights could result in our competitors offering similar products and services, potentially resulting in the loss of our competitive advantage and a decrease in our revenue, which would adversely affect our business prospects, financial condition, results of operations, and cash flows. Our success depends in part on our ability to protect our proprietary rights and intellectual property. We rely on a combination of intellectual property rights, such as patents, trademarks, copyrights, trade secrets (including know- how) and domain names, in addition to teammate and third- party confidentiality agreements, intellectual property licenses and other contractual rights, to establish, maintain, protect and enforce our rights in our technology, proprietary information and processes. For example, we rely on trademark protection to protect our rights to various marks as well as distinctive logos and other marks associated with our products and services. Furthermore, intellectual property laws and our procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. If we fail to protect our intellectual property rights adequately, we may lose an important advantage in the markets in which we compete. Other parties may also independently develop technologies, products and services that are substantially similar or superior to ours. We also may be forced to bring claims against third parties. However, the measures we take to protect our intellectual property from unauthorized use by others may not be effective, and there can be no assurance that our intellectual property rights will be sufficient to protect against others offering technologies, products or services that are substantially similar or superior to ours and that compete with our business. Our management' s attention may be diverted by these attempts, and we may need to use funds in litigation to protect our proprietary rights against any infringement, misappropriation or other violation. We may become subject to litigation **, investigations, claims and other legal proceedings** brought by **regulatory agencies,** third parties ~~claiming infringement~~ , ~~misappropriation~~ or **individuals** ~~other violation by us of their intellectual property rights~~ . Our commercial success depends in part on avoiding infringement, misappropriation or other violations of the intellectual property and proprietary rights of third parties. However, we may become party to disputes from time to time over rights and obligations concerning intellectual property held by third parties. For example, third parties may allege that we have infringed upon or not obtained sufficient rights in the technologies used in our products and services. We cannot assure that we are not infringing or violating, and have not infringed or violated, any third- party intellectual property rights, or that we will not be held to have done so or be accused of doing so in the future. Any claim that we have violated intellectual property or other proprietary rights of third parties, with or without merit, and whether or not it results in litigation, is settled out of court or is determined in our favor, could be time consuming and costly to address and resolve, and could divert the time and attention of management and technical personnel from our business. Our liability insurance may not cover potential claims of this type adequately or at all. Any of these events could have a material adverse effect on our business, results of operations, financial condition and cash flows. We **are subject to risks relating to asserted claims, litigation and other proceedings relating to employment and pay practices. We are facing, or may face, claims or become a party to a variety of legal actions that affect our business, including breach of contract actions, employment and employment discrimination- related suits or employee benefit claims under California and Federal law. We may also be subject to examination of our payroll practices from various federal and state taxation authorities from time to time. While we believe that our employment and pay practices materially comply with relevant laws and regulations, interpretations of these laws may change. There is a risk that we could be subject to payment of additional wages, insurance and employment, and payroll- related taxes and sizeable statutory penalties negatively impacting our financial position, results of operations and cash flows. In addition, our involvement in these matters and any related adverse rulings may result in increased costs and expenses, significant costs in defending such claims, even if groundless, reputational damage, cause us from time to time to significantly increase our legal expenses and / or modify our pay practices, all of which would likely have an adverse impact on our financial performance and profitability. We** may incur product liability losses, litigation liability, product recalls, safety alerts or regulatory action associated with the provision of healthcare services, and the products that we source, assemble, manufacture and sell which can be costly and disruptive to our business. There is an inherent risk of liability in the provision of the services we provide and the design, assembly, manufacture and marketing of the medical products of the types we sell. As participants in the healthcare industry, we are and expect to be periodically subject to lawsuits, some of which may involve large claims and significant costs to defend, such as mass tort or other class actions. A number of factors could result in an unsafe condition or injury to, or death of, a patient with respect to the products that we source, assemble, manufacture or sell, including physician technique and experience in performing the relevant surgical procedure, component failures, manufacturing flaws, design defects or inadequate disclosure of product- related risks or information. A successful claim in excess of, or not covered by, our insurance policies could have a material adverse effect on our business, financial condition, results of operations, cash flows, capital resources and liquidity. Our insurance policies are also subject to annual renewal and our insurance premiums could be subject to material increases in the future. In addition to product liability claims and litigation, an unsafe condition or injury to, or death of, a patient associated with our products could lead to a recall of, or issuance of a safety alert relating to, our products, or suspension or delay of regulatory product approvals or clearances, product seizures or detentions, governmental investigations, civil or criminal sanctions or injunctions to halt manufacturing and distribution of our products. Any one of these could result in significant costs and negative publicity resulting in reduced market acceptance and demand for our products and harm our reputation. In addition, a recall or injunction affecting our products could temporarily shut down production lines or place products on a shipping hold. **In April 2023 the FDA recommended that consumers, health care providers and facilities not use certain models of O & M Halyard surgical N95 respirators when fluid resistance is required. While there was no injury or damage to any individuals, as a result of the recommendation we voluntarily stopped the sale in the U. S. of the affected respirators for a temporary period, until the FDA concluded testing and updated its recommendations for use. While the FDA recommendation did**

not materially affect our results of operations for 2023, there is no guarantee that future recommendations or sanctions will be resolved on the same timeline, if at all. All of the foregoing types of legal proceedings and regulatory actions are inherently unpredictable and, regardless of the outcome, could disrupt our business, result in substantial costs or the diversion of management attention and could have a material adverse effect on our results of operations, financial condition and cash flows. We could be subject to adverse changes in the tax laws or challenges to our tax positions. We operate throughout the ~~United States~~ **U. S.** and other countries. As a result, we are subject to the tax laws and regulations of the ~~United States~~ **U. S.** federal, state and local governments and of various foreign jurisdictions. From time to time, legislative and regulatory initiatives are proposed, including but not limited to proposals to repeal last- in, first- out (LIFO) treatment of inventory in the ~~United States~~ **U. S.** or changes in tax accounting methods for inventory, import tariffs and taxes, or other tax items. Changes in tax laws and regulations could adversely affect our tax positions, tax rate or cash payments for taxes. There can be no assurance that our effective tax rate will not be materially adversely affected by legislative developments. Audits by tax authorities could result in additional tax payments for prior periods, and tax legislation could materially adversely affect our financial results and tax liabilities. The amount of income taxes we pay is subject to ongoing audits by U. S. federal, state and local tax authorities and by non- U. S. tax authorities. In addition, tax laws and regulations are extremely complex and subject to varying interpretations. Although we believe that our historical tax positions are sound and consistent with applicable laws, regulations and existing precedent, there can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge. If these audits result in assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities. Our aspirations, goals and disclosures related to ESG matters expose us to numerous risks, including risks to our reputation and stock price. Companies are facing increasing scrutiny from regulators, investors, consumers and other stakeholders related to ESG matters. We engage with key stakeholders to develop ESG focus areas and to set ESG- related goals, many of which are aspirational. We have set and disclosed these focus areas, goals and related objectives as part of our continued commitment to ESG matters, but our goals and objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these goals and objectives present numerous operational, reputational, financial, legal and other risks, certain of which are outside of our control, and could have, under certain circumstances, a material adverse impact on us, including on our reputation and stock price. Moreover, while we create and publish voluntary disclosures regarding ESG matters from time to time, some of the statements in those voluntary disclosures may be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. If our ESG practices do not meet evolving regulator, investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees and our attractiveness as an investment, business partner or acquiror could be negatively impacted. Similarly, our failure or perceived failure to adequately pursue or fulfill our goals and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts and expose us to other risks, which under certain circumstances could be material. Further, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on ESG matters. Such ratings are used by some investors to inform their investment and voting decisions, and thus unfavorable ESG ratings may have a negative impact on our reputation, stock price and access to and costs of capital. Our amended and restated bylaws designates the ~~United States~~ **U. S.** District Court for the Eastern District of Virginia as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the ~~United States~~ **U. S.** District Court for the Eastern District of Virginia, (or, if ~~United States~~ **U. S.** District Court for the Eastern District of Virginia lacks subject matter jurisdiction, another state or federal court located within the Commonwealth of Virginia) will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a duty owed by any director or officer or other employee of the Company to the Company or the Company' s shareholders, (iii) any action asserting a claim against the Company or any director or officer or other employee of the Company arising pursuant to any provision of the Virginia Stock Corporation Act, our articles of incorporation or our amended and restated bylaws (as either, or (iv) any action asserting a claim against the Company or any director or officer or other employee of the Corporation governed by the internal affairs doctrine. In addition, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the ~~United States~~ **U. S.** of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. The forum selection clause in our amended and restated bylaws may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Risks Related to Our Debt We may not be able to generate sufficient cash to service our debt and other obligations. As of December 31, ~~2022~~ **2023**, on a consolidated basis we had approximately $ 2. ~~5~~ **1** billion of aggregate principal amount of indebtedness, excluding deferred financing costs and third party fees, **$ 450 million of undrawn availability under our Receivables Financing Agreement, $ 423 million of undrawn availability under our revolving credit facility,** as well as **other** ~~approximately $ 262 million in~~ contractual obligations ~~under our operating leasing arrangements~~ due beyond the next twelve months ~~, $ 354 million of undrawn availability under our accounts receivable securitization program, and $ 422 million of undrawn availability under our revolving credit facility~~. Our ratio of total debt to total shareholders' equity as of December 31, ~~2022~~ **2023** was ~~264~~ **227** %. See Part II, Item 7 " Management ~~'~~ **'** s Discussion and Analysis of Financial Condition and Results of Operations – Contractual Obligations " of this Annual Report on Form 10- K for additional details. Our ability to make payments on our indebtedness and our other

obligations will depend on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. We cannot assure you that we would be able to implement any of these alternatives on satisfactory terms or at all. In the absence of such operating results and resources, we could face substantial liquidity problems and may be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. If we are unable to service our debt obligations from cash flows, we may need to refinance all or a portion of our debt obligations prior to maturity. Our ability to refinance or restructure our debt will depend upon our financial condition or the condition of the capital markets at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. We may not be able to refinance, extend or repay our substantial indebtedness which would have a material adverse affect on our financial condition. Our 2024 Notes, 2029 Notes and 2030 Notes become due and payable in December 2024, March 2029 and March 2030. We may need to raise capital in order to repay the 2024 Notes, 2029 Notes, and 2030 Notes. As of December 31, ~~2022~~ **2023**, we owed $ ~~246~~ **171** million, $ ~~500~~ **479** million and $ ~~600~~ **552** million in principal under our 2024 Notes, 2029 Notes, and 2030 Notes, respectively. If we are unable to raise sufficient capital to repay these obligations at maturity and we are otherwise unable to extend the maturity dates or refinance these obligations, we would be in default. We cannot provide any assurances that we will be able to raise the necessary amount of capital to repay this obligation or that we will be able to extend the maturity dates or otherwise refinance this obligation. Upon a default, our lenders would have the right to exercise its rights and remedies to collect, which would include foreclosing on our assets. Accordingly, a default would have a material adverse effect on our business and financial condition. Our credit facilities and our existing notes have restrictive covenants that could limit our financial flexibility. Our Credit Agreement, Receivables ~~Securitization Program~~ **Financing Agreement**, and Revolver, as well as the indentures that govern our existing senior notes, contain financial and other restrictive covenants that limit our ability to engage in activities that may be in our long- term best interests. Our credit facilities and the indentures governing our existing notes include restrictions that, among other things, limit our ability to: incur indebtedness; grant liens; engage in acquisitions, mergers, consolidations and liquidations; use proceeds from asset dispositions for general corporate purposes, restricted payments, or investments; enter into transactions with affiliates; and amend, modify or prepay certain indebtedness. Under our credit facilities, we are subject to financial covenants that require us to maintain ratios for leverage and interest coverage, including on a pro forma basis in the event of an acquisition. These restrictions limit our ability to manage our business in our sole discretion, which could adversely affect our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions and other corporate opportunities that we believe would be beneficial to us. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and / or amend the covenants. Our ability to comply with these various covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. Our failure to comply with these restrictions or covenants could result in a default under the agreements governing the relevant indebtedness. If a default under the credit facilities and the indentures governing our existing notes is not cured or waived, such default could result in the acceleration of debt or other payment obligations under our debt or other agreements that contain cross- acceleration, cross- default or similar provisions, which could require us to repurchase or pay debt or other obligations prior to the date it is otherwise due. Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly. Certain borrowings under our Credit Agreement and Receivables ~~Securitization Program~~ **Financing Agreement** bear interest at variable rates and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our earnings and cash flows will correspondingly decrease. Despite current indebtedness levels, we may continue to incur indebtedness in the future, and the amount of that additional indebtedness may be substantial, which could further exacerbate the risks described herein. We ~~and our subsidiaries~~ may incur substantial additional indebtedness in the future. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face to service debt levels and the risks associated with failure to adequately service our debt could intensify. General Risk Factors **.** Our continued success is substantially dependent on positive perceptions of our reputation.One of the reasons why customers choose to do business with us and why teammates choose us as a place of employment is the reputation that we have built over many years.To be successful in the future,we must continue to preserve,grow and leverage the value of our brand.Reputational value is based in large part on perceptions of subjective qualities.Even an isolated incident,or the aggregate effect of individually insignificant incidents,can erode trust and confidence,particularly if they result in adverse publicity,governmental investigations or litigation,and as a result,could tarnish our brand and lead to adverse effects on our business,results of operations,financial condition and cash flows .~~–~~We are subject to risks related to public health crises or future outbreaks of health crises or other adverse public health developments ~~such as the COVID- 19 global pandemic~~. As a global healthcare solutions company, we are impacted by public health crises. For instance, COVID- 19 affected the ability of suppliers and vendors to provide products and services to us or to do so at acceptable quality levels or prices. Any ~~worsening~~ **future outbreaks** of ~~the~~ COVID- 19 ~~pandemic or any future outbreaks~~ could further ~~reduce~~ **affect** demand for our products, which could have a material negative impact on our revenues and profit for future periods. In addition, public health crises may

cause health care professionals to prioritize the needs of impacted patients and access to other healthcare services may be limited, which could negatively impact new patient growth in our Patient Direct segment. While we experienced growth in sales volumes for certain of our products (such as PPE) during the COVID- 19 pandemic, as well as improved productivity and manufacturing output, there can be no assurance that such growth rates, increased sales volumes or other improvements ~~will~~ **would** be ~~maintained~~ **achieved** during or following ~~the COVID- 19 pandemic or~~ any other public health crisis. Adverse public health developments ~~such as COVID- 19~~ can also disrupt global capital markets, which can adversely impact our access to capital including deferred payment arrangements with key suppliers. In addition, actions by the ~~United States~~ **U. S.** government or other foreign government in response to any such public health developments could adversely affect our business and operations, including by way of closure of one or more facilities for an unknown period of time. We ~~have~~ incurred additional costs to ensure we ~~meet~~ **met** the needs of our customers and ~~protect~~ **protected** our workforce ~~and expect to continue to incur additional costs, which may be significant, as we continue to implement operational changes~~ in response to the COVID- 19 pandemic **,** and **may similarly incur additional costs if we are required to implement operational changes in response to** any future pandemics. If we do not respond appropriately to ~~the pandemic,~~ any future outbreaks or similar pandemics, or if customers do not perceive our response to be adequate for the ~~United States~~ **U. S.** or our international markets, we could suffer damage to our reputation and our brands, which could adversely affect our business. We may also experience additional impacts that we are not aware of currently. ~~Due~~ **We are not able** to **predict at this time** the ~~uncertainty~~ **extent to which any future outbreaks** of ~~the~~ COVID- 19 ~~pandemic' s duration~~ , ~~any future outbreaks, the timing of recovery, travel restrictions, business closures or business disruptions, a recession or other sustained adverse market event resulting from the spread of the COVID- 19, we are not able at this time to predict the extent to which the COVID- 19 pandemic, or any future outbreaks~~ or similar pandemics, ~~may~~ **would** have a material effect on our financial or operational results . Our continued success is substantially dependent..... operations, financial condition and cash flows . The market price for our common stock and debt have been, and may continue to be, highly volatile. The market price for our common stock and debt have been, and may continue to be, highly volatile. A variety of factors may have a significant impact on the market price of our common stock and debt, including, but not limited to: ~~•~~ the publication of earnings estimates or other research reports and speculation in the press or investment community; ~~• changes in our financial projections or our failure to meet these projections; • changes in our industry and competitors; • changes in government or legislation; • government debt and / or budget crises; • changes in our board of directors or management; • our financial condition, results of operations and cash flows and prospects; • activism by any single large shareholder or combination of shareholders; • lawsuits threatened or filed against us; • any future issuances of our common stock, which may include primary offerings for cash, stock splits, issuances in connection with business acquisitions, issuances of restricted stock / units and the grant or exercise of stock options from time to time; • the trading volume of our common stock and debt; • general market and economic conditions; • any worsening of the COVID- 19 pandemic, or future outbreaks and any future pandemics; • the threat or outbreak of war, terrorism or public unrest (including, without limitation, the war in the Ukraine and a wider European or global conflict); and • the other factors discussed in this Item 1A. Risk Factors, any of which could have a material effect on us. The stock and bond markets have recently experienced extreme price and volume fluctuations. The market prices of securities of companies have experienced fluctuations that often have been unrelated or disproportionate to their operating results. In the past, following periods of volatility in the market price of a company' s securities, securities class action litigation has often been instituted against companies. This type of litigation, if instituted, could result in substantial costs and a diversion of management' s attention and resources, which could have a material adverse effect on our business. Our global operations increase the extent of our exposure to the economic, political, currency, regulatory and other risks of international operations. Our global operations involve issues and risks, including but not limited to the following, any of which could have an adverse effect on our business, results of operations and cash flows: • Lack of familiarity with and expertise in conducting business in foreign markets; • Foreign currency fluctuations and exchange risk; • Unexpected changes in foreign regulations or conditions relating to labor, the economic or political environment, and social norms or requirements; • Adverse tax consequences and difficulties in repatriating cash generated or held abroad; • Local economic environments, recession, inflation, indebtedness, currency volatility and competition; and • Changes in trade protection laws and other laws affecting trade and investment, including import / export regulations in both the United States and foreign countries. We may be adversely affected by global climate change or by legal, regulatory or market responses to such change. The long- term effects of climate change are difficult to predict and may be widespread. The impacts may include physical risks (such as rising sea levels or frequency and severity of extreme weather conditions), social and human effects (such as population dislocations or harm to health and well- being), compliance costs and transition risks (such as regulatory or technology changes) and other adverse effects. The effects could impair, for example, the availability and cost of certain products, commodities and energy (including utilities), which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. We bear losses incurred as a result of, for example, physical damage to or destruction of our facilities (such as distribution centers), loss or spoilage of inventory, and business interruption due to weather events that may be attributable to climate change. These events and impacts could materially adversely affect our business operations and our financial position, results of operations and cash flows.~~