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**Q4 2023**

# **Earnings Conference Call**

Financial Results & Outlook



February 27, 2024

# 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 and Adjusted EBITDA guidance and are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make” or other comparable terms. A fuller discussion of our operations, financial condition and status of litigation matters, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: our dependence on third parties for the manufacture and supply of our products; our ability to develop or acquire and maintain and protect new products (particularly technology products) and technologies that achieve market acceptance with acceptable margins; transitional challenges associated with acquisitions, dispositions and joint ventures, including the failure to achieve anticipated synergies/benefits, as well as significant demands on our operations, information systems, legal, regulatory, compliance, , financial and human resources functions in connection with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; adverse changes in supplier rebates or other purchasing incentives; risks related to the sale of corporate brand products; security risks associated with our information systems and technology products and services, such as cyberattacks or other privacy or data security breaches (including the October 2023 incident); effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; changes in the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global and domestic macro-economic and political conditions, including inflation, deflation, recession, ongoing wars, fluctuations in energy pricing and the value of the U.S. dollar as compared to foreign currencies, and changes to other economic indicators, international trade agreements, potential trade barriers and terrorism; geopolitical wars; failure to comply with existing and future regulatory requirements; risks associated with the EU Medical Device Regulation; failure to comply with laws and regulations relating to health care fraud or other laws and regulations; failure to comply with laws and regulations relating to the collection, storage and processing of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; risks related to product liability, intellectual property and other claims; risks associated with customs policies or legislative import restrictions; risks associated with disease outbreaks, epidemics, pandemics (such as the COVID-19 pandemic), or similar wide-spread public health concerns and other natural or man-made disasters; risks associated with our global operations; litigation risks; new or unanticipated litigation developments and the status of litigation matters; our dependence on our senior management, employee hiring and retention, and our relationships with customers, suppliers and manufacturers; and disruptions in financial markets. The order in which these factors appear should not be construed to indicate their relative importance or priority.

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

Included within this 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 schedules within this presentation, the non-GAAP measures have been reconciled to and should be considered together with the Consolidated Statements of Income. Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. The impact of certain items that are excluded include integration and restructuring costs, and amortization of acquisition-related assets, because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate and occur on an unpredictable basis. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures.

# Key Takeaways

We are pleased with our performance in the fourth quarter and for the full year 2023, which was in line with our expectations and reflects a solid recovery from last year's cybersecurity incident

Our fourth quarter financial results included strong growth in our Technology and Value-Added Services businesses, and in global sales of implants and biomaterials largely driven by acquisitions, and were negatively impacted by higher-than-usual acquisition-related expenses and adjustments

Introduced 2024 Non-GAAP Diluted EPS guidance of \$5.00 to \$5.16, reflecting growth of 11% to 15% compared with 2023. 2024 Adjusted EBITDA is expected to increase by more than 15% vs. 2023.

We believe we are well positioned to grow the business in line with our financial goals of high-single-digit to low-double-digit operating income and earnings per share by continuing to execute on our BOLD+1 Strategic Plan



# Q4 Financial and Operational Highlights

Worldwide Sales Growth

**-10.5%**

Estimated reduction in sales of \$350 million to \$400 million, or 10% to 12%, due to the cybersecurity incident

Non-GAAP Diluted EPS\*

**\$0.66**

Cybersecurity incident impacted EPS by approx. \$0.70-\$0.75 per diluted share and acquisition-related expenses & adjs. of \$0.05

Global Dental Sales Growth

**-10.2%**

Underlying sales growth being offset by the impact of the cybersecurity incident

Dental Specialties Sales Growth

**+17.2%**

Driven by acquisitions and solid organic growth in implants and biomaterials

Global Technology/VAS Sales Growth

**+13.4%**

Driven by our practice management solutions business, our Dentally cloud-based solution and acquisitions

Global Medical Sales Growth

**-14.9%**

Sales impacted by the cybersecurity incident

\*Refer to slide 20 for our GAAP & Non-GAAP Reconciliation.

# Q4 FY2023 Consolidated Results\*

*(in millions of USD except EPS)*

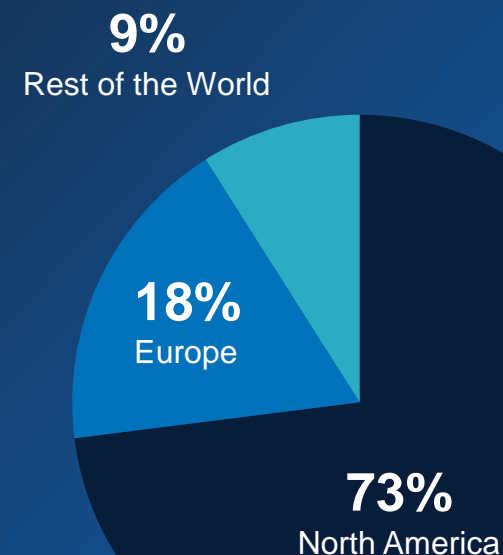
	Q4 2023 (GAAP)	Q4 2022 (GAAP)	Q4 2023 (Non-GAAP)	Q4 2022 (Non-GAAP)
Total Sales	\$3,017	\$3,371	\$3,017	\$3,371
Operating Income	\$39	\$72	\$146	\$258
Operating Margin	1.28%	2.15%	4.86%	7.65%
Diluted EPS	\$0.13	\$0.34	\$0.66	\$1.35

## GAAP and Non-GAAP results impacted by Cybersecurity Incident as follows:

- Sales: \$350M to \$400M
- Operating Income \$120M to \$130M
- EPS: \$0.70 to \$0.75

<sup>5</sup> \*Refer to slide 20 for our GAAP & Non-GAAP Reconciliation.

## BY GEOGRAPHY



# Q4 FY2023 Worldwide Sales Summary

<i>(in millions of USD)</i>	Q4 2023	Q4 2022	y/y $\Delta$	y/y LCI* $\Delta$
Global Dental	\$1,802	\$2,007	-10.2%	-10.9%
Global Medical	1,003	1,177	-14.9%	-17.0%
Global Technology/VAS	212	187	13.4%	7.1%
<b>Total Sales</b>	<b>\$3,017</b>	<b>\$3,371</b>	<b>-10.5%</b>	<b>-12.0%</b>

## GAAP and Non-GAAP results impacted by Cybersecurity Incident as follows:

- Sales: \$350M to \$400M



\*LCI reflects internally generated sales in local currencies excluding acquisitions from the prior twelve months and adjusted for the extra week in 2022.

# Progress on BOLD+1 Strategic Priorities

## Objective

## Update

**BUILD** complementary software, specialty, and services businesses for high growth

- Signed TriMed acquisition to enter the high growth high margin foot and ankle, hand and wrist segments of the orthopedic market
- With Biotech Dental and S.I.N. Implant System acquisitions, became the #3 Dental Implant/Biomaterials business
- Launched Detect AI, our proprietary embedded artificial intelligence product to assist dentists in their diagnosis of dental disease further strengthening our position as the #1 global dental software solution company
- Launched new products in Endodontics propelling us to the #2 global endo company

**OPERATIONALIZE** One Distribution to deliver exceptional customer experience, increased efficiency and sales growth

- Acquired Shield Healthcare resulting in a \$300M Home Health platform

**LEVERAGE** One Schein to broaden and deepen relationships with our customers and expand customer spend through our product portfolio

- Increasing specialty product and software sales in our larger customers
- Providing solutions through the Large Practice Sales acquisition

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

- Preparing for launch of GEP and beginning to offer proprietary clinical software to simplify our customers' workflow

**+1 Creating Value For Our Stakeholders**

# Value Creation Through Focused M&A

2023 Acquisitions	Annual Revenue	Strategic Rationale	Expected Outcome	Expands complementary high-growth software, specialty and services businesses	Invests for growth in core distribution business
 BIOTECH DENTAL	\$106M	<ul style="list-style-type: none"> <li>Expands dental implant, clear aligner business</li> <li>Acquired leading clinical workflow software offering</li> </ul>	<ul style="list-style-type: none"> <li>Market leader in France</li> <li>Integrate digital workflow into PMS and extend to implant portfolio</li> </ul>		
 unitas PPO Solutions	~\$5M	<ul style="list-style-type: none"> <li>Expand range of value-added services to include PPO advisory services</li> </ul>	<ul style="list-style-type: none"> <li>Provide key value-added services to customers</li> </ul>		
 REGIONAL HEALTH CARE GROUP <small>A HENRY SCHEIN COMPANY</small>	\$44M	<ul style="list-style-type: none"> <li>Expanded Medical business to Australia &amp; New Zealand</li> </ul>	<ul style="list-style-type: none"> <li>A market leader in fast-growing Australia &amp; New Zealand markets</li> </ul>		
 S. I. N. Implant System	\$65M	<ul style="list-style-type: none"> <li>Expands dental implant to Brazil</li> <li>Ability to export value implants</li> </ul>	<ul style="list-style-type: none"> <li>A market leader in Brazil</li> <li>Introduce FDA-approved value implant to the US</li> </ul>		
 LPS   Large Practice Sales <small>Monetizing Larger Dental Practices</small>	\$40M	<ul style="list-style-type: none"> <li>Develop leading large practice transitions brokerage business</li> </ul>	<ul style="list-style-type: none"> <li>Provide strategic value-added service to DSO accounts</li> </ul>		
 Shield HealthCare	\$180M	<ul style="list-style-type: none"> <li>Expands business that deliver products directly to patients in their home and home health agencies</li> </ul>	<ul style="list-style-type: none"> <li>Establish scale, with a focus on enteral, ostomy, incontinence, wound care and diabetes products</li> </ul>		



# Balanced Capital Allocation Strategy

## Disciplined Approach to Balance Sheet Management

**\$500M** YTD Operating Cashflow

**2.31x** Debt-to-EBITDA ratio as of December 30, 2023  
Maintain investment grade balance sheet

**~\$1.75B** Available borrowing capacity as of December 30, 2023

Strong balance sheet provides flexibility to pursue attractive opportunities

Acquisitions

**~\$1.0B**  
Invested YTD

Return of Capital to Shareholders

**\$250M**  
Repurchased YTD

Capital Expenditures

**\$147M**  
Invested YTD

# Acquisition Expenses and Acquisition-Related Adjustments

<b><u>2023 QTD &amp; YTD</u></b> <small>(in millions of USD except EPS)</small>	<b><u>Q4 2023</u></b>		<b><u>Full Year 2023</u></b>	
	<b>Operating Income</b>	<b>EPS</b>	<b>Operating Income</b>	<b>EPS</b>
Acquisition Expenses*	(\$4)	(\$0.03)	(\$22)	(\$0.15)
Acquisition-Related Fair Value Adjustments**	(2)	(\$0.02)	10	\$0.06
<b>Total Acquisition Expenses and Acquisition-Related Adjustments</b>	<b>(\$6)</b>	<b>(\$0.05)</b>	<b>(\$12)</b>	<b>(\$0.09)</b>

<b><u>2022 QTD &amp; YTD</u></b> <small>(in millions of USD except EPS)</small>	<b><u>Q4 2022</u></b>		<b><u>Full Year 2022</u></b>	
	<b>Operating Income</b>	<b>EPS</b>	<b>Operating Income</b>	<b>EPS</b>
Acquisition Expenses*	(\$3)	(\$0.03)	(\$9)	(\$0.06)
Acquisition-Related Fair Value Adjustments**	1	\$0.01	13	\$0.08
<b>Total Acquisition Expenses and Acquisition-Related Adjustments</b>	<b>(\$2)</b>	<b>(\$0.02)</b>	<b>\$4</b>	<b>\$0.02</b>

**Q4 2023 non-GAAP EPS includes \$0.05 of acquisition expense and acquisition-related adjustments, which compares to \$0.02 in the fourth quarter of the prior year**

\*Acquisition expenses include direct costs of acquisitions (primarily third-party professional fees)

\*\*Net acquisition-related fair value adjustments include remeasurement gain resulting from the purchase of a controlling interest of a previously held equity investment, impact from non-cash assets step-up adjustments and fair value adjustments to contingent considerations..

# Financial Guidance – Full Year 2024

We are introducing 2024 financial guidance for Total Sales growth and Non-GAAP Diluted EPS.

We are also introducing Adjusted EBITDA guidance as we believe this provides investors an additional metric that reflects the performance of the business as we pivot to higher-growth, higher-margin products and services.

The markets we serve are expected to grow toward the lower end of the ranges we set out at our Investor Day last year, and we also expect some remaining impact from lower year-over-year PPE pricing, primarily impacting sales growth in the first quarter. This guidance reflects the residual impact from last year’s cybersecurity incident and does not include any associated benefit from potential insurance claim proceeds.

As of February 27, 2024*	Guidance for Full Year 2024
Total Sales growth over 2023 Actuals	<b>+8% to +12%</b>
Adjusted EBITDA growth over 2023 Actuals	<b>&gt; 15%</b>
2024 Non-GAAP diluted EPS**	<b>\$5.00 to \$5.16</b>
Estimated residual impact on 2024 diluted EPS from cybersecurity incident	<b>\$0.15</b>

The Company is providing guidance for 2024 diluted EPS on a non-GAAP basis and for Adjusted EBITDA, as noted above. The Company is not providing a reconciliation of its 2024 non-GAAP guidance to its projected 2024 diluted EPS prepared on a GAAP basis, or its projected 2024 Adjusted EBITDA to net income prepared on a GAAP basis. This is because the Company is unable to provide without unreasonable effort an estimate of integration and restructuring costs related to an ongoing initiative to drive operating efficiencies and certain expenses directly associated with the cybersecurity incident, including the corresponding tax effect, that will be included in the Company’s 2024 diluted EPS and net income prepared on a GAAP basis. The inability to provide this reconciliation is due to the uncertainty and inherent difficulty of predicting the occurrence, magnitude, financial impact and timing of related costs. Management does not believe these items are representative of the Company’s underlying business performance. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

\*FY2024 Guidance is as of February 27, 2024 and should not be considered an update of guidance beyond that date. Guidance is for current continuing operations as well as announced acquisitions and does not include the impact of future share repurchases, potential future acquisitions, restructuring and integration expenses, amortization expense of acquired intangible assets, certain expenses directly associated with the cybersecurity incident or any potential insurance claim recovery. Guidance also assumes that foreign currency exchange rates remain generally consistent with current levels and that end markets remain consistent with current market conditions.

\*\*Refer to slide 21 for GAAP & Non-GAAP Reconciliation.

# Appendix

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# Q4 FY2023 Worldwide Financial Results\*

(in millions of USD except EPS)

	Q4 2023 (Non-GAAP)	Q4 2022 (Non-GAAP)	y/y Δ
<b>Total Sales</b>	<b>\$3,017</b>	<b>\$3,371</b>	<b>-10.5%</b>
Gross Profit	925	999	-7.4%
Gross Margin	30.66%	29.62%	+104 bps
Operating Expenses (Non-GAAP)**	779	741	5.1%
<b>Operating Income (Non-GAAP)**</b>	<b>\$146</b>	<b>\$258</b>	<b>-43.2%</b>
Operating Margin (Non-GAAP)**	4.86%	7.65%	-279 bps
Net Income attributable to Henry Schein, Inc. (Non-GAAP)**	\$86	\$184	-53.0%
<b>Earnings Per Share (Non-GAAP)**</b>	<b>\$0.66</b>	<b>\$1.35</b>	<b>-51.1%</b>
Effective Tax Rate (Non-GAAP)**	23.5%	22.6%	

\*Refer to slide 20 for our GAAP & Non-GAAP Reconciliations.

\*\*GAAP Results as follows:

Q4 2023: Operating Expenses \$886, Operating Income \$39, Operating Margin 1.28%, Net Income \$18, Earnings per share \$0.13, Effective Tax Rate 6.2%  
 Q4 2022: Operating Expenses \$927, Operating Income \$72, Operating Margin 2.15%, Net Income \$47, Earnings per share \$0.34, Effective Tax Rate 23.6%

# Adjusted EBITDA

(in millions of USD)

	2023	2022
<b>Net Income attributable to Henry Schein, Inc. (GAAP)</b>	<b>\$416</b>	<b>\$538</b>
Income attributable to noncontrolling interests	20	28
<b>Net Income (GAAP)</b>	<b>436</b>	<b>566</b>
Interest Income	(17)	(8)
Interest expense	87	35
Income taxes	120	170
Depreciation and Amortization	248	212
Restructuring and integration costs	80	131
Cybersecurity incident-professional and other fees	11	0
Impairment of capitalized assets	27	0
Impairment of intangible assets	7	34
Equity in earnings of affiliates, net of taxes	(14)	(15)
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$984</b>	<b>\$1,125</b>

14 We define Adjusted EBITDA as net income, excluding (i) net income (loss) attributable to noncontrolling interests, (ii) interest income and expense, (iii) income taxes, (iv) depreciation and amortization, (v) restructuring and integration costs, (vi) cybersecurity incident-professional and other fees, (vii) impairment of certain capitalized assets, (viii) impairment of certain intangible assets, and (ix) equity in earnings of affiliates. Amounts may not sum due to rounding.

# Q4 FY2023 Global Dental Sales Summary

<i>(in millions of USD)</i>	Q4 2023	Q4 2022	y/y $\Delta$	y/y LCI* $\Delta$
North America Dental Consumables	\$770	\$920	-16.3%	-11.9%
North America Dental Equipment	283	348	-18.6%	-12.5%
<b>North America Dental</b>	<b>\$1,053</b>	<b>\$1,268</b>	<b>-17.0%</b>	<b>-12.1%</b>
International Dental Consumables	\$578	\$554	4.4%	-10.4%
International Dental Equipment	171	185	-7.8%	-4.5%
<b>International Dental</b>	<b>\$749</b>	<b>\$739</b>	<b>1.3%</b>	<b>-9.0%</b>
Global Dental Consumables	\$1,348	\$1,474	-8.5%	-11.3%
Global Dental Equipment	454	533	-14.8%	-9.7%
<b>Global Dental</b>	<b>\$1,802</b>	<b>\$2,007</b>	<b>-10.2%</b>	<b>-10.9%</b>

# Q4 FY2023 Global Medical Sales Summary

<i>(in millions of USD)</i>	Q4 2023	Q4 2022	y/y $\Delta$	y/y LCI* $\Delta$
North America Medical	\$977	\$1,160	-15.7%	-17.0%
International Medical	26	17	35.8%	-16.4%
<b>Global Medical</b>	<b>\$1,003</b>	<b>\$1,177</b>	<b>-14.9%</b>	<b>-17.0%</b>
<b>COVID-19 Test Kits (Worldwide)</b>	<b>\$57</b>	<b>\$93</b>	<b>-38.7%</b>	<b>-35.2%</b>



# Q4 FY2023 Technology/VAS Sales Summary

<i>(in millions of USD)</i>	Q4 2023	Q4 2022	y/y $\Delta$	y/y LCI* $\Delta$
North America Technology/VAS	\$186	\$164	13.4%	6.8%
International Technology/VAS	26	23	13.5%	9.8%
<b>Global Technology/VAS</b>	<b>\$212</b>	<b>\$187</b>	<b>13.4%</b>	<b>7.1%</b>

**Q4 FY2023**

# Technology/VAS + Dental Specialty Sales Summary

<i>(in millions of USD)</i>	Q4 2023	Q4 2022	y/y $\Delta$
Global Technology/VAS	\$212	\$187	13.4%
Global Dental Specialties*	281	240	17.2%
<b>Global Technology/VAS + Dental Specialties</b>	<b>\$493</b>	<b>\$427</b>	<b>15.5%</b>
% of Total Sales	16.4%	12.7%	

\*Dental Specialties consists of our Implants & Biomaterials, Orthodontics and Endodontics businesses and is included within our Health Care Distribution Segment.

# FY2023 GAAP to Non-GAAP Income Statements

<i>(in millions of USD except EPS)</i>	2023 GAAP	Restructuring & Integration Costs	Acquisition Intangible Amortization	Cybersecurity Incident Costs	Impairment of Intangible Assets	2023 Non-GAAP
<b>Total Sales</b>	<b>\$12,339</b>					<b>\$12,339</b>
Gross Profit	3,861					3,861
SG&A	2,956			(38)	(7)	2,911
Depreciation & Amortization	210		(151)			60
Restructuring & Integration Costs	80	(80)				0
<b>Operating Income</b>	<b>\$615</b>	<b>\$80</b>	<b>\$151</b>	<b>\$38</b>	<b>\$7</b>	<b>\$890</b>
Net Interest Expense	(73)					(73)
Income Before Taxes	542	80	151	38	7	817
Income Taxes	(120)	(20)	(38)	(10)	(2)	(190)
Equity in Earnings of Affiliates	14					14
Net Income	436	60	113	27	5	641
Less: Net Income Attributable to Non-Controlling Interests	(20)	(7)	(21)		(0)	(48)
Net Income Attributable to Henry Schein, Inc.	416	53	92	27	5	593
<b>Earnings Per Share (Diluted)</b>	<b>\$3.16</b>	<b>\$0.40</b>	<b>\$0.70</b>	<b>\$0.21</b>	<b>\$0.04</b>	<b>\$4.50</b>

<sup>19</sup> Amounts may not sum due to rounding.

# GAAP & Non-GAAP Reconciliations

## Q4 FY2023 Financial Highlights

Henry Schein, Inc.  
Fourth Quarter 2023 Analyst Presentation  
Q4 2023 - Financial Highlights  
(in millions, except per share data)

	GAAP			Reconciling Items										Non-GAAP		
	Q4 2022	Q4 2023	Growth	Restructuring and Integration Costs		Acquisition Intangible Amortization		Cybersecurity Incident-Professional Fees and Other		Impairment of Capitalized Assets		Impairment of Intangible Assets		Q4 2022	Q4 2023	Growth
	2022	2023		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	
Net Sales	\$ 3,372	\$ 3,017	-10.5%											\$ 3,372	\$ 3,017	-10.5%
Operating Income	\$ 72	\$ 39	-46.7%	\$ 121	\$ 21	\$ 31	\$ 43	\$ -	\$ 11	\$ -	\$ 27	\$ 34	\$ 7	\$ 258	\$ 146	-43.2%
Operating Margin	2.15%	1.28%	(87) bps											7.65%	4.86%	(279) bps
Net Income	\$ 47	\$ 18	-63.2%	\$ 96	\$ 11	\$ 19	\$ 26	\$ -	\$ 8	\$ -	\$ 19	\$ 23	\$ 5	\$ 184	\$ 86	-53.0%
Diluted EPS	\$ 0.34	\$ 0.13	-61.8%	\$ 0.70	\$ 0.08	\$ 0.14	\$ 0.20	\$ -	\$ 0.06	\$ -	\$ 0.15	\$ 0.17	\$ 0.04	\$ 1.35	\$ 0.66	-51.1%

Notes: Amounts may not sum due to rounding.

Prior periods have been restated to conform to the current period presentation.

This presentation includes both GAAP and non-GAAP financial results. We believe the non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable the comparison of financial results between periods where certain items may vary independently 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 GAAP measures.

# GAAP & Non-GAAP Reconciliations

## 2023 Financial Highlights

Henry Schein, Inc.  
Fourth Quarter 2023 Analyst Presentation  
Full Year 2023 Financial Highlights  
(in millions, except per share data)

	Reconciling Items															Non-GAAP		
	GAAP			Restructuring and Integration Costs		Acquisition Intangible Amortization		Cybersecurity Incident-Professional Fees and Other		Impairment of Capitalized Assets		Impairment of Intangible Assets		Total Reconciling Items		2022	2023	Growth
	2022	2023	Growth	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023			
Net Sales	\$ 12,647	\$ 12,339	-2.4%													\$ 12,647	\$ 12,339	-2.4%
Operating Income	\$ 747	\$ 615	-17.7%	\$ 131	\$ 80	\$ 126	\$ 151	\$ -	\$ 11	\$ -	\$ 27	\$ 34	\$ 7	\$ 290	\$ 275	\$ 1,038	\$ 890	-14.2%
Operating Margin	5.91%	4.98%	(93) bps													8.20%	7.21%	(99) bps
Net Income	\$ 538	\$ 416	-22.7%	\$ 103	\$ 53	\$ 78	92	\$ -	\$ 8	\$ -	\$ 19	\$ 23	\$ 5	\$ 203	\$ 178	\$ 741	\$ 593	-20.0%
Diluted EPS	\$ 3.91	\$ 3.16	-19.2%	\$ 0.74	\$ 0.40	\$ 0.57	0.70	\$ -	\$ 0.06	\$ -	\$ 0.15	\$ 0.16	\$ 0.04	\$ 1.47	\$ 1.35	\$ 5.38	\$ 4.50	-16.4%

Notes: Amounts may not sum due to rounding.

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