



2023 INVESTOR MEETING

# BOLDLY CREATING VALUE FOR OUR STAKEHOLDERS

February 27, 2023

The oral presentation today will be recorded for replay for those who couldn't attend. The recording will include the Q&A portion of the presentation. This recording will be available on the "Investor Relations" section of our website.

# Cautionary Note Regarding Forward-Looking Statements and Use of Non-GAAP Financial Information

In accordance with the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements include EPS guidance and are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make” or other comparable terms. A fuller discussion of our operations, financial condition and status of litigation matters, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations. Forward looking statements include the overall impact of the Novel Coronavirus Disease 2019 (COVID-19) on the Company, its results of operations, liquidity and financial condition (including any estimates of the impact on these items), the rate and consistency with which dental and other practices resume or maintain normal operations in the United States and internationally, expectations regarding personal protective equipment (“PPE”) and COVID-19 related product sales and inventory levels, whether additional resurgences or variants of the virus will adversely impact the resumption of normal operations, whether supply chain disruptions will adversely impact our business, the impact of restructuring programs as well as of any future acquisitions, general economic conditions including exchange rates, inflation and recession, and more generally current expectations regarding performance in current and future periods. Forward looking statements also include the (i) ability of the Company to have continued access to a variety of COVID-19 test types, expectations regarding COVID-19 test sales, demand and inventory levels, as well as the efficacy or relative efficacy of the test results given that the test efficacy has not been, or will not have been, independently verified under normal FDA procedures and (ii) potential for the Company to distribute the COVID-19 vaccines and ancillary supplies.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: risks associated with COVID-19 and any variants thereof, as well as other disease outbreaks, epidemics, pandemics, or similar wide-spread public health concerns and other natural disasters; our dependence on third parties for the manufacture and supply of our products; our ability to develop or acquire and maintain and protect new products (particularly technology products) and technologies that achieve market acceptance with acceptable margins; transitional challenges associated with acquisitions, dispositions and joint ventures, including the failure to achieve anticipated synergies/benefits; legal, regulatory, compliance, cybersecurity, 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; adverse changes in supplier rebates or other purchasing incentives; risks related to the sale of corporate brand products; effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; the repeal or judicial prohibition on implementation of the Affordable Care Act; changes in the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global and domestic macroeconomic and political conditions, including inflation, deflation, recession, 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; failure to comply with existing and future regulatory requirements; risks associated with the EU Medical Device Regulation; failure to comply with laws and regulations relating to health care fraud or other laws and regulations; failure to comply with laws and regulations relating to the collection, storage and processing of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; risks related to product liability, intellectual property and other claims; litigation risks; new or unanticipated litigation developments and the status of litigation matters; risks associated with customs policies or legislative import restrictions; cyberattacks or other privacy or data security breaches; risks associated with our global operations; our dependence on our senior management, employee hiring and retention, and our relationships with customers, suppliers and manufacturers; and disruptions in financial markets. The order in which these factors appear should not be construed to indicate their relative importance or priority.

We caution that these factors may not be exhaustive and that many of these factors are beyond our ability to control or predict. Accordingly, any forward-looking statements contained herein should not be relied upon as a prediction of actual results. We undertake no duty and have no obligation to update forward-looking statements except as required by law.

Included within the presentation 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 presentation appendix, 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.

# Agenda

1	<b>Welcome</b>	6	<b>Strategic Advantages of Henry Schein's Integrated Digital Solutions</b>
2	<b>Executive Overview</b>	7	<b>+1 Create Value for Our Stakeholders</b> ESG Activities
3	<b>Build Complementary Software, Specialty &amp; Services Businesses</b> Specialty Products Henry Schein One Value-Added Services	8	<b>Financial Goals</b>
4	<b>Operationalize One Distribution and Leverage One Schein</b> Panel Discussion	9	<b>Q&amp;A</b>
5	<b>Advancing Our Digital Transformation Journey</b>	10	<b>Key Takeaways</b>
		11	<b>Lunch &amp; Demos</b>

# Executive Overview

 HENRY SCHEIN®

2023 INVESTOR MEETING



**Stanley Bergman**

CHAIRMAN & CHIEF EXECUTIVE OFFICER



# Themes for the Day

**Leading positions in the growing \$100B<sup>1</sup> dental and alternate care medical products and services markets, and in the faster growing specialty and technology markets**

2022-2024 BOLD+1 strategic plan provides a roadmap for **long-term sustainable high single / low double-digit earnings growth**

**Proven track record** of innovation, product and service expansion, business development, and successful transformation

**Deep and experienced executive team supported by highly motivated Team Schein** that is well-positioned to execute and deliver on the strategy and financial goals





The Leading Provider of Health Care Products and Related Services to Office-based Dental and Medical Practitioners and Alternate Care Sites\*

**\$12.6B**

FY2022 GLOBAL NET SALES

SERVING MORE THAN  
**1 MILLION**  
CUSTOMERS

MORE THAN  
**22,000**  
TEAM SCHEIN MEMBERS

**90** YEARS IN  
BUSINESS

OPERATIONS IN  
**32** COUNTRIES

COMPONENT OF  
S&P 500® INDEX  
**6 YEARS**



RECOGNIZED FOR

**22**  
YEARS



RECOGNIZED FOR

**12**  
YEARS



RECOGNIZED FOR

**7**  
YEARS

# Key Developments Since IPO In 1995

## TRANSFORMED:

From the leading U.S. mail-order dental distributor **to the leading global dental and medical products and services provider to office-based practitioners and alternate care sites<sup>1</sup>**

## SIGNIFICANTLY EXTENDED POSITION IN:

- Specialty products
- Corporate brands and proprietary products
- Digital solutions
- Value-added services
- Medical alternate care sites

## CURRENT STATE:

### #1

global provider of dental merchandise, traditional and digital equipment, parts and services to office-based dental practitioners

### #1

in global dental practice management software

### #2

US provider of med surg, vaccines, pharmaceuticals, equipment and diagnostics to medical alternate care sites<sup>1</sup>

### ~\$8B

in global dental sales, including \$1B+ in dental specialty portfolio

### ~\$800M

in global dental practice management sales and value-added services

### ~\$4B

in U.S. medical sales

### ~\$3B

in corporate & owned brands portfolio (including technology)

## Since IPO:

### 14%

**CAGR  
NON-GAAP EPS<sup>2</sup>**

### 13%

**CAGR  
STOCK APPRECIATION<sup>3</sup>**

<sup>1</sup> Excludes specialty drugs

<sup>2</sup> From Continuing Operations. Excludes Animal Health in 1995. Also excludes certain non-recurring items to provide a more comparable basis for analysis. A reconciliation of GAAP to non-GAAP adjustments is included in the Appendix

<sup>3</sup> Calculated using the stock price as of February 16th, 2023 close

# Favorable Macro Trends

Leading to Increased Patient Traffic and Demand for Products and Services

## Demographics

- Aging global population

## Healthcare Developments

- Movement of procedures from hospital to physician offices and alternate care sites
- Growing awareness of correlation between good oral health and overall health
- Expanding healthcare coverage and access to care
- Increasing importance of wellness and prevention
- Untapped patient demand for healthcare services
- Consolidation of practitioners to multiple locations under common management

## Increased Adoption of Digital Technology

- Advancements in practice management software and electronic medical records
- Improved clinical workflow driving better patient outcomes
- Utilization of AI to improve patient case acceptance and diagnosis
- Enhanced patient communications

## Henry Schein benefits from:

- market leadership
- broad customer base
- large-customer relationships
- diversified business portfolio
- integrated solutions

# Our Vision for BOLD+1

Customers will **rely on us** for an **exceptional experience**, delivering **differentiated solutions** that make their practices more **successful** and **improve patient outcomes**.

**Together, we make the world healthier.**

# Our BOLD+1 Priorities

**BUILD** complementary **software, specialty, and services** to strategically shift our mix to high growth and high margin businesses

- **Provide integrated solutions**
- Accelerate both organic and inorganic growth of global **specialty products and services**
- Capitalize on unique data to develop **additional proprietary solutions**

**OPERATIONALIZE One Distribution** global footprint to:

- Deliver exceptional **customer experience, increase efficiency, and sales growth**
- Advance sales of our **corporate brands portfolio**

**LEVERAGE One Schein** to broaden and deepen relationships with our customers

**DRIVE digital transformation** for our customers and for Henry Schein

- Enhance personalized customer experience through our **global e-commerce platform**
- Advance connected **open architecture clinical digital workflow solution**

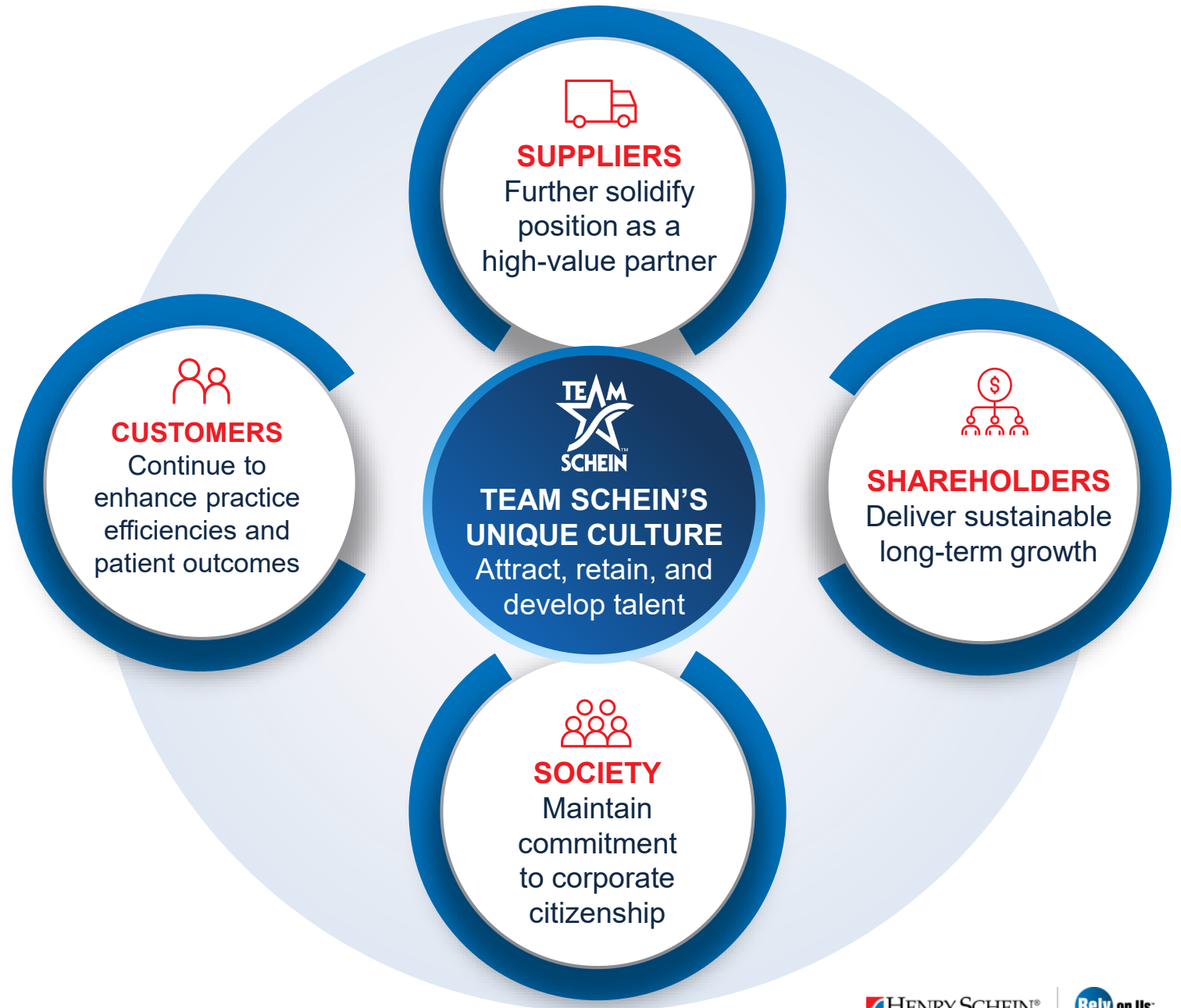
**+1 CREATE** value for our **stakeholders**





# Better Serving Our Stakeholders

+ 1



Together, we make the world healthier.

# Henry Schein's Value Proposition

A Suite of Differentiated Customer Solutions  
Including Proprietary Products and Integrated Software

Uniquely positioned  
to provide solutions  
for general and  
specialist practitioners  
in alternate  
healthcare settings

Henry Schein's solutions enable:

Improved patient experience

Improved outcomes

Increased case acceptance

Increased practice efficiencies



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# Experienced Management Team

Proven track record of navigating through economic environments and delivering value for stakeholders



**Stanley Bergman**  
Chairman and Chief Executive Officer



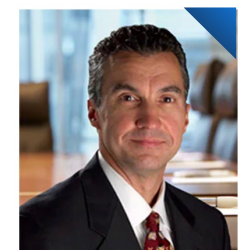
**James Breslawski**  
Vice Chairman and President



**Michael Ettinger**  
EVP and Chief Operating Officer



**Mark Mlotek**  
EVP and Chief Strategic Officer



**Ronald South**  
SVP and Chief Financial Officer

## Business



**Brad Connett**  
CEO, North American Distribution Group



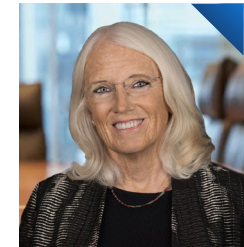
**Andrea Albertini**  
CEO, International Distribution Group



**David Brous**  
CEO, Strategic Business Group



**Rene Willi, Ph.D.**  
CEO, Global Oral Reconstruction Group



**Christine King**  
Executive Chair Henry Schein One

## Digital



**Leigh Benowitz**  
SVP and Chief Global Digital Transformation Officer



**Trinh Clark**  
SVP and Chief Global Customer Experience Officer



**Chris Pendergast**  
SVP and Chief Technology Officer

## Corporate



**Lorelei McGlynn**  
SVP and Chief Human Resources Officer



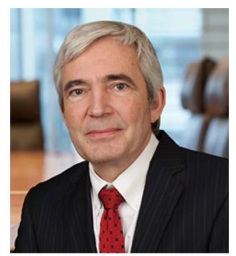
**James Mullins**  
SVP and Global Supply Chain



**Walter Siegel**  
SVP and Chief Legal Officer



**Kelly Murphy**  
SVP and General Counsel



**Michael Racioppi**  
SVP and Chief Merchandising Officer



# Independent Directors

Extensive depth of experience among independent directors

## Committee Composition

<b>Audit</b>	<b>K. Kuehn</b> , P. Laskawy, A. Margulies
<b>Compensation</b>	D. Derby, J. Herring, B. Sheares
<b>Nominating &amp; Governance</b>	D. Derby, <b>P. Laskawy</b> , B. Sheares
<b>Strategic Advisory</b>	M. Ali, J. Herring, C. Raphael, S. Serota, <b>B. Sheares</b> , R. Tuckson
<b>Regulatory, Compliance &amp; Cybersecurity</b>	<b>J. Herring</b> , K. Kuehn, A. Margulies, C. Raphael

\*committee chairs in bold



**Mohamad Ali**

Chief Executive Officer, International Data Group, Inc. Former Chief Strategy Officer, Hewlett-Packard<sup>1</sup>



**Deborah Derby**

Former President, Horizon Group USA, Inc.<sup>1</sup>



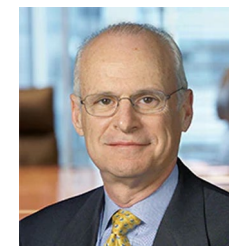
**Joseph L. Herring**

Former Chief Executive Officer Covance, Inc.<sup>1</sup>



**Kurt P. Kuehn**

Former Chief Financial Officer, United Parcel Service, Inc.<sup>1</sup>



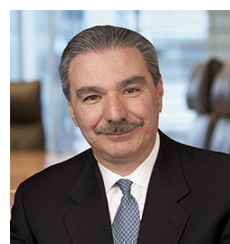
**Philip A. Laskawy**

Lead Director, Henry Schein, Inc., and Retired Chairman, Ernst & Young, LLP<sup>1</sup>



**Anne H. Margulies**

Former Vice President and Chief Information Officer, Harvard University<sup>1</sup>



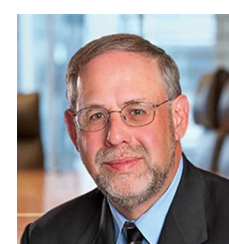
**Steven Paladino**

Former Executive Vice President, Chief Financial Officer, Henry Schein, Inc.<sup>2</sup>



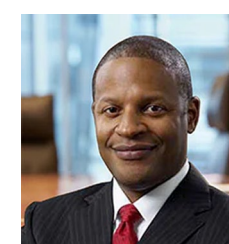
**Carol Raphael**

Former President and Chief Executive Officer, Visiting Nurse Service of New York<sup>1</sup>



**Scott Serota**

Former President and Chief Executive Officer of Blue Cross Blue Shield Association<sup>1</sup>



**Bradley T. Sheares, Ph.D.**

Former Chief Executive Officer, Reliant Pharmaceuticals, Inc.; and Former President of U.S. Human Health, Merck & Co.<sup>1</sup>



**Reed V. Tuckson, M.D., FACP**

Executive Vice President and Chief of Medical Affairs, United Health Group; and Former President of the Charles R. Drew University of Medicine and Science<sup>1</sup>

# Key Takeaways

Leading positions in **attractive markets**

Strategic plan to create operating efficiencies, gain share in **faster growing businesses**, and to deliver an **exceptional customer experience**

Opportunities to leverage existing customer base and gain **additional share of wallet**

Proven track record of transformation and **accelerated growth**

Deep and **experienced management team** supported by a highly motivated **Team Schein**



**Significant opportunity to generate shareholder value  
by executing our BOLD+1 strategic plan**

# **BUILD Complementary Software, Specialty & Services Businesses:**

## Dental Specialty Businesses



**René Willi**

CEO, GLOBAL ORAL  
RECONSTRUCTION GROUP



**Steve Boggan**

CCO, GLOBAL ORAL  
RECONSTRUCTION GROUP



**Tom Popeck**

VP & GM, HEALTHCARE  
SPECIALTIES GROUP

# Global Dental Specialties Overview



Solutions tailored to diverse customer needs and price points

- An industry leader
- Among the fastest growing
- Competitive and comprehensive offering
- Strong innovative pipeline

**\$1B\***

2022 revenue

**#3**

implant and biomaterials<sup>1</sup>

**#2**

endodontics<sup>1</sup>

Implant	Biomaterial	CAD/CAM	Endo	Ortho
  	 	 	 	 



# Implant Dentistry, Biomaterials, and Orthodontics Market Overview

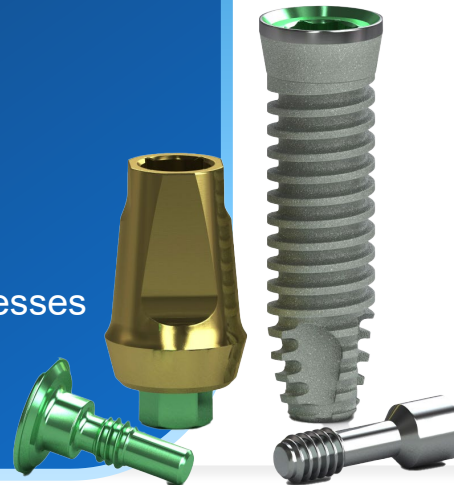


## Growth Levers Driving Strategy

- Aging population
- Large, underserved patient population
- Rising consumer awareness
- Greater patient affordability
- Increasing number of implant & orthodontics providers

## Key Differentiators

- Unique solutions at multiple price points
- Innovative clinical software
- Cross-selling between Henry Schein businesses
- Motivated salesforce with deep customer relationships across 90+ countries



## Implant Dentistry and Biomaterials



## Orthodontics



5-8%

Estimated market growth

<sup>1</sup> Implant-based tooth restoration market includes implants, abutments, implant-based custom prosthetics, related instruments and restorative components, hard and soft tissue bone regeneration

<sup>2</sup> Based on management estimates

# Biotech Dental

Strategic Implant, Aligner, and Software Company Acquisition



Rapidly growing provider of innovative clinical software and oral surgery and orthodontic products



- Largest and fastest-growing implant and custom abutment brands in France
- State-of-the-art manufacturing

~\$100M

In Sales

>750

TSM's

~25%

Sales Growth CAGR  
2018 – 2021

90+

Countries



Nemotec, a comprehensive, integrated suite of planning and diagnostic software

- Uses open architecture that connects disparate devices
- Offers greater diagnostic accuracy and an improved patient experience

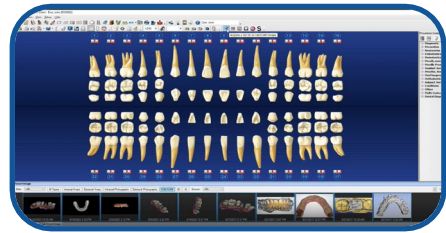


# The Henry Schein Clinical Workflow Platform

Better Patient Outcomes and Ease of Use of Innovative Specialty Products



## Practice Management System



**DENTRIX**  
**DENTRIX ASCEND**  
**dentally**

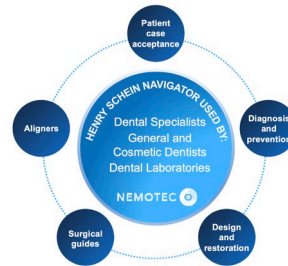
Access patient clinical record

## Digital Capture



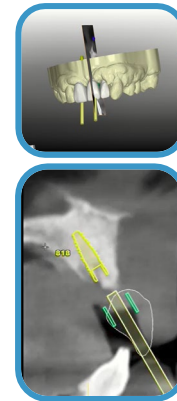
Interoperability with 2D, 3D, and iOS

## Henry Schein Navigator



Powering clinical workflow

## Clinical Planning and Design



Options:

- In-house
- Third-party service provider
- Laboratory

## Fabrication



Options:

- Lab **DDX** DIGITAL DENTAL EXCHANGE
- Chairside mill
- 3D printing

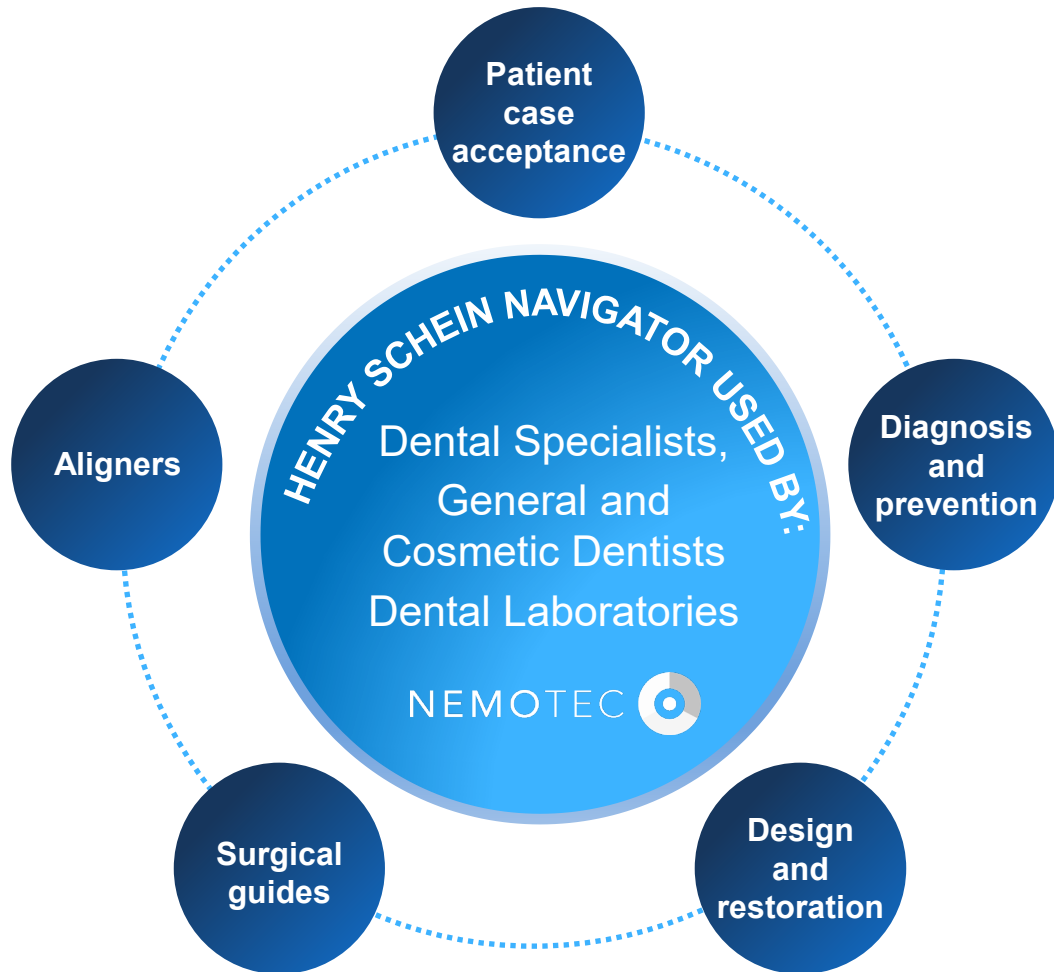
## Output – Products



Providing a seamless open-architecture customer journey

# Henry Schein Navigator

Powering the Clinical Workflow Platform



## KEY ATTRIBUTES

- **Multi-specialty platform** that creates unique workflow experience
- **Cloud-based, open architecture** allowing integration of device and equipment manufacturers
- **Consistent interface** between workflows

## CUSTOMER AND PATIENT BENEFITS

- Seamless experience for practitioners
- Digitized clinical view of the patient to:
  - Assist diagnosis
  - Increase efficiency and success rates of treatments
  - Allow for prevention and earlier detection of disease

# Endodontics Market Overview



Providing a complete solution covering all aspects of the endodontic procedure

## Growth Levers Driving Strategy

- Strong market growth dynamics
- New product launches including advanced irrigation technologies
- Bioceramic materials adoption
- Multiple sales channels and geographic expansion
- Value-add training programs



**5-8%**

Estimated market growth

# Dental Specialties: How We Win

**Develop and launch** innovative new products

**Expand global presence** and address a broader market with **diverse price points and products**

**Leverage** Henry Schein customer base to grow share of wallet

Establish seamless **clinical workflow platform** across specialties





# **BUILD Complementary Software, Specialty & Services Businesses:**

## Henry Schein One

 HENRY SCHEIN®  
2023 INVESTOR MEETING



**Christine King**

EXECUTIVE CHAIR,  
HENRY SCHEIN ONE



**Brian Weatherly**

CHIEF INTERNATIONAL  
& STRATEGIC OFFICER,  
HENRY SCHEIN ONE



**Ali Hyatt**

CHIEF MARKETING OFFICER,  
HENRY SCHEIN ONE

# Henry Schein One Overview

Integrating Practice Management Solutions



~\$550M

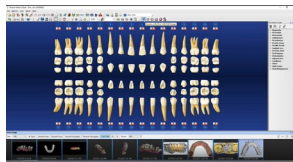
2022 revenue

#1

Dental practice management

## HENRY SCHEIN ONE Dental Suite

Practice management software



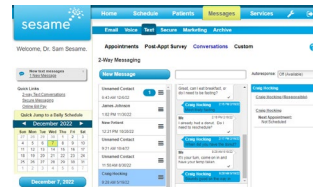
Office profitability  
treatment planning

Patient relationship management



Patient communication  
scheduling

Patient demand generation



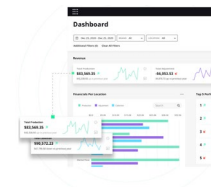
Patient acquisition  
digital presence

Revenue cycle management



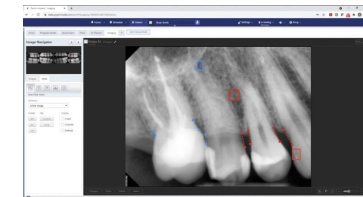
Claims processing  
billing & payments

Dental analytics



Office optimization  
cash management

Clinical workflow



AI imaging  
digital workflows





### Growth Levers Driving Strategy

- Create integrated solutions and offer seamless office workflows
- Enable DSO growth
- Leverage One Schein for its broad and deep customer relationships
- Provide analytics and real-time payments and claims
- Facilitate artificial intelligence applications

### Key Differentiators

- Leading cloud-based software
- Seamless patient experience
- Optimization of operations and profitability
- Market leading security (SOC 2)
- Broadest offering of integrated solutions and office workflows
- World class imaging
- Artificial intelligence for decision support



**100K** Dental active customers<sup>2</sup>

**8-12%** Estimated market growth

<sup>1</sup>Based on management estimates

<sup>2</sup> 100K active customers represents 69k North American Dental Practices using HS1 core Software Products (Practice Management, Patient Demand Generation, Patient Relationship Management, Revenue Cycle Management, & Dental Analytics) + 31k practices using HS1 core Software Products (Practice Management) outside of the U.S.

# Industry Trends Are Driving Demand for Henry Schein One Solutions



## Payment & Claims Innovation

72% of dentists are concerned with declining insurance reimbursement rates

## Customer Dynamics

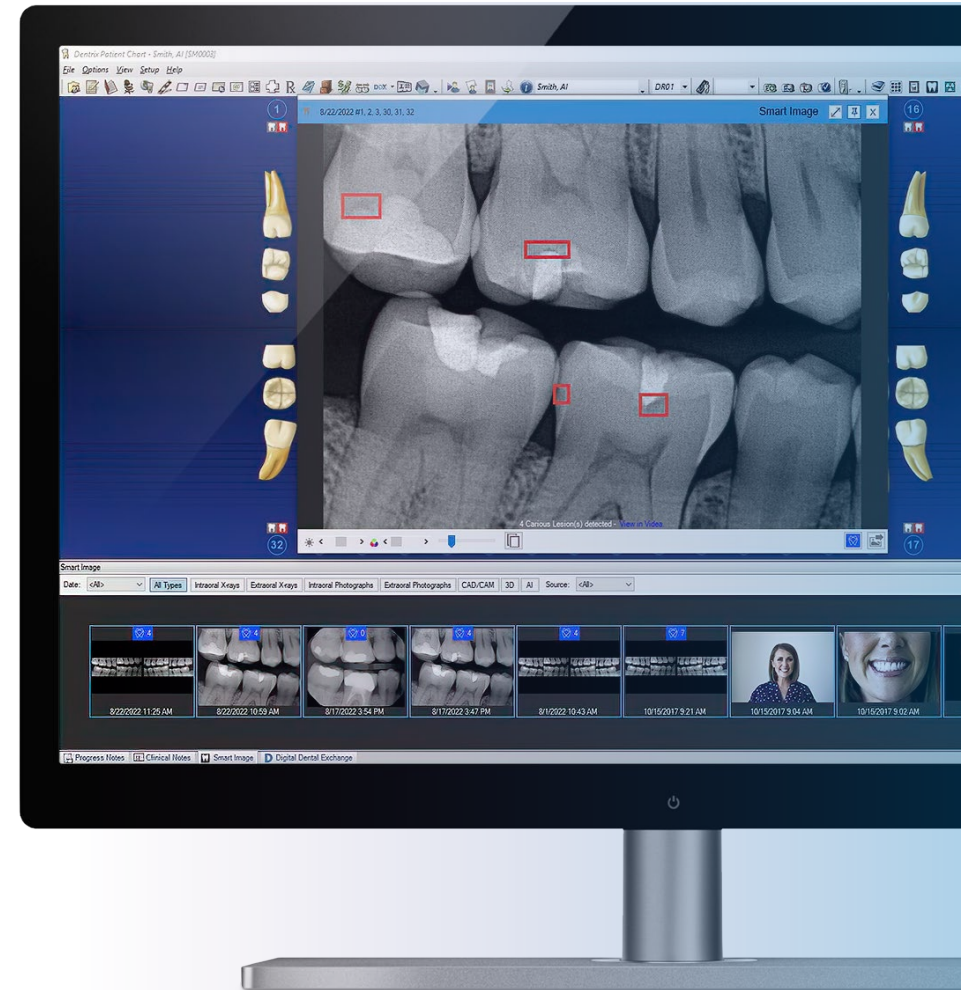
Consumerization of healthcare  
Preference for all-in-one digital solutions and movement to the cloud  
Growth of large group practices and need for centralization, efficiency, and security

## AI & Clinical Decision Support

Dentists seek more accurate diagnoses to improve patient care

## Dental Practice Consolidation

DSOs actively seek solutions to solve needs across practices – from business intelligence to practice management



# A Single Platform to Support the Growth and Profitability of Dental Practices



## Reviews from our customers



### Patient Acquisition & Engagement

“We saw a **50% increase in web traffic**—receiving 120 new patients—directly from searches that led them to our website through Henry Schein One.”

DR. JENNIFER BUTLER | MILL FOREST DENTAL, WEBSTER, TX



### Revenue Cycle Management

“Through Dentrix Profitability Coaching and HS1 RCM solutions, **treatment acceptance for all patients increased by 110% and collections increased 28%.**”

LEVINSON & SULLIVAN DENTISTRY | TULSA, OK



### Patient Care & Practice Management

“As a Dentrix user, our offices have seen a dramatic increase in recalls, online bookings, and **productivity in excess of 21% across all 6 of our offices.**”

DR. DAVID TARICA | MYNYC-DENTIST, NEW YORK, NY



### Analytics

“As **the fastest growing DSO in the country**—scaling from 65 to 500+ practices in less than 4 years—Jarvis lets us measure everything that matters. Without Jarvis, we would not have been able to focus on growth.”

JUSTIN PUCKETT | PRESIDENT, MB2 DENTAL

# Technology Solutions: How We Win



Develop innovative and integrated solutions and service models, including SaaS

Leverage One Schein to broaden and deepen relationships with customers

Gain market share in all customer segments particularly DSOs

Drive fast growing product areas





# **BUILD Complementary Software, Specialty & Services Businesses:**

## Value-Added Services Portfolio



**David Brous**  
CEO, STRATEGIC  
BUSINESS GROUP



**Natalie Westfall**  
VP & GM, FINANCIAL &  
STRATEGIC SOLUTIONS



# Value-Added Services Business Overview

Helping customers operate a more efficient practice and provide quality clinical care

## BENEFITS

- Meets customer needs
- Drives customer loyalty
- Highly profitable

## Primary services:

- Financial services
- Practice transitions
- Staffing services
- Revenue cycle management
- Education
- Remote patient monitoring



# eAssist: Leader in Revenue Cycle Management



- Largest dental revenue cycle operations outsourcing company in the U.S.
- Submits claims and collects account receivables



“ The eAssist platform has been absolutely transformative for our practice. [The dental billing platform specialists] know exactly what to do, and do it with a level of precision and expertise that is difficult to find for everyday dental practices. ”

– Dr. Whyte, Dr. Whyte Smile

“ My team of Success Consultants using the eAssist Platform has given me a peace of mind with our collections this past year. It is the only way that I can pay my team and keep my door open. ”

– Dr. Nguyen, True Care Dental

“ eAssist has taken the busyness off our plates - time spent on EOBs, posting payments, calling insurance companies, playing phone tag, writing appeals, and following up. It's made all the difference in the world! ”

– Sunny Cardenas, Office Administrator,  
Dripping Springs Family Dentistry

# Practice Services: Supporting Customers Through All Stages of Practice Ownership



## Henry Schein Financial Services

Funding is provided by third-party financial institutions for the following products:

- Equipment Financing & Leasing
- Project Loans
- Henry Schein Credit Card
- Credit Card Processing
- Patient Financing



## Henry Schein Dental Practice Transitions

- Practice Purchase & Sales
- Appraisals



**Consistent access to capital, at market competitive rates, for over 20 years**

# Value-Added Services: How We Win

Continue to provide additional services both organically and inorganically

Leveraging Henry Schein's financing programs





# OPERATIONALIZE One Distribution and LEVERAGE One Schein



2023 INVESTOR MEETING



**Brad Connett**

CEO,  
NORTH AMERICA  
DISTRIBUTION



**Andrea Albertini**

CEO,  
INTERNATIONAL  
DISTRIBUTION



**Michael Ettinger**

EVP & CHIEF  
OPERATING  
OFFICER



**Dirk Benson**

CCO,  
NORTH AMERICA  
DISTRIBUTION



**Nancy Lanni**

VP & GM,  
STRATEGIC ACCOUNT  
MANAGEMENT



# North America Distribution Business Overview

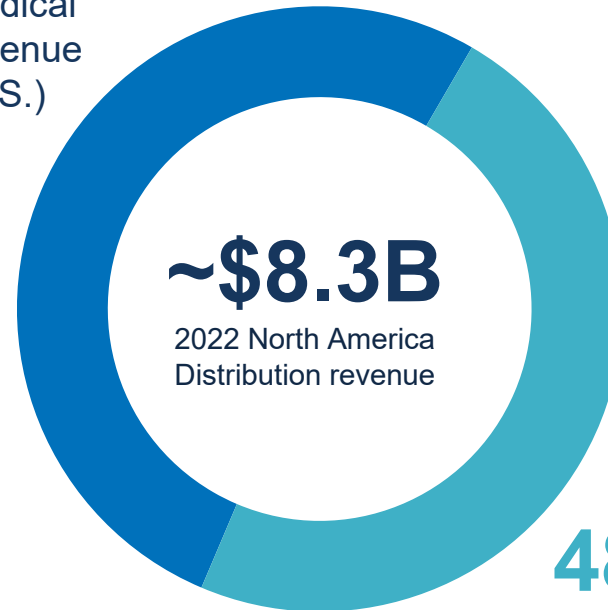
The Leading<sup>1</sup> Provider of Health Care Products and Related Services to Office-based Dental and Medical Practitioners and Alternate Care Sites

## CUSTOMERS RELY ON US:

- To provide innovative, integrated health care products and services
- To be trusted advisors and consultants
- To provide technical services

**52%**

Medical revenue  
(U.S.)



**48%**

Dental revenue  
(U.S. and  
Canada)



# North America Distribution Market Overview

## Growth Levers Driving Strategy

- Full-service and value-added sales model
- Robust Fully Integrated Service Team (FIST)
- Customer segmentation strategies for growth
- Increase in efficiency and customer experience
- Global supply chain expertise
- Investment in Global e-Commerce Platform
- Broad range of corporate and owned brand products



**#1** Dental Distributor

**90%** Dental Practices are active customers

**2-4%** Estimated Dental market growth<sup>3</sup>

**#2** Physician and Alternate Care Distributor<sup>2</sup>

**60%** Physician Practices are active customers

**4-7%** Estimated Medical market growth

<sup>1</sup> Based on management estimates.

<sup>2</sup> Excluding specialty drug sales

<sup>3</sup> Excludes Dental Specialty products

# International Distribution Business Overview

The Leading Provider of Health Care Products and Related Services to Office-based Dental Practitioners

## CUSTOMERS RELY ON US:

- To provide innovative, integrated health care products and services
- To be trusted advisors and consultants
- To provide technical services

**\$2.6B**  
2022 revenue

**30**  
Countries



# International Distribution Market Overview

## Growth Levers Driving Strategy

- Superior customer experience
- Leverage the Henry Schein portfolio of owned and corporate brands
- Broad range of corporate and owned brand products
- Focus on Multisite and DSO customers
- Increase in efficiency and customer experience
- Global supply chain expertise
- Investment in Global e-Commerce Platform



**650K**

Dental Practices

**#1**

International  
Dental Distributor

**2-4%**

Estimated market  
growth<sup>2</sup>



# Henry Schein Global Supply Chain Excellence

- **99%+ Service Level**
- **300K Unique Stocking SKUs Globally**
- **22K Unique Private Brand Products**
- **Enhanced Transportation Network**
- **90% of Worldwide Customers Serviced Next Day**
- **Globally operates out of 29 distribution and 19 manufacturing facilities**





# Panel Discussion

 HENRY SCHEIN®

2023 INVESTOR MEETING



**Brad Connett**  
CEO,  
NORTH AMERICA  
DISTRIBUTION



**Andrea Albertini**  
CEO,  
INTERNATIONAL  
DISTRIBUTION



**Michael Ettinger**  
EVP & CHIEF  
OPERATING  
OFFICER



**Dirk Benson**  
CCO,  
NORTH AMERICA  
DISTRIBUTION



**Nancy Lanni**  
VP & GM,  
STRATEGIC ACCOUNT  
MANAGEMENT

**What are the  
key growth  
drivers for your  
businesses?**

**Tell us about the  
One Schein strategy  
and how it will  
drive growth.**

**What do you  
think differentiates  
Henry Schein's  
customer experience?**

**What is the key differentiator of Henry Schein's supply chain?**



**It looks like the equipment order book continues to be strong. What are the key growth drivers?**

**What is driving growth in the Medical business, and do you expect this pace to continue?**

**What are you  
most excited  
about regarding  
the future of your  
respective businesses?**

# Advancing Our Digital Transformation Journey

 HENRY SCHEIN®  
2023 INVESTOR MEETING



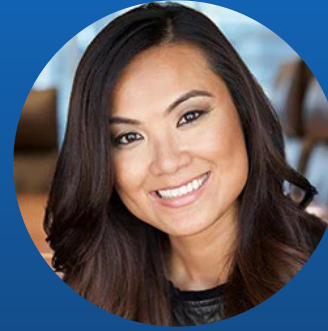
**Mark Hillebrandt**

VP & CHIEF DIGITAL  
REVENUE OFFICER



**Leigh Benowitz**

SVP & CHIEF  
GLOBAL DIGITAL  
TRANSFORMATION  
OFFICER



**Trinh Clark**

SVP & CHIEF  
GLOBAL CUSTOMER  
EXPERIENCE  
OFFICER

# Meeting Evolving Customer Needs



Today's Healthcare Provider expects to **engage, shop for and manage their business online**, as well as in-person. We intend to deliver on this expectation by executing on our **three core priorities**:

Digital Marketing

eCommerce

Enhanced Customer Experience



Our digital investments lead to:

- Greater customer retention
- Increased cross-selling
- Lower cost of sales

Online sales have higher:

- Average order value
- Profitability



# Enhancing Our Digital Profile



The **fastest growing** presence in dental products search engine optimization

The **leader** in dental products search engine marketing

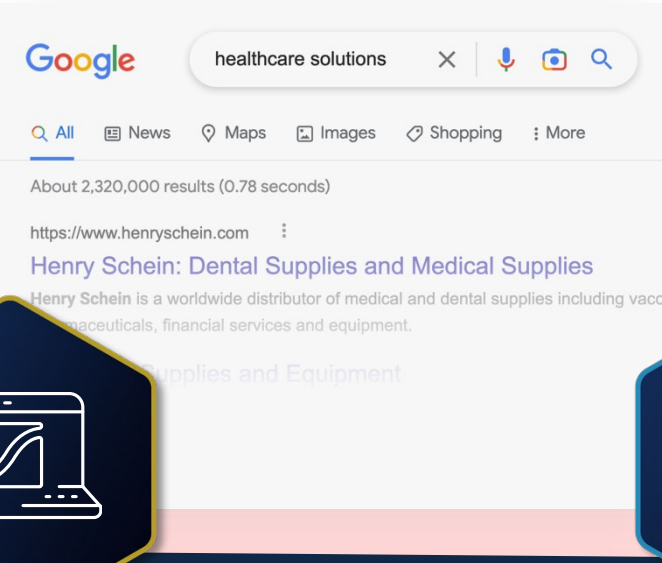
The **leader** in dental digital products lead generation

**75% YoY growth<sup>1</sup>** in medical search engine optimization page 1 ranking

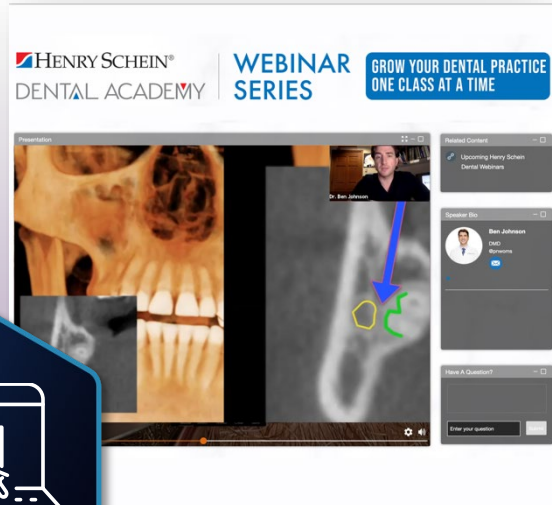
A **leading** dental YouTube education site



# Digital Marketing Goals



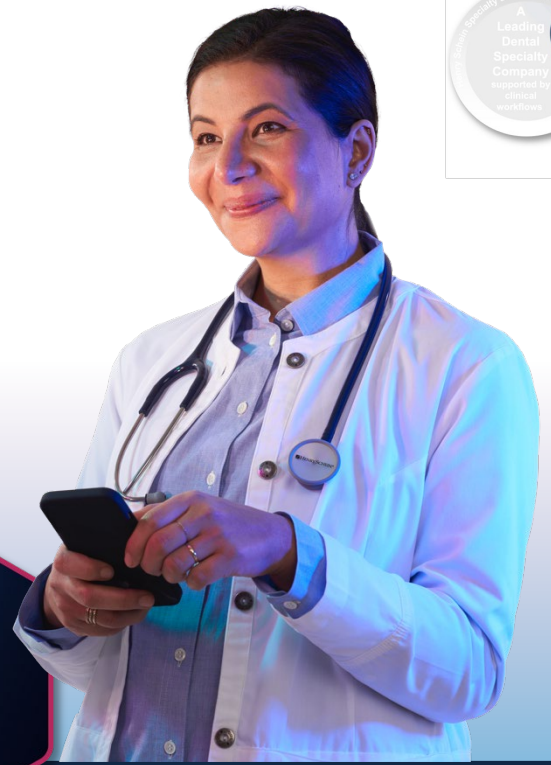
Lead in **online search** and **product discovery** to attract customers



Lead in **digital content education** to engage customers



Deliver **seamless omnichannel shopping experience**: online, in-person, or over the phone



# Global eCommerce Platform



Clean, modern design

Personalized experience

Prominent, enhanced search

Expanded equipment offering

Quick view feature

Ratings and reviews

Guest check-out process

Globally consistent,  
locally customizable



# Digital Roadmap



## U.S. / EMEA Focused

### Enhance Current Experience and Build Out Infrastructure

- Website enhancements
- Marketing technology
- AI/Predictive Analytics

## Global Focused

### Pilot and Scale Global eCommerce Platform

- Scalable global platform
- Customer-focused design
- Personalization & targeting

## Creating Synergies

### Drive Future Benefits for Customers

- Business integrations
- Marketplace



# Fostering a Customer-Centric Culture



## CX Strategy

Maximize loyalty



## Team Schein

Enable the consistent delivery of an exceptional, differentiated customer experience

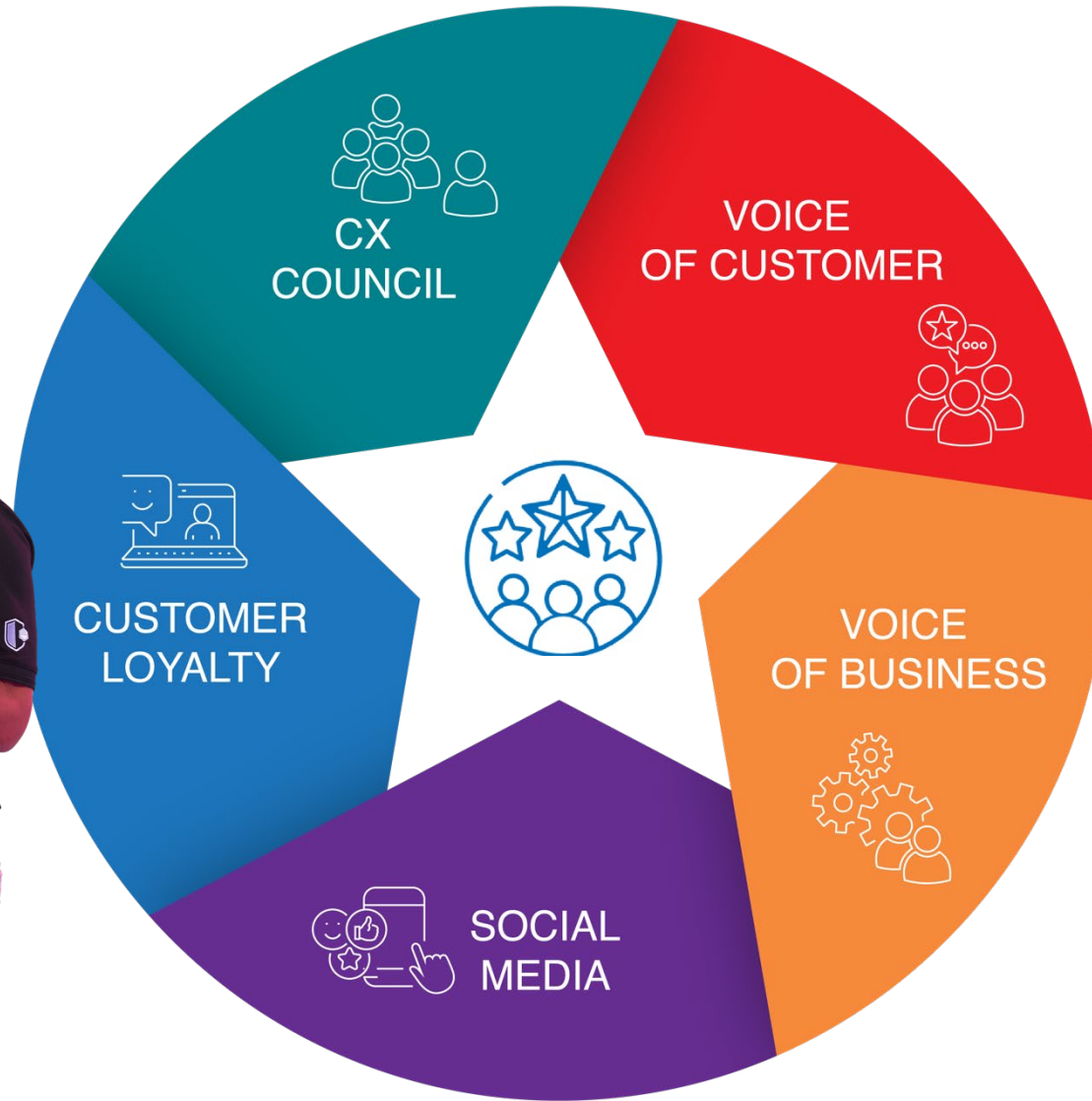


## Data & Technology

Extract insights for greater organizational leverage



# Global Customer Experience



# Strategic Advantages of Henry Schein's Integrated Digital Solutions



**Mark Mlotek**

EVP & CHIEF STRATEGIC OFFICER

# Henry Schein's Value Proposition

A Suite of Differentiated Customer Solutions  
Including Proprietary Products and Integrated Software

Uniquely positioned  
to provide solutions  
for general and  
specialist practitioners  
in alternate  
healthcare settings

Henry Schein's solutions enable:

Improved patient experience

Improved outcomes

Increased case acceptance

Increased practice efficiencies



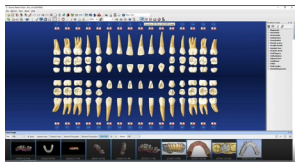
# Henry Schein One Overview

Integrating Practice Management Solutions



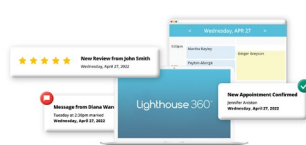
## HENRY SCHEIN ONE Dental Suite

Practice management software



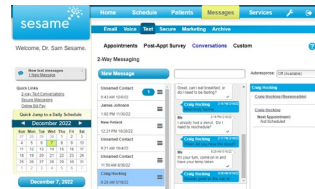
Office profitability  
treatment planning

Patient relationship management



Patient communication  
scheduling

Patient demand generation



Patient acquisition  
digital presence

Revenue cycle management



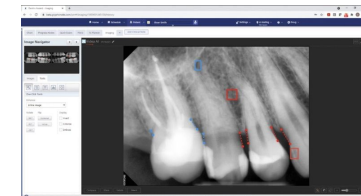
Claims processing  
billing & payments

Dental analytics



Office optimization  
cash management

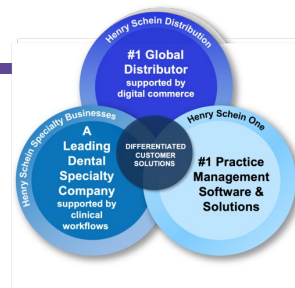
Clinical workflow



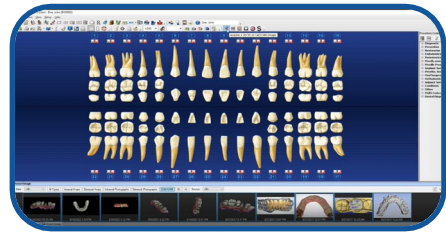
AI imaging  
digital workflows

# The Henry Schein Clinical Workflow Platform

Better Patient Outcomes and Ease of Use of Innovative Specialty Products



## Practice Management System



**DENTRIX**  
**DENTRIXASCEND**  
**dentally**

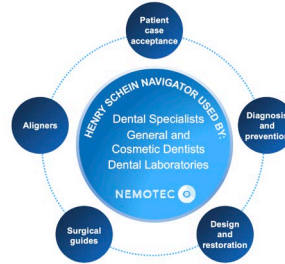
Access patient clinical record

## Digital Capture



Interoperability with 2D, 3D, and iOS

## Henry Schein Navigator



Powering clinical workflow

## Clinical Planning and Design



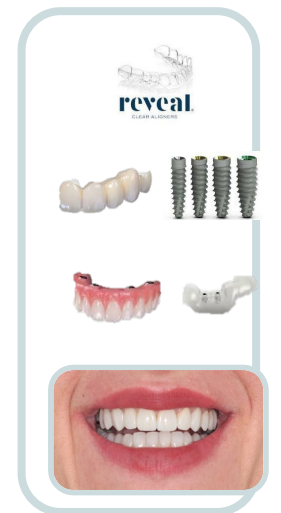
- Options:
- In-house
  - Third-party service provider
  - Laboratory

## Fabrication



- Options:
- Lab **DDX** DIGITAL DENTAL EXCHANGE
  - Chairside mill
  - 3D printing

## Output – Products

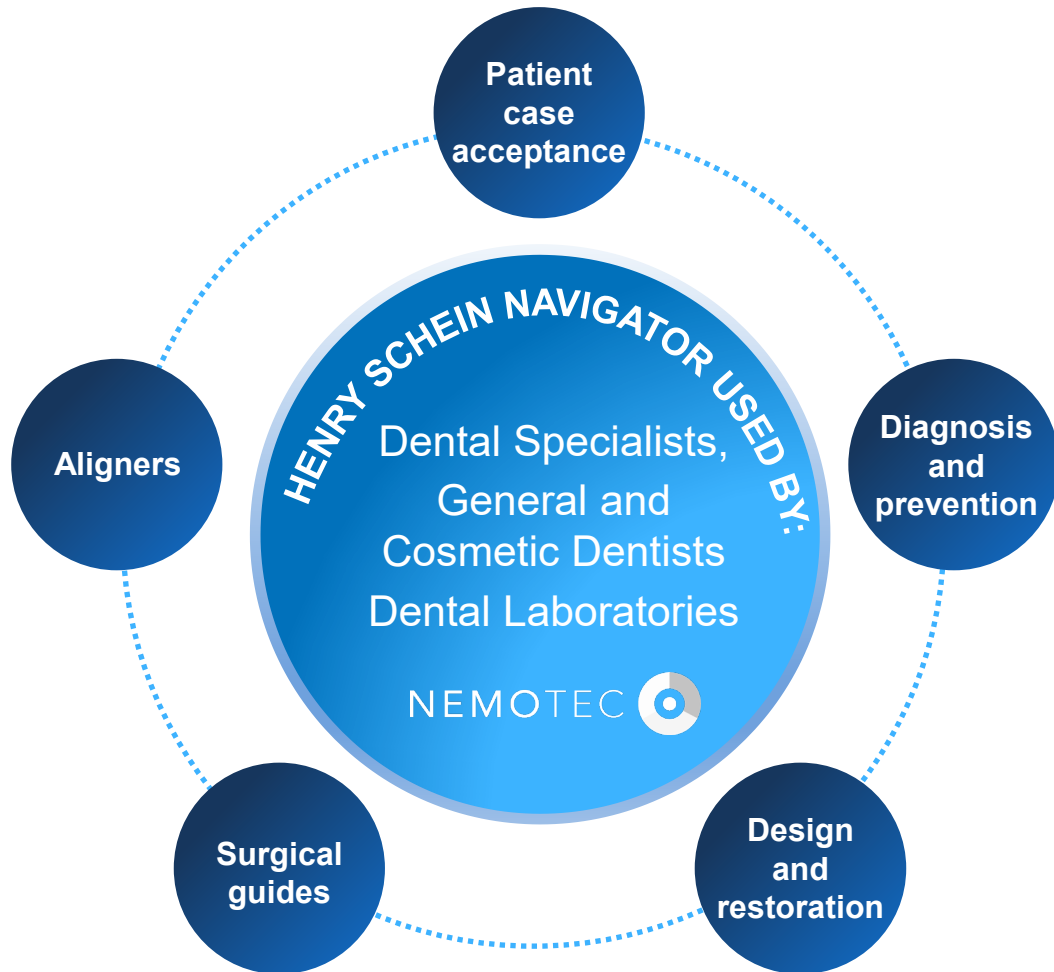


**Providing a seamless open-architecture customer journey**



# Henry Schein Navigator

Powering the Clinical Workflow Platform



## KEY ATTRIBUTES

- **Multi-specialty platform** that creates unique workflow experience
- **Cloud-based, open suite** allowing integration of device and equipment manufacturers
- **Consistent interface** between workflows

## CUSTOMER AND PATIENT BENEFITS

- Provides seamless experience for customers
- Creates 'digitalized patient' in order to:
  - Assist diagnosis
  - Increase efficiency and success rates of treatments
  - Allow for prevention and earlier detection of disease

# Digital and Customer Experience



Today's Healthcare Provider expects to **engage, shop for and manage their business online**, as well as in-person. We intend to deliver on this expectation by executing on our **three core priorities**:

Digital Marketing

eCommerce

Enhanced Customer Experience



Our digital investments lead to:

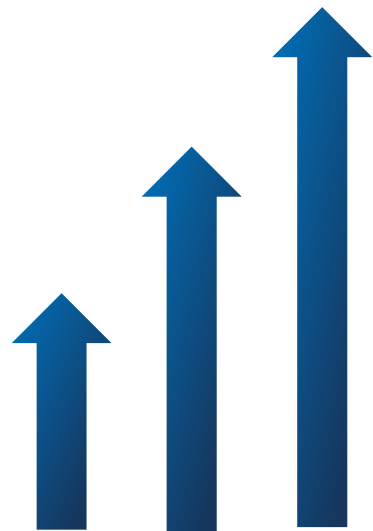
- Greater customer retention
- Increased cross-selling
- Lower cost of sales

Online sales have higher:

- Average order value
- Profitability

# How We Win

Creating a **unique and differentiated** end-to-end solution resulting in **improved:**



Patient experience

Patient outcomes

Patient acceptances

Practice capacity and efficiency



# ESG Activities



**Jennifer Kim Field**

VP, CHIEF SUSTAINABILITY OFFICER



**Lorelei McGlynn**

SVP, CHIEF HUMAN RESOURCES OFFICER

# 90+ Year Commitment to Our Five Constituents — Team Schein, Customers, Suppliers, Investors, & Society

ESG Priorities Aligned with Our Business Strategy



## Environmental

Reducing our **environmental footprint** in our operations and supply chain in collaboration with suppliers and partners



## Social

Enhancing our human capital strategies, particularly on **employee recruitment and retention** as well as **diversity and inclusion**

Nurturing a **connected and engaged Team Schein community**

Advancing **access to quality and affordable care for vulnerable populations** globally

Furthering our **health integration efforts**



## Governance

Enhancing our corporate governance and **helping to protect human rights, ecosystems, and responsible business** everywhere we operate

## Stakeholder ESG Engagement

### Corporate Citizenship Barometer

A pilot program to gather feedback on our stakeholder's awareness and sentiment of Henry Schein's ESG position and activities

### ESG Materiality Assessment

Assessment to better understand the issues most relevant to the business and our stakeholders and to determine the issues that should be prioritized in our response and reporting



# ESG Stewardship Designed to Achieve Our Sustainability Priorities



**Nominating & Governance Committee**

**ESG oversight** with Compensation Committee playing a role in ESG matters related to human capital management and executive compensation



**Sustainability Committee**

Global cross-functional senior and middle management that **drives forward global ESG strategy and progress led by Chief Sustainability Officer**



**Diversity & Inclusion Council**

Global cross-functional group of senior leaders **driving Company-wide D&I strategy** and helping prioritize efforts

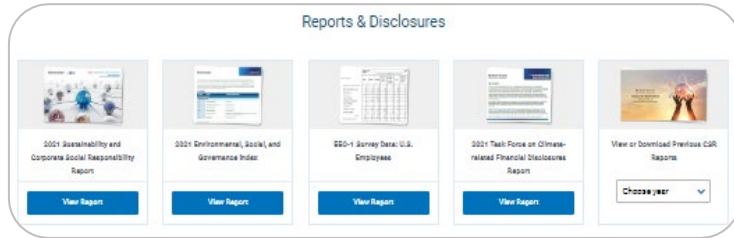


**Environmental Impact Council**

**Drive and operationalize environmental impact** and results for Henry Schein to be the brand of choice for health care professionals globally



# Progress on Our ESG Reporting



**Issued Annual Sustainability and CSR Report** per SASB and GRI reporting framework, along with **first TCFD report in 3Q2022**



**Completed ESG Assurance Readiness** and implementing enhanced reporting of non-financial data



**Finalizing TCFD Scenario Analysis** on our climate risks and opportunities in early 2023

# Progress on Our Environmental Priorities



## Carbon Neutrality by 2050

- Mitigating our impact on climate and addressing climate risks and opportunities for our business
- **Building our global climate roadmap**



## All-Electric Goals

- Remaining committed to an all-electric operations lift truck fleet in our U.S. distribution centers by 2025
- **Continuing progress on upgrading high efficiency charging equipment (62% in 2021 vs 51% in 2019)**



## Advancing the Circular Economy

- Striving circularity in our operations and continually reducing waste, recycling, and reusing materials
- **Offering customers solutions to help them implement practical ways to become more sustainable**



## Enhancing Supply Chain Resilience

- Driving action and innovation in the supply chain together with partners and suppliers
- **Launching a human rights compliance training course for 2023**



# Progress on Our Social Priorities — Public-Private Partnerships



## Advancing Health Equity

### Access to Care

Partnering for 20+ years with the American Dental Association (ADA) Foundation's Give Kids A Smile program with 7 million children served, ~30,000 dentists and dental team volunteers each year

### Emergency Preparedness and Response

Strengthening disaster preparedness and supporting relief efforts worldwide through nonprofit partnerships

### Supporting Diversity in Health Care

Recognizing the importance of and supporting the diversity of health care leaders with ADA, National Dental Association, National Medical Association, and others



## Promoting Health Integration

### Advocacy

Advancing awareness through key think tanks and consortium engagements to influence policy

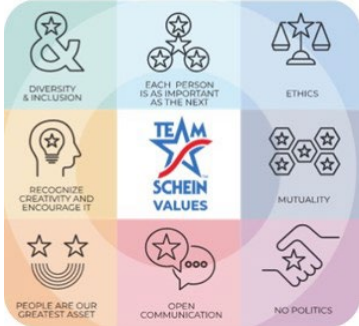
### Infrastructure

Building integrated solutions to support interprofessional engagement

### Stakeholder Engagement

Catalyzing collaboration with medical and dental professionals

# Progress on Our Social Priorities — Team Schein Engagement



## Nurturing a Connected & Engaged Community

- Continued focus on creating a collaborative community connected to our strong values-based culture
- Listening to the needs of our team through roundtables, The Pulse Global Culture Survey, and other focuses



## Committed to Diversity & Inclusion

- 6 Employee Resource Groups
- Published EEO-1 Data
- D&I goal for Directors and VPs tied to compensation
- **New goal to increase representation of all underrepresented groups by 2030**



## Driving a Culture of Wellness

- New Workplace Norms to reduce stress and burnout
- Suicide Prevention Programming and Community Walks
- **Committed to continuing to drive a culture of wellness and belonging for every TSM**



## Enhancing Development & Providing Purpose

- Expanded learning and development courses
- Enhanced mentorship program
- Deeper focus on talent planning efforts
- Driving purpose by providing volunteer opportunities to support our communities



# Financial Goals

 HENRY SCHEIN®

2023 INVESTOR MEETING



**Ronald South**

SVP & CHIEF FINANCIAL OFFICER

# Key Financial Takeaways

Track record of strong performance:

- **12% non-GAAP EPS<sup>3</sup> CAGR over the last 5 years**
- **14% non-GAAP EPS<sup>3</sup> CAGR over 27 years as a public company**

Successfully adapted to the pandemic by:

- Responding rapidly to initial office closures and reopenings
- Fulfilling additional demand for PPE and COVID test kits

2023 guidance<sup>1, 2</sup>:

- **Sales growth of 4-7%<sup>4</sup>, excluding PPE and COVID test kits**
- **High single-digit to low double-digit operating income growth adjusting for PPE and COVID test kits**
- **Non-GAAP EPS of \$5.25 - \$5.42 per share**

Long-term goal:

- **8-11% non-GAAP EPS<sup>1</sup> growth annually**



<sup>1</sup> Beginning with 2023, non-GAAP EPS guidance will exclude amortization expense of acquired intangible assets

<sup>2</sup> Guidance also assumes end markets will remain consistent with current market conditions, and that there are no material adverse market changes associated with COVID

<sup>3</sup> The Company is not providing a reconciliation of its 2023 non-GAAP guidance to the Company's projected 2023 diluted EPS prepared on a GAAP basis. This is because the Company is unable to provide without unreasonable effort an estimate of integration and restructuring costs related to an ongoing initiative to drive operating efficiencies, including the corresponding tax effect that will be included in the Company's 2023 diluted EPS 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.

<sup>4</sup> Total reported and estimated sales – include acquisitions and changes in foreign exchange rates

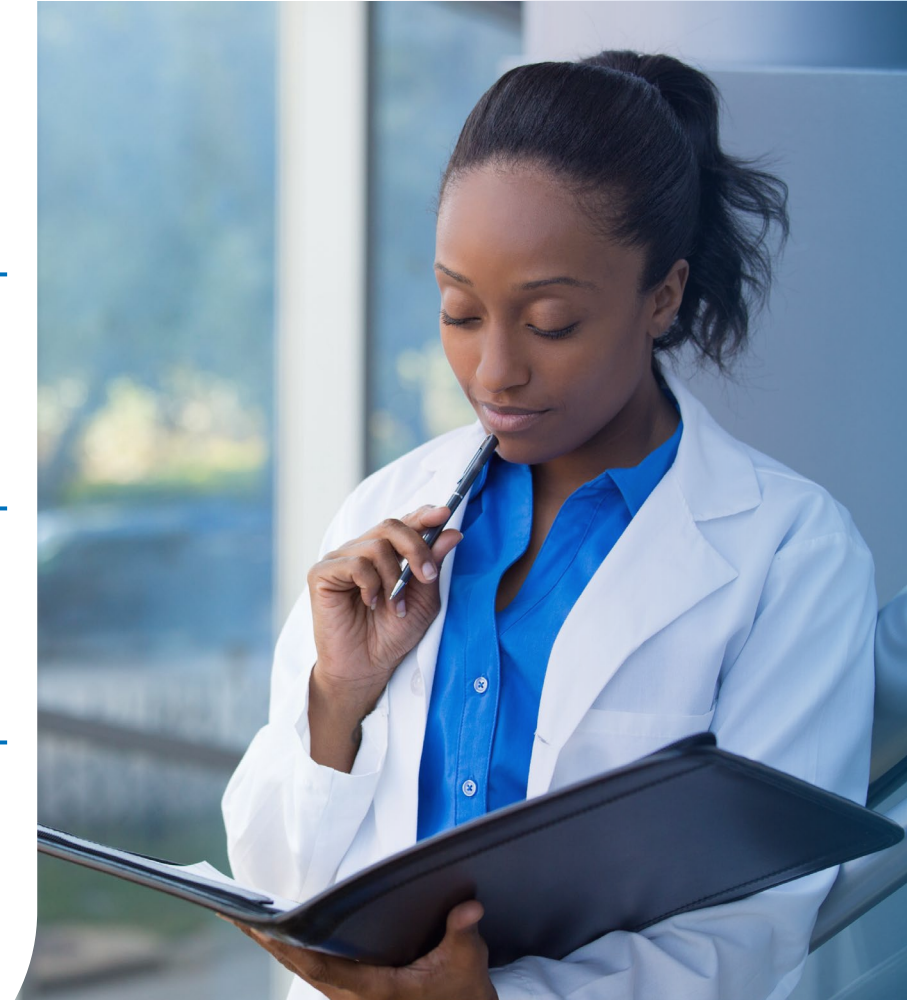
# Growth Drivers in Our Businesses

**Leveraging our distribution infrastructure** and increasing efficiency to expand operating margin

**Growing our Specialty and Technology/Value-added Services businesses** at a faster rate than our Distribution businesses

**Focusing on high growth customer segments** and increasing share of wallet with existing customers

Providing a broad range of digital solutions and **optimizing our e-Commerce marketing platform**

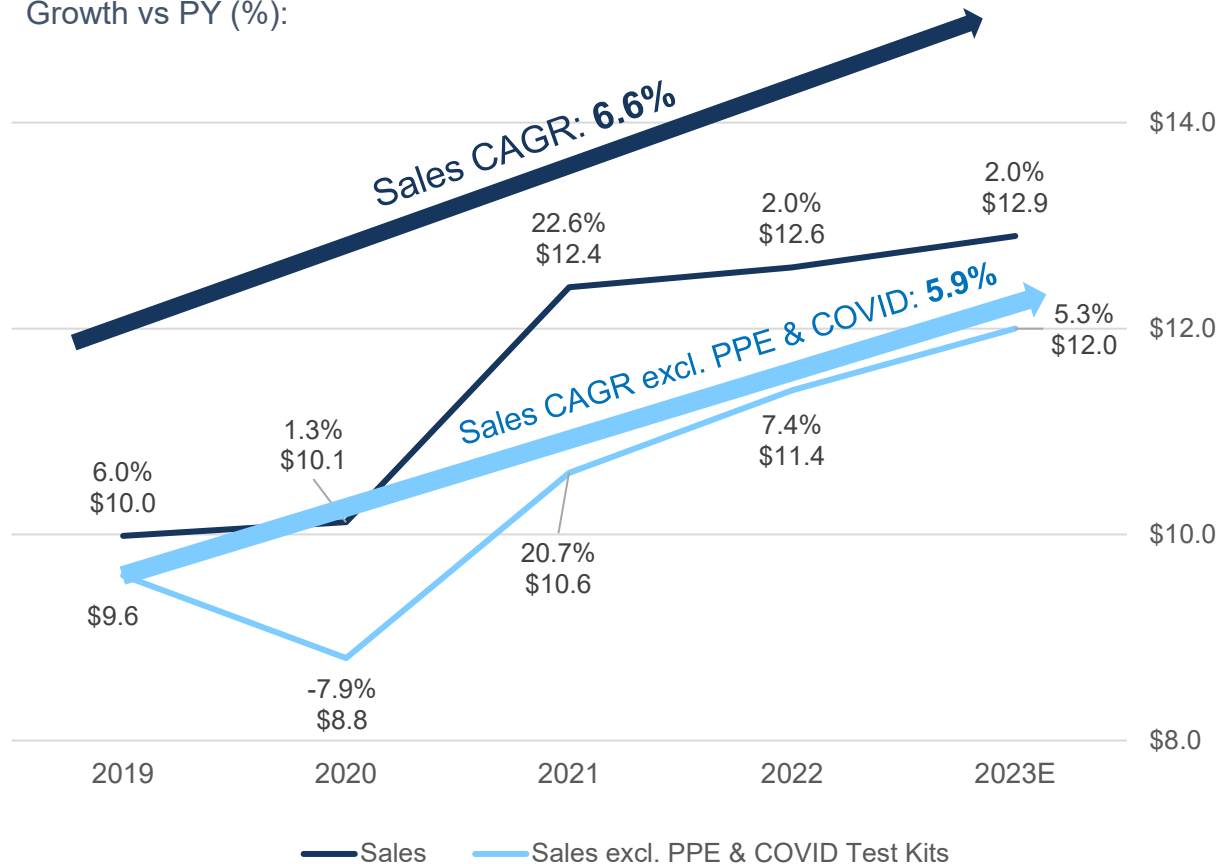


# Operational Execution and Planning Has Delivered Sales Growth

## Strong and Sustainable Sales Growth

Total Sales (\$B)<sup>1</sup>:

Growth vs PY (%):



**4-year Sales CAGR 2019 – 2023E: 6.6%**

- Excluding PPE & COVID Test Kits: 5.9%

**\$2.4B estimated incremental sales since 2019 in non-PPE & COVID Test Kits**

### FY2023 Sales Guidance<sup>2</sup>

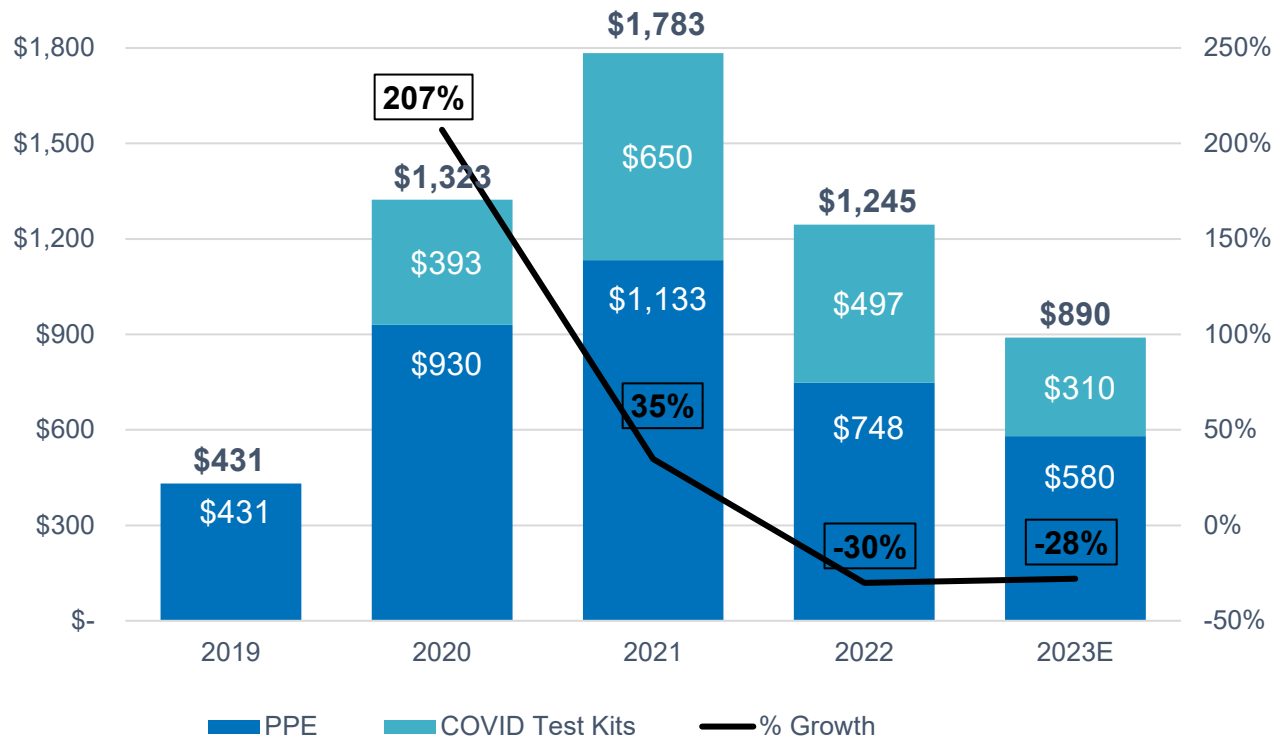
- 1% to 3% total sales growth
- 300-400bps headwind from PPE & COVID Test Kits

**Long-term sales growth goal of 6-8% annually**

# PPE and COVID Test Kit Sales

Significant reduction in PPE and COVID Test Kit Sales since 2021 (~\$900M lower sales)<sup>1</sup>

Sales (\$M):



## PPE products and COVID Test Kits

- Helped sales recovery in 2020 and 2021
- Provided a significant headwind to sales growth in 2022 and 2023E

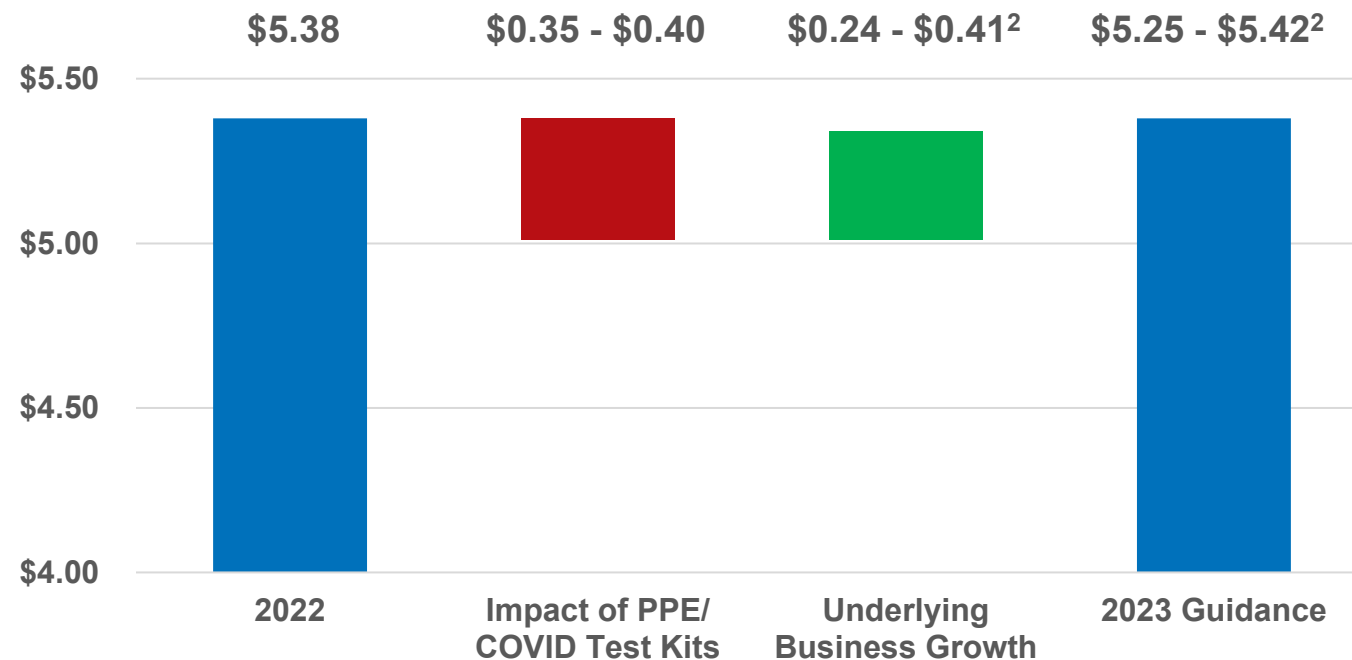
**Sales expected to stabilize by 2024**



# Underlying Business Growth Largely Offsets Impact of PPE and COVID Test Kit Sales on EPS

Lower Sales of PPE and COVID Test Kits reduce non-GAAP EPS growth<sup>1,2</sup>

Non-GAAP EPS (\$):



## Non-GAAP EPS

Excluding PPE and COVID Test Kits

2023 Guidance:  
**5% – 8% implied increase from the underlying business**

# Long-Term Financial Goals

	Long-Term Financial Goals
Total Sales growth	6 – 8%
Non-GAAP Operating Margin expansion	10+ bps
<b>Non-GAAP diluted EPS growth<sup>1</sup></b>	<b>8 – 11%</b>

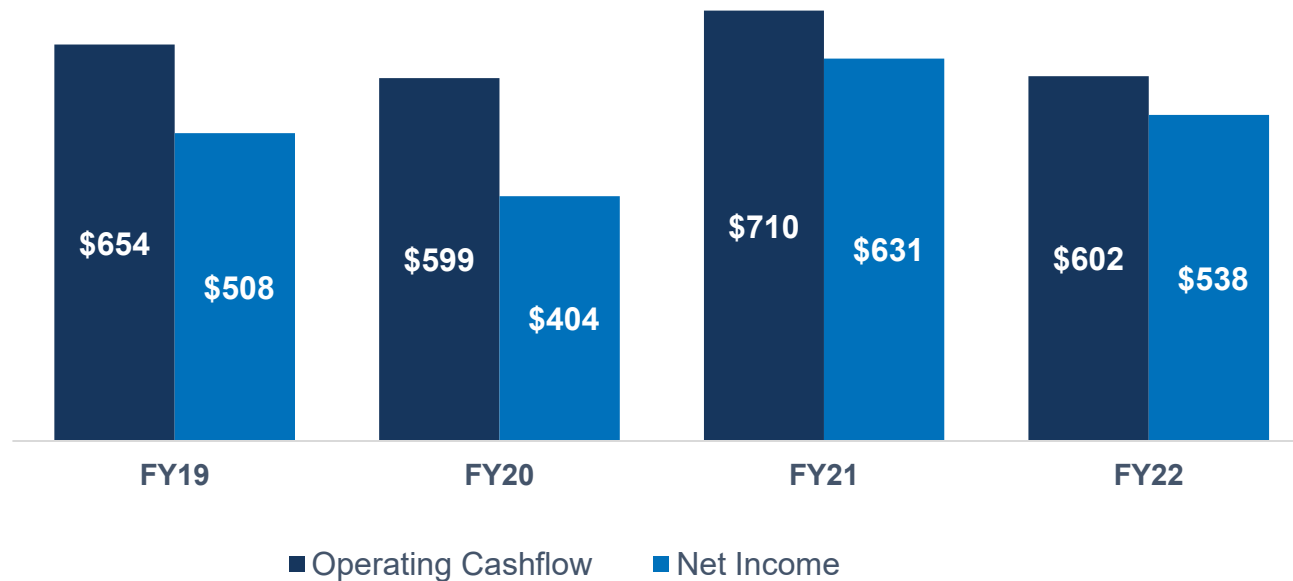
**Our total sales growth assumes the following market growth rates:**

Dental market growth <sup>2</sup>	2 – 4%
Dental Specialties market growth <sup>2</sup>	5 – 8%
Technology market growth <sup>2</sup>	8 – 12%
Medical market growth <sup>2</sup>	4 – 7%

# Converting Earnings into Cash

## 2019 – 2022 Operating Cash Flow versus GAAP Net Income<sup>1</sup>

\$Million:

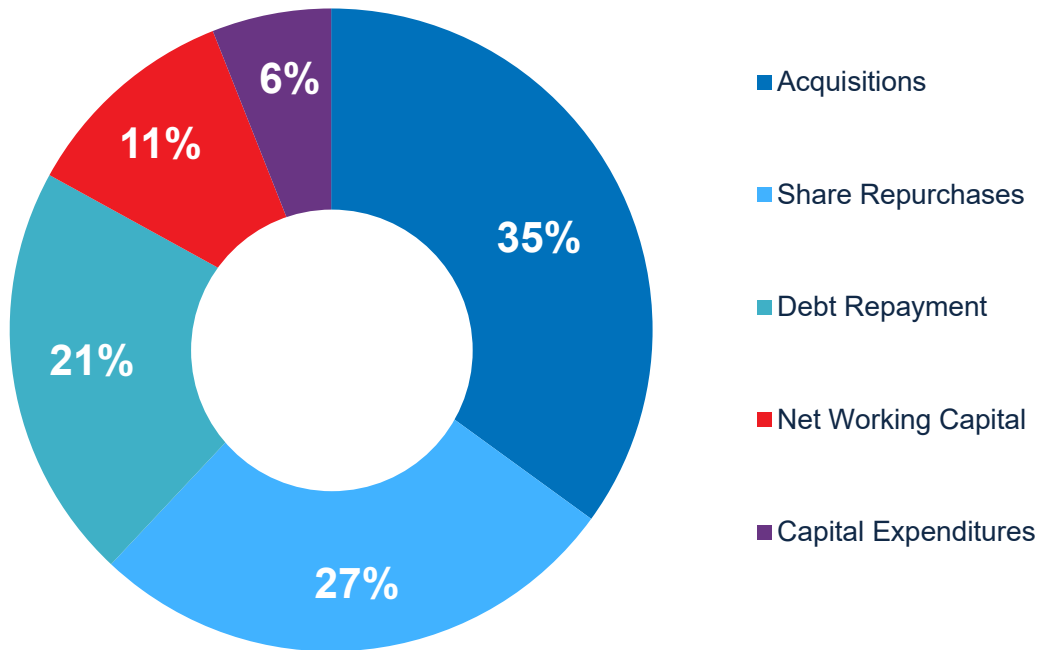


\$600 – 700M annual operating cash flow for investment in capital expenditure, share repurchases, and acquisitions

**High conversion ratio of profits into cash**

# Balanced, Disciplined Capital Deployment

## 2019 – 2022 Capital Allocation



### Continued focus on share repurchase and acquisitions

ON AVERAGE (PER ANNUM):

**\$300 – \$400M**  
share repurchases

**\$300 – \$400M**  
acquisitions

**\$100 – \$150M**  
capital expenditures

**\$100M**  
working capital

**Current Debt/EBITDA<sup>1</sup> ratio of 0.9 provides us flexibility to invest**

# High-Growth Profit Mix

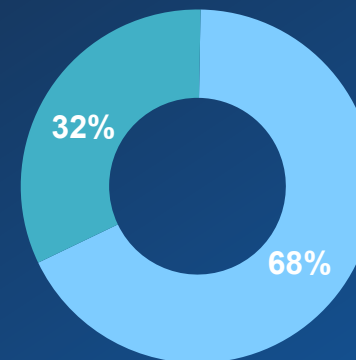
**BOLD+1 to drive accelerated growth in Technology & Value-Added Services businesses and Specialty products:**

- Projected to grow operating income faster than distribution businesses
- Projected operating income contribution of ~40%

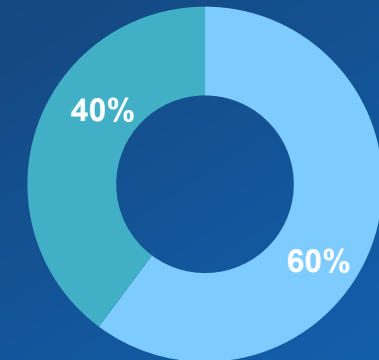
## Non-GAAP Operating Income Contribution

(2019 vs. 2024E)

2019 non-GAAP Operating Income Contribution<sup>1</sup>



2024E non-GAAP Operating Income Contribution<sup>1,2</sup>



■ Distribution

■ Specialty/Technology/VAS



# Financial Summary

2023 non-GAAP projected operating income growth in the high single-digit to low double-digit range (excluding PPE & COVID Test Kits)

Long-term annual sales goal of 6-8% & non-GAAP diluted EPS goal of 8-11% growth

Operating Income contribution from high-growth, high-margin Technology and Value-Added Services & Specialty products expected to approach 40% of total in 2024



# Q&A

# Key Takeaways

 HENRY SCHEIN®

2023 INVESTOR MEETING



**Stanley Bergman**

CHAIRMAN & CHIEF EXECUTIVE OFFICER

# Key Takeaways

Leading positions in **attractive markets**

Strategic plan to create operating efficiencies, gain share in **faster growing businesses**, and to deliver an **exceptional customer experience**

Opportunities to leverage existing customer base and gain **additional share of wallet**

Proven track record of transformation and **accelerated growth**

Deep and **experienced management team** supported by a highly motivated **Team Schein**



**Significant opportunity to generate shareholder value  
by executing our BOLD+1 strategic plan**

# THANK YOU



# Appendix

## GAAP to Non-GAAP Reconciliations

# GAAP to non-GAAP Reconciliation Growth Since Going Public

Full Year Growth Since Going Public  
(in millions, except per share data)

	Reconciling Items											Reconciling Item					
	GAAP			Special Management Compensation Costs		Restructuring and Integration Costs		Impairment of Intangible Assets		Non-GAAP Before Amortization Expense from Acquired Intangible Assets			Amortization Expense from Acquired Intangible Assets		Non-GAAP		
	1995	2022	CAGR	1995	2022	1995	2022	1995	2022	1995	2022	CAGR	1995	2022	1995	2022	CAGR
Net Sales	\$ 584	\$ 12,647	12.1%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 584	\$ 12,647	12.1%	\$ -	\$ -	\$ 584	\$ 12,647	12.1%
Operating Income	\$ (3)	\$ 747	n/a (1)	\$ 21	\$ -	\$ -	\$ 131	\$ -	\$ 34	\$ 18	\$ 912	15.6%	\$ -	\$ 126	\$ 18	\$ 1,038	16.1%
Operating Margin	-0.43%	5.91%	634 bps							3.14%	7.21%	15 bps*			3.14%	8.20%	19 bps*
Net Income	\$ (11)	\$ 538	n/a (1)	\$ 20	\$ -	\$ -	\$ 103	\$ -	\$ 23	\$ 9	\$ 663	17.5%	\$ -	\$ 78	\$ 9	\$ 741	17.9%
Diluted EPS	\$ (0.21)	\$ 3.91	n/a (1)	\$ 0.37	\$ -	\$ -	\$ 0.74	\$ -	\$ 0.16	\$ 0.16	\$ 4.81	13.4%	\$ -	\$ 0.57	\$ 0.16	\$ 5.38	13.9%

\* Average annual increase

(1) In 1995, Operating Income, Net Income and Diluted EPS were negative, and CAGR amounts cannot be calculated. Using 1996 as a base year the CAGR for Operating Income, Net Income and Diluted EPS was 15.08%, 17.15%, and 14.23%, respectively. For 1996, there were no reconciling items on a GAAP to Non-GAAP basis.

Note: Amounts may not sum due to rounding.

# GAAP to non-GAAP Reconciliation

## Earnings Highlights

### Full Year Earnings Highlights From Continuing Operations (in millions, except per share data)

	GAAP EPS						GAAP Net Income					
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
GAAP Earnings per share	\$ 1.85	\$ 2.80	\$ 4.69	\$ 2.81	\$ 4.45	\$ 3.91	\$ 293	\$ 431	\$ 701	\$ 403	\$ 631	\$ 538
GAAP EPS Growth %					58%	-12%						
GAAP EPS CAGR						9%						
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
Restructuring costs	\$ -	\$ 0.26	\$ 0.07	\$ 0.17	\$ 0.03	\$ 0.74	\$ -	\$ 40	\$ 11	\$ 24	\$ 5	\$ 103
Settlement and Litigation Costs	0.02	0.19	-	-	0.08	-	3	29	-	-	11	-
Gain (Loss) on Sale of Equity Investment	0.11	-	(1.25)	-	-	-	18	-	(187)	-	-	-
Transitional Tax on Repatriated Foreign Earnings	0.88	(0.07)	-	-	-	-	140	(10)	-	-	-	-
Deferred Tax Adjustment	0.01	-	-	-	-	-	2	-	-	-	-	-
Tax credit realted to Animal-Health spin-off	-	-	(0.01)	-	-	-	-	-	(1)	-	-	-
One-time tax on reorganization related to HS One	-	0.03	-	-	-	-	-	4	-	-	-	-
International Legal Entity Reorganization	-	(0.07)	-	-	-	-	-	(11)	-	-	-	-
One-Time Tax Charge Related to the Animal Health Spin-Off	-	0.02	-	-	-	-	-	3	-	-	-	-
Impairment of Intangible Assets	-	-	-	0.08	-	0.16	-	-	-	11	0	23
Net Gain on Sale of Investments	-	-	-	(0.01)	(0.05)	-	-	-	-	(2)	(7)	-
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
<b>Non-GAAP Before Amortization Expense from Acquired Intangible Assets</b>												
Non-GAAP EPS	2.88	3.16	3.51	3.04	4.51	4.81	\$ 456	\$ 486	\$ 523	\$ 436	\$ 640	\$ 663
Non-GAAP EPS Growth %					48%	6.7%						
Non-GAAP EPS CAGR						10.80%						
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
Acquisition Intangible Amortization	0.23	0.44	0.60	0.48	0.54	0.57	37	68	90	69	76	78
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
<b>Non-GAAP EPS</b>												
Non-GAAP EPS	3.11	3.60	4.11	3.52	5.05	5.38	\$ 493	\$ 553	\$ 613	\$ 505	\$ 716	\$ 741
Non-GAAP EPS Growth %					43%	6.5%						
Non-GAAP EPS CAGR						11.58%						

Note: Amounts may not sum due to rounding.  
Prior periods have been restated to conform to the current period presentation.

# GAAP to non-GAAP Reconciliation Operating Income

## Full Year Operating Income and Margin Highlights From Continuing Operations (in millions, except per share data)

	GAAP						Reconciling Items						Non-GAAP Before Amortization Expense from Acquired Intangible Assets						
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	
Net Sales	\$ 8,883	\$ 9,418	\$ 9,986	\$ 10,119	\$ 12,401	\$ 12,647							\$ 8,883	\$ 9,418	\$ 9,986	\$ 10,119	\$ 12,401	\$ 12,647	
Operating Income	\$ 670	\$ 601	\$ 718	\$ 535	\$ 852	\$ 747	\$ 5	\$ 93	\$ 15	\$ 52	\$ 24	\$ 165	\$ 675	\$ 693	\$ 733	\$ 588	\$ 876	\$ 912	
Operating Margin	7.54%	6.38%	7.19%	5.29%	6.87%	5.91%							7.60%	7.36%	7.34%	5.81%	7.06%	7.21%	
Operating Income Growth %						-12%													4%
Operating Margin %						5.91%													7.21%
CAGR						2.22%													6.20%
	Non-GAAP Before Amortization Expense from Acquired Intangible Assets						Amortization Expense from Acquired Intangible Assets						Non-GAAP						
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	
Net Sales	\$ 8,883	\$ 9,418	\$ 9,986	\$ 10,119	\$ 12,401	\$ 12,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,883	\$ 9,418	\$ 9,986	\$ 10,119	\$ 12,401	\$ 12,647	
Operating Income	\$ 675	\$ 693	\$ 733	\$ 588	\$ 876	\$ 912	\$ 67	\$ 75	\$ 104	\$ 102	\$ 123	\$ 126	\$ 742	\$ 769	\$ 837	\$ 690	\$ 999	\$ 1,038	
Operating Margin	7.60%	7.36%	7.34%	5.81%	7.06%	7.21%							8.36%	8.16%	8.38%	6.82%	8.06%	8.20%	
Operating Income Growth %						4%													4%
Operating Margin %						7.21%													8.20%
CAGR						6.20%													6.93%

Notes: Amounts may not sum due to rounding.  
Prior periods have been restated to conform to the current period presentation.

# GAAP to non-GAAP Reconciliation

## Net Debt to EBITDA

Net Debt to EBITDA  
(in millions, except ratio)

	Last Twelve Months Ending December 2022				
	GAAP	Letters of Credit	Stock Based Compensation	Restructuring, Impairment and Transaction Costs	Non-GAAP
Debt, net of cash	\$ 1,032	\$ 12			\$ 1,044
EBITDA, as calculated	\$ 964		\$ 54	\$ 169	\$ 1,187
<b>Net Debt to EBITDA</b>	<u>1.07</u>				<u>0.88</u>

Note: Amounts may not sum due to rounding.