

Henry Schein Reports Record Second-Quarter 2022 Financial Results

August 2, 2022

- **Second-quarter net sales of \$3.0 billion up 2.1% compared with second-quarter 2021; internal sales up 6.7% in local currencies when excluding sales of PPE and other COVID-19 related products**
- **GAAP diluted EPS of \$1.16 compared with second-quarter 2021 GAAP diluted EPS of \$1.10 and second-quarter 2021 non-GAAP diluted EPS of \$1.11**
- **Affirms full-year 2022 GAAP diluted EPS guidance range of \$4.75 to \$4.91, reflecting growth of 7% to 10% over full-year 2021 GAAP diluted EPS and growth of 5% to 9% over full-year 2021 non-GAAP diluted EPS**

MELVILLE, N.Y.--(BUSINESS WIRE)--Aug. 2, 2022-- Henry Schein, Inc. (Nasdaq: HSI), the world's largest provider of health care solutions to office-based dental and medical practitioners, today reported record second-quarter financial results.

"We are pleased to report record second-quarter financial results that reflect good underlying momentum in the business and execution of our strategy," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. "Our solid operational execution this quarter and our results demonstrate the strength of our business. While we are maintaining our full-year 2022 diluted EPS guidance range of \$4.75 to \$4.91, we are adjusting our expectations for full-year sales growth to reflect changes including a continued strengthening of the U.S. dollar and declining demand for COVID-19 test kits.

"Our Global Dental business once again was driven by strong equipment sales as dentists continued to invest in their practices. Consumable merchandise internal sales growth in local currencies excluding personal protective equipment (PPE) and COVID-19 related products was impacted by an increase in patient appointment cancellations and staff shortages, which we believe were related to COVID-19 infections.

"Our Global Medical business had another excellent quarter with double-digit internal sales growth in local currencies when excluding PPE and COVID-19 related products. During the second quarter, we had strong sales of point-of-care diagnostic tests including flu test kits, as well as generic pharmaceuticals and equipment. Patient traffic was bolstered by a high number of visits for seasonal influenza.

"We are pleased with the good growth in our Technology & Value-Added Services business where, once again, North America and International sales increased by double-digit percentages. Henry Schein One sales growth accelerated compared with prior-year growth, and we are seeing healthy demand from our national DSO accounts for these solutions," concluded Mr. Bergman.

Second-Quarter Financial Results

- **Total net sales** for the quarter ended June 25, 2022, were \$3.0 billion, up 2.1% compared with the second quarter of 2021. The 2.1% increase included 2.4% internal growth in local currencies, 2.1% growth from acquisitions, and a 2.4% decrease related to foreign currency exchange. (See Exhibit A for details of sales growth.) Second-quarter internal sales growth in local currencies excluding sales of PPE and COVID-19 related products was 6.7% compared with the prior year.
- **GAAP net income** attributable to Henry Schein, Inc. for the second quarter of 2022 was \$160 million, or \$1.16 per diluted share, compared with second-quarter 2021 GAAP net income attributable to Henry Schein, Inc. of \$156 million, or \$1.10 per diluted share, and second-quarter 2021 non-GAAP net income attributable to Henry Schein, Inc. of \$157 million, or \$1.11 per diluted share. (See Exhibit B for a reconciliation of GAAP net income and diluted EPS to non-GAAP net income and diluted EPS.)
- **Global Dental sales** for the second quarter of 2022 of \$1.9 billion decreased 3.1% compared with the prior-year period. Internally generated sales in local currencies decreased 0.3%, with 0.7% growth from acquisitions and a 3.5% decrease related to foreign currency exchange. The 0.3% internal sales decrease in local currencies included a 1.1% decrease in North America and 1.0% growth internationally.
 - **Global Dental consumable merchandise internal sales** decreased by 2.2% in local currencies. Excluding sales of PPE and COVID-19 related products, internal sales growth in local currencies was 2.4%. **Global Dental equipment internal sales growth** was 7.0% in local currencies.
 - North America dental consumable merchandise internal sales in local currencies decreased 3.5% and increased 2.2% when excluding sales of PPE and COVID-19 related products. North America dental equipment internal sales in local currencies increased 8.1%.
 - International dental consumable merchandise internal sales in local currencies decreased 0.3% and increased 2.7% when excluding sales of PPE and COVID-19 related products. International dental equipment internal sales in local currencies increased 5.5%.
- **Global Medical sales** for the second quarter of 2022 of \$1.0 billion increased 10.3% compared with the same period last year. Internally generated sales in local currencies increased 6.7%, with 3.9% growth from acquisitions and a 0.3% decrease related to foreign currency exchange. Internal sales in local currencies increased 13.6% excluding sales of PPE and COVID-19 related products.
- **Global Technology and Value-Added Services sales** of \$181 million increased 18.1% compared with the prior-year quarter, driven by Henry Schein One. This included 10.8% internal sales growth in local currencies, 8.8% growth from

acquisitions, and a 1.5% decline related to foreign currency exchange.

Year-to-Date Financial Results

- **Total net sales** for the first half of 2022 were \$6.2 billion, an increase of 5.4% compared with the first half of 2021. The 5.4% increase included 5.0% internal growth in local currencies, 2.3% growth from acquisitions, and a 1.9% decrease related to foreign currency exchange. First-half internal sales growth in local currencies excluding sales of PPE and COVID-19 related products was 7.5% compared with the prior year.
- **GAAP net income** attributable to Henry Schein, Inc. for the first half of 2022 was \$341 million, or \$2.46 per diluted share, compared with first half 2021 GAAP net income attributable to Henry Schein, Inc. of \$322 million, or \$2.26 per diluted share, and first half 2021 non-GAAP net income attributable to Henry Schein, Inc. of \$335 million, or \$2.35 per diluted share. Non-GAAP results for the first half of 2021 exclude certain items noted in Exhibit B, which provides a reconciliation of GAAP net income and diluted EPS to non-GAAP net income and diluted EPS.

Stock Repurchase Plan

During the second quarter of 2022, the Company repurchased approximately 1.3 million shares of its common stock at an average price of \$81.42 per share, for a total of \$110 million. The impact of the repurchase of shares on second-quarter diluted EPS was immaterial. At quarter-end, Henry Schein had approximately \$90 million authorized and available for future stock repurchases.

Restructuring Program

Henry Schein is today also announcing a company-wide restructuring plan that is focused on funding the priorities of the strategic plan and streamlining operations and other initiatives to increase efficiency.

The Company expects to record restructuring charges in 2022 and 2023, however an estimate of the amount of these charges has not yet been determined. Any restructuring charges are expected primarily to include severance pay and facility-related costs. The expense savings realized from this plan are expected to mainly affect 2023 and beyond.

Financial Guidance

Henry Schein today provides full-year 2022 financial guidance, as follows:

- Affirms guidance for full-year 2022 GAAP diluted EPS attributable to Henry Schein, Inc. of \$4.75 to \$4.91, reflecting growth of 7% to 10% compared with 2021 GAAP diluted EPS of \$4.45 and growth of 5% to 9% compared with 2021 non-GAAP diluted EPS of \$4.52.
- Updates full-year 2022 expected sales growth to be approximately 3% to 6% over 2021. This compares with previous guidance for growth of 5% to 8% over 2021 and reflects adverse effects from foreign exchange rates and a decrease in anticipated sales of PPE and COVID-related products, including COVID-19 test kits. Sales of COVID-19 test kits are now expected to decline 25% to 30% from 2021, versus a previously estimated decline of 15% to 25%.
- Affirms expectations for full-year 2022 operating margin expansion of 39-44 basis points over 2021 GAAP operating margin and expansion of 20-25 basis points over 2021 non-GAAP operating margin.

Guidance for 2022 GAAP diluted EPS and sales growth is for completed or previously announced acquisitions and does not include potential future acquisitions or restructuring expenses. Guidance also assumes that foreign currency exchange rates will remain generally consistent with current levels, that end markets will remain stable and consistent with current market conditions, and that there are no material adverse market changes associated with COVID-19.

Second-Quarter 2022 Conference Call Webcast and Presentation

The Company will hold a conference call to discuss second-quarter 2022 financial results today, beginning at 10:00 a.m. Eastern time. Individual investors are invited to listen to the conference call through Henry Schein's website by visiting www.henryschein.com/IRwebcasts. In addition, a replay will be available beginning shortly after the call has ended for a period of one week.

The Company will be posting slides that provide a summary of its second-quarter 2022 financial results on its website at <https://www.henryschein.com/us-en/Corporate/investor-presentations.aspx>

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 22,000 [Team Schein Members](#) worldwide, the Company's network of trusted advisors provides more than 1 million customers globally with more than 300 valued solutions that help 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® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 32 countries and territories. The Company's sales reached \$12.4 billion in 2021, and have grown at a compound annual rate of approximately 12.5 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), [Instagram.com/HenrySchein](https://www.instagram.com/HenrySchein), and [Twitter.com/HenrySchein](https://twitter.com/HenrySchein).

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 personal protective equipment ("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 have continued access to a variety of COVID-19 test types, expectations regarding COVID-19 test sales, demand and inventory levels, 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; 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 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 and domestic macroeconomic and political conditions, including inflation, deflation, fluctuations in the value of the U.S. dollar as compared to foreign currencies and changes to other economic indicators, international trade agreements, potential trade barriers and terrorism; 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 collection, storage and processing of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; risks related to product liability, intellectual property and other claims; litigation risks; new or unanticipated litigation developments and the status of litigation matters; risks associated with customs policies or legislative import restrictions; cyberattacks or other privacy or data security breaches; risks associated with our global operations; our dependence on our senior management, employee hiring and retention, and our relationships with customers, suppliers and manufacturers; 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 except as required by law.

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 schedules attached to the press release, 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.

(TABLES TO FOLLOW)

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except share and per share data)
(unaudited)

Three Months Ended		Six Months Ended	
June 25,	June 26,	June 25,	June 26,

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net sales	\$ 3,030	\$ 2,967	\$ 6,209	\$ 5,892
Cost of sales	<u>2,085</u>	<u>2,076</u>	<u>4,291</u>	<u>4,110</u>
Gross profit	945	891	1,918	1,782
Operating expenses:				
Selling, general and administrative	680	635	1,362	1,249
Depreciation and amortization	45	45	92	89
Restructuring costs	-	1	-	4
Operating income	<u>220</u>	<u>210</u>	<u>464</u>	<u>440</u>
Other income (expense):				
Interest income	3	1	5	3
Interest expense	(9)	(7)	(16)	(13)
Other, net	-	1	-	1
Income before taxes, equity in earnings of affiliates and noncontrolling interests	214	205	453	431
Income taxes	(52)	(47)	(109)	(104)
Equity in earnings of affiliates	<u>5</u>	<u>6</u>	<u>9</u>	<u>12</u>
Net income	<u>167</u>	<u>164</u>	<u>353</u>	<u>339</u>
Less: Net income attributable to noncontrolling interests	<u>(7)</u>	<u>(8)</u>	<u>(12)</u>	<u>(17)</u>
Net income attributable to Henry Schein, Inc.	<u>\$ 160</u>	<u>\$ 156</u>	<u>\$ 341</u>	<u>\$ 322</u>
Earnings per share attributable to Henry Schein, Inc.:				
Basic	<u>\$ 1.17</u>	<u>\$ 1.11</u>	<u>\$ 2.49</u>	<u>\$ 2.28</u>
Diluted	<u>\$ 1.16</u>	<u>\$ 1.10</u>	<u>\$ 2.46</u>	<u>\$ 2.26</u>
Weighted-average common shares outstanding:				
Basic	<u>137,350,488</u>	<u>140,358,428</u>	<u>137,323,076</u>	<u>141,316,258</u>
Diluted	<u>138,869,064</u>	<u>141,656,883</u>	<u>139,055,205</u>	<u>142,537,906</u>

Note: Certain prior period amounts have been reclassified to conform to the current period presentation.

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	<u>June 25,</u>	<u>December 25,</u>
	<u>2022</u>	<u>2021</u>
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 108	\$ 118
Accounts receivable, net of reserves of \$63 and \$67	1,409	1,452
Inventories, net	1,823	1,861
Prepaid expenses and other	<u>449</u>	<u>413</u>
Total current assets	3,789	3,844
Property and equipment, net	356	366
Operating lease right-of-use assets	327	325
Goodwill	2,833	2,854
Other intangibles, net	603	668
Investments and other	<u>416</u>	<u>424</u>
Total assets	<u>\$ 8,324</u>	<u>\$ 8,481</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 901	\$ 1,054
Bank credit lines	85	51
Current maturities of long-term debt	4	11
Operating lease liabilities	74	76
Accrued expenses:		
Payroll and related	328	385

Taxes	124	137
Other	560	593
Total current liabilities	2,076	2,307
Long-term debt	769	811
Deferred income taxes	33	42
Operating lease liabilities	276	268
Other liabilities	357	377
Total liabilities	3,511	3,805
Redeemable noncontrolling interests	586	613
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none outstanding	-	-
Common stock, \$0.01 par value, 480,000,000 shares authorized, 136,439,560 outstanding on June 25, 2022 and 137,145,558 outstanding on December 25, 2021	1	1
Additional paid-in capital	-	-
Retained earnings	3,834	3,595
Accumulated other comprehensive loss	(241)	(171)
Total Henry Schein, Inc. stockholders' equity	3,594	3,425
Noncontrolling interests	633	638
Total stockholders' equity	4,227	4,063
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$ 8,324	\$ 8,481

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 25,</u>	<u>June 26,</u>	<u>June 25,</u>	<u>June 26,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:				
Net income	\$ 167	\$ 164	\$ 353	\$ 339
Adjustments to reconcile net income to net cash provided by				
Depreciation and amortization	53	50	108	99
Stock-based compensation expense	15	17	27	30
Benefit from losses on trade and other accounts receivable	(1)	(1)	-	(4)
Provision for (benefit from) deferred income taxes	(12)	(5)	(15)	6
Equity in earnings of affiliates	(5)	(6)	(9)	(12)
Distributions from equity affiliates	6	6	10	11
Changes in unrecognized tax benefits	(5)	(9)	(1)	(6)
Other	(6)	3	(13)	3
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	5	(17)	21	102
Inventories	13	(46)	4	(124)
Other current assets	(63)	(41)	(37)	(86)
Accounts payable and accrued expenses	(10)	44	(198)	(136)
Net cash provided by operating activities	<u>157</u>	<u>159</u>	<u>250</u>	<u>222</u>
Cash flows from investing activities:				
Purchases of fixed assets	(24)	(18)	(43)	(32)
Payments related to equity investments and business acquisitions, net of cash acquired	(2)	(92)	(7)	(296)
Proceeds from (payments for) loan to affiliate	2	(2)	6	(2)
Other	(8)	(6)	(15)	(11)
Net cash used in investing activities	<u>(32)</u>	<u>(118)</u>	<u>(59)</u>	<u>(341)</u>

Cash flows from financing activities:

Net change in bank borrowings	-	(5)	30	(5)
Proceeds from issuance of long-term debt	-	200	-	200
Principal payments for long-term debt	(4)	(102)	(57)	(120)
Payments for repurchases and retirement of common stock	(110)	(112)	(110)	(201)
Payments for taxes related to shares withheld for employee taxes	(3)	(2)	(29)	(8)
Proceeds from (distributions to) noncontrolling shareholders	(7)	3	(12)	(4)
Acquisitions of noncontrolling interests in subsidiaries	(9)	(1)	(19)	(1)
Net cash used in financing activities	<u>(133)</u>	<u>(19)</u>	<u>(195)</u>	<u>(139)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(10)</u>	<u>1</u>	<u>(6)</u>	<u>4</u>
Net change in cash and cash equivalents	(18)	23	(10)	(254)
Cash and cash equivalents, beginning of period	126	144	118	421
Cash and cash equivalents, end of period	<u>\$ 108</u>	<u>\$ 167</u>	<u>\$ 108</u>	<u>\$ 167</u>

Exhibit A - Second Quarter Sales

Henry Schein, Inc.
2022 Second Quarter
Sales Summary
(in millions)
(unaudited)
Q2 2022 over Q2 2021

Global	Q2 2022	Q2 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 1,441	\$ 1,508	-4.5%	-3.2%	-1.3%	0.9%	-2.2%
Dental Equipment	412	404	2.2%	-4.8%	7.0%	0.0%	7.0%
Total Dental	1,853	1,912	-3.1%	-3.5%	0.4%	0.7%	-0.3%
Medical	996	902	10.3%	-0.3%	10.6%	3.9%	6.7%
Total Health Care Distribution	2,849	2,814	1.2%	-2.5%	3.7%	1.7%	2.0%
Technology and value-added services	181	153	18.1%	-1.5%	19.6%	8.8%	10.8%
Total Global	\$ 3,030	\$ 2,967	2.1%	-2.4%	4.5%	2.1%	2.4%
North America	Q2 2022	Q2 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 879	\$ 902	-2.5%	-0.3%	-2.2%	1.3%	-3.5%
Dental Equipment	245	227	7.6%	-0.5%	8.1%	0.0%	8.1%
Total Dental	1,124	1,129	-0.4%	-0.3%	-0.1%	1.0%	-1.1%
Medical	977	875	11.6%	0.0%	11.6%	4.0%	7.6%
Total Health Care Distribution	2,101	2,004	4.8%	-0.2%	5.0%	2.3%	2.7%
Technology and value-added services	158	131	20.5%	-0.1%	20.6%	10.2%	10.4%
Total North America	\$ 2,259	\$ 2,135	5.8%	-0.1%	5.9%	2.8%	3.1%
International	Q2 2022	Q2 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 562	\$ 606	-7.5%	-7.4%	-0.1%	0.2%	-0.3%
Dental Equipment	167	177	-4.7%	-10.3%	5.6%	0.1%	5.5%
Total Dental	729	783	-6.8%	-8.0%	1.2%	0.2%	1.0%
Medical	19	27	-30.4%	-8.3%	-22.1%	0.0%	-22.1%
Total Health Care Distribution	748	810	-7.6%	-8.0%	0.4%	0.2%	0.2%

Technology and value-added services	<u>23</u>	<u>22</u>	3.5%	-9.9%	13.4%	0.0%	13.4%
Total International	\$ 771	\$ 832	-7.3%	-8.1%	0.8%	0.2%	0.6%

Note: Certain prior period amounts have been reclassified to conform to the current period presentation.

Exhibit A - Year-to-Date Sales

Henry Schein, Inc.
2022 Second Quarter Year-to-Date
Sales Summary
(in millions)
(unaudited)

Q2 2022 Year-to Date over Q2 2021 Year-to-Date

Global	Q2 2022	Q2 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 2,867	\$ 2,929	-2.1%	-2.6%	0.5%	1.0%	-0.5%
Dental Equipment	<u>814</u>	<u>772</u>	5.5%	-3.9%	9.4%	0.1%	9.3%
Total Dental	3,681	3,701	-0.5%	-2.8%	2.3%	0.7%	1.6%
Medical	<u>2,168</u>	<u>1,893</u>	14.5%	-0.2%	14.7%	3.8%	10.9%
Total Health Care Distribution	5,849	5,594	4.6%	-1.9%	6.5%	1.8%	4.7%
Technology and value-added services	<u>360</u>	<u>298</u>	20.7%	-1.1%	21.8%	10.8%	11.0%
Total Global	\$ 6,209	\$ 5,892	5.4%	-1.9%	7.3%	2.3%	5.0%
North America	Q2 2022	Q2 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 1,745	\$ 1,736	0.6%	-0.1%	0.7%	1.2%	-0.5%
Dental Equipment	<u>484</u>	<u>438</u>	10.3%	-0.3%	10.6%	0.0%	10.6%
Total Dental	2,229	2,174	2.5%	-0.2%	2.7%	1.0%	1.7%
Medical	<u>2,127</u>	<u>1,838</u>	15.7%	0.0%	15.7%	4.0%	11.7%
Total Health Care Distribution	4,356	4,012	8.6%	-0.1%	8.7%	2.4%	6.3%
Technology and value-added services	<u>314</u>	<u>255</u>	23.0%	0.0%	23.0%	12.6%	10.4%
Total North America	\$ 4,670	\$ 4,267	9.4%	-0.1%	9.5%	3.0%	6.5%
International	Q2 2022	Q2 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 1,122	\$ 1,193	-6.0%	-6.2%	0.2%	0.6%	-0.4%
Dental Equipment	<u>330</u>	<u>334</u>	-0.9%	-8.7%	7.8%	0.1%	7.7%
Total Dental	1,452	1,527	-4.9%	-6.7%	1.8%	0.4%	1.4%
Medical	<u>41</u>	<u>55</u>	-25.4%	-6.8%	-18.6%	0.0%	-18.6%
Total Health Care Distribution	1,493	1,582	-5.6%	-6.7%	1.1%	0.4%	0.7%
Technology and value-added services	<u>46</u>	<u>43</u>	7.0%	-7.5%	14.5%	0.0%	14.5%
Total International	\$ 1,539	\$ 1,625	-5.3%	-6.8%	1.5%	0.5%	1.0%

Note: Certain prior period amounts have been reclassified to conform to the current period presentation.

Exhibit B

Henry Schein, Inc.
2022 Second Quarter

Reconciliation of reported GAAP net income and diluted EPS attributable to Henry Schein, Inc.
to non-GAAP net income and diluted EPS attributable to Henry Schein, Inc.
(in millions, except per share data)
(unaudited)

	Second Quarter			Year-to-Date		
	2022	2021	% Growth	2022	2021	% Growth
Net income attributable to Henry Schein, Inc.	\$ 160	\$ 156	3.3%	\$ 341	\$ 322	6.1%
Diluted EPS attributable to Henry Schein, Inc.	\$ 1.16	\$ 1.10	5.5%	\$ 2.46	\$ 2.26	8.8%
Non-GAAP Adjustments						
Restructuring costs-Pre-tax (1)	\$ -	\$ 1		\$ -	\$ 4	
Income tax benefit for restructuring costs (1)	-	-		-	(1)	
Settlement and litigation costs - Pre-tax (2)	-	1		-	14	
Income tax benefit for settlement and litigation costs (2)	-	(1)		-	(4)	
Total non-GAAP adjustments to net income	\$ -	\$ 1		\$ -	\$ 13	
Non-GAAP adjustments to diluted EPS	-	0.01		-	0.09	
Non-GAAP net income attributable to Henry Schein, Inc.	\$ 160	\$ 157	2.3%	\$ 341	\$ 335	1.9%
Non-GAAP diluted EPS attributable to Henry Schein, Inc.	\$ 1.16	\$ 1.11	4.5%	\$ 2.46	\$ 2.35	4.7%

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.

1. Represents Q2 2021 restructuring costs and an after-tax effect of \$1 million and YTD 2021 restructuring costs of \$4 million, net of \$1 million tax expense, resulting in an after-tax effect of \$3 million.
2. Represents a Q2 2021 pre-tax charge of \$3 million, net of \$2 million of noncontrolling interests, related to settlement and litigation costs, net of a tax benefit of \$1 million resulting in a net after-tax charge of \$0 million. Represents a YTD 2021 pre-tax charge of \$16 million, net of \$2 million of noncontrolling interests, related to settlement and litigation costs, net of a tax benefit of \$4 million, resulting in a net after-tax charge of \$10 million.

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Investors

Ronald N. South
Senior Vice President and Chief Financial Officer
ronald.south@henryschein.com
(631) 845-2802

Graham Stanley
Vice President, Investor Relations and Strategic Financial Project Officer
graham.stanley@henryschein.com
(631) 843-5963

Media

Ann Marie Gothard
Vice President, Global Corporate Media Relations
annmarie.gothard@henryschein.com
(631) 390-8169

Source: Henry Schein, Inc.