



**Q3 2021**

**NASDAQ: HSIC**

# Safe Harbor Provision

## Cautionary Note Regarding Forward-Looking Statements and Use of Non-GAAP Financial Information

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 include EPS guidance and are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make” or other comparable terms. A fuller discussion of our operations, financial condition and status of litigation matters, 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, including our Annual Report on Form 10-K, 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 expectations. Forward looking statements include the overall impact of the Novel Coronavirus Disease 2019 (COVID-19) on the Company, its results of operations, liquidity, and financial condition (including any estimates of the impact on these items), the rate and consistency with which dental and other practices resume or maintain normal operations in the United States and internationally, expectations regarding PPE and COVID-19 related product sales and inventory levels, whether additional resurgences or variants of the virus will adversely impact the resumption of normal operations, whether vaccine mandates will adversely impact the Company (by disrupting our workforce and/or business), whether supply chain disruptions will adversely impact our business, the impact of restructuring programs as well as of any future acquisitions, and more generally current expectations regarding performance in current and future periods. Forward looking statements also include the (i) ability of the Company to make additional testing available, the nature of those tests and the number of tests intended to be made available and the timing for availability, the nature of the target market, as well as the efficacy or relative efficacy of the test results given that the test efficacy has not been, or will not have been, independently verified under normal FDA procedures and (ii) potential for the Company to distribute the COVID-19 vaccines and ancillary supplies.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: risks associated with COVID-19 and any variants thereof, as well as other disease outbreaks, epidemics, pandemics, or similar wide spread public health concerns and other natural disasters or acts of terrorism; our dependence on third parties for the manufacture and supply of our products; our ability to develop or acquire and maintain and protect new products (particularly technology products) and technologies that achieve market acceptance with acceptable margins; transitional challenges associated with acquisitions, dispositions and joint ventures, including the failure to achieve anticipated synergies/benefits; financial and tax risks associated with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; the potential repeal or judicial prohibition on implementation of the Affordable Care Act; changes in the health care industry; 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 and political conditions, including international trade agreements and potential trade barriers; failure to comply with existing and future regulatory requirements; risks associated with the EU Medical Device Regulation; failure to comply with laws and regulations relating to health care fraud or other laws and regulations; failure to comply with laws and regulations relating to the confidentiality of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; litigation risks; new or unanticipated litigation developments and the status of litigation matters; cyberattacks or other privacy or data security breaches; risks associated with our global operations; our dependence on our senior management, as well as employee hiring and retention; and disruptions in financial markets. 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 press release 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. In the appendix, the non-GAAP measures have been reconciled to and should be considered together with the Consolidated Statements of Income. 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.

# Henry Schein – At a Glance

2020 GLOBAL  
NET SALES

**\$10.1**

BILLION

**GLOBAL DENTAL: 59% OF SALES**  
**GLOBAL MEDICAL: 36% OF SALES**  
**TECHNOLOGY & VALUE-ADDED SERVICES: 5% OF SALES**

OPERATIONS OR  
AFFILIATES IN

**32**

COUNTRIES AND  
TERRITORIES

SERVING MORE THAN

**1 MILLION**

CUSTOMERS

MORE  
THAN

**21,000**

TEAM SCHEIN MEMBERS

## HENRY SCHEIN CORPORATE RECOGNITION

**FORTUNE**  
**WORLD'S MOST  
ADMIRED  
COMPANIES** 2021

#1 HEALTH CARE  
WHOLESALE

**20**  
YEARS

2021 **WORLD'S MOST  
ETHICAL  
COMPANIES**™  
WWW.ETHISPHERE.COM  
**10-TIME HONOREE**

**10** YEARS

**BEST**  
PLACES TO WORK  
2021 for LGBTQ Equality  
100% CORPORATE EQUALITY INDEX

**100% – 6** YEARS

**FORBES**

AMERICA'S BEST EMPLOYERS LIST

**5** YEARS

COMPONENT  
OF  
**S&P 500® INDEX**

**6** YEARS

# Leading Market Positions

## Consistent Historical Growth

- Track record of solid, long-term growth (pre-COVID-19)

## 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
- #2 physician and alternate care distributor in U.S.



# Positive Market Trends

## Demographic Trends

- Aging population represents increasing need for health care services
- Connection between good oral health and overall health

## Technological Improvements

- Software and services
- Prosthetic solutions
- Patient communications
- Telemedicine

## Focus on Preventive Care

- Growing awareness of importance of preventative care
- Improving access to care

## Consolidation of Practitioners in Dental and Medical

- Multiple locations under common management
- Movement of procedures from hospital to physician offices and alternate sites of care



# Company Objective

**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**

# Global Distribution Network



## Distribution Centers

- 9 Core North American Distribution Centers serving Dental and Medical
- 8 Distribution Centers in Europe serving Dental and Medical
- 3 Distribution Centers in Australia/New Zealand serving Dental
- 7 Distribution Centers in Asia/Rest of World serving Dental

- 27 warehouses worldwide with over 3.5 million square feet of warehouse for storage and processing

# Henry Schein's High-Touch, Value-Added Market Approach

Full-service provider of supplies, equipment, and services



EDUCATION



SERVICE & SUPPORT

Our strategy is focused on delivering solutions that enable our customers to provide the best quality patient care while optimizing the efficiency of their practice.



SOFTWARE & INNOVATION



RELATIONSHIPS



# Dental Market Position

**Only global dental distributor and solutions company for general practitioners, specialists, and laboratories**

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

## **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**

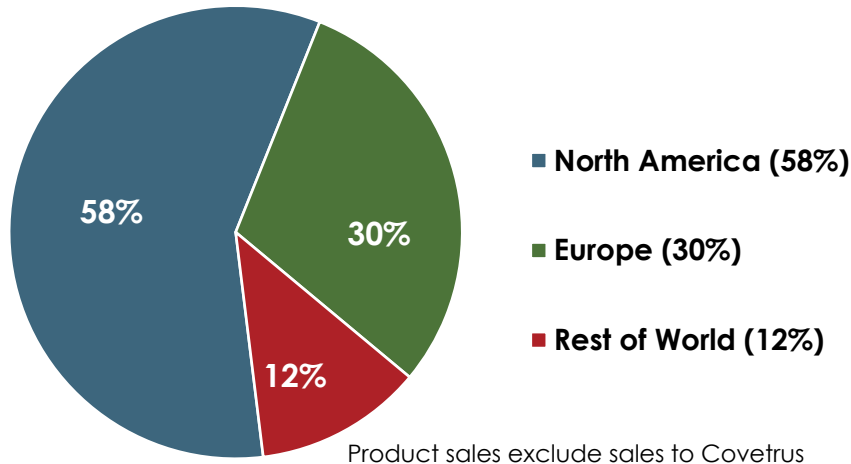
- Approximately 2,900 dedicated Field Sales Consultants
- Product specialists, e.g. capital equipment, technology, specialty products, etc.
- Telesales
- Direct marketing using sophisticated database tools and information



# Dental Market

## 2020 Henry Schein Global Dental Sales by Geography

\$5.9B or 59% of Net Sales



### Market Share:

North America: 35% to 40%

Europe: 20% to 25%

Australia/New Zealand: 30% to 35%

# Dental Specialty Markets

## Implants

- High-margin business
- Historically 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

- General practitioners perform approximately 70% of root canal treatments in the U.S.
- The U.S. market accounts for over 35% of the worldwide endodontic market
- Aging population retaining more teeth and electing root canal treatments

Market Share: 10%

camlog® BIOHORIZONS®

ACE  
SURGICAL SUPPLY CO., INC.

sas®  
southernanesthesia-surgical, inc.



ORTHO TECHNOLOGY  
A HENRY SCHEIN COMPANY

O<sup>2</sup> ORTHO  
Organizers



BRASSELER USA  
DENTAL INSTRUMENTATION

medentis  
medical

INTRA-LOCK  
INTERNATIONAL

# Dental Market – Long Term Growth Strategy



- Increasing penetration with existing customers
- Geographic expansion
- Advancing technology solutions
- Greater penetration of specialty markets
- Continued focus on large group practices
- Digitalization of prosthetic solutions

# Dental Market – Key Acquisitions

<b>Key Acquisitions</b>	<b>Description</b>	<b>Revenue*</b>
Casa Schmidt (2021)	Expands dental distribution in Spain/Portugal	\$42M
TDSC.com (2020)	Expands distribution in N.A. online channel	\$20M
Cliniclands (2019)	Entry into dental market in Sweden	\$10M
Wuhan (2019)	Expands our dental business in China	\$40M
Medentis/Intra-Lock/Pro-Cam (2018)	Strengthens Global Dental Implant Offerings	\$45M
Edge Endo (2017)	Expands our line of Endodontic Solutions	\$17M
SAS (2017)	Enhances Dental Surgical Supply offering	\$72M
Marrodent (2016)	Entry into Poland Dental Market	\$32M
CAP (2016)	Expands Lab Supply Business in the U.S.	\$30M
Dental Cremer (2016)	Expands our Dental Business in Brazil	\$145M

# Medical Market Position

**#2 U.S. distributor to healthcare providers in multiple segments: alternate-site practices, ambulatory surgery centers, laboratory, public safety, government and health systems**

**U.S. market focus – long term growth strategy**

- Approximately 55% of U.S. physician practices are active customers of Henry Schein
- Increase penetration organically and through acquisitions
- Continued focus on large accounts, health systems and surgery centers
- Focus on specialty segments and solutions
- Create unique offering with supply partners
- Select international opportunities

**Approximately 440 dedicated Field Sales Consultants**

- Multi-channel capabilities

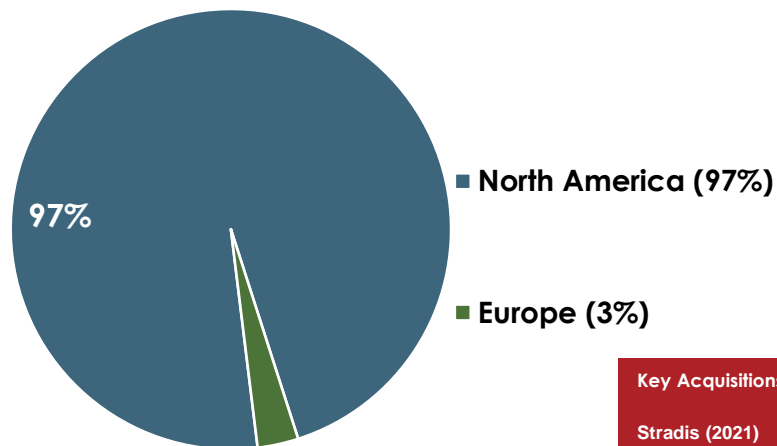
Source: Henry Schein Estimates. Market share represents Henry Schein estimates and is based on rolling 12-month data through Q3 2021.



# Medical Market

## 2020 Henry Schein Global Medical Sales by Geography

\$3.6B or 36% of Net Sales



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

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

Key Acquisitions	Description	Revenue*
Stradis (2021)	Strengthens ASC Presence	\$39M
Prism Medical Products (2021)	Entrance into home health market in U.S.	\$52M
North American Rescue (2019)	Medical products for defense/public-safety	\$184M
Cardinal Physician Office Business (2014)	Expanded N.A. distribution business	\$230M

\* Last 12 months revenue as publicly disclosed at time of acquisition in USD

Market share represents Henry Schein estimates and is based on rolling 12-month data through Q3 2021.

# 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
  - Growing physician presence
- A leader in servicing large practices in Dental
- Approximately 120 dedicated Field Sales Consultants
- Direct access to more than 90% of dental schools in North America

## Financial Services

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

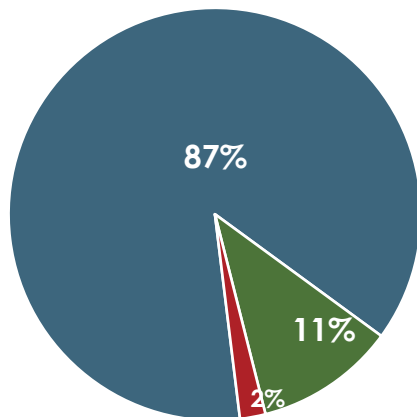
- **Synergies with broader distribution business**
- **Leveraging R&D, marketing, and technology across business units**
- **Technology development for a “global” business**



# Technology & Value-Added Solutions

## 2020 Henry Schein Global Technology & Value-Added Services by Geography

\$514M or 5% of Net Sales



Key Acquisitions/JVs	Description	Revenue*
eAssist (2021)	Adds Outsourced Virtual Dental Billing Platform	\$31M**
Jarvis (2021)	Expands Dental Analytics Solutions	NA
Dentally (2020)	Expands international software presence	\$2M
Elite Computer Italia (2019)	Establishes software presence in Italy	\$6M
Kopferwerk (2019)	Establishes software presence in Austria	\$2M
Lighthouse 360 (2019)	Expands patient communication software offering	\$50M
Henry Schein One (2018)	JV delivering integrated dental technology	\$400M (\$100M incremental)

■ North America (87%)

■ Europe (11%)

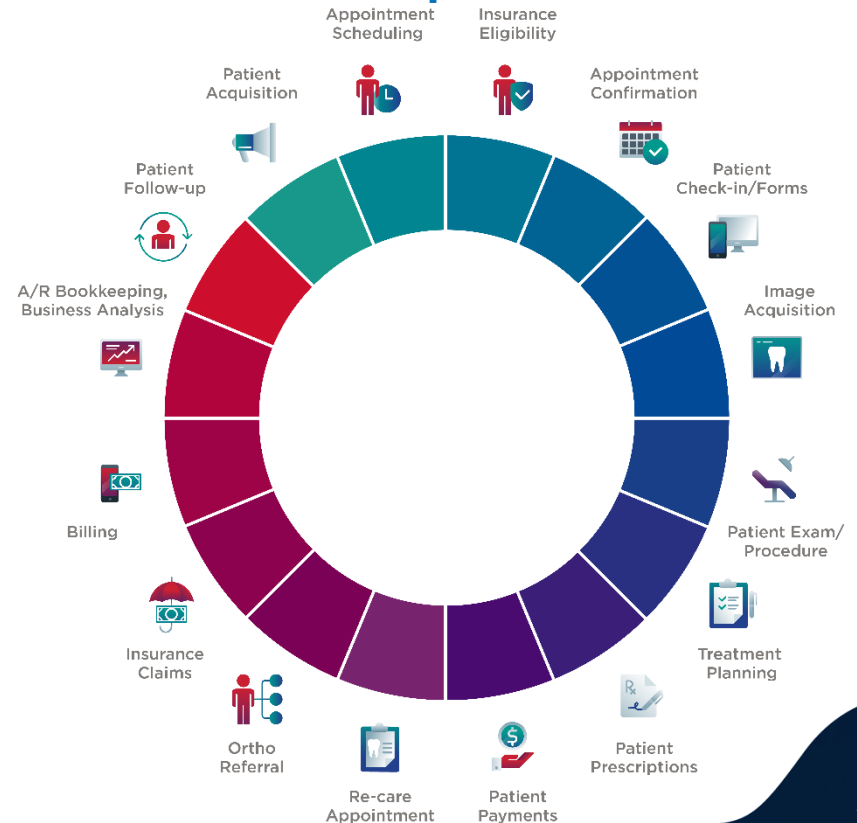
■ Rest of World (2%)

\* Last 12 months revenue as publicly disclosed at time of acquisition in USD  
 \*\* Reflects 2020 sales

# Henry Schein One

- Henry Schein One offers integrated solutions that simplify each step of the patient experience
- Presence in 11 countries
- Approximately 1,800 team members

## Patient Experience Circle



# Henry Schein One Solutions Portfolio

Office Spend Opportunity:  
**\$100-\$1000+/month**

## Platforms – Practice Management Systems

Support, Consulting, Business Analytics  
Virtual Business Services

Office Spend Opportunity:  
**\$200-\$2000+/month**

New Patient  
Acquisition

Office Spend Opportunity:  
**\$200-\$400/month**

Patient  
Engagement &  
Communication

Office Spend Opportunity:  
**\$120-\$360/month**

Revenue Cycle  
Management

Office Spend Opportunity:  
**\$100-\$650+/month**

TechCentral – Hardware, Networking, Protection

- Current Average U.S. Henry Schein One Office Spend: ~ \$300 to \$320/month

# ESG Action and Reporting

GRI

In 2022, we will be fully in accordance with GRI (core option) and SASB Standards



## Environment

- Aspire to be **carbon neutral in our supply chain emissions by the year 2050**
- **Disclosing more climate risks and opportunities**, along with exploring, setting a **Science Based Target\***
- **Goals announced in 2020:**
  - **By 2025, increase North America distribution center (DC) recycling program by 10% of our recycled paper, glass, wood, corrugated, and lift truck batteries** in tons, out of total solid waste produced at our distribution centers, over 2020 metrics
  - **By 2025, we will decrease the landfill waste** disposed by our North American DCs **by 5%** over 2020 metrics, normalized to the relevant operational output *(to be defined in our future reports)*

## Social

OUR D&I GOALS AND COMMITMENTS



By 2022, educate all global directors and vice presidents on the key concepts of Diversity and Inclusion. By 2023, educate managers globally and U.S. TSMs at all levels.



By 2022, evaluate our compliance helpline reporting process against the effectiveness criteria of the United Nations Guiding Principles for Business and Human Rights for reporting of potential discrimination incidents, and include diversity education to those handling the investigations.



By 2030, in alignment with our commitment to Paradigm for Parity®, we will strive to have gender parity at senior leadership levels (Director and VP).



We are committed to pay equity and continue to align our processes and programs to our commitment.

- We aim to **donate at least an additional \$50 million in cash and product** through the HS Cares and HS Cares Foundation, Inc. by 2025 to advance health equity
- Continue to **enhance the health, safety and well-being** of Team Schein Members

## Governance

- **Oversight** of ESG and Sustainability Activities by **Nominating and Governance Committee** of our Board of Directors. Sustainability Committee supports the management of ESG and sustainability matters.



- Reviewing results of a **2020 ESG Materiality Assessment** and further incorporate feedback into external reporting

# Financial Performance

# Growth Since Going Public

## Non-GAAP<sup>(1)</sup>

(\$ in millions, except per share data)

	1995	2020	Compound Annual Growth Rate
Net Sales	\$583.6	\$10,119.1	12.1%
Operating Income <sup>1</sup>	\$18.3	\$567.4	14.7%
Operating Margin <sup>1</sup>	3.13%	5.61%	10 bps*
Net Income <sup>1</sup>	\$8.6	\$425.3	16.9%
Diluted EPS <sup>1</sup>	\$0.16	\$2.97	12.4%

Split Adjusted

# Annual Financial Performance

## Non-GAAP<sup>(1)</sup>

(\$ in millions, except per share data)

	2019	2020	Delta
Net Sales	\$9,985.8	\$10,119.1	1.3%
Operating Income <sup>1</sup>	\$733.0	\$567.4	(22.6%)
Operating Margin <sup>1</sup>	7.34%	5.61%	(173) bps
Net Income <sup>1</sup>	\$523.6	\$425.3	(18.8%)
Diluted EPS <sup>1</sup>	\$3.51	\$2.97	(15.4%)

# Q3 2021 Financial Highlights

## Non-GAAP<sup>1</sup>

(\$ in millions, except per share data)

	Q3 2020	Q3 2021	Delta
Sales	\$2,840.1	\$3,178.3	11.9%
Operating Income <sup>1</sup>	\$194.7	\$210.6	8.2%
Operating Margin <sup>1</sup>	6.85%	6.63%	(22) bps
Net Income <sup>1</sup>	\$147.0	\$154.8	5.4%
Diluted EPS <sup>1</sup>	\$1.03	\$1.10	6.8%

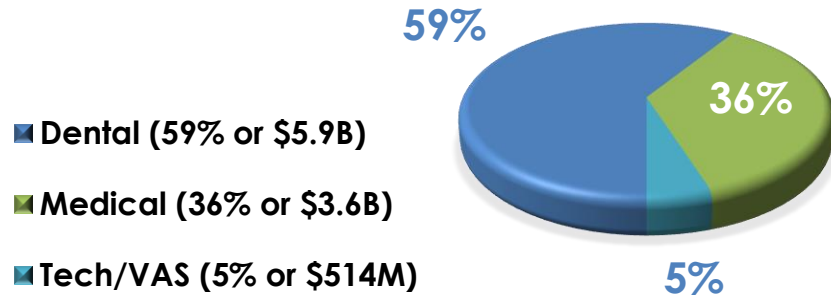
Sales are from Continuing Operations. Includes corporate sales to Covetrus in 2020. <sup>1</sup>Excludes certain non-recurring items to provide a more comparable basis for analysis. See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.



# Diversified Sales in Complementary Markets

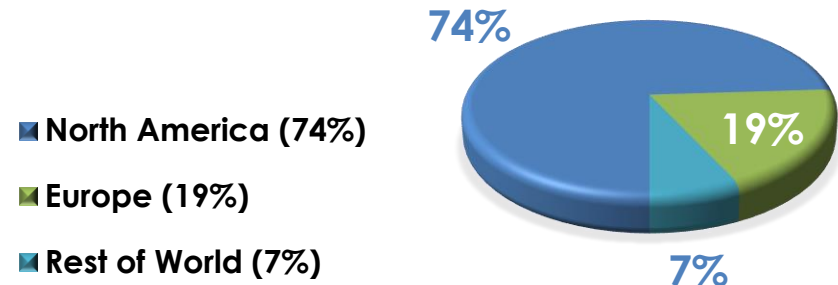
2020 Worldwide Sales: \$10.1 Billion

## BY PRODUCT



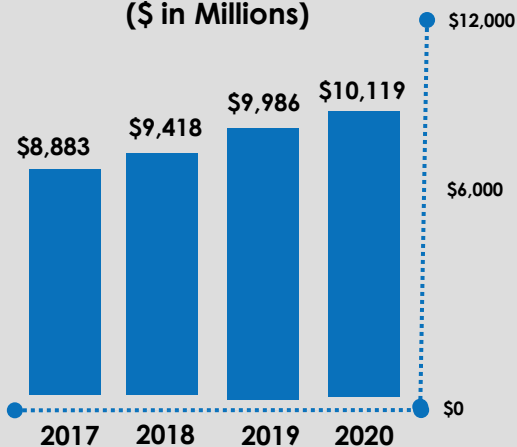
Product sales exclude sales to Covetrus

## BY GEOGRAPHY



# Sales Highlights

## NET SALES (\$ in Millions)



## Long-Term Financial Goal

### Goal:

Grow faster than end market growth rates (organic)

### Result:

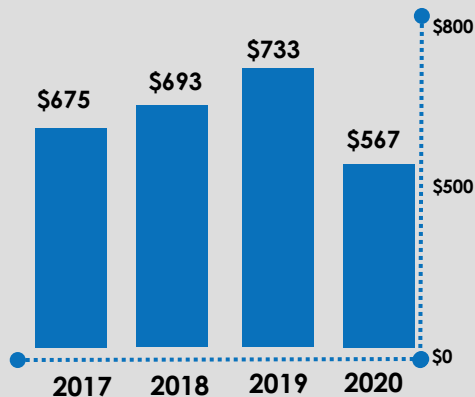
### Sales Growth

	2017	2018	2019	2020
Internal <sup>1</sup>	4.6%	4.0%	4.4%	0.8%
Extra Week Impact	(1.5)%	n/a	n/a	n/a
Acquisition	4.3%	1.5%	3.3%	0.6%
Total Local Currency Growth	7.4%	5.5%	7.7%	1.4%
Foreign Exchange/Other	0.7%	0.5%	(1.7%)	(0.1%)
<b>Total Sales Growth</b>	<b>8.1%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>1.3%</b>

<sup>1</sup> Excluding the impact of an extra week in 2016, which also affected 2017 growth rates

# Operating Income and Margin Highlights

## NON-GAAP OPERATING INCOME (\$ in Millions)



## Long-Term Financial Goal

### Goal:

- Continued operating margin expansion

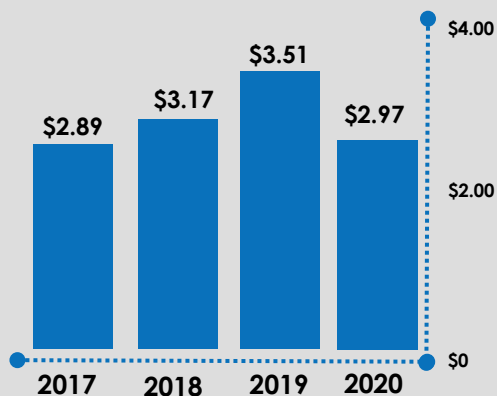
### Result:

	1995	2020
Operating Margin	3.1% <sup>(1)</sup>	5.6% <sup>(1)</sup>

From Continuing Operations. Excludes animal health in both periods. <sup>1</sup> Excluding certain non-recurring items to provide a more comparable basis for analysis. See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.

# Earnings Highlights

## NON-GAAP EARNINGS PER DILUTED SHARE



Split Adjusted

## Long-Term Financial Goal

### Goal:

Continued year-over-year EPS growth, including share repurchases and acquisitions

### Result:

	1995	2020
Diluted EPS	\$0.16 <sup>(1)</sup>	\$2.97 <sup>(1)</sup> (CAGR of 12.4%)

Split Adjusted

From Continuing Operations. Excludes animal health in both periods. <sup>1</sup> Excluding certain non-recurring items to provide a more comparable basis for analysis.

See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.

# Cash Flow

## Long-Term Financial Goal

### Goal:

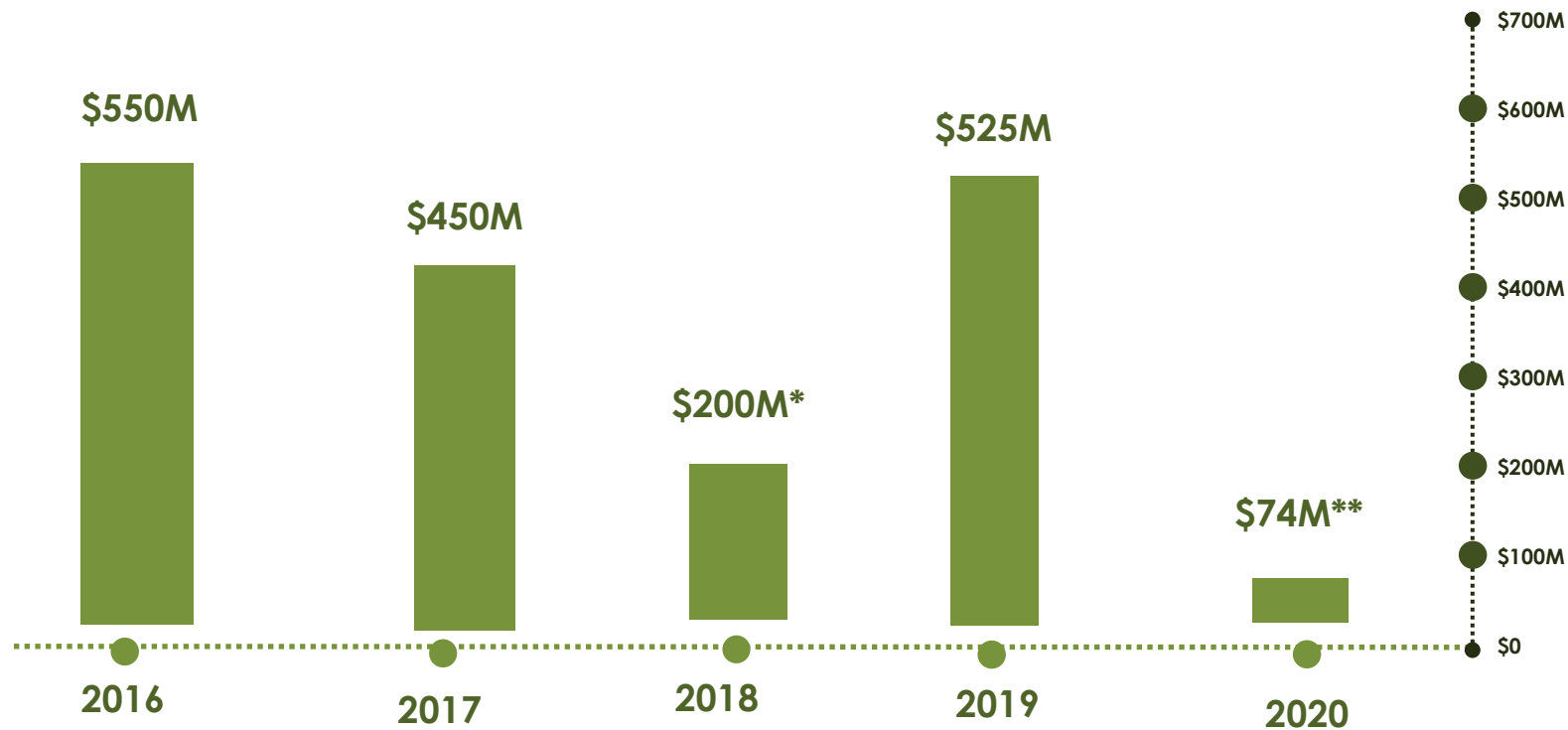
- Cash flow from continuing operations to exceed net income



From Continuing Operations.

See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.

# Cash Return to Shareholders



# Strong Balance Sheet

**September 25, 2021** (\$ in millions)

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Cash & Equivalents \$119.1

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Working Capital \$1,611.0

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Total Assets \$8,420.8

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Total Debt \$774.6

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Equity \$4,105.6

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DSO Year-to-Date 42.6 days

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Inventory Turns Year-to-Date 5.1x

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Net Debt to Non-GAAP TTM EBITDA 0.58x

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# Investment Merits

- **Multiple organic and M&A growth strategies**
- **Proven financial track record**
- **Operating model goals for long-term growth**
- **Experienced management team**





# APPENDIX

# GAAP & Non-GAAP Reconciliations

## Growth Since Going Public

Henry Schein, Inc. Third Quarter 2021 Analyst Presentation Growth Since Going Public From Continuing Operations (in millions, except per share data)												
Reconciling Items												
	GAAP Basis			Special Management Compensation Costs		Restructuring Costs		Net Gain on Sale of Investments		Non-GAAP		
	1995	2020	CAGR	1995	2020	1995	2020	1995	2020	1995	2020	CAGR
Net Sales	\$ 583.6	\$ 10,119.1	12.1%	\$ -	\$ -	\$ -	\$ -			\$ 583.6	\$ 10,119.1	12.1%
Operating Income	\$ (2.5)	\$ 535.3	n/a (1)	\$ 20.8	\$ -		\$ 32.1			\$ 18.3	\$ 567.4	14.7%
Operating Margin	-0.43%	5.29%	572 bp							3.13%	5.61%	10 bps*
Net Income	\$ (11.0)	\$ 402.8	n/a (1)	\$ 19.6	\$ -		\$ 24.1	\$ (1.6)		\$ 8.6	\$ 425.3	16.9%
Diluted EPS	\$ (0.21)	\$ 2.81	n/a (1)	\$ 0.37	\$ -		\$ 0.17	\$ (0.01)		\$ 0.16	\$ 2.97	12.4%
* Average annual increase												
(1) In 1995, Operating Income, Net Income and Diluted EPS were negative, and CAGR amounts cannot be calculated. Using 1996 as a base year the CAGR for Operating Income, Net Income and Diluted EPS was 15.08%, 17.15%, and 14.23%, respectively. For 1996, there were no reconciling items on a GAAP to Non-GAAP basis.												

# GAAP & Non-GAAP Reconciliations

## Annual Financial Performance

Henry Schein, Inc.														
Third Quarter 2021 Analyst Presentation														
Full Year 2020 Financial Highlights														
From Continuing Operations														
(in millions, except per share data)														
Reconciling Items														
	GAAP Basis			Restructuring Costs		Net Gain on Sale of Equity Investments		Tax Credit Related to Animal Health Spin-off		Total Reconciling Items		Non-GAAP		
	2019	2020	Growth	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	Growth
Net Sales	\$ 9,985.8	\$ 10,119.1	1.3%							\$ -	\$ -	\$ 9,985.8	\$ 10,119.1	1.3%
Operating Income	\$ 718.3	\$ 535.3	-25.5%	\$ 14.7	\$ 32.1					\$ 14.7	\$ 32.1	\$ 733.0	\$ 567.4	-22.6%
Operating Margin	7.19%	5.29%	(190) bp									7.34%	5.61%	(173) bp
Net Income	\$ 700.7	\$ 402.8	-42.5%	\$ 11.0	\$ 24.1	\$ (186.8)	\$ (1.6)	\$ (1.3)	\$ -	\$ (177.1)	\$ 22.5	\$ 523.6	\$ 425.3	-18.8%
Diluted EPS	\$ 4.69	\$ 2.81	-40.1%	\$ 0.07	\$ 0.17	\$ (1.25)	\$ (0.01)	\$ (0.01)	\$ -	\$ (1.19)	\$ 0.16	\$ 3.51	\$ 2.97	-15.4%

# GAAP & Non-GAAP Reconciliations

## Q3 2021 Financial Highlights

Henry Schein, Inc.

Third Quarter 2021 Analyst Presentation

Q3 2021 - Financial Highlights

From Continuing Operations

(in millions, except per share data)

	GAAP Basis			Reconciling Items				Non-GAAP		
	Q3 2020	Q3 2021	Growth	Restructuring Costs (Credits)		Gain on Sale of Equity Investment		Q3 2020	Q3 2021	Growth
				2020	2021	2020	2021			
Net Sales	\$ 2,840.1	\$ 3,178.3	11.9%					\$ 2,840.1	\$ 3,178.3	11.9%
Operating Income	\$ 187.7	\$ 210.8	12.3%	\$ 7.0	\$ (0.2)		\$ -	\$ 194.7	\$ 210.6	8.2%
Operating Margin	6.61%	6.63%	2 bp					6.85%	6.63%	(22) bp
Net Income	\$ 141.7	\$ 162.3	14.5%	\$ 5.2	\$ (0.1)		\$ (7.3)	\$ 147.0	\$ 154.8	5.4%
Diluted EPS	\$ 0.99	\$ 1.15	16.2%	\$ 0.04	\$ -		\$ (0.05)	\$ 1.03	\$ 1.10	6.8%

# GAAP & Non-GAAP Reconciliations

## Operating Income

Henry Schein, Inc.														
Third Quarter 2021 Analyst Presentation														
Operating Income and Margin Highlights														
From Continuing Operations														
(in millions, except per share data)														
	GAAP				Reconciling Items					Non-GAAP				
	2018	2019	2020	Q3 2021	2018	2019	2020	Q3 2021		2018	2019	2020	Q3 2021	
Net Sales	\$ 9,417.6	\$ 9,985.8	\$ 10,119.1	\$ 3,178.3						Net Sales	\$ 9,417.6	\$ 9,985.8	\$ 10,119.1	\$ 3,178.3
Operating Income	\$ 600.6	\$ 718.3	\$ 535.3	\$ 210.8	\$ 92.9	\$ 14.7	\$ 32.1	\$ (0.2)		Operating Income	\$ 693.5	\$ 733.0	\$ 567.4	\$ 210.6
Operating Margin	6.38%	7.19%	5.29%	6.63%						Operating Margin	7.36%	7.34%	5.61%	6.63%
Operating Income Growth %			-25%							Operating Income Growth %			-23%	
Operating Margin %			5.29%							Operating Margin %			5.61%	
CAGR			-5.59%							CAGR			-9.55%	

# GAAP & Non-GAAP Reconciliations

## Earnings Highlights

Henry Schein, Inc. Third Quarter 2021 Analyst Presentation Earnings Highlights From Continuing Operations (in millions, except per share data)									
	GAAP EPS					GAAP Net Income			
	2018	2019	2020	Q3 2021		2018	2019	2020	Q3 2021
GAAP Earnings per share	\$ 2.80	\$ 4.69	\$ 2.81	\$ 1.15	GAAP Net Income	\$ 430.7	\$ 700.7	\$ 402.8	\$ 162.3
GAAP EPS Growth %		68%	-40%						
GAAP EPS CAGR			0%						
	2018	2019	2020	Q3 2021		2018	2019	2020	Q3 2021
Restructuring costs (credits)	\$ 0.27	\$ 0.07	\$ 0.17	-	Restructuring costs (credits)	\$ 40.8	\$ 11.0	\$ 24.1	\$ (0.1)
Litigation Settlements	\$ 0.19				Litigation Settlements	\$ 28.9			
Transitional Tax on Repatriated Foreign Earnings	\$ (0.07)				Transitional Tax on Repatriated Foreign Earnings	\$ (10.0)			
One-time tax on reorganization related to HS One	\$ 0.03				One-time tax on reorganization related to HS One	\$ 3.9			
International Legal Entity Reorganization	\$ (0.07)				International Legal Entity Reorganization	\$ (10.6)			
One-Time Tax Charge Related to the Animal Health Spin-Off	\$ 0.02				One-Time Tax Charge Related to the Animal Health Spin-Off	\$ 3.1			
Tax Credit Related to Animal Health Spin-Off		\$ (0.01)			Tax Credit Related to Animal Health Spin-Off		\$ (1.3)		
Net Gain on Sale of Investments		\$ (1.25)	\$ (0.01)	\$ (0.05)	Net Gain on Sale of Investments		\$ (186.8)	\$ (1.6)	\$ (7.3)
	Non-GAAP EPS					Non-GAAP Net Income			
	2018	2019	2020	Q3 2021		2018	2019	2020	Q3 2021
Non-GAAP EPS	\$ 3.17	\$ 3.51	\$ 2.97	\$ 1.10	Non-GAAP Net Income	\$ 486.8	\$ 523.6	\$ 425.3	\$ 154.8
Non-GAAP EPS Growth %		11%	-15%						
Non-GAAP EPS CAGR			-3%						

Earnings per share numbers may not sum due to rounding.

# GAAP & Non-GAAP Reconciliations

## Net Debt to Non-GAAP TTM EBITDA

Henry Schein, Inc.						
Third Quarter 2021 Analyst Presentation						
Net Debt to EBITDA						
From Continuing Operations						
(in millions, except ratio)						
	Last Twelve Months Ending September 2021					
	Reconciling Items					
	GAAP	Letters of Credit	Cash Adjustment	Impairment Charge on Intangible Assets and Deal Costs	Restructuring and Litigation Settlement Costs	Non-GAAP
Net Debt	\$ 655.4	\$ 12.5	\$ -		\$ -	\$ 668.0
EBITDA, as calculated	1,100.5			\$ 41.6	17.6	1,159.8
<b>Net Debt to EBITDA</b>	<b>0.60</b>					<b>0.58</b>

# GAAP & Non-GAAP Reconciliations

## Tax Rate

Henry Schein, Inc.			
Third Quarter 2021 Analyst Presentation			
Income Tax Rate Reconciliation			
From Continuing Operations			
(in millions, except tax rate)			
	<b>Q3 2021</b>		
	<b>Pretax income</b>	<b>Tax Expense</b>	<b>Tax Rate</b>
<b>Income Tax Rate - GAAP</b>	\$ 206.1	\$ (49.3)	23.91%
Add back Non-GAAP Adjustments			
Restructuring (credits)	(0.2)	0.0	
<b>Income Tax Rate - Non-GAAP</b>	<b>\$ 205.9</b>	<b>\$ (49.2)</b>	<b>23.91%</b>