

Company Town Hall

April 11, 2024



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Town Hall Agenda

Agenda Topic	Speaker
Opening Comments & 2024 Priorities	Crispin Teufel
Company Performance Update	Chuck Bodner
Revenue Cycle Update	Mike Peters
Supply Chain Update	Darren Lowman
IT Security Update	Shayn Spingler
Employee Engagement Survey	Tina Lankes
Team Recognition	Division Leaders



Observations & 2024 Priorities

Crispin Teufel



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Observations & Takeaways

Over the last several months Crispin traveled to many NSM locations across North America and met with manufacturers and payors to understand what's working and what opportunities are present. He also spent time with the NSM Revenue Cycle Team in Chattanooga and traveled to India to better understand the work AGS does for us.

Observations & Takeaways

- A common theme was the strong desire to provide better service to our clients.
- Consistent feedback across all branches around the opportunities to improve Funding and Inventory.
- We need to do a better job of providing timely service and regular communications.
- We must create a culture of listening and learning so we can fix what is broken and continue to improve.



**Improvements Needed in
Funding and Inventory**



**Passion and Commitment
to Our Clients**



Deep Roots, New Heights

At this year's Symposium, the theme "Deep Roots, New Heights" was introduced. **'Deep Roots'** represents our deep history and continued success in serving people those in need for more than 30 years. **'New Heights'** represents how important it is to continuously adapt and improve how we operate our business to best serve our clients now and in the future. **We must work together to cultivate our deep roots to reach new heights in 2024!**



How do we reach new heights in 2024?



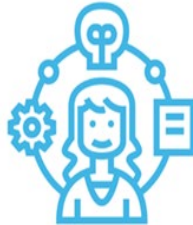
We will listen and learn.



We will hold each other accountable.



We will work smarter, not harder.



We will embrace change.



NSM 2024 Strategic Priorities

In 2024, we are approaching our priorities in a focused manner designed to improve the client experience and create operational efficiencies, while continuing to grow. These priorities are built on our Mission, Vision and HEARTS foundation and doing business in a compliant and safe manner.

REFINEMENTS

Revenue Cycle Transition/Stabilization

Improve productivity, quality and the way we do business by leveraging technology and automation.

Inventory Management

Optimize utilization to serve our clients quicker.

Continuous Improvement Program

Improve our processes and use of technology to work more efficiently and deliver a better client experience.

Payor Pricing

Partner with payors to maintain healthy reimbursement levels.

Product Margin

Better communication around margin enhancement opportunities.

Lobbying

Partner with industry associations to improve CRT mission/vision on a federal and state level.

Client
Experience

Refinements

Growth

Compliance / Safety

Mission, Vision, HEARTS

GROWTH

CRT

Maintain strong growth as the backbone of NSM.

Access

Improve cross-selling to our CRT clients, continued growth in existing business.

Supplies

Expand throughout all US locations.

Canada

Drive growth through better collaboration with US team.

ATP Recruiting

Enhance strategy and ensure continuous hiring to drive growth.



Company Performance

Chuck Bodner



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Q1 2024 is off to a strong start, building off our momentum from last year !

● Consolidated Revenue

On Budget / +9.3% vs PY

● Consolidated Margin %

On Budget / +9.7% vs PY

● Consolidated AEBITDA

On Budget / +17.6% vs PY

● US Orders (CBC)

+10% vs. Prior Year

● US Days Orders Outstanding (DOO)

94.5 days (Lowest since May '23)

● US Qtr End Backlog

+9.8% vs. Prior Year

Business fundamentals remain strong as we continue to see strong orders and DOO in the US

- While we continue to make progress and enhancements in our Revenue Cycle, more work remains
- Both the US and Canada are performing well and on Budget in Q1
- US CRT revenue continues to remain strong, growth ~10% in the quarter vs. prior year
- Home Access is out of the gates strong, with revenue on Budget and expanding product margin
- At the end of everything we do is a client that depends on us – That's what makes NSM special !

Great Job Team! THANK YOU



Revenue Cycle Management Update

Mike Peters



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RCM Headlines

TCT and DOO are improving:

- Strong order growth in Q1 requires redoubled efforts in Q2 to continue reductions

Collection rate is improving, capturing aged AR and overachieving cash targets in Q1

- Focused efforts to attack high dollar claims and address issues with challenging payors
- Herculean effort by team to mitigate impacts from Change Healthcare outage

Automation opportunities and solutions identified. Now the real work begins....



TCT– New Equipment & Repairs

Transaction Cycle Time - New Equipment & Repairs

- Overall New Equipment TCT **down 12 days** from peak in Q4 23
- **9 Day reduction** from RTP to Approval
- Overall Repairs TCT **down 12 days** from peak in Q4 23
- RTP to Approval TCT **down 3 days** from peak

Important to maintain progress in Q2 against strong Q1 order volume. The key areas to focus on include the following:

- Rebalancing caseloads
- Hiring additional staff
- Deferral reduction
- Continued collaboration and communication with branch staff



Supply Chain Update

Darren Lowman



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XML Digital Upload Update

The XML Digital Upload is a newly added feature in Mobility Advisor that efficiently configures vendor quotes for easy upload, eliminating the need for double entry.

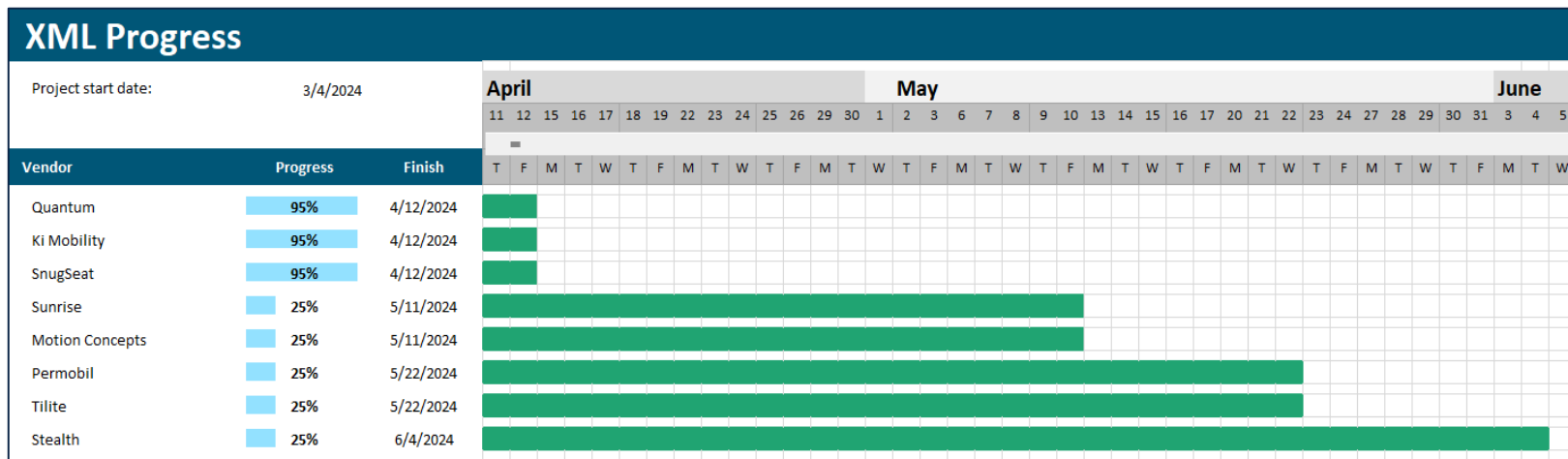
Data Results from XML Tool Usage:

- 48 work orders (4000 lines of detail)
- 18 ATP users
- Avg number of lines with XML = 84
- 46% orders CBC to RTP immediately

ATP Testimonials:

“This XML thing is insane y’all!!! Well done team!! Just entered three Quantum’s in 3 minutes!” – Cyle Cook, ATP Atlanta Branch 05

“Huge thanks to the team! Completed 3 Quantum orders today in just 30 minutes – that's a massive time saver! This new process with the XML saved me an estimated 3 hours of manual input. So grateful to everyone involved in making this possible!” – Shelby Bass, ATP Evansville Branch 20



IT Security Update

Shayn Spingler



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IT Security Update

Updated Operating Systems for Mobile devices

- Security vulnerability patch for Apple 17.4.1 and Android OS 14

Passive VPN Client Security Upgrade Complete

Enterprise Password Reset on April 24, 2024

- Strong Password - 2024 Compliance Training
- Review all Communications

IT Tech Tips and Tricks – Coming later this month

- Includes tips to keep us secure

REMINDER: Read emails from NSM ITTalk and IMPORTANT NEWS FROM IT



Employee Engagement Survey

Tina Lankes



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COMING SOON! April Employee Pulse Survey

Survey Questions Include:

I am happy to be working at NSM.
The work that I do is meaningful to me.
I know what is expected of me at work.
I have the materials and equipment to do my job.
My manager cares about me as a person.
I regularly receive recognition from my manager when I do good work.
My manager gives me feedback on my performance and supports my development.
My leader keeps me informed about things I need to know.
My opinion seems to count.
NSM provides high quality care to its clients
NSM operates as a compliant and ethical company.
I believe NSM cares about a safe work environment.
I plan to be working at NSM a year from now.
I would recommend NSM as an employer to a friend.

Your feedback matters! Please plan to complete the survey when you receive an invite to participate.



Team Recognition

Division Leaders



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Team Recognition

North Region

Q1 Performance Philadelphia is achieving 137% of top line, Big East Region led by Josh Banner is achieving 115% of top line goals through Q1 with all but 1 branches exceeding expectation. New Hampshire Access has achieved 123% to expectation of revenue YTD and set a new Access Stand-alone monthly record of \$550K in February.

South Region

Nashville is up 25% YoY, Abilene is up 10% and the South leads client experience with 88. Orlando and Ft. Myers are up 12% YoY. A special thank you to the ACC funding team who has reduced DOO by 10 days since January. And South Access well done by Ryan Moeller with 115% performance through Q1! In Q1 all but 2 southern locations decreased all on cycle time and Q1 Press Ganey scores were 89 or above at 24 locations.

West Region

West met Q1 expectations, and had 11% growth YoY, and 1.2% YoY in margin. PNW led the regions beating Q1 target at 102% and up YoY 16%. Special shoutouts to: Tori Whitehead for her great work with the 5-year chair replacement program, Steve Asbury and Cassie Kinnamon for their tremendous support with the growth in the West, Stacey Mercer for her great funding support leading to her promotion to funding supervisor and Page Radcliff for her promotion to funding lead.



LET'S GET *moving*

