

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2022

Henry Schein, Inc.

(Exact name of registrant as specified in its charter)

|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Delaware  | 0-27078                     | 11-3136595                           |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>File Number) | (IRS Employer<br>Identification No.) |

135 Duryea Road, Melville, New York

11747

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (631) 843-5500

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                     | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|---|----------------------|--|
| Common Stock, par value \$.01 per share | HSIC                 | The Nasdaq Global Select Market              |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 15, 2022, Henry Schein, Inc. issued a press release reporting the financial results for the three months and full year ended December 25, 2021. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02 and the press release attached as Exhibit 99.1 are considered furnished to the Securities and Exchange Commission and are not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibit 99.1 – Press Release dated February 15, 2022.

Exhibit 104 - Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HENRY SCHEIN, INC.

By: /s/ Steven Paladino

Steven Paladino  
Executive Vice President and  
Chief Financial Officer  
(principal financial and accounting  
officer)

February 15, 2022

EXHIBIT INDEX

| Exhibit No.          | Description  |
|----------------------|--|
| <a href="#">99.1</a> | <a href="#">Press Release dated February 15, 2022.</a> |

**FOR IMMEDIATE RELEASE****HENRY SCHEIN REPORTS RECORD NON-GAAP FOURTH-QUARTER  
AND FULL-YEAR 2021 FINANCIAL RESULTS**

- **Fourth-quarter total net sales of \$3.3 billion up 5.2% compared with prior-year**
- **Fourth-quarter GAAP diluted EPS from continuing operations of \$1.05 compared with prior-year GAAP diluted EPS from continuing operations of \$0.99**
- **Fourth-quarter non-GAAP diluted EPS from continuing operations of \$1.07 compared with prior-year non-GAAP diluted EPS from continuing operations of \$1.00**
- **Introduces full-year 2022 GAAP diluted EPS guidance to be \$4.75 to \$4.91, reflecting growth of 7% to 10% over 2021 GAAP diluted EPS and growth of 5% to 9% over 2021 non-GAAP diluted EPS**

**MELVILLE, N.Y., February 15, 2022** – Henry Schein, Inc. (Nasdaq: HSIC), the world’s largest provider of health care solutions to office-based dental and medical practitioners, today reported record fourth-quarter non-GAAP financial results from continuing operations. Results from continuing operations exclude contributions from Henry Schein’s former Animal Health business, which was spun off in February 2019 to form a new publicly traded company, Covetrus (Nasdaq: CVET).

Total net sales for the quarter ended December 25, 2021, were \$3.3 billion, up 5.2% compared with the fourth-quarter of 2020. The 5.2% increase included 1.4% internal growth in local currencies, 4.3% growth from acquisitions and a 0.5% decline related to foreign currency exchange. (See Exhibit A for details of sales growth.) Fourth-quarter internal sales growth in local currencies when excluding personal protective equipment (PPE) and COVID-19 related products, as well as prior-year sales to Covetrus under the transition services agreement, was 6.3% compared with the prior-year.

GAAP net income attributable to Henry Schein, Inc. from continuing operations for the fourth-quarter of 2021 was \$147.2 million, or \$1.05 per diluted share, compared with prior-year GAAP net income attributable to Henry Schein, Inc. from continuing operations of \$141.9 million, or \$0.99 per diluted share. Non-GAAP net income from continuing operations for the fourth-quarter of 2021 was \$150.7 million, or \$1.07 per diluted share, compared with prior-year non-GAAP net income from continuing operations of \$143.6 million, or \$1.00 per diluted share. Exhibit B provides a reconciliation of GAAP net income and diluted EPS from continuing operations to non-GAAP net income and diluted EPS from continuing operations.

“Despite the impact of the global COVID-19 pandemic, we are pleased to report excellent full-year 2021 financial results, including an outstanding fourth quarter that exceeded our expectations,” said Stanley M. Bergman, Chairman of the

Board and Chief Executive Officer of Henry Schein. “We have updated our 2022 financial guidance based on this latest view of our businesses. The updated guidance reflects the execution of two key strategic priorities contained in our 2022 to 2024 strategic plan: continuous operational improvement in our distribution businesses leading to exceptional customer experience and profit improvement, complemented by increasing the overall contribution of our Technology and Value-Added Services businesses and our Dental Specialty products, which have higher sales growth and higher operating margins.”

Global Dental sales for the fourth-quarter of 2021 of \$2.0 billion increased 9.4% compared with the prior-year period. In local currencies, internally generated sales increased 6.4% with 3.9% growth from acquisitions and a 0.9% decline related to foreign currency exchange. The 6.4% internal growth in local currencies included growth of 9.3% in North America and 2.5% internationally.

Global Dental consumable merchandise internal sales growth was 6.6% in local currencies. Excluding sales of PPE and COVID-19 related products, internal sales growth in local currencies was 7.4%. In North America, dental consumable merchandise internal sales in local currencies increased 10.3%, and 10.1% when excluding sales of PPE and COVID-19 related products, and dental equipment internal sales in local currencies increased 6.6%. Internationally, dental consumable merchandise internal sales in local currencies increased 1.9%, and 4.0% when excluding sales of PPE and COVID-19 related products, and dental equipment internal sales in local currencies increased 4.2%.

“North America dental consumable merchandise internal sales growth in local currencies with and without PPE and COVID-19 related products was strong in the fourth quarter. This growth reflects the impact of some modest price increases as well as the contribution from two large contracts with Dental Service Organizations awarded in 2021. North America dental equipment sales growth reflected strong growth in our high-technology product offering and modest growth in sales of traditional equipment. We continued to experience some delivery and installation delays in the U.S. traditional dental equipment business, as we had expected. We also experienced some modest delays in the delivery of digital imaging units, which we expect to last one more quarter,” said Mr. Bergman.

“In our International Dental business, we had very strong sales growth in the UK driven by a recovery from last year, and in Brazil where we have seen some accelerated consolidation within the dental distribution industry, as well as good growth in Italy, Spain, Eastern Europe, and Australia,” added Mr. Bergman. “Our global equipment businesses are performing very well overall as dental offices continue to invest in their businesses. We have expanded our Brazilian equipment business, and at this time we have a strong underlying global equipment order book.”

Global Medical sales for the fourth-quarter of 2021 of \$1.1 billion declined by 3.2% compared with the comparable period last year, consisting of a decrease of 7.1% in local currencies and 3.9% growth from acquisitions. There was no impact related to foreign currency exchange. Excluding sales of PPE and COVID-19 related products, internal sales in local currencies increased 3.6%.

“Global Medical internal sales in local currencies for the fourth-quarter declined against a tough prior-year comparison that had extremely strong sales of PPE and COVID-19 related products. When normalizing for sales of those products, growth was solid as we continued to gain new customers while achieving deeper penetration among existing accounts,” said Mr. Bergman.

Global Technology and Value-Added Services sales of \$177.2 million increased 27.8% compared with the prior-year quarter and included 13.4% internal sales growth in local currencies and 14.4% growth from acquisitions. There was no material impact related to foreign currency exchange.

“Global Technology and Value-Added Services sales growth was driven by Henry Schein One, the largest contributor to sales in this segment, which once again posted record-high quarterly revenue. Growth within Henry Schein One continues to be driven primarily by a recovery in patient traffic to dental offices, which generates demand for our revenue cycle management solutions,” added Mr. Bergman.

#### **Stock Repurchase Plan**

During the fourth-quarter of 2021, the Company repurchased approximately 2 million shares of its common stock at an average price of \$75.50 per share, for a total of \$150 million. The impact of the repurchase of shares on fourth-quarter diluted EPS was immaterial. At fiscal year-end, Henry Schein had approximately \$200 million authorized and available for future stock repurchases.

#### **Full-Year 2021 Financial Results**

Total net sales from continuing operations for 2021 were \$12.4 billion, an increase of 22.6% compared with 2020. The 22.6% increase included 16.9% internal growth in local currencies, 4.2% growth from acquisitions and 1.5% growth related to foreign currency exchange.

GAAP net income attributable to Henry Schein, Inc. from continuing operations for 2021 was \$631.2 million, or \$4.45 per diluted share, compared with GAAP net income attributable to Henry Schein, Inc. from continuing operations for 2020 of \$402.8 million, or \$2.81 per diluted share. Non-GAAP net income from continuing operations for 2021 was \$640.6 million, or \$4.52 per diluted share, compared with non-GAAP net income from continuing operations for 2020 of \$425.3 million, or \$2.97 per diluted share. Non-GAAP results for 2021 and 2020 exclude certain items noted in Exhibit B, which provides a reconciliation of GAAP net income and diluted EPS from continuing operations to non-GAAP net income and diluted EPS from continuing operations.

#### **Financial Guidance**

Henry Schein today provided guidance for 2022 GAAP diluted EPS as follows: 2022 GAAP diluted EPS attributable to Henry Schein, Inc. is expected to be \$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. This compares with preliminary guidance provided on November 2, 2021, for growth in 2022 non-GAAP diluted EPS to be in the mid to high single digits over 2021 non-GAAP diluted EPS.

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

#### Fourth-Quarter 2021 Conference Call Webcast

The Company will hold a conference call to discuss fourth-quarter 2021 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](http://www.henryschein.com/IRwebcasts). In addition, a replay will be available beginning shortly after the call has ended for a period of one week.

#### 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 21,600 [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](http://www.henryschein.com), [Facebook.com/HenrySchein](https://www.facebook.com/HenrySchein), and [@HenrySchein on Twitter](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 impact of the Company's announced CFO succession plan, 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 have continued access to a variety of 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 macro-economic and political conditions, including 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.

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.

Although this decision could change in the future, the Company has not provided in this press release non-GAAP guidance for fiscal 2022 as it currently does not anticipate using non-GAAP financial measures in this period.

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(TABLES TO FOLLOW)

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**HENRY SCHEIN, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data)

|  | Three Months Ended   |                      | Years Ended          |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 25,<br>2021 | December 26,<br>2020 | December 25,<br>2021 | December 26,<br>2020 |
|  | (unaudited)          | (unaudited)          |                      |                      |
| Net sales  | \$ 3,330,522         | \$ 3,165,725         | \$ 12,401,021        | \$ 10,119,141        |
| Cost of sales  | 2,351,018            | 2,306,045            | 8,728,770            | 7,304,913            |
| Gross profit   | 979,504              | 859,680              | 3,672,251            | 2,814,228            |
| Operating expenses:  |                      |                      |                      |                      |
| Selling, general and administrative  | 774,364              | 674,100              | 2,812,656            | 2,246,832            |
| Restructuring costs  | 4,579                | 4,380                | 7,939                | 32,093               |
| Operating income   | 200,561              | 181,200              | 851,656              | 535,303              |
| Other income (expense):  |                      |                      |                      |                      |
| Interest income  | 1,702                | 2,361                | 6,451                | 9,842                |
| Interest expense   | (8,189)              | (11,968)             | (27,600)             | (41,377)             |
| Other, net   | (1,025)              | (1,663)              | 41                   | (3,873)              |
| Income from continuing operations before taxes,<br>equity in earnings of affiliates and noncontrolling interests | 193,049              | 169,930              | 830,548              | 499,895              |
| Income taxes   | (43,361)             | (29,409)             | (197,349)            | (95,374)             |
| Equity in earnings of affiliates   | 2,459                | 4,536                | 20,009               | 12,344               |
| Gain on sale of equity investments   | -                    | 1,572                | 7,318                | 1,572                |
| Net income from continuing operations  | 152,147              | 146,629              | 660,526              | 418,437              |
| Income from discontinued operations, net of tax  | -                    | 712                  | -                    | 986                  |
| Net income   | 152,147              | 147,341              | 660,526              | 419,423              |
| Less: Net income attributable to noncontrolling interests  | (4,914)              | (4,708)              | (29,294)             | (15,629)             |
| Net income attributable to Henry Schein, Inc.  | \$ 147,233           | \$ 142,633           | \$ 631,232           | \$ 403,794           |
| Amounts attributable to Henry Schein Inc.:   |                      |                      |                      |                      |
| Continuing operations  | \$ 147,233           | \$ 141,921           | \$ 631,232           | \$ 402,808           |
| Discontinued operations  | -                    | 712                  | -                    | 986                  |
| Net income attributable to Henry Schein, Inc.  | \$ 147,233           | \$ 142,633           | \$ 631,232           | \$ 403,794           |
| <b>Earnings per share from continuing operations attributable to Henry Schein, Inc.:</b>                         |                      |                      |                      |                      |
| Basic  | \$ 1.06              | \$ 1.00              | \$ 4.51              | \$ 2.83              |
| Diluted  | \$ 1.05              | \$ 0.99              | \$ 4.45              | \$ 2.81              |
| <b>Earnings per share from discontinued operations attributable to Henry Schein, Inc.:</b>                       |                      |                      |                      |                      |
| Basic  | \$ -                 | \$ 0.01              | \$ -                 | \$ 0.01              |
| Diluted  | \$ -                 | \$ -                 | \$ -                 | \$ 0.01              |
| <b>Earnings per share attributable to Henry Schein, Inc.:</b>  |                      |                      |                      |                      |
| Basic  | \$ 1.06              | \$ 1.00              | \$ 4.51              | \$ 2.83              |
| Diluted  | \$ 1.05              | \$ 1.00              | \$ 4.45              | \$ 2.82              |
| Weighted-average common shares outstanding:  |                      |                      |                      |                      |
| Basic  | 138,406              | 142,379              | 140,091              | 142,504              |
| Diluted  | 140,318              | 143,328              | 141,773              | 143,404              |

**HENRY SCHEIN, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share data)

|  | December 25,<br>2021 | December 26,<br>2020 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Current assets:  |                      |                      |
| Cash and cash equivalents  | \$ 117,965           | \$ 421,185           |
| Accounts receivable, net of reserves of \$67,168 and \$88,030  | 1,451,829            | 1,424,787            |
| Inventories, net   | 1,861,138            | 1,512,499            |
| Prepaid expenses and other   | 413,103              | 432,944              |
| Total current assets   | <u>3,844,035</u>     | <u>3,791,415</u>     |
| Property and equipment, net  | 366,456              | 342,004              |
| Operating lease right-of-use assets, net   | 324,950              | 288,847              |
| Goodwill   | 2,854,150            | 2,504,392            |
| Other intangibles, net   | 667,626              | 479,429              |
| Investments and other  | 423,874              | 366,445              |
| Total assets   | <u>\$ 8,481,091</u>  | <u>\$ 7,772,532</u>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                      |                      |
| Current liabilities:   |                      |                      |
| Accounts payable   | \$ 1,053,934         | \$ 1,005,655         |
| Bank credit lines  | 50,530               | 73,366               |
| Current maturities of long-term debt   | 10,640               | 109,836              |
| Operating lease liabilities  | 76,393               | 64,716               |
| Accrued expenses:  |                      |                      |
| Payroll and related  | 385,376              | 295,329              |
| Taxes  | 136,919              | 138,671              |
| Other  | 592,722              | 595,529              |
| Total current liabilities  | <u>2,306,514</u>     | <u>2,283,102</u>     |
| Long-term debt   | 811,346              | 515,773              |
| Deferred income taxes  | 42,283               | 30,065               |
| Operating lease liabilities  | 267,772              | 238,727              |
| Other liabilities  | 376,672              | 392,781              |
| Total liabilities  | <u>3,804,587</u>     | <u>3,460,448</u>     |
| Redeemable noncontrolling interests  | 613,312              | 327,699              |
| Commitments and contingencies  |                      |                      |
| Stockholders' equity:  |                      |                      |
| Preferred stock, \$0.01 par value, 1,000,000 shares authorized,<br>none outstanding  | -                    | -                    |
| Common stock, \$0.01 par value, 480,000,000 shares authorized,<br>137,145,558 outstanding on December 25, 2021 and<br>142,462,571 outstanding on December 26, 2020 | 1,371                | 1,425                |
| Additional paid-in capital   | -                    | -                    |
| Retained earnings  | 3,595,233            | 3,454,831            |
| Accumulated other comprehensive loss   | (171,478)            | (108,084)            |
| Total Henry Schein, Inc. stockholders' equity  | <u>3,425,126</u>     | <u>3,348,172</u>     |
| Noncontrolling interests   | 638,066              | 636,213              |
| Total stockholders' equity   | <u>4,063,192</u>     | <u>3,984,385</u>     |
| Total liabilities, redeemable noncontrolling interests and stockholders' equity  | <u>\$ 8,481,091</u>  | <u>\$ 7,772,532</u>  |

**HENRY SCHEIN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

|   | Three Months Ended |                   | Years Ended       |                   |
|---|--------------------|-------------------|-------------------|-------------------|
|   | December 25,       | December 26,      | December 25,      | December 26,      |
|   | 2021               | 2020              | 2021              | 2020              |
|   | (unaudited)        | (unaudited)       |                   |                   |
| <b>Cash flows from operating activities:</b>  |                    |                   |                   |                   |
| Net income  | \$ 152,147         | \$ 147,341        | \$ 660,526        | \$ 419,423        |
| Income from discontinued operations   | -                  | 712               | -                 | 986               |
| Income from continuing operations   | 152,147            | 146,629           | 660,526           | 418,437           |
| Adjustments to reconcile net income to net cash provided by operating activities:         |                    |                   |                   |                   |
| Depreciation and amortization   | 58,695             | 47,023            | 209,528           | 185,538           |
| Impairment charge on intangible assets  | 713                | 18,126            | 713               | 20,275            |
| Gain on sale of equity investments  | -                  | (2,096)           | (9,757)           | (2,096)           |
| Stock-based compensation expense  | 20,715             | 15,436            | 78,415            | 8,788             |
| Provision for (benefits from) losses on trade and other accounts receivable               | 1,047              | 547               | (7,748)           | 35,137            |
| Benefit from deferred income taxes  | (10,260)           | (4,784)           | (10,985)          | (52,977)          |
| Equity in earnings of affiliates  | (2,459)            | (4,536)           | (20,009)          | (12,344)          |
| Distributions from equity affiliates  | 2,727              | 5,949             | 17,762            | 16,002            |
| Changes in unrecognized tax benefits  | 4,532              | (6,516)           | (1,947)           | (24,881)          |
| Other   | (9,669)            | 10,876            | (9,717)           | 5,012             |
| Changes in operating assets and liabilities, net of acquisitions:                         |                    |                   |                   |                   |
| Accounts receivable   | 87,263             | 10,509            | 4,162             | (189,349)         |
| Inventories   | (87,210)           | (5,987)           | (295,131)         | (31,817)          |
| Other current assets  | 50,711             | 45,267            | 9,060             | (6,479)           |
| Accounts payable and accrued expenses   | 7,687              | 68,662            | 84,708            | 224,273           |
| Net cash provided by operating activities from continuing operations                      | 276,639            | 345,105           | 709,580           | 593,519           |
| Net cash provided by operating activities from discontinued operations                    | -                  | 4,743             | -                 | 5,391             |
| Net cash provided by operating activities   | 276,639            | 349,848           | 709,580           | 598,910           |
| <b>Cash flows from investing activities:</b>  |                    |                   |                   |                   |
| Purchases of fixed assets   | (30,309)           | (11,030)          | (79,015)          | (48,829)          |
| Payments related to equity investments and business acquisitions, net of cash acquired    | (155,193)          | (7,965)           | (570,558)         | (60,173)          |
| Proceeds from sale of equity investment   | -                  | 2,020             | 9,757             | 14,020            |
| Proceeds from (repayments to) loan to affiliate   | 1,890              | 208               | (4,090)           | (1,243)           |
| Other   | (14,604)           | (4,296)           | (33,311)          | (18,794)          |
| Net cash used in investing activities from continuing operations                          | (198,216)          | (21,063)          | (677,217)         | (115,019)         |
| Net cash used in investing activities from discontinued operations                        | -                  | -                 | -                 | -                 |
| Net cash used in investing activities   | (198,216)          | (21,063)          | (677,217)         | (115,019)         |
| <b>Cash flows from financing activities:</b>  |                    |                   |                   |                   |
| Net change in bank borrowings   | (5,280)            | (439,057)         | (18,408)          | 45,082            |
| Proceeds from issuance of long-term debt  | 105,000            | -                 | 305,000           | 501,421           |
| Principal payments for long-term debt   | (435)              | (759)             | (122,270)         | (611,216)         |
| Debt issuance costs   | (880)              | (196)             | (2,893)           | (3,879)           |
| Debt extinguishment costs   | -                  | -                 | -                 | (401)             |
| Payments for repurchases of common stock  | (150,000)          | -                 | (401,211)         | (73,789)          |
| Payments for taxes related to shares withheld for employee taxes                          | (99)               | (292)             | (7,471)           | (14,299)          |
| Distributions to noncontrolling shareholders  | (16,842)           | (3,891)           | (25,464)          | (7,886)           |
| Acquisitions of noncontrolling interests in subsidiaries                                  | (9,948)            | (4,604)           | (60,240)          | (19,538)          |
| Proceeds from Henry Schein Animal Health Business   | -                  | 2,572             | -                 | 2,711             |
| Net cash used in financing activities from continuing operations                          | (78,484)           | (446,227)         | (332,957)         | (181,794)         |
| Net cash used in financing activities from discontinued operations                        | -                  | (4,743)           | -                 | (5,391)           |
| Net cash used in financing activities   | (78,484)           | (450,970)         | (332,957)         | (187,185)         |
| Effect of exchange rate changes on cash and cash equivalents from continuing operations   | (1,107)            | 9,875             | (2,626)           | 18,382            |
| Effect of exchange rate changes on cash and cash equivalents from discontinued operations | -                  | -                 | -                 | -                 |
| Net change in cash and cash equivalents from continuing operations                        | (1,168)            | (112,310)         | (303,220)         | 315,088           |
| Cash and cash equivalents, beginning of period  | 119,133            | 533,495           | 421,185           | 106,097           |
| Cash and cash equivalents, end of period  | <u>\$ 117,965</u>  | <u>\$ 421,185</u> | <u>\$ 117,965</u> | <u>\$ 421,185</u> |

**Henry Schein, Inc.**  
**2021 Fourth Quarter**  
**Sales Summary**  
**(in thousands)**  
**(unaudited)**  
**Q4 2021 over Q4 2020**

| <b>Global</b>                         | <b>Q4 2021</b>      | <b>Q4 2020</b>      | <b>Total Sales Growth</b> | <b>Foreign Exchange Growth</b> | <b>Local Currency Growth</b> | <b>Acquisition Growth</b> | <b>Local Internal Growth</b> |
|---------------------------------------|---------------------|---------------------|---------------------------|--------------------------------|------------------------------|---------------------------|------------------------------|
| Dental Merchandise                    | \$ 1,509,518        | \$ 1,361,219        | 10.9%                     | -0.7%                          | 11.6%                        | 5.0%                      | 6.6%                         |
| Dental Equipment                      | 510,266             | 485,153             | 5.2%                      | -1.2%                          | 6.4%                         | 0.8%                      | 5.6%                         |
| <b>Total Dental</b>                   | <b>2,019,784</b>    | <b>1,846,372</b>    | <b>9.4%</b>               | <b>-0.9%</b>                   | <b>10.3%</b>                 | <b>3.9%</b>               | <b>6.4%</b>                  |
| Medical                               | 1,133,498           | 1,171,373           | -3.2%                     | 0.0%                           | -3.2%                        | 3.9%                      | -7.1%                        |
| <b>Total Health Care Distribution</b> | <b>3,153,282</b>    | <b>3,017,745</b>    | <b>4.5%</b>               | <b>-0.6%</b>                   | <b>5.1%</b>                  | <b>4.0%</b>               | <b>1.1%</b>                  |
| Technology and value-added services   | 177,240             | 138,711             | 27.8%                     | 0.0%                           | 27.8%                        | 14.4%                     | 13.4%                        |
| Total excluding Corporate TSA Revenue | 3,330,522           | 3,156,456           | 5.5%                      | -0.5%                          | 6.0%                         | 4.3%                      | 1.7%                         |
| Corporate TSA revenues (1)            | -                   | 9,269               | n/a                       | n/a                            | n/a                          | n/a                       | n/a                          |
| <b>Total Global</b>                   | <b>\$ 3,330,522</b> | <b>\$ 3,165,725</b> | <b>5.2%</b>               | <b>-0.5%</b>                   | <b>5.7%</b>                  | <b>4.3%</b>               | <b>1.4%</b>                  |
| <b>North America</b>                  | <b>Q4 2021</b>      | <b>Q4 2020</b>      | <b>Total Sales Growth</b> | <b>Foreign Exchange Growth</b> | <b>Local Currency Growth</b> | <b>Acquisition Growth</b> | <b>Local Internal Growth</b> |
| Dental Merchandise                    | \$ 900,915          | \$ 762,587          | 18.1%                     | 0.3%                           | 17.8%                        | 7.5%                      | 10.3%                        |
| Dental Equipment                      | 316,307             | 295,780             | 6.9%                      | 0.3%                           | 6.6%                         | 0.0%                      | 6.6%                         |
| <b>Total Dental</b>                   | <b>1,217,222</b>    | <b>1,058,367</b>    | <b>15.0%</b>              | <b>0.4%</b>                    | <b>14.6%</b>                 | <b>5.3%</b>               | <b>9.3%</b>                  |
| Medical                               | 1,108,541           | 1,137,313           | -2.5%                     | 0.0%                           | -2.5%                        | 4.1%                      | -6.6%                        |
| <b>Total Health Care Distribution</b> | <b>2,325,763</b>    | <b>2,195,680</b>    | <b>5.9%</b>               | <b>0.2%</b>                    | <b>5.7%</b>                  | <b>4.7%</b>               | <b>1.0%</b>                  |
| Technology and value-added services   | 154,645             | 119,456             | 29.5%                     | 0.1%                           | 29.4%                        | 16.8%                     | 12.6%                        |
| Total excluding Corporate TSA Revenue | 2,480,408           | 2,315,136           | 7.1%                      | 0.1%                           | 7.0%                         | 5.4%                      | 1.6%                         |
| Corporate TSA revenues (1)            | -                   | -                   | n/a                       | n/a                            | n/a                          | n/a                       | n/a                          |
| <b>Total North America</b>            | <b>\$ 2,480,408</b> | <b>\$ 2,315,136</b> | <b>7.1%</b>               | <b>0.1%</b>                    | <b>7.0%</b>                  | <b>5.4%</b>               | <b>1.6%</b>                  |
| <b>International</b>                  | <b>Q4 2021</b>      | <b>Q4 2020</b>      | <b>Total Sales Growth</b> | <b>Foreign Exchange Growth</b> | <b>Local Currency Growth</b> | <b>Acquisition Growth</b> | <b>Local Internal Growth</b> |
| Dental Merchandise                    | \$ 608,603          | \$ 598,632          | 1.7%                      | -2.1%                          | 3.8%                         | 1.9%                      | 1.9%                         |
| Dental Equipment                      | 193,959             | 189,373             | 2.4%                      | -3.7%                          | 6.1%                         | 1.9%                      | 4.2%                         |
| <b>Total Dental</b>                   | <b>802,562</b>      | <b>788,005</b>      | <b>1.8%</b>               | <b>-2.6%</b>                   | <b>4.4%</b>                  | <b>1.9%</b>               | <b>2.5%</b>                  |
| Medical                               | 24,957              | 34,060              | -26.7%                    | -2.5%                          | -24.2%                       | 0.0%                      | -24.2%                       |
| <b>Total Health Care Distribution</b> | <b>827,519</b>      | <b>822,065</b>      | <b>0.7%</b>               | <b>-2.5%</b>                   | <b>3.2%</b>                  | <b>1.8%</b>               | <b>1.4%</b>                  |
| Technology and value-added services   | 22,595              | 19,255              | 17.3%                     | -0.5%                          | 17.8%                        | 0.0%                      | 17.8%                        |
| Total excluding Corporate TSA Revenue | 850,114             | 841,320             | 1.0%                      | -2.5%                          | 3.5%                         | 1.8%                      | 1.7%                         |
| Corporate TSA revenues (1)            | -                   | 9,269               | n/a                       | n/a                            | n/a                          | n/a                       | n/a                          |
| <b>Total International</b>            | <b>\$ 850,114</b>   | <b>\$ 850,589</b>   | <b>-0.1%</b>              | <b>-2.5%</b>                   | <b>2.4%</b>                  | <b>1.8%</b>               | <b>0.6%</b>                  |

(1) Corporate TSA revenues represents sales of certain products to Covetrus under the transition services agreement entered into in connection with the Animal Health spin-off, which ended in December 2020.

**Henry Schein, Inc.**  
**Full Year 2021**  
**Sales Summary**  
**(in thousands)**  
**(unaudited)**

**Full Year 2021 over Full Year 2020**

| <b>Global</b>                         | <b>Full Year 2021</b> | <b>Full Year 2020</b> | <b>Total Sales Growth</b> | <b>Foreign Exchange Growth</b> | <b>Local Currency Growth</b> | <b>Acquisition Growth</b> | <b>Local Internal Growth</b> |
|---------------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|------------------------------|---------------------------|------------------------------|
| Dental Merchandise                    | \$ 5,854,451          | \$ 4,555,234          | 28.5%                     | 2.3%                           | 26.2%                        | 5.6%                      | 20.6%                        |
| Dental Equipment                      | 1,687,499             | 1,357,359             | 24.3%                     | 2.4%                           | 21.9%                        | 0.8%                      | 21.1%                        |
| <b>Total Dental</b>                   | <b>7,541,950</b>      | <b>5,912,593</b>      | <b>27.6%</b>              | <b>2.4%</b>                    | <b>25.2%</b>                 | <b>4.5%</b>               | <b>20.7%</b>                 |
| Medical                               | 4,218,175             | 3,617,017             | 16.6%                     | 0.1%                           | 16.5%                        | 2.8%                      | 13.7%                        |
| <b>Total Health Care Distribution</b> | <b>11,760,125</b>     | <b>9,529,610</b>      | <b>23.4%</b>              | <b>1.5%</b>                    | <b>21.9%</b>                 | <b>3.8%</b>               | <b>18.1%</b>                 |
| Technology and value-added services   | 640,896               | 514,258               | 24.6%                     | 1.1%                           | 23.5%                        | 10.5%                     | 13.0%                        |
| Total excluding Corporate TSA Revenue | 12,401,021            | 10,043,868            | 23.5%                     | 1.5%                           | 22.0%                        | 4.2%                      | 17.8%                        |
| Corporate TSA revenues (1)            | -                     | 75,273                | n/a                       | n/a                            | n/a                          | n/a                       | n/a                          |
| <b>Total Global</b>                   | <b>\$ 12,401,021</b>  | <b>\$ 10,119,141</b>  | <b>22.6%</b>              | <b>1.5%</b>                    | <b>21.1%</b>                 | <b>4.2%</b>               | <b>16.9%</b>                 |
| <b>North America</b>                  | <b>Full Year 2021</b> | <b>Full Year 2020</b> | <b>Total Sales Growth</b> | <b>Foreign Exchange Growth</b> | <b>Local Currency Growth</b> | <b>Acquisition Growth</b> | <b>Local Internal Growth</b> |
| Dental Merchandise                    | \$ 3,513,057          | \$ 2,656,684          | 32.2%                     | 0.7%                           | 31.5%                        | 8.3%                      | 23.2%                        |
| Dental Equipment                      | 991,186               | 814,837               | 21.6%                     | 1.0%                           | 20.6%                        | 0.0%                      | 20.6%                        |
| <b>Total Dental</b>                   | <b>4,504,243</b>      | <b>3,471,521</b>      | <b>29.7%</b>              | <b>0.7%</b>                    | <b>29.0%</b>                 | <b>6.4%</b>               | <b>22.6%</b>                 |
| Medical                               | 4,115,240             | 3,514,670             | 17.1%                     | 0.0%                           | 17.1%                        | 2.9%                      | 14.2%                        |
| <b>Total Health Care Distribution</b> | <b>8,619,483</b>      | <b>6,986,191</b>      | <b>23.4%</b>              | <b>0.4%</b>                    | <b>23.0%</b>                 | <b>4.6%</b>               | <b>18.4%</b>                 |
| Technology and value-added services   | 554,123               | 446,830               | 24.0%                     | 0.2%                           | 23.8%                        | 11.8%                     | 12.0%                        |
| Total excluding Corporate TSA Revenue | 9,173,606             | 7,433,021             | 23.4%                     | 0.4%                           | 23.0%                        | 5.0%                      | 18.0%                        |
| Corporate TSA revenues (1)            | -                     | -                     | n/a                       | n/a                            | n/a                          | n/a                       | n/a                          |
| <b>Total North America</b>            | <b>\$ 9,173,606</b>   | <b>\$ 7,433,021</b>   | <b>23.4%</b>              | <b>0.4%</b>                    | <b>23.0%</b>                 | <b>5.0%</b>               | <b>18.0%</b>                 |
| <b>International</b>                  | <b>Full Year 2021</b> | <b>Full Year 2020</b> | <b>Total Sales Growth</b> | <b>Foreign Exchange Growth</b> | <b>Local Currency Growth</b> | <b>Acquisition Growth</b> | <b>Local Internal Growth</b> |
| Dental Merchandise                    | \$ 2,341,394          | \$ 1,898,550          | 23.3%                     | 4.6%                           | 18.7%                        | 1.9%                      | 16.8%                        |
| Dental Equipment                      | 696,313               | 542,522               | 28.3%                     | 4.5%                           | 23.8%                        | 1.8%                      | 22.0%                        |
| <b>Total Dental</b>                   | <b>3,037,707</b>      | <b>2,441,072</b>      | <b>24.4%</b>              | <b>4.5%</b>                    | <b>19.9%</b>                 | <b>1.9%</b>               | <b>18.0%</b>                 |
| Medical                               | 102,935               | 102,347               | 0.6%                      | 4.4%                           | -3.8%                        | 0.0%                      | -3.8%                        |
| <b>Total Health Care Distribution</b> | <b>3,140,642</b>      | <b>2,543,419</b>      | <b>23.5%</b>              | <b>4.6%</b>                    | <b>18.9%</b>                 | <b>1.8%</b>               | <b>17.1%</b>                 |
| Technology and value-added services   | 86,773                | 67,428                | 28.7%                     | 7.1%                           | 21.6%                        | 2.4%                      | 19.2%                        |
| Total excluding Corporate TSA Revenue | 3,227,415             | 2,610,847             | 23.6%                     | 4.6%                           | 19.0%                        | 1.9%                      | 17.1%                        |
| Corporate TSA revenues (1)            | -                     | 75,273                | n/a                       | n/a                            | n/a                          | n/a                       | n/a                          |
| <b>Total International</b>            | <b>\$ 3,227,415</b>   | <b>\$ 2,686,120</b>   | <b>20.2%</b>              | <b>4.5%</b>                    | <b>15.7%</b>                 | <b>1.8%</b>               | <b>13.9%</b>                 |

(1) Corporate TSA revenues represents sales of certain animal health products to Covetrus under the transition services agreement entered into in connection with the Animal Health Spin-off, which ended in December 2020.

Henry Schein, Inc.  
2021 Fourth Quarter and Full Year  
Reconciliation of reported GAAP net income from continuing operations and  
diluted EPS from continuing operations attributable to Henry Schein, Inc.  
to non-GAAP net income from continuing operations and  
diluted EPS from continuing operations attributable to Henry Schein, Inc.  
(in thousands, except per share data)  
(unaudited)

|   | Fourth Quarter    |                   |              | Full Year         |                   |               |
|---|-------------------|-------------------|--------------|-------------------|-------------------|---------------|
|   | 2021              | 2020              | %            | 2021              | 2020              | %             |
| <b>Net income from continuing operations attributable to Henry Schein, Inc.</b>           | \$ 147,233        | \$ 141,921        | 3.7 %        | \$ 631,232        | \$ 402,808        | 56.7 %        |
| <b>Diluted EPS from continuing operations attributable to Henry Schein, Inc.</b>          | \$ 1.05           | \$ 0.99           | 6.1%         | \$ 4.45           | \$ 2.81           | 58.4%         |
| <b>Non-GAAP Adjustments</b>   |                   |                   |              |                   |                   |               |
| Restructuring costs - Pre-tax (1)   | \$ 4,579          | \$ 4,380          |              | \$ 7,939          | \$ 32,093         |               |
| Income tax benefit for restructuring costs (1)  | (1,145)           | (1,095)           |              | (1,985)           | (8,023)           |               |
| Settlement and litigation costs - Pre-tax (2)   | -                 | -                 |              | 14,253            | -                 |               |
| Income tax benefit for settlement and litigation costs (2)                                | -                 | -                 |              | (3,548)           | -                 |               |
| Gain on sale of equity investments (3)  | -                 | (1,572)           |              | (7,318)           | (1,572)           |               |
| <b>Total non-GAAP adjustments to Net income from continuing operations</b>                | <b>\$ 3,434</b>   | <b>\$ 1,713</b>   |              | <b>\$ 9,341</b>   | <b>\$ 22,498</b>  |               |
| <b>Non-GAAP adjustments to diluted EPS from continuing operations</b>                     | <b>\$ 0.02</b>    | <b>\$ 0.01</b>    |              | <b>\$ 0.07</b>    | <b>\$ 0.16</b>    |               |
| <b>Non-GAAP Net income from continuing operations attributable to Henry Schein, Inc.</b>  | <b>\$ 150,667</b> | <b>\$ 143,634</b> | <b>4.9 %</b> | <b>\$ 640,573</b> | <b>\$ 425,306</b> | <b>50.6 %</b> |
| <b>Non-GAAP diluted EPS from continuing operations attributable to Henry Schein, Inc.</b> | <b>\$ 1.07</b>    | <b>\$ 1.00</b>    | <b>7.0%</b>  | <b>\$ 4.52</b>    | <b>\$ 2.97</b>    | <b>52.2%</b>  |

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 Q4 2021 restructuring costs of \$4,579, net of \$1,145 tax benefit, resulting in an after-tax effect of \$3,434, and YTD 2021 restructuring costs of \$7,939, net of \$1,985 tax benefit, resulting in an after-tax effect of \$5,954. Represents Q4 2020 restructuring costs of \$4,380, net of \$1,095 tax benefit, resulting in an after-tax effect of \$3,285, and YTD 2020 restructuring costs of \$32,093, net of \$8,023 tax benefit, resulting in an after-tax effect of \$24,070.
- (2) Represents a YTD 2021 pre-tax charge of \$15,750, net of \$1,497 of noncontrolling interests, related to settlement and litigation costs, net of a tax benefit of \$3,548, resulting in a net after-tax charge of \$10,705.
- (3) In the third quarter of 2021 we received contingent proceeds of \$9.8 million from the 2019 sale of Hu-Friedy resulting in the recognition of an additional after-tax gain of \$7.3 million.