
**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 7, 2019

HENRY SCHEIN, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

0-27078
(Commission
File Number)

11-3136595
(I.R.S. Employer
Identification No.)

135 Duryea Road, Melville, New York
(Address of principal executive offices)

11747
(Zip Code)

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

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))

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 2.01 Completion of Acquisition or Disposition of Assets.

On February 7, 2019 (the “Distribution Date”), Henry Schein, Inc. (the “Company”) completed the previously announced separation (the “Separation”) and subsequent merger of its animal health business (the “Henry Schein Animal Health Business”) with Direct Vet Marketing, Inc. (d/b/a Vets First Choice, “Vets First Choice”) (the “Merger”). This was accomplished by a series of transactions among Vets First Choice, the Company, Covetrus, Inc. (f/k/a HS Spinco, Inc. “Covetrus”), a wholly owned subsidiary of the Company prior to the Distribution Date, and HS Merger Sub, Inc., a wholly owned subsidiary of Covetrus (“Merger Sub”).

In connection with the Separation, the Company contributed, assigned and transferred to Covetrus certain applicable assets, liabilities and capital stock or other ownership interests relating to the Henry Schein Animal Health Business. On the Distribution Date, the Company received a tax-free distribution of \$1,120.0 million from Covetrus pursuant to certain debt financing incurred by Covetrus.

On the Distribution Date and prior to the Distribution, Covetrus issued shares of Covetrus common stock to certain institutional accredited investors (the “Share Sale Investors”) for \$361.1 million (the “Share Sale”). The proceeds of the Share Sale were paid to Covetrus and distributed to the Company.

Subsequent to the Share Sale, the Company distributed, on a pro rata basis, all of the shares of the common stock of Covetrus held by the Company to the Company’s stockholders of record as of the close of business on January 17, 2019 (the “Distribution”).

After the Share Sale and Distribution, Merger Sub consummated the Merger whereby it merged with and into Vets First Choice, with Vets First Choice surviving the Merger as a wholly owned subsidiary of Covetrus. Immediately following the consummation of the Merger, on a fully diluted basis, (i) approximately 63% of the shares of Covetrus common stock were (a) owned by stockholders of the Company and the Share Sale Investors, and (b) in respect of certain equity awards held by certain employees of the Henry Schein Animal Health Business, and (ii) approximately 37% of the shares of Covetrus common stock were (a) owned by stockholders of Vets First Choice immediately prior to the Merger, and (b) in respect of certain equity awards held by certain employees of Vets First Choice.

After the Separation and the Merger, the Company no longer beneficially owned any shares of Covetrus common stock and, following the Distribution Date, will not consolidate the financial results of Covetrus for the purpose of its own financial reporting. Following the Separation and the Merger, Covetrus was an independent, publicly traded company on the Nasdaq Global Select Market.

The Company’s unaudited pro forma consolidated financial statements as of and for the nine months ended September 29, 2018 and for each of the fiscal years ended December 30, 2017, December 31, 2016 and December 26, 2015 are attached hereto as exhibit 99.1. The unaudited pro forma consolidated financial statements were derived from the Company’s historical consolidated financial statements and give effect to the Separation and related transactions. The unaudited pro forma consolidated financial statements reflect the Company’s results as if the Separation and related transactions had occurred as of January 1, 2017. The unaudited pro forma consolidated balance sheet as of September 29, 2018 reflects the Company’s financial position as if the Separation and related transactions had occurred on September 29, 2018.

The unaudited pro forma consolidated financial statements should be read together with the Company’s historical consolidated financial statements and accompanying notes available in Item 8 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 30, 2017.

The ‘Historical’ column in the unaudited pro forma consolidated financial statements reflects the Company’s historical consolidated financial statements for the periods presented and does not reflect any adjustments related to the Separation and related transactions.

The “Distribution of the Henry Schein Animal Health Business” column in the unaudited pro forma consolidated financial statements reflects the financial results the Henry Schein Animal Health Business, adjusted to reflect assets and liabilities that were contributed to Covetrus by the Company and to exclude certain general corporate overhead expenses not specifically related to Covetrus. Such general corporate overhead expenses do not meet the requirements to be presented in discontinued operations, and thus will be presented as part of the Company’s continuing operations.

The unaudited pro forma consolidated financial statements are not intended to be a complete presentation of the Company’s financial position or results of operations had the Separation and related transactions occurred as of and for the periods indicated. In addition, the unaudited pro forma consolidated financial statements are provided for illustrative and informational purposes only and are not necessarily indicative of the Company’s future results of operations or financial condition had the Separation and related transactions been completed on the dates assumed. The pro forma adjustments are based on available information and assumptions that the Company’s management believes are reasonable, that reflect the impacts of events directly attributable to the Separation and related transactions agreements, that are factually supportable, and for purposes of the statements of operations, are expected to have a continuing impact on the Company.

Item 9.01 Financial Statements and Exhibits**(b) Pro Forma Financial Information**

The following unaudited pro forma financial information is filed as Exhibit 99.1 of this Current Report on Form 8-K and is incorporated herein by reference:

- Unaudited pro forma consolidated statement of income for the nine months ended September 29, 2018.
- Unaudited pro forma consolidated statement of income for the fiscal year ended December 30, 2017.
- Unaudited pro forma consolidated statement of income for the fiscal year ended December 31, 2016.
- Unaudited pro forma consolidated statement of income for the fiscal year ended December 26, 2015.
- Unaudited pro forma consolidated balance sheet at September 29, 2018.
- Notes to unaudited pro forma consolidated financial statements.

(d) Exhibits

99.1 [Unaudited pro forma consolidated financial information of Henry Schein, Inc.](#)

SIGNATURES

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.

February 8, 2019

By: /s/ Walter Siegel

Name: Walter Siegel

Title: Senior Vice President and General Counsel

HENRY SCHEIN, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

	Nine Months Ended September 29, 2018				Pro Forma Henry Schein, Inc.- Continuing Operations
	Historical Henry Schein, Inc. (As Reported)	Distribution of the Henry Schein Animal Health Business	Other Adjustments	Notes	
<i>Dollars in thousands, except per share amounts</i>					
Net sales	\$ 9,826,793	\$ (2,881,747)			\$ 6,945,046
Cost of sales	7,141,569	(2,356,339)			4,785,230
Gross profit	2,685,224	(525,408)			2,159,816
Operating expenses:					
Selling, general and administrative	2,027,138	(402,762)			1,624,376
Litigation settlements	38,488	—			38,488
Transaction costs related to Animal Health spin-off	18,670	—	(18,670)	(A)	—
Restructuring costs	27,511	(7,788)			19,723
Operating income (loss)	573,417	(114,858)	18,670		477,229
Other income (expenses):					
Interest income	15,429	(4,323)			11,106
Interest expense	(56,466)	1,897	22,945	(B)	(31,624)
Other, net	(802)	(972)			(1,774)
Income (loss) before taxes and equity in earnings of affiliates	531,578	(118,256)	41,615		454,937
Income tax (expense) benefit	(124,084)	28,608	(6,387)	(C)	(101,863)
Equity in earnings of affiliates	15,622	(793)			14,829
Net income (loss)	423,116	(90,441)	35,228		367,903
Less: Net income attributable to noncontrolling interests	(20,208)	7,593			(12,615)
Net income (loss) attributable to the company	\$ 402,908	\$ (82,848)	\$ 35,228		\$ 355,288
Earnings per common share					
Basic (a)	\$ 2.63				\$ 2.32
Diluted (b)	\$ 2.62				\$ 2.31
Weighted average common shares outstanding					
Basic (a)	152,970				152,970
Diluted (b)	153,982				153,982

HENRY SCHEIN, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

	Year Ended December 30, 2017				
	Historical Henry Schein, Inc. (As Reported)	Distribution of the Henry Schein Animal Health Business	Other Adjustments	Notes	Pro Forma Henry Schein, Inc.- Continuing Operations
<i>Dollars in thousands, except per share amounts</i>					
Net sales	\$ 12,461,543	\$ (3,578,105)			\$ 8,883,438
Cost of sales	9,062,440	(2,925,664)			6,136,776
Gross profit	3,399,103	(652,441)			2,746,662
Operating expenses:					
Selling, general and administrative	2,539,734	(482,274)			2,057,460
Litigation settlements	—	—			—
Transaction costs related to Animal Health spin-off	—	—			—
Restructuring costs	—	—			—
Operating income (loss)	859,369	(170,167)			689,202
Other income (expenses):					
Interest income	17,553	(5,115)			12,438
Interest expense	(53,654)	2,587	15,790	(B)	(35,277)
Other, net	(420)	(919)			(1,339)
Income (loss) before taxes and equity in earnings of affiliates	822,848	(173,614)	15,790		665,024
Income tax (expense) benefit	(362,506)	41,375	(6,142)	(C)	(327,273)
Equity in earnings of affiliates	16,587	(1,295)			15,292
Loss on sale of equity investment	(17,636)	—			(17,636)
Net income (loss)	459,293	(133,534)	9,648		335,407
Less: Net income attributable to noncontrolling interests	(52,994)	27,690			(25,304)
Net income (loss) attributable to the company	<u>\$ 406,299</u>	<u>\$ (105,844)</u>	<u>\$ 9,648</u>		<u>\$ 310,103</u>
Earnings per common share					
Basic (a)	\$ 2.59				\$ 1.98
Diluted (b)	\$ 2.57				\$ 1.96
Weighted average common shares outstanding					
Basic (a)	156,787				156,787
Diluted (b)	158,208				158,208

HENRY SCHEIN, INC.

PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

	Year Ended December 31, 2016				
	Historical Henry Schein, Inc. (As Reported)	Distribution of the Henry Schein Animal Health Business	Other Adjustments	Notes	Pro Forma Henry Schein, Inc.- Continuing Operations
<i>Dollars in thousands, except per share amounts</i>					
Net sales	\$ 11,571,668	\$ (3,352,782)			\$ 8,218,886
Cost of sales	8,345,195	(2,732,216)			5,612,979
Gross profit	3,226,473	(620,566)			2,605,907
Operating expenses:					
Selling, general and administrative	2,409,008	(452,245)			1,956,763
Litigation settlements	—	—			—
Transaction costs related to Animal Health spin-off	—	—			—
Restructuring costs	45,891	(7,269)			38,622
Operating income (loss)	771,574	(161,052)			610,522
Other income (expenses):					
Interest income	13,275	(4,915)			8,360
Interest expense	(31,893)	1,957			(29,936)
Other, net	2,879	(8)			2,871
Income (loss) before taxes and equity in earnings of affiliates	755,835	(164,018)			591,817
Income tax (expense) benefit	(217,958)	37,446			(180,512)
Equity in earnings of affiliates	18,518	(1,408)			17,110
Net income (loss)	556,395	(127,980)			428,415
Less: Net income attributable to noncontrolling interests	(49,617)	29,966			(19,651)
Net income (loss) attributable to the company	\$ 506,778	\$ (98,014)	\$	\$	\$ 408,764
Earnings per common share					
Basic (a)	\$ 3.14				\$ 2.53
Diluted (b)	\$ 3.10				\$ 2.50
Weighted average common shares outstanding					
Basic (a)	161,641				161,641
Diluted (b)	163,723				163,723

HENRY SCHEIN, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

	Year Ended December 26, 2015				
	Historical Henry Schein, Inc. (As Reported)	Distribution of the Henry Schein Animal Health Business	Other Adjustments	Notes	Pro Forma Henry Schein, Inc.- Continuing Operations
<i>Dollars in thousands, except per share amounts</i>					
Net sales	\$ 10,629,719	\$ (2,978,964)			\$ 7,650,755
Cost of sales	7,622,765	(2,448,078)			5,174,687
Gross profit	3,006,954	(530,886)			2,476,068
Operating expenses:					
Selling, general and administrative	2,238,051	(386,109)			1,851,942
Litigation settlements	—	—			—
Transaction costs related to Animal Health spin-off	—	—			—
Restructuring costs	34,931	(8,344)			26,587
Operating income (loss)	733,972	(136,433)			597,539
Other income (expenses):					
Interest income	12,935	(4,670)			8,265
Interest expense	(26,008)	2,005			(24,003)
Other, net	(141)	(2,024)			(2,165)
Income (loss) before taxes and equity in earnings of affiliates	720,758	(141,122)			579,636
Income tax (expense) benefit	(211,391)	29,587			(181,804)
Equity in earnings of affiliates	14,060	(760)			13,300
Net income (loss)	523,427	(112,295)			411,132
Less: Net income attributable to noncontrolling interests	(44,369)	24,664			(19,705)
Net income (loss) attributable to the company	<u>\$ 479,058</u>	<u>\$ (87,631)</u>	<u>\$</u>		<u>\$ 391,427</u>
Earnings per common share					
Basic (a)	\$ 2.89				\$ 2.36
Diluted (b)	\$ 2.85				\$ 2.33
Weighted average common shares outstanding					
Basic (a)	165,687				165,687
Diluted (b)	168,250				168,250

HENRY SCHEIN, INC.
PRO FORMA CONSOLIDATED BALANCE SHEET (UNAUDITED)

	September 29, 2018				
<i>Dollars in thousands</i>	Historical Henry Schein, Inc. (As Reported)	Distribution of the Henry Schein Animal Health Business	Other Adjustments	Notes	Pro Forma Henry Schein, Inc.- Continuing Operations
Assets					
Current assets:					
Cash and cash equivalents	\$ 119,740	\$ (21,804)	\$		\$ 97,936
Accounts receivable, net	1,627,640	(436,522)			1,191,118
Inventories, net	1,932,855	(491,729)			1,441,126
Prepaid expenses and other	513,717	(78,581)			435,136
Total current assets	4,193,952	(1,028,636)			3,165,316
Property and equipment, net	374,051	(66,367)			307,684
Goodwill	2,685,681	(694,943)			1,990,738
Other intangibles, net	618,201	(220,795)			397,406
Investments and other	518,425	(122,418)			396,007
Total assets	<u>\$ 8,390,310</u>	<u>\$ (2,133,159)</u>	<u>\$ —</u>		<u>\$ 6,257,151</u>
Liabilities and Equity					
Current liabilities:					
Accounts payable	\$ 1,136,120	\$ (335,645)	\$		\$ 800,475
Bank credit lines	1,144,881	—	(1,144,881)	(D)	—
Current maturities of long-term debt and capital leases	12,482	(679)	(10,948)	(D)	855
Accrued expenses:					
Payroll and related	259,180	(35,884)			223,296
Taxes	180,163	(20,129)			160,034
Other	496,959	(81,850)			415,109
Total current liabilities	3,229,785	(474,187)	(1,155,829)		1,599,769
Long-term debt and capital leases	1,000,315	(23,389)	(265,971)	(D)	710,955
Deferred income taxes, net	45,947	(7,683)			38,264
Other liabilities	415,045	(40,440)			374,605
Total liabilities	4,691,092	(545,699)	(1,421,800)		2,723,593
Redeemable securities and noncontrolling interests	282,502	(91,637)			190,865
Equity:					
Common Stock	1,524	—			1,524
Retained earnings	3,191,260	(1,551,707)	1,421,800	(D)	3,061,353
Accumulated other comprehensive loss	(219,649)	55,884			(163,765)
Total company's equity	2,973,135	(1,495,823)	1,421,800		2,899,112
Noncontrolling interests	443,581	—			443,581
Total equity (deficit)	3,416,716	(1,495,823)	1,421,800		3,342,693
Total liabilities, redeemable noncontrolling interests and equity	<u>\$ 8,390,310</u>	<u>\$ (2,133,159)</u>	<u>\$ —</u>		<u>\$ 6,257,151</u>

Notes to Pro Forma Consolidated Financial Statements (Unaudited)

The unaudited pro forma consolidated statements of income for the nine months ended September 29, 2018 and for the year ended December 30, 2017 and the unaudited pro forma consolidated balance sheet as of September 29, 2018, include the following pro forma adjustments:

- (A) Reflects the removal of all non-recurring transaction costs related to the previously announced separation of Henry Schein, Inc.'s (the "Company") Animal Health business (the "Henry Schein Animal Health Business") (the "Separation") which were incurred by the Company during the nine months ended September 29, 2018. These costs were primarily for tax, information technology, advisory fees, and other professional services.
- (B) Reflects a reduction in interest expense in connection with debt securities expected to be repaid by the Company in February 2019 using the proceeds from the Separation and related transactions. The interest adjustment is based on the historical interest expense associated with the borrowings to be repaid upon Separation and related transactions.
- (C) Adjusted to reflect the income tax effects of the pro forma adjustments at the applicable statutory tax rates.
- (D) Represents the adjustment for the repayment of debt from the net proceeds of the distribution of \$1,120.0 million from Covetrus, Inc., a wholly owned subsidiary of the Company prior to the Separation ("Covetrus") incurred in connection with a debt financing by Covetrus, the issuance of \$361.1 million of shares of Covetrus common stock to certain institutional accredited investors in connection with the Separation and the merger with Direct Vet Marketing, Inc. (d/b/a Vets First Choice) ("Vets First Choice"), \$14.0 million related to the sale of two business units associated with the Separation and related transactions, offset by \$73.3 million related to the buyout of certain minority interests in connection with the Separation and related transactions.