

Henry Schein and Internet Brands Form Joint Venture To Deliver Integrated Technology To Enhance Dental Practice Management

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New global company - called Henry Schein One - combines Dentrax, Dentrax Ascend, Exan, Easy Dental, Demandforce, Sesame Communications and other market-leading dental brands

MELVILLE, N.Y., April 3, 2018 /PRNewswire/ -- Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of health care products and services to office-based dental, animal health, and medical practitioners, and Internet Brands, a leading provider of web presence and online marketing software, announced today the creation of a joint venture designed to deliver integrated dental technology to help the profession improve practice management and marketing as well as patient communication.

Henry Schein Practice Solutions is the leading dental practice management software company and will bring to the venture its market-leading suite of practice management systems. Internet Brands is the market leader in web-based software applications used by dental offices to attract and retain patients and manage online reputation.

The joint venture, to be named Henry Schein One, will include the Henry Schein Practice Solutions products and services, such as Dentrax, Dentrax Ascend, Easy Dental, and TechCentral, as well as Henry Schein's international dental practice management systems, including Software of Excellence, Logiciel Julie, InfoMed, Exan, and LabNet, among others. Henry Schein One also will include the dental businesses of Internet Brands, including web-based solutions such as Demandforce, Sesame Communications, Officite, and DentalPlans.com. The teams dedicated to all these businesses will become part of the joint venture, which will initially employ approximately 1,500 team members and be headquartered in American Fork, Utah.

Henry Schein will have majority ownership of the joint venture and Internet Brands will own a minority interest, with senior management from Henry Schein and Internet Brands serving on the board of Henry Schein One. The combined entity, which will serve markets globally, had pro-forma 2017 sales of approximately \$400 million. Henry Schein expects the transaction to be neutral to the balance of its 2018 earnings per share, excluding the impact of one-time transfer taxes of approximately \$4.5 million, or \$0.03 per share, related to completing the transaction, and to be accretive thereafter. The joint venture expects to realize between \$20 million and \$30 million in annual synergies by the end of year three. The companies expect to complete the transaction in the second quarter of 2018, subject to certain pre-closing conditions. Financial terms of the agreement were not disclosed.

"We are very pleased to create this joint venture with Internet Brands because we share the goal of being the best partner to help our dental customers operate successful practices for the ultimate benefit of their patients," said Stanley M. Bergman, Chairman of the Board and CEO, Henry Schein, Inc. "With this agreement, we combine two dental technology leaders who together will create a powerful new engine to accelerate our customers' growth. We believe our customers will have the most extensive suite of integrated programs and services, operating on leading practice management systems, to enable dental professionals to be more efficient and to increase their ability to deliver high-quality care to patients."

Henry Schein One will deliver advanced, cutting-edge technology to address the challenges created by the current lack of technology integration in dental practices. Dental teams today use disparate technology systems that often don't connect with each another, thereby wasting time for the team and their patients. The mission of Henry Schein One is to raise the level of innovation and deliver a new platform of enhanced dental software and services that work together seamlessly to share data and streamline the digital workflow for each member of the dental team. Having end-to-end management and marketing systems will enable dental teams to be better business managers, clinicians to be more efficient, and patients more loyal to the practice. By helping each member of the dental team work smarter and faster to improve the practice and the entire patient experience, Henry Schein One will position dentists to focus more on delivering quality patient care.

Integrating Henry Schein's practice management software with Internet Brands' web-based and mobile digital marketing and communications tools will give dental teams new tools connected to their practice management systems to better communicate with current and prospective patients, minimize appointment cancellations, improve adherence to treatment plans, and develop new sources of revenue.

"By combining Henry Schein's strength in practice management software with our leading digital marketing applications in this new joint venture, we intend to leverage the considerable resources of both companies to provide our customers and their patients with a better experience," said Bob Brisco, CEO of Internet Brands. "We are only scratching the surface of what we can do together to improve how dental practices interact with patients in an age of digital communications. This joint venture will harness the power of the leading brands in this market for the benefit of everyone interested in delivering and experiencing better health care. We're very excited to work with Henry Schein to create a powerful new offering that is unmatched in the industry."

The leadership of Henry Schein One brings deep knowledge and experience to the task of using modern marketing and communications technologies to enhance the customer experience. The company's Chief Executive Officer will be James A. Harding, currently the Senior Vice President and CEO of Henry Schein's Global Practice Solutions Group. Mr. Harding has also served as the Chief Technology Officer of Henry Schein, which he joined in 2000. The remainder of Henry Schein One's management team will be announced at a later date.

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. 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. Such forward-looking statements include, but are not limited to, statements about the benefits of the joint venture transaction, including future financial and operating results, the joint venture's plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the

future — including statements relating to anticipated synergies and the expected timetable for completing the proposed transaction — are forward-looking statements. 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. For example, these forward-looking statements could be affected by factors including, without limitation, risks associated with the ability to consummate the transaction and the timing of the closing of the transaction; the ability to obtain requisite approvals; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in reports filed with the SEC by Henry Schein from time to time, including those discussed under the heading "Risk Factors" in its most recently filed report on Form 10-K. We undertake no duty and have no obligation to update any forward-looking statements contained herein.

Also included within this press release is guidance regarding the neutral impact of the joint venture transaction on our adjusted earnings per share ("EPS"). This guidance is a non-GAAP financial measure because it excludes the impact of transfer taxes that will be paid in accordance with the joint venture. The reconciliation to the impact of the joint venture on our expected GAAP EPS is provided above. Management believes that this non-GAAP financial measure provides investors with useful supplemental information about the expected impact of the joint venture transaction because it excludes one-time payments that are not indicative of the expected impact of the joint venture on our EPS in future periods. This non-GAAP financial measure is presented solely for informational purposes and should not be regarded as a replacement for corresponding GAAP measures.

About Henry Schein, Inc.


Henry Schein, Inc. (Nasdaq: HSIC) is a health solutions network powered by people and technology. With more than 22,000 [Team Schein Members](#) serving more than 1 million customers globally, the Company is the world's largest provider of Business, Clinical, Technology, and Supply Chain solutions to enhance the efficiency of office-based [dental](#), [animal health](#), and [medical](#) practitioners. The Company also serves [dental laboratories](#), [government and institutional health care clinics](#), and other alternate care sites.

A Fortune 500® Company and a member of the S&P 500® and the Nasdaq 100® indexes, Henry Schein's network of trusted advisors provides health care professionals with the valued solutions they need to improve operational success and clinical outcomes. The Company offers customers exclusive, innovative products and solutions, including practice management software, e-commerce solutions, specialty and surgical products, as well as a broad range of [financial services](#). Henry Schein operates through a centralized and automated distribution network, with a selection of more than 120,000 branded products and Henry Schein private-brand products in stock, as well as more than 180,000 additional products available as special-order items.

Headquartered in Melville, N.Y., Henry Schein has operations or affiliates in 34 countries. The company's sales reached a record \$12.5 billion in 2017, and have grown at a compound annual rate of approximately 15 percent since Henry Schein became a public company in 1995. For more information, visit Henry Schein at www.henryschein.com, [Facebook.com/HenrySchein](https://www.facebook.com/HenrySchein), and [@HenrySchein on Twitter](https://twitter.com/HenrySchein).

About Internet Brands

Headquartered in El Segundo, Calif., Internet Brands® is a fully integrated online media and software services organization focused on four high-value vertical categories: Health, Automotive, Legal and Home/Travel. The company's award-winning consumer websites lead their categories and serve more than 250 million monthly visitors, while a full range of web presence offerings has established deep, long-term relationships with SMB and enterprise clients. Internet Brands' powerful, proprietary operating platform provides the flexibility and scalability to fuel the company's continued growth. Internet Brands is a portfolio company of KKR and Temasek. For more information, please visit www.internetbrands.com.

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