

Henry Schein Reports Fourth-Quarter and Full-Year 2023 Financial Results and Introduces 2024 Financial Guidance

February 27, 2024

- **Fourth quarter GAAP diluted EPS of \$0.13.**
- **Solid fourth quarter financial results in line with the Company's guidance provided on November 13, 2023.**
 - **Fourth quarter non-GAAP diluted EPS of \$0.66, reflects:**
 - **\$0.05 of acquisition-related expenses and adjustments, and**
 - **an estimated \$0.70 to \$0.75 from the cybersecurity incident.**
- **Introduces guidance for full-year 2024 non-GAAP diluted EPS of \$5.00 to \$5.16, reflecting growth of 11% to 15% compared with 2023, and full-year 2024 Adjusted EBITDA growth of more than 15%.**

MELVILLE, N.Y.--(BUSINESS WIRE)--Feb. 27, 2024-- Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of health care solutions to office-based dental and medical practitioners, today reported financial results for the fourth quarter and full year ended December 30, 2023.

"We are pleased with our performance in the fourth quarter and for the full year 2023, which was in line with our expectations and reflects a solid recovery from last year's cybersecurity incident," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. "Our fourth quarter financial results included strong growth in our Technology and Value-Added Services businesses, and in global sales of implants and biomaterials largely driven by acquisitions, and were negatively impacted by higher-than-usual acquisition-related expenses and adjustments," Mr. Bergman said.

"The 2024 guidance we are introducing today reflects our continued confidence in the stability of the underlying markets we serve, our recovery efforts from the cybersecurity incident, and the execution of our Strategic Plan. For 2024, while we expect to have some short-term residual impact on merchandise sales from the incident, we believe we will continue to strengthen our leading market position. We are also introducing Adjusted EBITDA guidance as we believe this provides investors with an additional metric that reflects the performance of the business as we pivot to higher-growth, higher-margin products and services." Mr. Bergman added, "We believe we are well positioned to grow the business in line with our financial goals of high-single-digit to low-double-digit operating income and earnings per share by continuing to execute on our BOLD+1 Strategic Plan."

Fourth-Quarter 2023 Financial Results

- **Total net sales** for the quarter were \$3.0 billion, a decrease of 10.5% compared with the fourth quarter of 2022. This reflects an internal sales decrease of 12.0%, calculated at constant foreign exchange rates, excluding sales from acquisitions, and adjusting for the extra week in 2022.
- Total net sales reflect an estimated reduction of \$350 million to \$400 million, or 10% to 12%, due to the cybersecurity incident.
- Fourth-quarter sales and internal sales growth are summarized below and included in detail as Exhibit A¹.

	Sales (\$ Billion)	Internal Growth/(Decrease) ¹ (%)
Global Dental	\$1.8	(10.9%)
Merchandise	\$1.3	(11.3%)
Equipment	\$0.5	(9.7%)
Global Medical	\$1.0	(17.0%)
Global Technology and Value-Added Services	\$0.2	7.1%
TOTAL SALES	\$3.0	(12.0%)

- **GAAP net income**² for the quarter was \$18 million, or \$0.13 per diluted share⁵, which includes acquisition expenses and acquisition-related adjustments⁴ of \$0.05 per diluted share. Fourth-quarter 2022 GAAP net income was \$47 million, or \$0.34 per diluted share, which includes acquisition expenses and acquisition-related adjustments⁴ of \$0.02 per diluted share.
- **Non-GAAP net income**² for the quarter was \$86 million, or \$0.66 per diluted share⁵, which includes acquisition expenses and acquisition-related adjustments⁴ of \$0.05 per diluted share. Fourth-quarter 2022 non-GAAP net income was \$184 million, or \$1.35 per diluted share, which includes acquisition expenses and acquisition-related adjustments⁴ of \$0.02 per diluted share of the Company's reconciliation of GAAP net income to non-GAAP net income is summarized in detail as Exhibit B.
- **GAAP and non-GAAP net income** were negatively impacted by an estimated \$0.70 to \$0.75 per diluted share, attributable to the business interruption impact and recovery from the cybersecurity incident.

Full-Year 2023 Financial Results

- **Total net sales** for 2023 were \$12.3 billion, a decrease of 2.4% compared with 2022. This reflects an internal sales decrease of 4.4%, calculated at constant foreign exchange rates, excluding sales from acquisitions, and adjusting for the extra week in 2022. The Company's 2023 sales and internal sales growth are summarized below and included in detail as Exhibit A¹.

	Sales (\$ Billion)	Internal Growth/(Decrease) ¹ (%)
Global Dental	\$7.5	(1.4%)
Merchandise	\$5.8	(1.6%)
Equipment	\$1.7	(0.9%)
Global Medical	\$4.0	(11.2%)
Global Technology and Value-Added Services	\$0.8	7.2%
TOTAL SALES	\$12.3	(4.4%)

- **GAAP net income**² for 2023 was \$416 million, or \$3.16 per diluted share⁵, which includes acquisition expenses and acquisition-related adjustments⁴ of \$0.09 per diluted share. 2022 GAAP net income was \$538 million, or \$3.91 per diluted share, which includes net favorable acquisition expenses and acquisition-related adjustments⁴ of \$0.02 per diluted share.
- **Non-GAAP net income**² for 2023 was \$593 million, or \$4.50 per diluted share⁵, which includes acquisition expenses and acquisition-related adjustments⁴ of \$0.09 per diluted share. 2022 non-GAAP net income was \$741 million, or \$5.38 per diluted share, which includes net favorable acquisition expenses and acquisition-related adjustments⁴ of \$0.02 per diluted share. The Company's reconciliation of GAAP net income to non-GAAP net income is summarized in detail as Exhibit B.
- **GAAP and non-GAAP net income** are negatively impacted by an estimated \$0.70 to \$0.75 per diluted share, attributable to the business interruption impact and recovery from the cybersecurity incident.

Capital Deployment

To accelerate the implementation of its 2022-2024 BOLD+1 Strategic Plan, the Company invested \$287 million in highly complementary business acquisitions during the fourth quarter of 2023 and \$955 million for the full year.

During the fourth quarter of 2023, the Company repurchased approximately 692,000 shares of its common stock at an average price of \$72.32 per share, for a total of \$50 million. The impact of the repurchase of shares on fourth-quarter diluted EPS was immaterial.

For the full year of 2023, the Company repurchased approximately 3.2 million shares of its common stock at an average price of \$77.80 per share, for a total of \$250 million. The impact of the repurchase of shares on the full year diluted EPS was also immaterial.

At year-end, Henry Schein had approximately \$265 million authorized and available for future stock repurchases.

2024 Financial Guidance

Henry Schein today introduced financial guidance for 2024. Guidance is for current continuing operations as well as announced acquisitions and does not include the impact of future share repurchases, potential future acquisitions, restructuring and integration expenses, amortization expense of acquired intangible assets, certain expenses directly associated with the cybersecurity incident or any potential insurance claim recovery. This guidance also assumes that foreign currency exchange rates remain generally consistent with current levels and that end markets remain consistent with current market conditions:

- 2024 non-GAAP diluted EPS attributable to Henry Schein, Inc. is expected to be \$5.00 to \$5.16, reflecting growth of 11% to 15% compared with 2023 non-GAAP diluted EPS of \$4.50. This guidance reflects:
 - an estimated residual impact of the cybersecurity incident of approximately \$0.15 per diluted share, which will primarily impact the first quarter, and
 - an estimated increase in the non-GAAP effective tax rate from 23% to 25%, or approximately \$0.13 per diluted share.
- 2024 sales growth is expected to be approximately 8% to 12% over 2023, and reflects the expected merchandise sales recovery subsequent to the cybersecurity incident, and sales from the acquisitions completed in 2023.
- 2024 Adjusted EBITDA³ is expected to increase by more than 15%.

Adjustments to 2024 GAAP Net Income and Diluted EPS

The Company is providing guidance for 2024 diluted EPS on a non-GAAP basis and for Adjusted EBITDA, as noted above. The Company is not providing a reconciliation of its 2024 non-GAAP guidance to its projected 2024 diluted EPS prepared on a GAAP basis, or its projected 2024 Adjusted EBITDA to net income prepared on a GAAP basis. This is because the Company is unable to provide without unreasonable effort an estimate of

integration and restructuring costs related to an ongoing initiative to drive operating efficiencies and certain expenses directly associated with the cybersecurity incident, including the corresponding tax effect, that will be included in the Company's 2024 diluted EPS and net income prepared on a GAAP basis. The inability to provide this reconciliation is due to the uncertainty and inherent difficulty of predicting the occurrence, magnitude, financial impact and timing of related costs.

Management does not believe these items are representative of the Company's underlying business performance. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

¹See Exhibit A for details of sales growth. Internal sales growth is calculated from total net sales using constant foreign exchange rates, excluding sales for acquisitions, and adjusting for the extra week in 2022.

²See Exhibit B for a reconciliation of GAAP net income and diluted EPS to non-GAAP net income and diluted EPS.

³See Exhibit C for Adjusted EBITDA for the fourth quarter and full-year 2023. The Company will calculate full-year 2024 Adjusted EBITDA in the same manner.

⁴See Exhibit D for details of acquisition expense and acquisition-related adjustments included in GAAP and non-GAAP net income.

⁵Reference to diluted EPS refers to diluted EPS attributable to Henry Schein, Inc.

Fourth-Quarter 2023 Conference Call Webcast

The Company will hold a conference call to discuss fourth-quarter and full-year 2023 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 fourth-quarter 2023 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 25,000 [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 300,000 branded products and Henry Schein corporate brand products in our distribution centers.

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 33 countries and territories. The Company's sales reached \$12.3 billion in 2023, and have grown at a compound annual rate of approximately 11.5 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 and Adjusted EBITDA 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.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: 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, as well as significant demands on our operations, information systems, legal, regulatory, compliance, financial and human resources functions in connection with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; adverse changes in supplier rebates or other purchasing incentives; risks related to the sale of corporate brand products; security risks associated with our information systems and technology products and services, such as cyberattacks or other privacy or data security breaches (including the October 2023 incident); effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; 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 macro-economic and political conditions, including inflation, deflation, recession, ongoing wars, fluctuations in energy pricing and 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; geopolitical wars; 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; risks associated with customs policies or legislative import restrictions; risks associated with disease outbreaks, epidemics, pandemics (such as the COVID-19 pandemic), or similar wide-spread public health concerns and other natural or man-made disasters; risks associated with our global operations; litigation risks; new or unanticipated litigation developments and the status of litigation matters; 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. The impact of certain items that are excluded include integration and restructuring costs, and amortization of acquisition-related assets, because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate and occur on an unpredictable basis. 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, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except share and per share data)

	Three Months Ended		Years Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
	(unaudited)	(unaudited)		
Net sales	\$ 3,017	\$ 3,371	\$ 12,339	\$ 12,647
Cost of sales	2,092	2,372	8,478	8,816
Gross profit	925	999	3,861	3,831
Operating expenses:				
Selling, general and administrative	807	761	2,956	2,771
Depreciation and amortization	58	45	210	182
Restructuring and integration costs	21	121	80	131
Operating income	39	72	615	747
Other income (expense):				
Interest income	5	3	17	8
Interest expense	(29)	(12)	(87)	(35)
Other, net	(1)	-	(3)	1
Income before taxes, equity in earnings of affiliates and noncontrolling interests	14	63	542	721
Income taxes	(1)	(15)	(120)	(170)
Equity in earnings of affiliates, net of tax	4	3	14	15
Net income	17	51	436	566
Less: Net income attributable to noncontrolling interests	1	(4)	(20)	(28)
Net income attributable to Henry Schein, Inc.	\$ 18	\$ 47	\$ 416	\$ 538

Earnings per share attributable to Henry Schein, Inc.:

Basic	\$ 0.13	\$ 0.35	\$ 3.18	\$ 3.95
Diluted	\$ 0.13	\$ 0.34	\$ 3.16	\$ 3.91
Weighted-average common shares outstanding:				
Basic	129,809,665	134,249,915	130,618,990	136,064,221
Diluted	130,743,875	135,857,950	131,748,171	137,755,670

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

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

	December 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 171	\$ 117
Accounts receivable, net of allowance for credit losses of \$83 and \$65	1,863	1,442
Inventories, net	1,815	1,963
Prepaid expenses and other	639	466
Total current assets	4,488	3,988
Property and equipment, net	498	383
Operating lease right-of-use assets	325	284
Goodwill	3,875	2,893
Other intangibles, net	916	587
Investments and other	471	472
Total assets	\$ 10,573	\$ 8,607
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,020	\$ 1,004
Bank credit lines	264	103
Current maturities of long-term debt	150	6
Operating lease liabilities	80	73
Accrued expenses:		
Payroll and related	332	314
Taxes	137	132
Other	700	592
Total current liabilities	2,683	2,224
Long-term debt	1,937	1,040
Deferred income taxes	54	36
Operating lease liabilities	310	275
Other liabilities	436	361
Total liabilities	5,420	3,936
Redeemable noncontrolling interests	864	576
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, 129,247,765 outstanding on December 30, 2023 and 131,792,817 outstanding on December 31, 2022	1	1
Additional paid-in capital	-	-
Retained earnings	3,860	3,678
Accumulated other comprehensive loss	(206)	(233)
Total Henry Schein, Inc. stockholders' equity	3,655	3,446
Noncontrolling interests	634	649
Total stockholders' equity	4,289	4,095
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$ 10,573	\$ 8,607

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

	Three Months Ended		Years Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
	(unaudited)	(unaudited)		
Cash flows from operating activities:				
Net income	\$ 17	\$ 51	\$ 436	\$ 566
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	68	52	248	212
Impairment charge on intangible assets	7	34	7	34
Impairment of capitalized software	27	-	27	-
Non-cash restructuring charges	14	93	27	93
Stock-based compensation expense	1	10	39	54
Provision for losses on trade and other accounts receivable	11	3	18	5
Benefit from deferred income taxes	(16)	(53)	(20)	(73)
Equity in earnings of affiliates	(4)	(3)	(14)	(15)
Distributions from equity affiliates	3	3	15	15
Changes in unrecognized tax benefits	5	11	10	12
Other	8	5	(3)	(20)
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	(255)	86	(327)	(7)
Inventories	51	(117)	231	(126)
Other current assets	(83)	44	(138)	(52)
Accounts payable and accrued expenses	114	35	(56)	(96)
Net cash provided by (used in) operating activities	(32)	254	500	602
Cash flows from investing activities:				
Purchases of property and equipment	(39)	(29)	(147)	(96)
Payments related to equity investments and business acquisitions, net of cash acquired	(287)	(31)	(955)	(158)
Proceeds from loan to affiliate	2	2	6	11
Settlements for net investment hedges	22	-	22	-
Capitalized software costs	(10)	(9)	(40)	(32)
Other	(15)	2	(21)	(1)
Net cash used in investing activities	(327)	(65)	(1,135)	(276)
Cash flows from financing activities:				
Net change in bank credit lines	251	(3)	153	48
Proceeds from issuance of long-term debt	210	105	1,368	270
Principal payments for long-term debt	(11)	(1)	(468)	(59)
Debt issuance costs	-	-	(3)	-
Proceeds from issuance of stock upon exercise of stock options	-	-	1	2
Payments for repurchases and retirement of common stock	(50)	(285)	(250)	(485)
Payments for taxes related to shares withheld for employee taxes	-	(2)	(34)	(32)
Distributions to noncontrolling shareholders	(6)	(3)	(47)	(21)
Acquisitions of noncontrolling interests in subsidiaries	-	(5)	(19)	(38)
Net cash provided by (used in) financing activities	394	(194)	701	(315)
Effect of exchange rate changes on cash and cash equivalents	(30)	(1)	(12)	(12)
Net change in cash and cash equivalents	5	(6)	54	(1)
Cash and cash equivalents, beginning of period	166	123	117	118
Cash and cash equivalents, end of period	\$ 171	\$ 117	\$ 171	\$ 117

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

Exhibit A - Fourth Quarter Sales

Henry Schein, Inc.
2023 Fourth Quarter
Sales Summary
(in millions)
(unaudited)
Q4 2023 over Q4 2022

	Q4 2023	Q4 2022	Local Currency Growth			Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
			Local Internal Growth	Acquisition Growth	Extra Week Impact			
Global								
Dental Merchandise	\$ 1,348	\$ 1,474	-11.3%	4.4%	-3.5%	-10.4%	1.9%	-8.5%
Dental Equipment	454	533	-9.7%	0.0%	-6.3%	-16.0%	1.2%	-14.8%
Total Dental	1,802	2,007	-10.9%	3.2%	-4.2%	-11.9%	1.7%	-10.2%
Medical	1,003	1,177	-17.0%	6.4%	-4.4%	-15.0%	0.1%	-14.9%
Total Health Care Distribution	2,805	3,184	-13.1%	4.5%	-4.4%	-13.0%	1.1%	-11.9%
Technology and Value-Added Services	212	187	7.1%	8.4%	-2.8%	12.7%	0.7%	13.4%
Total Global	\$ 3,017	\$ 3,371	-12.0%	4.7%	-4.3%	-11.6%	1.1%	-10.5%

	Q4 2023	Q4 2022	Local Currency Growth			Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
			Local Internal Growth	Acquisition Growth	Extra Week Impact			
North America								
Dental Merchandise	\$ 770	\$ 920	-11.9%	0.1%	-4.5%	-16.3%	0.0%	-16.3%
Dental Equipment	283	348	-12.5%	0.0%	-6.1%	-18.6%	0.0%	-18.6%
Total Dental	1,053	1,268	-12.1%	0.1%	-4.9%	-16.9%	-0.1%	-17.0%
Medical	977	1,160	-17.0%	5.8%	-4.5%	-15.7%	0.0%	-15.7%
Total Health Care Distribution	2,030	2,428	-14.4%	2.8%	-4.7%	-16.3%	-0.1%	-16.4%
Technology and Value-Added Services	186	164	6.8%	9.5%	-2.9%	13.4%	0.0%	13.4%
Total North America	\$ 2,216	\$ 2,592	-13.0%	3.2%	-4.7%	-14.5%	0.0%	-14.5%

	Q4 2023	Q4 2022	Local Currency Growth			Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
			Local Internal Growth	Acquisition Growth	Extra Week Impact			
International								
Dental Merchandise	\$ 578	\$ 554	-10.4%	11.6%	-1.8%	-0.6%	5.0%	4.4%
Dental Equipment	171	185	-4.5%	0.0%	-6.8%	-11.3%	3.5%	-7.8%
Total Dental	749	739	-9.0%	8.6%	-2.9%	-3.3%	4.6%	1.3%
Medical	26	17	-16.4%	51.6%	-3.9%	31.3%	4.5%	35.8%
Total Health Care Distribution	775	756	-9.1%	9.7%	-3.0%	-2.4%	4.6%	2.2%
Technology and Value-Added Services	26	23	9.8%	0.0%	-2.1%	7.7%	5.8%	13.5%
Total International	\$ 801	\$ 779	-8.6%	9.5%	-3.0%	-2.1%	4.6%	2.5%

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

Exhibit A - Year-to-Date Sales

Henry Schein, Inc.
Full Year 2023
Sales Summary
(in millions)
(unaudited)

Full Year 2023 over Full Year 2022

			<u>Local Currency Growth</u>			Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	Full Year 2023	Full Year 2022	Local Internal Growth	Acquisition Growth	Extra Week Impact			
Global								
Dental Merchandise	\$ 5,814	\$ 5,715	-1.6%	4.2%	-1.0%	1.6%	0.1%	1.7%
Dental Equipment	1,725	1,758	-0.9%	1.1%	-2.1%	-1.9%	0.0%	-1.9%
Total Dental	<u>7,539</u>	<u>7,473</u>	-1.4%	3.4%	-1.3%	0.7%	0.2%	0.9%
Medical	3,994	4,451	-11.2%	2.2%	-1.3%	-10.3%	0.0%	-10.3%
Total Health Care Distribution	<u>11,533</u>	<u>11,924</u>	-5.1%	2.9%	-1.2%	-3.4%	0.1%	-3.3%
Technology and Value-Added Services	806	723	7.2%	5.0%	-0.8%	11.4%	0.0%	11.4%
Total Global	<u>\$ 12,339</u>	<u>\$ 12,647</u>	-4.4%	3.1%	-1.2%	-2.5%	0.1%	-2.4%

			<u>Local Currency Growth</u>			Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	Full Year 2023	Full Year 2022	Local Internal Growth	Acquisition Growth	Extra Week Impact			
North America								
Dental Merchandise	\$ 3,429	\$ 3,535	-3.0%	1.5%	-1.2%	-2.7%	-0.3%	-3.0%
Dental Equipment	1,071	1,093	-1.0%	1.6%	-2.1%	-1.5%	-0.5%	-2.0%
Total Dental	<u>4,500</u>	<u>4,628</u>	-2.5%	1.6%	-1.5%	-2.4%	-0.4%	-2.8%
Medical	3,897	4,375	-11.3%	1.7%	-1.3%	-10.9%	0.0%	-10.9%
Total Health Care Distribution	<u>8,397</u>	<u>9,003</u>	-6.8%	1.6%	-1.3%	-6.5%	-0.2%	-6.7%
Technology and Value-Added Services	705	633	6.5%	5.7%	-0.8%	11.4%	0.0%	11.4%
Total North America	<u>\$ 9,102</u>	<u>\$ 9,636</u>	-5.9%	1.8%	-1.3%	-5.4%	-0.1%	-5.5%

			<u>Local Currency Growth</u>			Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	Full Year 2023	Full Year 2022	Local Internal Growth	Acquisition Growth	Extra Week Impact			
International								
Dental Merchandise	\$ 2,385	\$ 2,180	0.7%	8.2%	-0.5%	8.4%	1.0%	9.4%
Dental Equipment	654	665	-0.7%	0.0%	-1.9%	-2.6%	0.9%	-1.7%
Total Dental	<u>3,039</u>	<u>2,845</u>	0.4%	6.3%	-0.9%	5.8%	1.0%	6.8%
Medical	97	76	-9.1%	36.6%	-1.0%	26.5%	-0.1%	26.4%
Total Health Care Distribution	<u>3,136</u>	<u>2,921</u>	0.1%	7.2%	-0.9%	6.4%	0.9%	7.3%
Technology and Value-Added Services	101	90	12.0%	0.0%	-0.6%	11.4%	0.3%	11.7%

- (4) Represents impairment of certain capitalized asset costs of \$27 million (\$19 million, net of taxes) recorded during Q4 2023.
(5) The following table presents details of impairment charges recorded in relation to certain intangible assets:

	Fourth Quarter and Full Year	
	2023	2022
Impairment charges - pre-tax, as reported	\$ 7	\$ 34
Income tax benefit	(2)	(9)
Amount attributable to noncontrolling interests	-	(2)
Impairment charges, net	<u>\$ 5</u>	<u>\$ 23</u>

Exhibit C

Henry Schein, Inc.
2023 Fourth Quarter and Full Year
Reconciliation of reported GAAP net income to Adjusted EBITDA
(in millions)
(unaudited)

	Fourth Quarter		Full Year	
	2023	2022	2023	2022
Net income attributable to Henry Schein, Inc. (GAAP)	\$ 18	\$ 47	\$ 416	\$ 538
Income (loss) attributable to noncontrolling interests	(1)	4	20	28
Net income (GAAP)	17	51	436	566
Definitional adjustments:				
Interest income	(5)	(3)	(17)	(8)
Interest expense	29	12	87	35
Income taxes	1	15	120	170
Depreciation and amortization	68	52	248	212
Non-GAAP adjustments:				
Restructuring and integration costs	21	121	80	131
Cybersecurity incident-professional and other fees	11	-	11	-
Impairment of capitalized assets	27	-	27	-
Impairment of intangible assets	7	34	7	34
Other adjustments:				
Equity in earnings of affiliates, net of tax	(4)	(3)	(14)	(15)
Adjusted EBITDA (non-GAAP)	\$ 172	\$ 279	\$ 984	\$ 1,125

Adjusted EBITDA is a non-GAAP measure that we calculate in the manner reflected on Exhibit C. We define Adjusted EBITDA as net income, excluding (i) net income (loss) attributable to noncontrolling interests, (ii) interest income and expense, (iii) income taxes, (iv) depreciation and amortization, (v) restructuring and integration costs, (vi) cybersecurity incident-professional and other fees, (vii) impairment of certain capitalized assets, (viii) impairment of certain intangible assets, and (ix) equity in earnings of affiliates. Amounts may not sum due to rounding.

Exhibit D

Henry Schein, Inc.
2023 Fourth Quarter
Acquisition Expenses and Acquisition-Related Adjustments
(in millions, except per share data)
(unaudited)

	Q4 2023		Full Year 2023	
	Operating Income	EPS	Operating Income	EPS
Acquisition Expenses*	\$ (4)	\$ (0.03)	\$ (22)	\$ (0.15)
Acquisition-Related Fair Value Adjustments**	(2)	(0.02)	10	0.06
	<u>\$ (6)</u>	<u>\$ (0.05)</u>	<u>\$ (12)</u>	<u>\$ (0.09)</u>
	Q4 2022		Full Year 2022	

	<u>Operating Income</u>		<u>EPS</u>		<u>Operating Income</u>		<u>EPS</u>
Acquisition Expenses*	\$ (3)	\$	(0.03)	\$	(9)	\$	(0.06)
Acquisition-Related Fair Value Adjustments**	1		0.01		13		0.08
	<u>\$ (2)</u>	\$	<u>(0.02)</u>	\$	<u>4</u>	\$	<u>0.02</u>

* Acquisition expenses include direct costs of acquisitions (primarily third-party professional fees).

** Net acquisition-related fair value adjustments include remeasurement gain resulting from the purchase of a controlling interest of a previously held equity investment, impact from non-cash assets step-up adjustments and fair value adjustments to contingent considerations.

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Source: Henry Schein, Inc.