

**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): May 9, 2023

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 May 9, 2023, Henry Schein, Inc. issued a press release reporting the financial results for the three months ended April 1, 2023. 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 May 9, 2023.

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

SIGNATURE

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

HENRY SCHEIN, INC.

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

May 9, 2023

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated May 9, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

FOR IMMEDIATE RELEASE

HENRY SCHEIN REPORTS FIRST-QUARTER 2023 FINANCIAL RESULTS

- **First-quarter 2023 net sales of \$3.1 billion decreased 3.8% compared with first-quarter 2022; internal sales increased 6.3% in local currencies excluding sales of personal protective equipment (PPE) products and COVID-19 test kits**
- **First-quarter GAAP diluted EPS of \$0.91 compared with first-quarter 2022 GAAP diluted EPS of \$1.30**
- **First-quarter non-GAAP diluted EPS of \$1.21 compared with first-quarter 2022 non-GAAP diluted EPS of \$1.44**
- **Updating full-year 2023 non-GAAP diluted EPS guidance to \$5.18 to \$5.35, reflecting an estimated \$0.05 to \$0.10 first year dilution from the Biotech Dental acquisition**

MELVILLE, N.Y., May 9, 2023 – Henry Schein, Inc. (Nasdaq: HSIC), the world’s largest provider of health care solutions to office-based dental and medical practitioners, today reported financial results for the first quarter ended April 1, 2023.

“We are pleased to report solid financial results for the first quarter of 2023 that are in-line with the expectations we provided at the beginning of the year and reflect the good earnings momentum in our underlying core businesses. Market trends stayed consistent with those we discussed during the previous quarter’s conference call, and as anticipated, our results continued to be impacted by decreased sales of PPE products and COVID-19 test kits. Excluding these product categories, we achieved strong internal sales growth of 6.3% in local currencies. Our financial results were also adversely impacted by acquisition related expenses and foreign exchange,” said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. “We are executing well on our BOLD +1 Strategic Plan, and the underlying fundamentals of our core business remain solid.

“First quarter sales growth in our Dental business, excluding PPE products, reflects stable patient traffic. Dental merchandise sales were very good, and our dental equipment sales were solid. Traditional equipment sales grew well, while digital equipment sales continued to decrease.

“Our Technology and Value -Added Services business had an excellent quarter. Growth in North America continued to be driven by Dentrix and Dentrix Ascend cloud-based solutions and customers upgraded from our Easy Dental product. International growth was supported by Dentally, our cloud-based solution for outside the United States. We also saw growth with our revenue cycle management insurance claims product driven by the number of e-claims we processed and the enhanced functionality of our electronic invoicing and reimbursement solutions.

“Our Medical business achieved growth of approximately 4%, excluding sales of PPE products and COVID-19 test kits. We expect internal sales growth in our core Medical business to continue to grow, but at a slower pace than last year given the prior year comparison resulting from the significant growth we achieved last year,” concluded Mr. Bergman.

First-Quarter Financial Results

- **Total net sales** for the quarter were \$3.1 billion, a decrease of 3.8% compared with the first quarter of 2022. The 3.8% decrease included a 3.7% decrease in local currencies excluding acquisitions, 1.4% growth from acquisitions and a 1.5% decrease related to foreign currency exchange¹. Sales of PPE products and COVID-19 test kits in the first quarter were \$201 million, a decrease of \$287 million versus the prior-year period. When excluding sales of PPE products and COVID-19 test kits, first-quarter internal sales growth in local currencies was 6.3% compared with the prior-year period.
- **GAAP net income** for the quarter was \$121 million, or \$0.91 per diluted share, compared with first-quarter 2022 GAAP net income of \$181 million, or \$1.30 per diluted share.
- **Non-GAAP net income** for the quarter was \$161 million, or \$1.21 per diluted share, compared with first-quarter 2022 non-GAAP net income of \$200 million, or \$1.44 per diluted share². First-quarter 2023 non-GAAP diluted EPS excludes restructuring expenses of \$30 million, or \$0.16 per diluted share, and amortization expense of acquired intangible assets of \$30 million pre-tax, or \$0.14 per diluted share, and was negatively impacted by:
 - an estimated decreased contribution of \$0.24 per diluted share from sales of PPE products and COVID-19 test kits compared with the first quarter last year.
 - acquisition-related expense of \$0.04 per diluted share, compared with the first quarter last year acquisition-related expense of less than \$0.01 per diluted share.
 - foreign currency exchange of approximately \$0.02 per diluted share versus the first quarter last year.
- **Global Dental sales¹** were \$1.9 billion for the quarter, an increase of 3.8% compared with the prior-year period. Internally generated sales increased 4.0% in local currencies and acquisitions contributed 2.3% growth. This growth was offset by a 2.5% decrease related to foreign currency exchange. The 4.0% internal sales increase in local currencies reflects a 1.6% increase in North America and 7.6% growth internationally.
 - **Global Dental consumable merchandise internal sales increased** by 4.0% in local currencies. Excluding sales of PPE products, internal sales growth was 8.4% in local currencies.
 - **Global Dental equipment internal sales growth** was 3.9% in local currencies.
- **Global Medical sales¹** were \$1.0 billion for the quarter, a decrease of 17.2% compared with the prior-year period. Internally generated sales decreased 17.1% in local currencies, while foreign currency exchange resulted in a decrease of 0.1%. Internal sales increased 4.2% in local currencies when excluding sales of PPE products 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**¹ were \$191 million for the quarter, an increase of 6.8% compared with the prior-year period, driven by the strength of Henry Schein One. This included 6.5% internal sales growth in local currencies and 1.5% growth from acquisitions, offset by a 1.2% decrease related to foreign currency exchange.

Stock Repurchase Plan

During the first quarter of 2023, the Company repurchased approximately 1.2 million shares of its common stock at an average price of \$81.70 per share, for a total of \$100 million. The impact of the repurchase of shares on first-quarter diluted EPS was immaterial. At quarter-end, Henry Schein had approximately \$415 million authorized and available for future stock repurchases.

2023 Financial Guidance

Guidance for 2023 is for current continuing operations as well as completed acquisitions and does not include the impact of future share repurchases, announced or potential future acquisitions, integration and restructuring expenses, and excludes amortization expense of acquired intangible assets. This guidance also assumes that foreign currency exchange rates remain generally consistent with current levels and that end markets remain consistent with current market conditions. While the recently closed Biotech Dental acquisition is now reflected within our guidance, our recently announced acquisition of S.I.N. Implant System is not.

- 2023 sales growth is expected to be approximately 1% to 3% over 2022, unchanged from prior guidance.
 - 2023 sales of PPE products are expected to decline about 20% to 25%, unchanged from prior guidance.
 - 2023 sales of COVID-19 test kits are now expected to decrease by approximately 65% to 70% from 2022 versus prior guidance for a decrease of approximately 35% to 40%.
- 2023 non-GAAP operating margin is expected to be 10 to 15 basis points below 2022 non-GAAP operating margin of 8.2%, largely a result of lower PPE products and COVID-19 test kit sales and profits, and acquisition-related expenses. 2023 guidance reflects high single-digit to low double-digit growth in non-GAAP operating income over 2022 when excluding the contribution from PPE products and COVID-19 test kits, and acquisition-related expenses.
- 2023 non-GAAP diluted EPS attributable to Henry Schein, Inc.:
 - is now expected to be \$5.18 to \$5.35, reflecting growth of -4% to -1% compared with 2022 non-GAAP diluted EPS of \$5.38, which also excludes amortization expense of acquired intangible assets.
 - includes \$0.05 to \$0.10 dilution from the Biotech Dental acquisition, primarily due to non-cash acquisition accounting adjustments for inventory and acquisition-related expenses.
 - the impact on 2023 non-GAAP diluted EPS from lower contributions to earnings from sales of PPE products and COVID-19 test kits is estimated to be \$0.35 to \$0.40, unchanged from prior guidance.

Adjustments to 2023 GAAP Diluted EPS

The Company is providing guidance for 2023 diluted EPS on a non-GAAP basis, as noted above. 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.

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.

First-Quarter 2023 Conference Call Webcast

The Company will hold a conference call to discuss first-quarter 2023 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 first-quarter 2023 financial results on its website at <https://www.henryschein.com/us-en/Corporate/investor-presentations.aspx>

About Henry Schein, Inc.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology. With more than 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 300,000 branded products and Henry Schein corporate brand products in our distribution centers.

A FORTUNE 500 Company and a member of the S&P 500® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 32 countries and territories. The Company's sales reached \$12.6 billion in 2022, and have grown at a compound annual rate of approximately 12.1 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”) products 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, and expectations regarding COVID-19 test sales, demand and inventory levels, 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 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)

	Three Months Ended	
	April 1, 2023	March 26, 2022
Net sales	\$ 3,060	\$ 3,179
Cost of sales	2,094	2,206
Gross profit	966	973
Operating expenses:		
Selling, general and administrative	717	682
Depreciation and amortization	44	47
Restructuring costs	30	-
Operating income	175	244
Other income (expense):		
Interest income	3	2
Interest expense	(14)	(7)
Other, net	(1)	-
Income before taxes, equity in earnings of affiliates and noncontrolling interests	163	239
Income taxes	(39)	(57)
Equity in earnings of affiliates	4	4
Net income	128	186
Less: Net income attributable to noncontrolling interests	(7)	(5)
Net income attributable to Henry Schein, Inc.	<u>\$ 121</u>	<u>\$ 181</u>
Earnings per share attributable to Henry Schein, Inc.:		
Basic	<u>\$ 0.92</u>	<u>\$ 1.31</u>
Diluted	<u>\$ 0.91</u>	<u>\$ 1.30</u>
Weighted-average common shares outstanding:		
Basic	<u>131,365,789</u>	<u>137,296,581</u>
Diluted	<u>133,039,886</u>	<u>139,237,472</u>

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

	April 1, 2023	December 31, 2022
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 126	\$ 117
Accounts receivable, net of allowance for credit losses of \$65 and \$65	1,470	1,442
Inventories, net	1,918	1,963
Prepaid expenses and other	438	466
Total current assets	<u>3,952</u>	<u>3,988</u>
Property and equipment, net	396	383
Operating lease right-of-use assets	280	284
Goodwill	2,917	2,893
Other intangibles, net	548	587
Investments and other	479	472
Total assets	<u>\$ 8,572</u>	<u>\$ 8,607</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 855	\$ 1,004
Bank credit lines	236	103
Current maturities of long-term debt	55	6
Operating lease liabilities	73	73
Accrued expenses:		
Payroll and related	231	314
Taxes	156	132
Other	566	592
Total current liabilities	<u>2,172</u>	<u>2,224</u>
Long-term debt	1,021	1,040
Deferred income taxes	40	36
Operating lease liabilities	274	275
Other liabilities	368	361
Total liabilities	<u>3,875</u>	<u>3,936</u>
Redeemable noncontrolling interests	570	576
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, 131,196,783 outstanding on April 01, 2023 and 131,792,817 outstanding on December 31, 2022	1	1
Additional paid-in capital	-	-
Retained earnings	3,684	3,678
Accumulated other comprehensive loss	(213)	(233)
Total Henry Schein, Inc. stockholders' equity	<u>3,472</u>	<u>3,446</u>
Noncontrolling interests	655	649
Total stockholders' equity	<u>4,127</u>	<u>4,095</u>
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u>\$ 8,572</u>	<u>\$ 8,607</u>

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

	Three Months Ended	
	April 1, 2023	March 26, 2022
Cash flows from operating activities:		
Net income	\$ 128	\$ 186
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	52	55
Non-cash restructuring charges	7	-
Stock-based compensation expense	10	12
Provision for losses on trade and other accounts receivable	1	1
Provision for (benefit from) deferred income taxes	2	(3)
Equity in earnings of affiliates	(4)	(4)
Distributions from equity affiliates	2	4
Changes in unrecognized tax benefits	1	4
Other	(1)	(7)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(20)	16
Inventories	63	(9)
Other current assets	29	26
Accounts payable and accrued expenses	(243)	(188)
Net cash provided by operating activities	<u>27</u>	<u>93</u>
Cash flows from investing activities:		
Purchases of fixed assets	(31)	(19)
Payments related to equity investments and business acquisitions, net of cash acquired	(1)	(5)
Proceeds from loan to affiliate	2	4
Other	(9)	(7)
Net cash used in investing activities	<u>(39)</u>	<u>(27)</u>
Cash flows from financing activities:		
Net change in bank borrowings	132	30
Proceeds from issuance of long-term debt	31	-
Principal payments for long-term debt	(1)	(53)
Proceeds from issuance of stock upon exercise of stock options	1	2
Payments for repurchases and retirement of common stock	(100)	-
Payments for taxes related to shares withheld for employee taxes	(30)	(26)
Distributions to noncontrolling shareholders	(4)	(5)
Acquisitions of noncontrolling interests in subsidiaries	(8)	(10)
Net cash provided by (used in) financing activities	<u>21</u>	<u>(62)</u>
Effect of exchange rate changes on cash and cash equivalents	-	4
Net change in cash and cash equivalents	9	8
Cash and cash equivalents, beginning of period	117	118
Cash and cash equivalents, end of period	<u>\$ 126</u>	<u>\$ 126</u>

Exhibit A - First Quarter Sales

Henry Schein, Inc.
2023 First Quarter
Sales Summary
(in millions)
(unaudited)
Q1 2023 over Q1 2022

Local Currency Growth								
Global	Q1 2023	Q1 2022	Local Internal Growth	Acquisition Growth	Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth	
Dental Merchandise	\$ 1,487	\$ 1,428	4.0%	2.5%	6.5%	-2.4%	4.1%	
Dental Equipment	411	400	3.9%	1.5%	5.4%	-2.6%	2.8%	
Total Dental	1,898	1,828	4.0%	2.3%	6.3%	-2.5%	3.8%	
Medical	971	1,172	-17.1%	0.0%	-17.1%	-0.1%	-17.2%	
Total Health Care Distribution	2,869	3,000	-4.3%	1.4%	-2.9%	-1.5%	-4.4%	
Technology and Value-Added Services	191	179	6.5%	1.5%	8.0%	-1.2%	6.8%	
Total Global	\$ 3,060	\$ 3,179	-3.7%	1.4%	-2.3%	-1.5%	-3.8%	

Local Currency Growth								
North America	Q1 2023	Q1 2022	Local Internal Growth	Acquisition Growth	Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth	
Dental Merchandise	\$ 896	\$ 868	1.3%	2.5%	3.8%	-0.5%	3.3%	
Dental Equipment	248	237	2.6%	2.5%	5.1%	-0.9%	4.2%	
Total Dental	1,144	1,105	1.6%	2.5%	4.1%	-0.6%	3.5%	
Medical	951	1,150	-17.3%	0.0%	-17.3%	0.0%	-17.3%	
Total Health Care Distribution	2,095	2,255	-8.1%	1.3%	-6.8%	-0.3%	-7.1%	
Technology and Value-Added Services	166	156	5.4%	1.8%	7.2%	-0.1%	7.1%	
Total North America	\$ 2,261	\$ 2,411	-7.2%	1.3%	-5.9%	-0.3%	-6.2%	

Local Currency Growth								
International	Q1 2023	Q1 2022	Local Internal Growth	Acquisition Growth	Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth	
Dental Merchandise	\$ 591	\$ 560	8.1%	2.6%	10.7%	-5.2%	5.5%	
Dental Equipment	163	163	5.8%	0.0%	5.8%	-5.2%	0.6%	
Total Dental	754	723	7.6%	2.0%	9.6%	-5.2%	4.4%	
Medical	20	22	-6.3%	0.0%	-6.3%	-5.3%	-11.6%	
Total Health Care Distribution	774	745	7.2%	1.9%	9.1%	-5.2%	3.9%	
Technology and Value-Added Services	25	23	13.5%	0.0%	13.5%	-8.4%	5.1%	
Total International	\$ 799	\$ 768	7.4%	1.8%	9.2%	-5.2%	4.0%	

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

Exhibit B

**Henry Schein, Inc.
2023 First 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)

	First Quarter		
	2023	2022	%
Net income attributable to Henry Schein, Inc.	\$ 121	\$ 181	(32.8)%
Diluted EPS attributable to Henry Schein, Inc.	\$ 0.91	\$ 1.30	(30.0)%
Non-GAAP Adjustments			
Restructuring costs, net of tax (1)	\$ 21	-	
Acquisition intangible amortization, net of tax (2)	19	20	
Non-GAAP adjustments to net income	\$ 40	\$ 20	
Non-GAAP adjustments to diluted EPS	\$ 0.30	\$ 0.14	
Non-GAAP net income attributable to Henry Schein, Inc.	\$ 161	\$ 200	(19.6)%
Non-GAAP diluted EPS attributable to Henry Schein, Inc.	\$ 1.21	\$ 1.44	(16.0)%

Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures. Net income growth rates are based on actual values and may not recalculate due to rounding. Amounts may not sum due to rounding.

(1) Restructuring Costs

The following table presents details of our restructuring costs:

	First Quarter	
	2023	2022
Restructuring costs - pre-tax, as reported	\$ 30	-
Income tax benefit	(8)	-
Amount attributable to noncontrolling interests	(1)	-
Restructuring costs, net	<u>21</u>	<u>-</u>

Q1 2023 restructuring costs primarily consisted of employee severance and costs related to the exit of facilities.

(2) Acquisition Intangible Amortization

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

	First Quarter	
	2023	2022
Acquisition intangible amortization - pre-tax, as reported	\$ 30	\$ 32
Income tax benefit	(7)	(8)
Amount attributable to noncontrolling interests	(4)	(4)
Acquisition intangible amortization, net	<u>19</u>	<u>20</u>

