Q2 2017

NASDAQ: HSIC
In accordance with the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate” or other comparable terms. A full discussion of our operations and financial condition, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current and historical results. Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: effects of a highly competitive and consolidating market; our dependence on third parties for the manufacture and supply of our products; our dependence upon sales personnel, customers, suppliers and manufacturers; our dependence on our senior management; fluctuations in quarterly earnings; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global macro-economic conditions; risks associated with currency fluctuations; risks associated with political and economic uncertainty; disruptions in financial markets; volatility of the market price of our common stock; changes in the health care industry; implementation of health care laws; failure to comply with regulatory requirements and data privacy laws; risks associated with our global operations; transitional challenges associated with acquisitions and joint ventures, including the failure to achieve anticipated synergies; financial risks associated with acquisitions and joint ventures; litigation risks; the dependence on our continued product development, technical support and successful marketing in the technology segment; increased competition by third party online commerce sites; risks from disruption to our information systems; cyberattacks or other privacy or data security breaches; certain provisions in our governing documents that may discourage third-party acquisitions of us; and changes in tax legislation. The order in which these factors appear should not be construed to indicate their relative importance or priority. We caution that these factors may not be exhaustive and that many of these factors are beyond our ability to control or predict. Accordingly, any forward-looking statements contained herein should not be relied upon as a prediction of actual results. We undertake no duty and have no obligation to update forward-looking statements.

Included within the presentation are non-GAAP financial measures that supplement the Company’s Consolidated Statements of Income prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Company’s actual results prepared under GAAP to exclude certain items. A reconciliation of GAAP and non-GAAP measure can be found in the Supplemental Information page on our investor relations website. Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures.
Over 21,000 Team Schein Members
Over 1 Million Customers

16 Years Fortune World’s Most Admired Companies
6 Years Ethisphere World’s Most Ethical Companies

14 Years Fortune 500 #243
10 Years Nasdaq 100
2 Years S&P 500

Henry Schein
Largest Distributor of Health Care Products and Services to Office-based Dental, Animal Health, and Medical Practitioners
Key Company Statistics

- **15% CAGR** Net Sales
- **15% CAGR** Earnings Per Share
- **19% CAGR** Market Cap Growth

$11.6 Billion in Sales in 2016

- Dental (48.0%): 48.0% or $5.6B
- Animal Health (28.1%): 28.1% or $3.3B
- Medical (20.2%): 20.2% or $2.3B
- Tech/VAS (3.7%): 3.7% or $425.6M

CAGRs from 1995 to 2016; EPS is on an adjusted basis
Henry Schein’s Value-Added Market Approach

- Full-service provider of supplies, equipment, and services
- Broadest merchandise product offering
- High technology equipment and services
- Exclusive and specialty products
- Wide array of value-added products and services
- Practice management software solutions
- Leasing and financial services
- Office design services
- Practice transition services
- Education

We are a Health Solutions Network Powered by People and Technology
Our primary objective is to partner with our customers

Improve Practice  →  Efficiency Productivity Profitability

Allowing our customers to focus on delivering quality care to their patients
Leading Market Positions

Consistent Growth
• Track record of solid, long-term growth

Recession Resistant
• Somewhat elastic with macroeconomic trends

Fragmented Customer Base
• More than 1 million customers

Fragmented Competitors
• Small number of large, national competitors
• Approximately half the target markets served by smaller companies

Markets Served
• #1 Global Dental distributor
• #1 Global Companion Animal Health distributor
• #2 Physician and Alternate Care distributor in the U.S.
Positive Market Trends

Positive Demographic Trends
• Aging population represents increasing need for health care services
• Global middle class is growing

Technological Improvements
• Software and services
• Prosthetic solutions
• Patient communications

Focus on Preventive Care
• Improving access to care
• Movement of procedures from hospital to physician office

Consolidation of Practitioners in Dental, Animal Health, and Medical Improvements
• Multiple locations under common management
Our Global Distribution Network

Operations in **32 countries**

- **9 North American Distribution Centers** serving Dental and Medical
- **12 U.S. Distribution Centers** serving Animal Health
- **21 Distribution Centers in Europe** serving Dental, Medical, and Animal Health
- **14 Distribution Centers in Australia/New Zealand** serving Dental and Animal Health
- **6 Distribution Centers in Asia/Rest of World** serving Dental

- Approximately **90%** utilization with capacity for growth
- **62 warehouses** worldwide with over **4.5 million square feet** of warehouse for storage and processing
**Dental Market Position**

Only global dental distributor to general practitioners, specialists, and laboratories

- #1 in North America
- #1 in Europe
- #1 in Australia/New Zealand

Active customers (approximate)

- 90% of U.S. dental practices
- 80% of dental labs in North America
- 65% of European dental practices
- 80% of Australia/New Zealand dental practices
- 60% of Brazil dental practices

Multifaceted sales and marketing approach

- Over 2,600 dedicated field sales consultants
- Product specialists, e.g., capital equipment, technology, specialty products, etc.
- Telesales
- Direct marketing

*Source: Henry Schein Estimates*
2016 Henry Schein Global Dental Sales by Geography

- $5.6B or 48% of Net Sales

- Market Share:
  - North America: 35% to 40%
  - Europe: 20+% (29%)
  - Australia/New Zealand: 30%

- Available Market:
  - $20 billion

Market information excludes specialty products, services, and precious metals.

Market Share and Available Market Represent Henry Schein Estimates
Dental Market – Growth Opportunities

- Increasing penetration with existing customers
- Geographic expansion
- Advancing technology solutions, centered on practice management
- Greater penetration of specialty markets
- Continued focus on large group practices
- Digitalization of prosthetic solutions
## Dental Market – Key Acquisitions

<table>
<thead>
<tr>
<th>Key Acquisitions</th>
<th>Description</th>
<th>LTM Revenue*</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAS (2017)</td>
<td>Enhances dental surgical supply offering</td>
<td>$72M</td>
</tr>
<tr>
<td>Marrodent (2016)</td>
<td>Entry into Poland dental market</td>
<td>$32M</td>
</tr>
<tr>
<td>CAP (2016)</td>
<td>Expands lab supply business in the U.S.</td>
<td>$30M</td>
</tr>
<tr>
<td>One Piece (2016)**</td>
<td>Expands our dental business in Japan</td>
<td>$125M</td>
</tr>
<tr>
<td>Dental Cremer (2016)</td>
<td>Expands our dental business in Brazil</td>
<td>$145M</td>
</tr>
<tr>
<td>Dental Trey (2015)</td>
<td>Builds on our dental business in Italy</td>
<td>$49M</td>
</tr>
<tr>
<td>Iwase (2014)</td>
<td>Entry into Japan dental market</td>
<td>$190M</td>
</tr>
<tr>
<td>Dental Speed Graph (2014)</td>
<td>Entry into Brazilian dental market</td>
<td>$28M</td>
</tr>
<tr>
<td>Arseus (2014)</td>
<td>Strengthened our European dental lab business</td>
<td>$97M</td>
</tr>
<tr>
<td>BioHorizons (2013)</td>
<td>Investment in dental implant manufacturer</td>
<td>$115M</td>
</tr>
<tr>
<td>Optident (2013)</td>
<td>Strengthened dental presence in the U.K.</td>
<td>$20M</td>
</tr>
<tr>
<td>Ortho Technology (2012)</td>
<td>Strengthened global orthodontics business</td>
<td>$26M</td>
</tr>
</tbody>
</table>

* Last 12 months revenue at time of acquisition in USD
** Not consolidated
Dental Specialty Markets

Dental Specialties
- Approximately $650 million in trailing twelve month revenue

Implants
- High-margin business
- Traditionally faster growth than core dental market
- Ability to leverage existing relationships with specialty practitioners
- General practitioners increasingly performing specialty procedures

Orthodontics
- Focus on orthodontic specialist
- Opportunity to expand product offering
- Specialist and general practitioner education

Endodontics
- Up to 25 million root canal treatments performed in the U.S. each year
- General Practitioners perform approximately 80% of root canal treatments in the U.S.
- The U.S. market accounts for approximately 30% of the worldwide endodontic market
- Aging population retaining more teeth and electing root canal treatments

Available Market: $6.6 billion
Market Share: 8%

Source: Henry Schein Estimates
Animal Health Market Position

Only global Animal Health distributor
- #1 in North America (Companion Animal Health)
- #1 in Europe
- #1 in Australia/New Zealand

Active customers of Henry Schein (approximate)
- 75% of veterinarians in the U.S.
- 70% of veterinarians in Europe
- 70% of veterinarians in Australia/New Zealand

More than 450 dedicated Field Sales Consultants

Source: Henry Schein Estimates
Animal Health Market

2016 Henry Schein Global Animal Health Sales by Geography

$3.3B or 28.1% of Net Sales

Market Share:
North America: 35%
Europe: 20%
Australia/New Zealand: 20%

Available Market:
$10 billion

Sales on U.S. GAAP basis not grossed up for agency sales

North America (51%)
Europe (40%)
Rest of World (9%)

Market Share and Available Market Represent Henry Schein Estimates
Animal Health Growth Opportunities

- Increasing penetration with existing customers
- Geographic expansion
- Advancing technology solutions, including practice management
- Continued focus on large group practices
- Focus on practice-building products and services
## Animal Health Key Acquisitions

<table>
<thead>
<tr>
<th>Key Acquisitions</th>
<th>Description</th>
<th>LTM Revenue*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tecnew (2017)</td>
<td>Entry into Animal Health market in Brazil</td>
<td>$24M</td>
</tr>
<tr>
<td>Maravet (2015)**</td>
<td>Expanded Animal Health Presence in Eastern Europe</td>
<td>$23M</td>
</tr>
<tr>
<td>scil (2015)</td>
<td>Added lab and imaging diagnostic products</td>
<td>$83M</td>
</tr>
<tr>
<td>SmartPak (2014)</td>
<td>Added equine products portfolio</td>
<td>$105M</td>
</tr>
<tr>
<td>Medivet (2014)</td>
<td>Expanded Animal Health business to Poland</td>
<td>$86M</td>
</tr>
<tr>
<td>AUV Veterinary Group (2012)</td>
<td>Entry into Animal Health Market in Netherlands/Belgium</td>
<td>$270M</td>
</tr>
<tr>
<td>Provet (2011)</td>
<td>Leading position in Australasia Vet Market</td>
<td>$280M</td>
</tr>
</tbody>
</table>

* Last 12 months revenue at time of acquisition in USD
** Not consolidated
Medical Market Position

#2 U.S. distributor—to primary care physicians and specialists, group practices, physician-owned labs and ambulatory surgery centers

U.S. market focus—significant growth opportunities
• Approximately 55% of U.S. physician practices are active customers of Henry Schein
• Increasing penetration with existing customers
• Specialization
• Segmentation
• Select international opportunities

We have more than 800 customer representatives
• Multi-channel capabilities

Source: Henry Schein Estimates
Medical Market

2016 Henry Schein Global Medical Sales
By Geography
$2.3B or 20.2% of Net Sales

- U.S. Market Share:
  - Approximately 20%

- Available Market:
  - $9 to $10 billion

North America (97%)
Europe (3%)

Market information excludes certain specialty and oncology pharmaceutical products, software, and certain other services

Source: Henry Schein Estimates
Technology & Value-Added Services Market Position

Practice Management Solutions
• Two-thirds of revenue is recurring
  - Technical support
  - E-claims and credit card processing
• U.S. penetration (approximate)
  - 40% Dental practices
  - 50% Animal Health practices
  - Growing physician presence
• A leader in servicing large practices in Dental and Animal Health
• Direct access to over 85% of dental schools in North America
• In 11 countries outside the U.S.

Financial Services
• Full-service provider of financial services
• Providing Value-Added Services to clients

• Synergies with broader distribution business
• Leveraging R&D, marketing, and technology across business units
• Technology development for a “global” business

Source: Henry Schein Estimates
Technology & Value-Added Solutions

2016 Henry Schein Global Technology & Value-Added Services by Geography

$426M or 3.7% of Net Sales

Key Acquisitions                   Description                                           LTM Revenue*
Vetstreet (2016)                   SaaS solutions and health analytics             $43M
Logiciel Julie (2014)              Leading dental PMS company in France            $10M
McAllister/ImproMed (2011)         U.S. market leader in vet software              $25M

Approximately 14% of Total 2016 Company Operating Income**

*Last 12 months revenue (LTM) at time of acquisition in USD

**Excluding restructuring costs

North America (84%)
Europe (13%)
Rest of World (3%)
Financial Performance
## Growth Since Going Public

### Non-GAAP\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>2016</th>
<th>Compound Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$616.2</td>
<td>$11,571.7</td>
<td>15%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$19.3</td>
<td>$817.5</td>
<td>20%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>3.13%</td>
<td>7.06%</td>
<td>19 bp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$9.1</td>
<td>$541.2</td>
<td>21%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$0.34</td>
<td>$6.61</td>
<td>15%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excludes certain non-recurring items to provide a more comparable basis for analysis. See the Supplemental Information page on Henry Schein’s investor relations website for a reconciliation of GAAP and non-GAAP measures.
## Full Year 2016 – Financial Highlights

### Non-GAAP\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$10,629.7</td>
<td>$11,571.7</td>
<td>8.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$768.9</td>
<td>$817.5</td>
<td>6.3%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>7.23%</td>
<td>7.06%</td>
<td>(17) bp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$501.5</td>
<td>$541.2</td>
<td>7.9%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$5.96</td>
<td>$6.61</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excludes certain non-recurring items to provide a more comparable basis for analysis. See the Supplemental Information page on Henry Schein’s investor relations website for a reconciliation of GAAP and non-GAAP measures.
## Q2 2017 – Financial Highlights

### Non-GAAP\(^{(1)}\)

($) in millions, except per share data

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$2,872.6</td>
<td>$3,059.5</td>
<td>6.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$201.1</td>
<td>$216.0</td>
<td>7.4%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>7.00%</td>
<td>7.06%</td>
<td>6 bps</td>
</tr>
<tr>
<td>Net Income</td>
<td>$135.4</td>
<td>$139.3</td>
<td>2.9%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.64</td>
<td>$1.75</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

1 Excludes certain non-recurring items in both periods to provide a more comparable basis for analysis. See the Supplemental Information page on Henry Schein’s investor relations website for a reconciliation of GAAP and non-GAAP measures.
Diversified Sales in Complementary Markets

2016 Worldwide Sales: $11.6 billion

By Product
- Dental (48%)
- Animal Health (28%)
- Medical (20%)
- Tech/VAS (4%)

By Geography
- North America (68%)
- Europe (26%)
- Rest of World (6%)

Future Sales • Sales outside of North America expected to grow at a faster rate • Fragmented markets • Additional geographic expansion
## Long-Term Financial Model and Goals

**Goal:**
Grow 1% to 2% faster than end market growth rates (organic)

---

**Result:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.1%</td>
</tr>
<tr>
<td>2013</td>
<td>3.6%</td>
</tr>
<tr>
<td>2014</td>
<td>4.6%</td>
</tr>
<tr>
<td>2015</td>
<td>5.0%</td>
</tr>
<tr>
<td>2016</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

### Internal Sales Growth
- 2012: 5.1%
- 2013: 3.6%
- 2014: 4.6%
- 2015: 5.0%
- 2016: 6.7%

### Acquisition Sales Growth
- 2012: 3.1%
- 2013: 3.2%
- 2014: 4.0%
- 2015: 3.4%
- 2016: 1.9%

### Total Local Currency Sales Growth
- 2012: 8.2%
- 2013: 6.8%
- 2014: 8.6%
- 2015: 8.4%
- 2016: 8.6%

### Foreign Exchange/Other
- 2012: (1.9)%
- 2013: 0.1%
- 2014: (0.1)%
- 2015: (5.9)%
- 2016: (1.2)%

### Total Sales Growth
- 2012: 6.3%
- 2013: 6.9%
- 2014: 8.5%
- 2015: 2.5%
- 2016: 7.4%

---

As originally reported except as noted

1 Excluding the impact of an extra week in 2012 & 2016

---

### Net Sales ($ in Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales ($ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$8,940</td>
</tr>
<tr>
<td>2013</td>
<td>$9,651</td>
</tr>
<tr>
<td>2014</td>
<td>$10,371</td>
</tr>
<tr>
<td>2015</td>
<td>$10,630</td>
</tr>
<tr>
<td>2016</td>
<td>$11,572</td>
</tr>
</tbody>
</table>

### CAGR 7%
Operating Income and Margin Highlights

Long-Term Financial Model and Goals

Goal:
- Continued operating margin expansion
- Approximately 20 basis points expansion in current environment (on a “same store” basis)
- Potentially higher as end markets and sales accelerate

Result: (Average Annual Increase of 19 BPS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>3.1%</td>
</tr>
<tr>
<td>2016</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

See the Supplemental Information page on Henry Schein’s investor relations website for a reconciliation of GAAP and non-GAAP measures.

1 Excluding certain non-recurring items to provide a more comparable basis for analysis
Earnings Highlights

**Long-Term Financial Model and Goals**

**Goal:**
High single to low double-digit organic diluted EPS growth enhanced by share repurchases and acquisitions

**Result:**

<table>
<thead>
<tr>
<th>1995</th>
<th>2016 (CAGR of 15%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Diluted EPS</td>
<td>$0.34</td>
</tr>
</tbody>
</table>

**Non-GAAP (1)**

*EPS and Net Income*

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income Attributable to Henry Schein, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$398.6</td>
</tr>
<tr>
<td>2013</td>
<td>$433.4</td>
</tr>
<tr>
<td>2014</td>
<td>$466.1</td>
</tr>
<tr>
<td>2015</td>
<td>$501.5</td>
</tr>
<tr>
<td>2016</td>
<td>$541.2</td>
</tr>
</tbody>
</table>

**CAGR 10%**

12%  11%  10%  10%  11%

1 Excluding certain non-recurring items to provide a more comparable basis for analysis.

See the Supplemental Information page on Henry Schein’s investor relations website for a reconciliation of GAAP and non-GAAP measures.
Cash Flow Highlights

Long-Term Financial Model and Goals

**Goal:**
- Cash flow from operations to exceed net income

**Result:**
- Annual operating cash flow has exceeded net income by over $850 million since 2009

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(1) Includes effect of forward buy-ins of approximately $150M in 2012
Cash Return to Shareholders

Share Repurchases

- 2012: $300M
- 2013: $300M
- 2014: $300M
- 2015: $300M
- 2016: $550M

Cumulative Repurchases:
- 2012: $300M
- 2013: $300M
- 2014: $300M
- 2015: $300M
- 2016: $550M
- Total: $1,950M
Investing in the Future

Payments Related to Equity Investments and Business Acquisitions, Net of Cash Acquired

<table>
<thead>
<tr>
<th>Year</th>
<th>Net of Cash Acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$220M</td>
</tr>
<tr>
<td>2013</td>
<td>$182M</td>
</tr>
<tr>
<td>2014</td>
<td>$424M</td>
</tr>
<tr>
<td>2015</td>
<td>$172M</td>
</tr>
<tr>
<td>2016</td>
<td>$229M</td>
</tr>
</tbody>
</table>
### Strong Balance Sheet

#### July 1, 2017 ($ in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Equivalents</td>
<td>$75</td>
</tr>
<tr>
<td>Working Capital</td>
<td>$1,234</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$7,097</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$1,402</td>
</tr>
<tr>
<td>Equity</td>
<td>$2,926</td>
</tr>
<tr>
<td>DSO</td>
<td>41.3 days</td>
</tr>
<tr>
<td>Inventory Turns</td>
<td>5.6x</td>
</tr>
<tr>
<td>Net Debt to Total Capitalization Ratio</td>
<td>31.2%</td>
</tr>
</tbody>
</table>
Investment Merits

• Multiple organic and strategic growth opportunities
• Proven financial track record
• Operating model goals set the stage for attractive long-term growth
• Experienced Management Team