

FOR IMMEDIATE RELEASE

**HENRY SCHEIN REPORTS SECOND QUARTER 2024 FINANCIAL RESULTS
AND UPDATES 2024 FINANCIAL GUIDANCE**

Highlights:

- **Second-quarter 2024 GAAP diluted EPS of \$0.80, and non-GAAP diluted EPS of \$1.23**
- **Operating cash flow of \$296 million for the second quarter of 2024, year-to-date operating cash flow of \$493 million up \$192 million compared with year-to-date 2023**
- **2024 full-year non-GAAP EPS guidance updated to \$4.70 to \$4.82**
- **New restructuring plan targeting \$75 million to \$100 million in annual run-rate savings**
- **Share repurchase authorization increased by \$500 million**

MELVILLE, N.Y., August 6, 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 second quarter ended June 29, 2024.

“We delivered solid second quarter financial results, including strong operating cash flow, that reflected stable end markets. Gross margin continued to increase, driven by our strategies to expand our high-growth, high-margin products and services and by the successful performance of our recent acquisitions. We are experiencing improving sales trends in our distribution businesses, however, the pace of recovery in these businesses since the cyber incident late last year has been slower than anticipated,” said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein.

“Given the challenging economic environment in certain markets, as well as this delay in recovery from the cyber incident, we are updating our 2024 full-year financial guidance.

“We remain committed to our long-term financial goals through advancement of the BOLD+1 Strategic Plan, supported by our strong balance sheet and new restructuring plan, as we continue to generate synergies by connecting our distribution businesses, specialty products, and technology and value-added services,” Mr. Bergman added.

Second-Quarter 2024 Financial Results

- **Total net sales** for the quarter were \$3.1 billion, an increase of 1.1% compared with the second quarter of 2023. This reflects 4.0% sales growth from acquisitions, a 0.5% sales decrease resulting from foreign exchange rates, a 0.5% sales decrease from lower sales of personal protective equipment (PPE), primarily the result of lower glove pricing, and the pace of recovery from the cyber incident late last year.
- **Internal sales** for the quarter decreased 2.4%, which includes a 0.5% decrease from lower PPE sales.

Second-quarter sales and internal sales growth are summarized below and detailed in Exhibit A¹.

	Sales (\$ Billion)	Total Growth/(Decrease) ¹ (%)	Internal Growth/(Decrease) ¹ (%)
Global Dental	\$1.9	(1.7%)	(2.1%)
Merchandise	\$1.5	(1.9%)	(2.6%)
Equipment	\$0.4	(0.7%)	(0.4%)
Global Medical	\$1.0	5.0%	(4.3%)
Global Technology and Value-Added Services	\$0.2	10.8%	3.9%
TOTAL SALES	\$3.1	1.1%	(2.4%)

Note: items may not sum due to rounding

- **GAAP net income**² for the quarter was \$104 million, or \$0.80 per diluted share⁴, and compares with second-quarter 2023 GAAP net income of \$140 million, or \$1.06 per diluted share.
- **Non-GAAP net income**² for the quarter was \$158 million, or \$1.23 per diluted share⁴, and compares with second-quarter 2023 non-GAAP net income of \$173 million, or \$1.31 per diluted share.
- **Operating cash flow** for the quarter of \$296 million, up \$22 million compared with second-quarter 2023.
- **Adjusted EBITDA**³ for the quarter was \$268 million, in line with second-quarter 2023 Adjusted EBITDA of \$279 million.

Year-to-Date Financial Results

- **Total net sales** for the first half of 2024 were \$6.3 billion, an increase of 2.4% compared with the first half of 2023. This reflects 4.5% sales growth from acquisitions, a 0.7% sales decrease from lower sales of personal protective equipment, and the pace of recovery from the cyber incident late last year. The impact from foreign exchange rates was not significant.
- **Internal sales** for the first half of 2024 decreased 2.1%, which includes a 0.7% decrease from lower PPE sales.

¹ See Exhibit A for details of sales growth. Internal sales growth is calculated from total net sales using constant foreign exchange rates and excludes sales from acquisitions.

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

³ See Exhibit C for a reconciliation of GAAP net income to Adjusted EBITDA.

⁴ References to diluted EPS refer to diluted EPS attributable to Henry Schein, Inc.

First half of 2024 sales and internal sales growth are summarized below and detailed in Exhibit A¹.

	Sales (\$ Billion)	Total Growth/(Decrease)¹ (%)	Internal Growth/(Decrease)¹ (%)
Global Dental	\$3.8	(0.5%)	(2.5%)
Merchandise	\$3.0	(0.6%)	(3.2%)
Equipment	\$0.9	0.0%	(0.1%)
Global Medical	\$2.0	6.2%	(2.4%)
Global Technology and Value-Added Services	\$0.4	12.3%	3.6%
TOTAL SALES	\$6.3	2.4%	(2.1%)

Note: items may not sum due to rounding

- **GAAP net income**² for the first half of 2024 was \$197 million, or \$1.52 per diluted share⁴, and compares with first-half 2023 GAAP net income of \$261 million, or \$1.97 per diluted share.
- **Non-GAAP net income**² for the first half of 2024 was \$301 million, or \$2.33 per diluted share⁴, and compares with first-half 2023 non-GAAP net income of \$334 million, or \$2.52 per diluted share.
- **Operating cash flow** for the first half of \$493 million, up \$192 million compared with first-half 2023.
- **Adjusted EBITDA**³ for the first half of 2024 was \$523 million and compares with first-half 2023 Adjusted EBITDA of \$535 million.

Restructuring Plan

Henry Schein is today announcing a restructuring plan to integrate recent acquisitions, right-size operations and further increase efficiencies, targeting \$75 million to \$100 million in annual run-rate savings.

The Company expects to record restructuring charges in the second half of 2024 and in 2025; however, an estimate of the amount of these charges has not yet been determined as plans are still being finalized. Restructuring charges are expected primarily to include severance pay and facility-related costs.

The restructuring plan announced in the third quarter of 2022 was completed on July 31, 2024.

Share Repurchases

During the second quarter of 2024, the Company repurchased approximately 1.4 million shares of its common stock at an average price of \$70.64 per share, for a total of approximately \$100 million. The impact of these share repurchases on second-quarter diluted EPS was immaterial.

At quarter-end, Henry Schein had approximately \$90 million authorized and available for future stock repurchases.

An additional \$500 million share repurchase program was authorized by the Company's Board of Directors on July 31, 2024.

2024 Financial Guidance

Henry Schein is updating full-year 2024 financial guidance, as described below. Guidance is for current continuing operations as well as acquisitions that have closed and does not include the impact of potential future acquisitions, restructuring and integration expenses, amortization expense of acquired intangible assets, contingent consideration revaluation adjustments, certain expenses directly associated with the cyber incident or any related 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 total sales growth is now expected to be approximately 4% to 6% over 2023, compared with prior guidance of 8% to 10% growth. The previous guidance anticipated a stronger economy as well as a faster recovery from the cyber incident.
- 2024 non-GAAP diluted EPS attributable to Henry Schein, Inc. is now expected to be \$4.70 to \$4.82, compared with prior guidance of \$5.00 to \$5.16, and reflects growth of 4% to 7% compared with 2023 non-GAAP diluted EPS of \$4.50.
- 2024 Adjusted EBITDA is expected to grow in the low double-digit percentages versus 2023 Adjusted EBITDA and compares with prior guidance of 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 2024 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 restructuring costs related to an ongoing initiative to drive operating efficiencies, 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.

Second-Quarter 2024 Conference Call Webcast

The Company will hold a conference call to discuss second-quarter 2024 financial results today, beginning at 10:00 a.m. Eastern time. Individual investors are invited to listen to the conference call through Henry Schein's website by visiting

www.henryschein.com/IRwebcasts. In addition, a replay will be available beginning shortly after the call has ended for a period of one week.

The Company will be posting slides that provide a summary of its second-quarter 2024 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 main 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 [@HenrySchein](https://twitter.com/HenrySchein) on X.

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 total sales growth, 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.

CONTACTS: Investors

Ronald N. South
Senior Vice President and Chief Financial Officer
ronald.south@henryschein.com
(631) 843-5500

Graham Stanley
Vice President, Investor Relations and Strategic Financial Project Officer
graham.stanley@henryschein.com
(631) 843-5500

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

(TABLES TO FOLLOW)

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

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales	\$ 3,136	\$ 3,100	\$ 6,308	\$ 6,160
Cost of sales	<u>2,118</u>	<u>2,125</u>	<u>4,278</u>	<u>4,219</u>
Gross profit	1,018	975	2,030	1,941
Operating expenses:				
Selling, general and administrative	781	707	1,572	1,424
Depreciation and amortization	63	49	124	93
Restructuring costs	15	18	25	48
Operating income	<u>159</u>	<u>201</u>	<u>309</u>	<u>376</u>
Other income (expense):				
Interest income	6	3	11	6
Interest expense	(32)	(19)	(62)	(33)
Other, net	(1)	1	1	-
Income before taxes, equity in earnings of affiliates and noncontrolling interests	<u>132</u>	<u>186</u>	<u>259</u>	<u>349</u>
Income taxes	(33)	(41)	(65)	(80)
Equity in earnings of affiliates, net of tax	<u>6</u>	<u>3</u>	<u>9</u>	<u>7</u>
Net income	<u>105</u>	<u>148</u>	<u>203</u>	<u>276</u>
Less: Net income attributable to noncontrolling interests	(1)	(8)	(6)	(15)
Net income attributable to Henry Schein, Inc.	<u>\$ 104</u>	<u>\$ 140</u>	<u>\$ 197</u>	<u>\$ 261</u>
Earnings per share attributable to Henry Schein, Inc.:				
Basic	<u>\$ 0.81</u>	<u>\$ 1.07</u>	<u>\$ 1.53</u>	<u>\$ 1.99</u>
Diluted	<u>\$ 0.80</u>	<u>\$ 1.06</u>	<u>\$ 1.52</u>	<u>\$ 1.97</u>
Weighted-average common shares outstanding:				
Basic	<u>127,784,380</u>	<u>130,905,899</u>	<u>128,252,628</u>	<u>131,136,450</u>
Diluted	<u>128,646,506</u>	<u>131,873,174</u>	<u>129,206,780</u>	<u>132,465,749</u>

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

	June 29, 2024	December 30, 2023
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 138	\$ 171
Accounts receivable, net of allowance for credit losses of \$82 and \$83	1,559	1,863
Inventories, net of reserves of \$145 and \$192	1,657	1,815
Prepaid expenses and other	587	639
Total current assets	<u>3,941</u>	<u>4,488</u>
Property and equipment, net	518	498
Operating lease right-of-use assets	304	325
Goodwill	3,905	3,875
Other intangibles, net	1,081	916
Investments and other	502	471
Total assets	<u>\$ 10,251</u>	<u>\$ 10,573</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 867	\$ 1,020
Bank credit lines	505	264
Current maturities of long-term debt	106	150
Operating lease liabilities	75	80
Accrued expenses:		
Payroll and related	279	332
Taxes	150	137
Other	567	700
Total current liabilities	<u>2,549</u>	<u>2,683</u>
Long-term debt	1,891	1,937
Deferred income taxes	115	54
Operating lease liabilities	261	310
Other liabilities	431	436
Total liabilities	<u>5,247</u>	<u>5,420</u>
Redeemable noncontrolling interests	856	864
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, 127,080,545 outstanding on June 29, 2024 and 129,247,765 outstanding on December 30, 2023	1	1
Additional paid-in capital	-	-
Retained earnings	3,803	3,860
Accumulated other comprehensive loss	(292)	(206)
Total Henry Schein, Inc. stockholders' equity	<u>3,512</u>	<u>3,655</u>
Noncontrolling interests	636	634
Total stockholders' equity	<u>4,148</u>	<u>4,289</u>
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u>\$ 10,251</u>	<u>\$ 10,573</u>

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

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Cash flows from operating activities:				
Net income	\$ 105	\$ 148	\$ 203	\$ 276
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	74	59	147	111
Non-cash restructuring charges	5	3	6	10
Stock-based compensation expense	12	14	20	24
Provision for losses on trade and other accounts receivable	2	1	7	2
Benefit from deferred income taxes	(21)	(5)	(19)	(3)
Equity in earnings of affiliates	(6)	(3)	(9)	(7)
Distributions from equity affiliates	7	7	9	9
Changes in unrecognized tax benefits	1	2	3	3
Other	(3)	(8)	(9)	(9)
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	80	38	270	18
Inventories	33	100	107	163
Other current assets	9	(30)	50	(1)
Accounts payable and accrued expenses	(2)	(52)	(292)	(295)
Net cash provided by operating activities	296	274	493	301
Cash flows from investing activities:				
Purchases of property and equipment	(37)	(37)	(78)	(68)
Payments related to equity investments and business acquisitions, net of cash acquired	(161)	(250)	(181)	(251)
Proceeds from loan to affiliate	2	1	3	3
Capitalized software costs	(11)	(11)	(20)	(20)
Other	(2)	(4)	(5)	(4)
Net cash used in investing activities	(209)	(301)	(281)	(340)
Cash flows from financing activities:				
Net change in bank credit lines	242	86	242	218
Proceeds from issuance of long-term debt	-	377	90	408
Principal payments for long-term debt	(117)	(365)	(177)	(366)
Proceeds from issuance of stock upon exercise of stock options	1	-	2	1
Payments for repurchases and retirement of common stock	(100)	(50)	(175)	(150)
Payments for taxes related to shares withheld for employee taxes	(1)	(3)	(8)	(33)
Distributions to noncontrolling shareholders	(22)	(2)	(28)	(6)
Acquisitions of noncontrolling interests in subsidiaries	(117)	(5)	(211)	(13)
Net cash provided by (used in) financing activities	(114)	38	(265)	59
Effect of exchange rate changes on cash and cash equivalents	6	-	20	-
Net change in cash and cash equivalents	(21)	11	(33)	20
Cash and cash equivalents, beginning of period	159	126	171	117
Cash and cash equivalents, end of period	\$ 138	\$ 137	\$ 138	\$ 137

Exhibit A - Second Quarter Sales

Henry Schein, Inc.
2024 Second Quarter
Sales Summary
(in millions)
(unaudited)
Q2 2024 over Q2 2023

			<u>Local Currency Growth</u>		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	<u>Q2 2024</u>	<u>Q2 2023</u>	Local Internal Growth	Acquisition Growth			
Global							
Dental Merchandise	\$ 1,484	\$ 1,514	-2.6%	1.4%	-1.2%	-0.7%	-1.9%
Dental Equipment	440	443	-0.4%	0.2%	-0.2%	-0.5%	-0.7%
Total Dental	1,924	1,957	-2.1%	1.2%	-0.9%	-0.8%	-1.7%
Medical	998	950	-4.3%	9.3%	5.0%	0.0%	5.0%
Total Health Care Distribution	2,922	2,907	-2.8%	3.8%	1.0%	-0.5%	0.5%
Technology and Value-Added Services	214	193	3.9%	7.0%	10.9%	-0.1%	10.8%
Total Global	\$ 3,136	\$ 3,100	-2.4%	4.0%	1.6%	-0.5%	1.1%

			<u>Local Currency Growth</u>		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	<u>Q2 2024</u>	<u>Q2 2023</u>	Local Internal Growth	Acquisition Growth			
North America							
Dental Merchandise	\$ 849	\$ 897	-5.2%	0.1%	-5.1%	-0.2%	-5.3%
Dental Equipment	280	272	2.9%	0.0%	2.9%	-0.2%	2.7%
Total Dental	1,129	1,169	-3.3%	0.0%	-3.3%	-0.1%	-3.4%
Medical	970	925	-4.3%	9.2%	4.9%	0.0%	4.9%
Total Health Care Distribution	2,099	2,094	-3.8%	4.1%	0.3%	-0.1%	0.2%
Technology and Value-Added Services	186	168	2.9%	7.9%	10.8%	0.0%	10.8%
Total North America	\$ 2,285	\$ 2,262	-3.3%	4.4%	1.1%	-0.1%	1.0%

			<u>Local Currency Growth</u>		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	<u>Q2 2024</u>	<u>Q2 2023</u>	Local Internal Growth	Acquisition Growth			
International							
Dental Merchandise	\$ 635	\$ 617	1.0%	3.6%	4.6%	-1.7%	2.9%
Dental Equipment	160	171	-5.5%	0.6%	-4.9%	-1.2%	-6.1%
Total Dental	795	788	-0.4%	2.9%	2.5%	-1.5%	1.0%
Medical	28	25	-1.9%	12.1%	10.2%	-1.2%	9.0%
Total Health Care Distribution	823	813	-0.4%	3.2%	2.8%	-1.6%	1.2%
Technology and Value-Added Services	28	25	10.5%	0.8%	11.3%	-0.3%	11.0%
Total International	\$ 851	\$ 838	-0.1%	3.1%	3.0%	-1.5%	1.5%

Exhibit A - Year-to-Date Sales

Henry Schein, Inc.
2024 Second Quarter Year-to-Date
Sales Summary
(in millions)
(unaudited)

Q2 2024 Year-to Date over Q2 2023 Year-to-Date

Global	Q2 2024	Q2 2023	Local Currency Growth		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
			Local Internal Growth	Acquisition Growth			
Dental Merchandise	\$ 2,983	\$ 3,001	-3.2%	2.6%	-0.6%	0.0%	-0.6%
Dental Equipment	855	854	-0.1%	0.1%	0.0%	0.0%	0.0%
Total Dental	3,838	3,855	-2.5%	2.1%	-0.4%	-0.1%	-0.5%
Medical	2,039	1,921	-2.4%	8.6%	6.2%	0.0%	6.2%
Total Health Care Distribution	5,877	5,776	-2.5%	4.3%	1.8%	-0.1%	1.7%
Technology and Value-Added Services	431	384	3.6%	8.5%	12.1%	0.2%	12.3%
Total Global	\$ 6,308	\$ 6,160	-2.1%	4.5%	2.4%	0.0%	2.4%

North America	Q2 2024	Q2 2023	Local Currency Growth		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
			Local Internal Growth	Acquisition Growth			
Dental Merchandise	\$ 1,697	\$ 1,793	-5.3%	0.0%	-5.3%	0.0%	-5.3%
Dental Equipment	535	520	2.9%	0.0%	2.9%	-0.1%	2.8%
Total Dental	2,232	2,313	-3.5%	0.0%	-3.5%	0.0%	-3.5%
Medical	1,984	1,876	-2.4%	8.2%	5.8%	0.0%	5.8%
Total Health Care Distribution	4,216	4,189	-3.0%	3.7%	0.7%	-0.1%	0.6%
Technology and Value-Added Services	375	334	2.6%	9.8%	12.4%	0.0%	12.4%
Total North America	\$ 4,591	\$ 4,523	-2.6%	4.1%	1.5%	0.0%	1.5%

International	Q2 2024	Q2 2023	Local Currency Growth		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
			Local Internal Growth	Acquisition Growth			
Dental Merchandise	\$ 1,286	\$ 1,208	0.0%	6.5%	6.5%	0.0%	6.5%
Dental Equipment	320	334	-4.7%	0.3%	-4.4%	0.1%	-4.3%
Total Dental	1,606	1,542	-1.0%	5.1%	4.1%	0.0%	4.1%
Medical	55	45	-5.6%	29.0%	23.4%	-0.7%	22.7%
Total Health Care Distribution	1,661	1,587	-1.1%	5.8%	4.7%	-0.1%	4.6%
Technology and Value-Added Services	56	50	9.7%	0.8%	10.5%	1.3%	11.8%
Total International	\$ 1,717	\$ 1,637	-0.8%	5.6%	4.8%	0.1%	4.9%

Exhibit B

Henry Schein, Inc.
2024 Second Quarter
Reconciliation of reported GAAP net income and diluted EPS attributable to Henry Schein, Inc.
to non-GAAP net income and diluted EPS attributable to Henry Schein, Inc.
(in millions, except per share data)
(unaudited)

	Second Quarter			Year-to-Date		
	2024	2023	%	2024	2023	%
Net income attributable to Henry Schein, Inc.	\$ 104	\$ 140	(25.8)%	\$ 197	\$ 261	(24.6)%
Diluted EPS attributable to Henry Schein, Inc.	\$ 0.80	\$ 1.06	(24.5)%	\$ 1.52	\$ 1.97	(22.8)%

Non-GAAP Adjustments, net of tax and attribution to noncontrolling interests

Restructuring costs (1)	\$ 11	\$ 13		\$ 18	\$ 34	
Acquisition intangible amortization (2)	28	20		56	39	
Cyber incident-insurance proceeds, net of third-party advisory expenses (3)	(6)	-		(2)	-	
Change in contingent consideration (4)	17	-		28	-	
Litigation settlements (5)	4	-		4	-	
Non-GAAP adjustments to net income	\$ 54	\$ 33		\$ 104	\$ 73	
Non-GAAP adjustments to diluted EPS	0.43	0.25		0.81	0.55	

Non-GAAP net income attributable to Henry Schein, Inc.	\$ 158	\$ 173	(8.3)%	\$ 301	\$ 334	(9.7)%
Non-GAAP diluted EPS attributable to Henry Schein, Inc.	\$ 1.23	\$ 1.31	(6.1)%	\$ 2.33	\$ 2.52	(7.5)%

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. Net income growth rates are based on actual values and may not recalculate due to rounding. Amounts may not sum due to rounding.

(1) Restructuring Costs

The following table presents details of our restructuring costs:

	Second Quarter		Full Year	
	2024	2023	2024	2023
Restructuring costs - pre-tax, as reported	\$ 15	\$ 18	\$ 25	48
Income tax benefit	(3)	(4)	(6)	(12)
Amount attributable to noncontrolling interests	(1)	(1)	(1)	(2)
Restructuring costs, net	<u>\$ 11</u>	<u>\$ 13</u>	<u>\$ 18</u>	<u>\$ 34</u>

Q2 2024 restructuring costs primarily consisted of employee severance and costs related to the exit of facilities.

(2) Acquisition Intangible Amortization

The following table presents details of amortization of acquired intangible assets:

	<u>Second Quarter</u>		<u>Full Year</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Acquisition intangible amortization - pre-tax, as reported	\$ 47	\$ 34	\$ 93	\$ 64
Income tax benefit	(12)	(9)	(23)	(16)
Amount attributable to noncontrolling interests	(7)	(5)	(14)	(9)
Acquisition intangible amortization, net	<u>\$ 28</u>	<u>\$ 20</u>	<u>\$ 56</u>	<u>\$ 39</u>

- (3) Represents cyber insurance proceeds, net of one time professional and other fees related to remediation of our Q4 2023 cyber incident. During Q2 2024, we received insurance proceeds of \$10 million (\$8 million, net of taxes) representing a partial insurance recovery of losses related to the cyber incident. One time professional and other fees were \$3 million (\$2 million, net of taxes) and \$8 million (\$6 million, net of taxes), for Q2 2024 and YTD 2024, respectively.
- (4) Represents a change in the fair value of contingent consideration of \$23 million (\$17 million, net of taxes) and \$38 million (\$28 million, net of taxes) recorded during Q2 2024 and YTD 2024, respectively, related to a 2023 acquisition.
- (5) Represents settlement amounts for litigation related to the October 2023 cyber incident and settlement of certain opioid related lawsuits.

Exhibit C

Henry Schein, Inc.
2024 Second Quarter
Reconciliation of reported GAAP net income to Adjusted EBITDA
(in millions)
(unaudited)

	Second Quarter		Full Year	
	2024	2023	2024	2023
Net income attributable to Henry Schein, Inc. (GAAP)	\$ 104	\$ 140	\$ 197	261
Income attributable to noncontrolling interests	<u>1</u>	<u>8</u>	<u>6</u>	<u>15</u>
Net income (GAAP)	105	148	203	276
Definitional adjustments:				
Interest income	(6)	(3)	(11)	(6)
Interest expense	32	19	62	33
Income taxes	33	41	65	80
Depreciation and amortization	74	59	147	111
Non-GAAP adjustments:				
Restructuring costs	15	18	25	48
Cyber incident-insurance proceeds, net of third-party advisory expenses	(7)	-	(2)	-
Change in contingent consideration	23	-	38	-
Litigation settlements	5	-	5	-
Other adjustments:				
Equity in earnings of affiliates, net of tax	<u>(6)</u>	<u>(3)</u>	<u>(9)</u>	<u>(7)</u>
Adjusted EBITDA (non-GAAP)	\$ <u>268</u>	\$ <u>279</u>	\$ <u>523</u>	\$ <u>535</u>

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 attributable to noncontrolling interests, (ii) interest income and expense, (iii) income taxes, (iv) depreciation and amortization, (v) restructuring costs, (vi) cyber incident-insurance proceeds, net of third-party advisory expenses, (vii) change in contingent consideration, (viii) litigation settlements (ix) equity in earnings of affiliates. Amounts may not sum due to rounding.