

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 1, 2022

Henry Schein, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-27078
(Commission
File Number)

11-3136595
(IRS Employer
Identification No.)

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

11747
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On November 1, 2022, Henry Schein, Inc. issued a press release reporting the financial results for the three and nine months ended September 24, 2022. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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

Item 9.01. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibit 99.1 – Press Release dated November 1, 2022.

SIGNATURE

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

HENRY SCHEIN, INC.

By: /s/ Ronald N. South
Ronald N. South
Senior Vice President and
Chief Financial Officer
(Authorized Signatory and Principal
Financial and Accounting Officer)

November 1, 2022

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated November 1, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

FOR IMMEDIATE RELEASE

**HENRY SCHEIN REPORTS RECORD NON-GAAP THIRD-QUARTER 2022 DILUTED EPS
FINANCIAL RESULTS**

- **Net sales of \$3.1 billion decreased 3.5% compared with the third-quarter 2021; internal sales increased 6.8% in local currencies when excluding sales of PPE and COVID-19 test kits**
- **GAAP diluted EPS of \$1.09 compared with third-quarter 2021 GAAP diluted EPS of \$1.15**
- **Non-GAAP diluted EPS of \$1.15 compared with third-quarter 2021 non-GAAP diluted EPS of \$1.10**
- **Full-year 2022 non-GAAP diluted EPS guidance of \$4.79 to \$4.87**

MELVILLE, N.Y., November 1, 2022 – Henry Schein, Inc. (Nasdaq: HSIC), the world’s largest provider of health care solutions to office-based dental and medical practitioners, today reported record non-GAAP financial results for the third quarter ended September 24, 2022.

“Our financial results for the third quarter of 2022 reflect solid underlying growth across our business and in most geographies. We grew our non-GAAP diluted EPS compared with the third quarter of 2021, despite currency headwinds and lower sales of personal protective equipment (PPE) and COVID-19 test kits,” said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. “Today, we are narrowing our 2022 non-GAAP diluted EPS guidance range, which reflects our confidence in the underlying strength and stability of our business. Overall, we feel very good about the outlook for the company and remain highly focused on delivering on our BOLD+1 strategy, as we continue to increase the sustainable profitability of the business.

“Internal growth in local currencies of global dental sales, excluding PPE, was good. Consumable merchandise growth, excluding PPE, was solid, and we were especially pleased with excellent growth in our North America equipment business and continued strength in our global equipment order book.

“Sales growth in local currencies in our Medical business continued to be excellent during the third quarter when excluding PPE and COVID-19 test kits, as we continue to deepen our relationships with existing large IDN customers while nicely growing our other medical businesses. Our focus on equipment, pharmaceutical products, and point-of-care diagnostics remain bright spots in this business.

“Our Technology & Value-Added Services businesses had good underlying sales growth. Henry Schein One once again posted solid sales growth domestically and internationally, driven by our Dentrix practice management software, and our Dentrix Ascend and Dentally cloud-based solutions,” concluded Mr. Bergman.

Third-Quarter Financial Results

- **Total net sales** for the quarter were \$3.1 billion, a decrease of 3.5% compared with the third quarter of 2021. The 3.5% decrease included a 2.4% decrease in local currencies excluding acquisitions, 1.8% growth from acquisitions and a 2.9% decrease related to foreign currency exchange¹. Sales of PPE and COVID-19 test kits in the third quarter were \$244 million, which is \$260 million lower than the prior-year period. When excluding sales of PPE and COVID-19 test kits, our third-quarter internal sales growth in local currencies was 6.8% compared with the prior-year period.
- **GAAP net income** for the quarter was \$150 million, or \$1.09 per diluted share, compared with third-quarter 2021 GAAP net income of \$162 million, or \$1.15 per diluted share.
- **Non-GAAP net income** for the quarter was \$157 million, or \$1.15 per diluted share, compared with third-quarter 2021 non-GAAP net income of \$155 million, or \$1.10 per diluted share².
 - Integration and restructuring expenses for the quarter were \$10 million pre-tax, or \$0.05 per diluted share.
- **Global Dental sales** were \$1.8 billion for the quarter, a decrease of 2.1% compared with the prior-year period. Internally generated sales increased 1.2% in local currencies and acquisitions contributed 1.4% growth. This growth was offset by a 4.7% decrease related to foreign currency exchange. The 1.2% internal sales increase in local currencies reflects a 0.1% decrease in North America and 3.3% growth internationally.
 - **Global Dental consumable merchandise internal sales** decreased by 0.8% in local currencies. Excluding sales of PPE, internal sales growth was 5.1% in local currencies. **Global Dental equipment internal sales growth** was 8.0% in local currencies.
 - North America dental consumable merchandise internal sales decreased 3.6% in local currencies, and increased 3.8% when excluding sales of PPE. North America dental equipment internal sales increased 12.8% in local currencies.
 - International dental consumable merchandise internal sales increased 3.9% in local currencies, and increased 6.9% when excluding sales of PPE. International dental equipment internal sales increased 1.4% in local currencies.
- **Global Medical sales** were \$1.1 billion for the quarter, a decrease of 6.7% compared with the prior-year period. Internally generated sales decreased 8.8% in local currencies and acquisitions contributed 2.4% growth, while foreign currency exchange resulted in a decrease of 0.3%. Internal sales increased 9.3% in local currencies when excluding sales of PPE and COVID-19 test kits.

¹ See Exhibit A for details of sales growth.

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

- **Global Technology and Value-Added Services sales** were \$176 million for the quarter, an increase of 3.8% compared with the prior-year period, driven by the strength of Henry Schein One. This included 4.2% internal sales growth in local currencies and 1.4% growth from acquisitions, offset by a 1.8% decline related to foreign currency exchange.

Year-to-Date Financial Results

- **Total net sales** for the first nine months of 2022 were \$9.3 billion, an increase of 2.3% compared with the first nine months of 2021. The 2.3% increase included 2.4% internal growth in local currencies excluding acquisitions and 2.1% growth from acquisitions, offset by a 2.2% decrease related to foreign currency exchange. Sales of PPE and COVID-19 test kits for the first nine months were \$991 million, which is \$344 million lower than in the prior-year period. When excluding sales of PPE and COVID-19 test kits, our internal sales growth for the first nine months of 2022 in local currencies was 7.3% compared with the prior-year period.
- **GAAP net income** for the first nine months of 2022 was \$491 million, or \$3.55 per diluted share, compared with GAAP net income for the first nine months of 2021 of \$484 million, or \$3.40 per diluted share.
- **Non-GAAP net income** for the first nine months of 2022 was \$498 million, or \$3.60 per diluted share, compared with non-GAAP net income for the first nine months of 2021 of \$490 million, or \$3.45 per diluted share².

Stock Repurchase Plan

During the third quarter of 2022, the Company repurchased approximately 1.2 million shares of its common stock at an average price of \$76.42 per share, for a total of \$90.5 million. The impact of the repurchase of shares on third-quarter diluted EPS was immaterial. At quarter-end, Henry Schein had approximately \$400 million authorized and available for future stock repurchases.

Financial Guidance

Henry Schein today provided guidance for 2022 non-GAAP diluted EPS. Guidance for 2022 GAAP diluted EPS is not being provided at this time.

Guidance for 2022 is for completed or previously announced acquisitions and does not include potential future acquisitions or integration and restructuring expenses. Guidance also assumes that foreign currency exchange rates will remain generally consistent with current levels, end markets will remain consistent with current market conditions and that there are no material adverse market changes associated with COVID-19.

- Full-year 2022 non-GAAP diluted EPS attributable to Henry Schein, Inc. is expected to be \$4.79 to \$4.87 excluding integration and restructuring charges, reflecting growth of 6% to 8% compared with 2021 non-GAAP diluted EPS of \$4.52, and growth of 7.5% to 9.5% compared with 2021 GAAP diluted EPS of \$4.45.
- Full-year 2022 sales growth is expected to be approximately 1.5% to 2.5% over 2021. This compares with previous guidance of 3% to 6% growth over 2021 and mainly reflects a strengthening US dollar and lower PPE sales.

- Full-year 2022 sales of COVID-19 test kits are expected to decrease 25% to 30% from 2021, consistent with prior guidance, and full-year 2022 sales of PPE are expected to decrease 30% to 35% from 2021. On a combined basis, full-year 2022 sales of PPE and COVID-19 test kits are expected to be approximately 30% lower than in 2021.
- Reaffirming expectations for full-year 2022 non-GAAP operating margin expansion of 20-25 basis points over 2021 non-GAAP operating margin.

We intend to issue 2023 financial guidance with our fourth quarter earnings results.

Adjustments to 2022 GAAP Diluted EPS

The Company is providing guidance for 2022 diluted EPS on a non-GAAP basis, as noted above. Although the Company had previously provided guidance for 2022 diluted EPS prepared on a GAAP basis, it is no longer providing such guidance or a reconciliation of its 2022 non-GAAP guidance to the Company's projected 2022 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 2022 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.

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.

Third-Quarter 2022 Conference Call Webcast and Presentation

The Company will hold a conference call to discuss third-quarter 2022 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 third-quarter 2022 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 approximately 22,000 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 120,000 branded products and Henry Schein private-brand products in stock, as well as more than 180,000 additional products available as special-order items.

A FORTUNE 500 Company and a member of the S&P 500® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 32 countries and territories. The Company's sales reached \$12.4 billion in 2021, and have grown at a compound annual rate of approximately 12.5 percent since Henry Schein became a public company in 1995.

For more information, visit Henry Schein at www.henryschein.com, [Facebook.com/HenrySchein](https://www.facebook.com/HenrySchein), [Instagram.com/HenrySchein](https://www.instagram.com/HenrySchein), and [Twitter.com/HenrySchein](https://twitter.com/HenrySchein).

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

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements include EPS 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 integration and 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; financial and tax risks associated with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; the repeal or judicial prohibition on implementation of the Affordable Care Act; changes in the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global 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 press release are non-GAAP financial measures that supplement the Company's Consolidated Statements of Income prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Company's actual results prepared under GAAP to exclude certain items. In the schedules attached to the press release, the non-GAAP measures have been reconciled to and should be considered together with the Consolidated Statements of Income. Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures.

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(TABLES TO FOLLOW)

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 24, 2022</u>	<u>September 25, 2021</u>	<u>September 24, 2022</u>	<u>September 25, 2021</u>
Net sales	\$ 3,067	\$ 3,178	\$ 9,276	\$ 9,070
Cost of sales	2,153	2,266	6,444	6,376
Gross profit	914	912	2,832	2,694
Operating expenses:				
Selling, general and administrative	648	657	2,010	1,906
Depreciation and amortization	45	44	137	133
Restructuring and integration costs	10	-	10	4
Operating income	211	211	675	651
Other income (expense):				
Interest income	4	2	9	5
Interest expense	(11)	(7)	(27)	(20)
Other, net	1	-	1	1
Income before taxes, equity in earnings of affiliates and noncontrolling interests	205	206	658	637
Income taxes	(46)	(50)	(155)	(154)
Equity in earnings of affiliates	3	6	12	18
Gain on sale of equity investment	-	7	-	7
Net income	162	169	515	508
Less: Net income attributable to noncontrolling interests	(12)	(7)	(24)	(24)
Net income attributable to Henry Schein, Inc.	\$ 150	\$ 162	\$ 491	\$ 484
Earnings per share attributable to Henry Schein, Inc.:				
Basic	\$ 1.10	\$ 1.16	\$ 3.59	\$ 3.44
Diluted	\$ 1.09	\$ 1.15	\$ 3.55	\$ 3.40
Weighted-average common shares outstanding:				
Basic	<u>135,608,678</u>	<u>139,377,237</u>	<u>136,731,413</u>	<u>140,661,182</u>
Diluted	<u>137,084,049</u>	<u>141,079,337</u>	<u>138,488,254</u>	<u>142,178,702</u>

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

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

	September 24, 2022 (unaudited)	December 25, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 123	\$ 118
Accounts receivable, net of reserves of \$63 and \$67	1,507	1,452
Inventories, net	1,818	1,861
Prepaid expenses and other	509	413
Total current assets	<u>3,957</u>	<u>3,844</u>
Property and equipment, net	354	366
Operating lease right-of-use assets	319	325
Goodwill	2,870	2,854
Other intangibles, net	635	668
Investments and other	399	424
Total assets	<u>\$ 8,534</u>	<u>\$ 8,481</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 957	\$ 1,054
Bank credit lines	107	51
Current maturities of long-term debt	4	11
Operating lease liabilities	72	76
Accrued expenses:		
Payroll and related	330	385
Taxes	127	137
Other	549	593
Total current liabilities	<u>2,146</u>	<u>2,307</u>
Long-term debt	934	811
Deferred income taxes	37	42
Operating lease liabilities	271	268
Other liabilities	338	377
Total liabilities	<u>3,726</u>	<u>3,805</u>
Redeemable noncontrolling interests	563	613
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, 135,258,887 outstanding on September 24, 2022 and 137,145,558 outstanding on December 25, 2021	1	1
Additional paid-in capital	-	-
Retained earnings	3,922	3,595
Accumulated other comprehensive loss	(312)	(171)
Total Henry Schein, Inc. stockholders' equity	<u>3,611</u>	<u>3,425</u>
Noncontrolling interests	634	638
Total stockholders' equity	<u>4,245</u>	<u>4,063</u>
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u>\$ 8,534</u>	<u>\$ 8,481</u>

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

	Three Months Ended		Nine Months Ended	
	September 24, 2022	September 25, 2021	September 24, 2022	September 25, 2021
Cash flows from operating activities:				
Net income	\$ 162	\$ 169	\$ 515	\$ 508
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	52	52	160	151
Gain on sale of equity investment	-	(10)	-	(10)
Stock-based compensation expense	17	28	44	58
Provision for (benefit from) losses on trade and other accounts receivable	2	(5)	2	(9)
Benefit from deferred income taxes	(5)	(7)	(20)	(1)
Equity in earnings of affiliates	(3)	(6)	(12)	(18)
Distributions from equity affiliates	2	4	12	15
Changes in unrecognized tax benefits	2	-	1	(6)
Other	(12)	(3)	(25)	-
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	(114)	(185)	(93)	(83)
Inventories	(13)	(84)	(9)	(208)
Other current assets	(59)	45	(96)	(41)
Accounts payable and accrued expenses	67	213	(131)	77
Net cash provided by operating activities	<u>98</u>	<u>211</u>	<u>348</u>	<u>433</u>
Cash flows from investing activities:				
Purchases of fixed assets	(24)	(17)	(67)	(49)
Payments related to equity investments and business acquisitions, net of cash acquired	(120)	(119)	(127)	(415)
Proceeds from sale of equity investments	-	10	-	10
Proceeds from (payments for) loan to affiliate	3	(4)	9	(6)
Other	(11)	(8)	(26)	(19)
Net cash used in investing activities	<u>(152)</u>	<u>(138)</u>	<u>(211)</u>	<u>(479)</u>
Cash flows from financing activities:				
Net change in bank borrowings	21	(7)	51	(13)
Proceeds from issuance of long-term debt	165	-	165	200
Principal payments for long-term debt	(1)	(2)	(58)	(122)
Debt issuance costs	-	(2)	-	(2)
Proceeds from issuance of stock upon exercise of stock options	-	-	2	-
Payments for repurchases and retirement of common stock	(90)	(50)	(200)	(251)
Payments for taxes related to shares withheld for employee taxes	(1)	-	(30)	(7)
Distributions to noncontrolling shareholders	(6)	(5)	(18)	(9)
Acquisitions of noncontrolling interests in subsidiaries	(14)	(49)	(33)	(50)
Net cash provided by (used in) financing activities	<u>74</u>	<u>(115)</u>	<u>(121)</u>	<u>(254)</u>
Effect of exchange rate changes on cash and cash equivalents	(5)	(6)	(11)	(2)
Net change in cash and cash equivalents	15	(48)	5	(302)
Cash and cash equivalents, beginning of period	108	167	118	421
Cash and cash equivalents, end of period	<u>\$ 123</u>	<u>\$ 119</u>	<u>\$ 123</u>	<u>\$ 119</u>

Exhibit A - Third Quarter Sales

Henry Schein, Inc.
2022 Third Quarter
Sales Summary
(in millions)
(unaudited)
Q3 2022 over Q3 2021

Global	Q3 2022	Q3 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 1,369	\$ 1,418	-3.5%	-4.5%	1.0%	1.8%	-0.8%
Dental Equipment	416	405	2.6%	-5.7%	8.3%	0.3%	8.0%
Total Dental	1,785	1,823	-2.1%	-4.7%	2.6%	1.4%	1.2%
Medical	1,106	1,185	-6.7%	-0.3%	-6.4%	2.4%	-8.8%
Total Health Care Distribution	2,891	3,008	-3.9%	-2.9%	-1.0%	1.7%	-2.7%
Technology and value-added services	176	170	3.8%	-1.8%	5.6%	1.4%	4.2%
Total Global	\$ 3,067	\$ 3,178	-3.5%	-2.9%	-0.6%	1.8%	-2.4%

North America	Q3 2022	Q3 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 865	\$ 878	-1.6%	-0.3%	-1.3%	2.3%	-3.6%
Dental Equipment	266	237	12.8%	-0.4%	13.2%	0.4%	12.8%
Total Dental	1,131	1,115	1.5%	-0.3%	1.8%	1.9%	-0.1%
Medical	1,088	1,162	-6.3%	0.0%	-6.3%	2.4%	-8.7%
Total Health Care Distribution	2,219	2,277	-2.5%	-0.1%	-2.4%	2.1%	-4.5%
Technology and value-added services	155	149	4.1%	0.0%	4.1%	1.6%	2.5%
Total North America	\$ 2,374	\$ 2,426	-2.1%	-0.1%	-2.0%	2.1%	-4.1%

International	Q3 2022	Q3 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 504	\$ 540	-6.5%	-11.2%	4.7%	0.8%	3.9%
Dental Equipment	150	168	-11.6%	-13.0%	1.4%	0.0%	1.4%
Total Dental	654	708	-7.7%	-11.6%	3.9%	0.6%	3.3%
Medical	18	23	-25.1%	-12.2%	-12.9%	0.0%	-12.9%
Total Health Care Distribution	672	731	-8.3%	-11.7%	3.4%	0.6%	2.8%
Technology and value-added services	21	21	1.7%	-14.8%	16.5%	0.0%	16.5%
Total International	\$ 693	\$ 752	-8.0%	-11.7%	3.7%	0.6%	3.1%

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

Exhibit A - Year-to-Date Sales

Henry Schein, Inc.
2022 Third Quarter Year -to-Date
Sales Summary
(in millions)
(unaudited)

Q3 2022 Year -to-Date over Q3 2021 Year -to-Date

Global	Q3 2022	Q3 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 4,236	\$ 4,347	-2.6%	-3.2%	0.6%	1.2%	-0.6%
Dental Equipment	1,230	1,177	4.5%	-4.5%	9.0%	0.1%	8.9%
Total Dental	5,466	5,524	-1.1%	-3.5%	2.4%	1.0%	1.4%
Medical	3,274	3,078	6.3%	-0.3%	6.6%	3.3%	3.3%
Total Health Care Distribution	8,740	8,602	1.6%	-2.3%	3.9%	1.8%	2.1%
Technology and value-added services	536	468	14.5%	-1.4%	15.9%	7.4%	8.5%
Total Global	\$ 9,276	\$ 9,070	2.3%	-2.2%	4.5%	2.1%	2.4%
North America	Q3 2022	Q3 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 2,610	\$ 2,614	-0.2%	-0.2%	0.0%	1.6%	-1.6%
Dental Equipment	750	675	11.2%	-0.3%	11.5%	0.1%	11.4%
Total Dental	3,360	3,289	2.2%	-0.2%	2.4%	1.3%	1.1%
Medical	3,215	3,000	7.2%	0.0%	7.2%	3.4%	3.8%
Total Health Care Distribution	6,575	6,289	4.6%	-0.1%	4.7%	2.3%	2.4%
Technology and value-added services	469	404	16.0%	0.0%	16.0%	8.5%	7.5%
Total North America	\$ 7,044	\$ 6,693	5.2%	-0.2%	5.4%	2.7%	2.7%
International	Q3 2022	Q3 2021	Total Sales Growth	Foreign Exchange Growth	Local Currency Growth	Acquisition Growth	Local Internal Growth
Dental Merchandise	\$ 1,626	\$ 1,733	-6.2%	-7.8%	1.6%	0.7%	0.9%
Dental Equipment	480	502	-4.5%	-10.2%	5.7%	0.1%	5.6%
Total Dental	2,106	2,235	-5.8%	-8.3%	2.5%	0.5%	2.0%
Medical	59	78	-25.3%	-8.4%	-16.9%	0.0%	-16.9%
Total Health Care Distribution	2,165	2,313	-6.5%	-8.3%	1.8%	0.5%	1.3%
Technology and value-added services	67	64	5.3%	-9.8%	15.1%	0.0%	15.1%
Total International	\$ 2,232	\$ 2,377	-6.1%	-8.3%	2.2%	0.5%	1.7%

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

Exhibit B

Henry Schein, Inc.
2022 Third 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)

	Third Quarter			Year-to-Date		
	2022	2021	%	2022	2021	%
Net income attributable to Henry Schein, Inc.	\$ 150	\$ 162	(7.7)%	\$ 491	\$ 484	1.5 %
Diluted EPS attributable to Henry Schein, Inc.	\$ 1.09	\$ 1.15	(5.2)%	\$ 3.55	\$ 3.40	4.4 %
Non-GAAP Adjustments						
Restructuring and integration costs-Pre-tax (1)	\$ 10	\$ -		\$ 10	\$ 4	
Income tax benefit for restructuring and integration costs (1)	(3)	-		(3)	(1)	
Settlement and litigation costs - Pre-tax (2)	-	-		-	14	
Income tax benefit for settlement and litigation costs (2)	-	-		-	(4)	
Gain on sale of equity investment (3)	-	(7)		-	(7)	
Total non-GAAP adjustments to net income	\$ 7	\$ (7)		\$ 7	\$ 6	
Non-GAAP adjustments to diluted EPS	0.05	(0.05)		0.05	0.04	
Non-GAAP net income attributable to Henry Schein, Inc.	\$ 157	\$ 155	1.5 %	\$ 498	\$ 490	1.8 %
Non-GAAP diluted EPS attributable to Henry Schein, Inc.	\$ 1.15	\$ 1.10	4.5 %	\$ 3.60	\$ 3.45	4.3 %

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. Earnings per share amounts may not sum due to rounding.

- (1) Represents Q3 2022 and YTD 2022 restructuring costs of \$9 million and integration costs of \$1 million, net of \$3 million tax benefit, resulting in an after-tax effect of \$7 million. Represents YTD 2021 restructuring costs of \$4 million, net of \$1 million tax benefit, resulting in an after-tax effect of \$3 million.
- (2) Represents a YTD 2021 pre-tax charge of \$16 million, net of \$2 million of noncontrolling interests, related to settlement and litigation costs, net of a tax benefit of \$4 million, resulting in a net after-tax charge of \$10 million.
- (3) In the third quarter of 2021 we received contingent proceeds of \$10 million from the 2019 sale of Hu-Friedy resulting in the recognition of an additional after-tax gain of \$7 million.

