



Henry Schein Completes Spin-Off Of Global Animal Health Business

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- Henry Schein to Focus on Solutions for Health Care Professionals in Dental and Medical Markets
- Sees Growth Opportunities in Existing Markets and New Markets
- Receives \$1.1 Billion in Tax-Free Proceeds

MELVILLE, N.Y., Feb. 8, 2019 /PRNewswire/ -- Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of health care solutions for office-based dental and medical professionals, announced today the completion of the spin-off of its animal health business as the Company tightens its focus on driving growth in existing dental and medical markets while pursuing new investment opportunities.

As part of the spin-off, Henry Schein received approximately \$1.1 billion in what is expected to be tax-free proceeds that will be used to pay down debt. The debt repayment will generate additional debt capacity for Henry Schein, which could be used for general corporate purposes, including share repurchases and mergers and acquisitions.

Henry Schein will continue to advance its long-standing goal of helping health care professionals operate more efficient practices by providing new solutions and technologies for the ultimate benefit of patients. The Company's suite of offerings includes more than 300 solutions in the following categories: *business solutions* that help customers successfully manage and grow their business; *clinical solutions* that help customers stay on the leading edge of patient care; *technology solutions* that help customers harness innovation to benefit the clinical setting and their patients; and *supply chain solutions* that provide customers with the industry's broadest product selection and deepest inventory, delivering the right products at the right time.

"Through our reliable network of trusted advisors, we provide customers invaluable information, education, and advice," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. "Customers rely on us because of our network of valued suppliers and industry experts, our comprehensive offering of technology and services, our supply chain excellence, our deep industry and professional relationships, and the talented Team Schein Members who support our constituencies every day."

Following the spin-off of Animal Health, Henry Schein will have more than 18,000 Team Schein Members in 31 countries, serving more than 1 million customers. Based on 2017 pro-forma sales of approximately \$9.0 billion (excluding the \$3.6 billion contribution of Animal Health), the Company's revenue breakdown was \$6.1 billion, or 68%, from Dental; \$2.5 billion, or 28%, from Medical; and \$338 million, or 4%, from Technology and Value-Added Services.

A Solutions-Based Approach

While Henry Schein historically has been associated with the distribution of health care products, the Company will increasingly focus on four critical solutions as part of its high-touch, full-service value proposition: *business solutions*, including equipment financing services, practice analysis, practice brokering, recruitment services, revenue cycle management, leasing advice, compliance support, and more; *clinical solutions*, such as a wide range of implants, orthodontic devices, and bone regeneration materials, as well as telemedicine and clinical decision support services; *technology solutions*, led by Henry Schein One, the joint venture behind the award-winning Dentrix practice management software, as well as a broad range of digital equipment, technical service, and on-site support; and *supply chain solutions*, including a best-in-class fulfillment system for product delivery, as well as inventory management systems and customized supply-chain solutions for integrated delivery networks and large group practices.

"Henry Schein is so much more than a supplier of products," Mr. Bergman said. "We provide the solutions health care professionals rely on to operate more efficiently and provide patients with the very best care. We intend to grow our dental and medical businesses through continued investments in the products, technologies, services, and support that comprise our unique set of health care solutions. We have an almost nine-decade history of successful reinvention, including 23 years as a public company, delivering consistent results as markets change. We intend to build on our record of success in the years ahead."

As an example of the Company's continuous pursuit of profitable growth, Henry Schein announced on January 23, 2019, the signing of a definitive agreement to acquire approximately 93% of North American Rescue, a leading provider of survivability and casualty-care medical products to the defense and public-safety markets.

For a detailed breakdown of the Company's solutions for health care professionals, please click on this link: [Solutions from Henry Schein](#).

Cautionary Note Regarding Forward-Looking Statements

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 expectations.

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; new or unanticipated litigation developments; the dependence on our continued product development, technical support and successful marketing in the technology segment; our dependence on third parties for certain technologically advanced components; 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.

About Henry Schein, Inc.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology.

With more than 18,000 [Team Schein Members](#) worldwide, the Company's network of trusted advisors provides over 1 million customers globally with more than 300 valued solutions that improve operational success and clinical outcomes. Our Business, Clinical, Technology, and Supply Chain solutions help office-based [dental](#) and [medical](#) practitioners work more efficiently so they can provide quality care more effectively. These solutions also support [dental laboratories](#), [government and institutional health care clinics](#), as well as other alternate care sites.

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.

A Fortune 500® Company and a member of the S&P 500® and the Nasdaq 100® indexes, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 31 countries. The Company's sales, including the animal health business, reached a record \$12.5 billion in 2017, and have grown at a compound annual rate of approximately 15% 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).

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