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**Q2 2024**

# **Earnings Conference Call**

Financial Results & Outlook



August 6, 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 total sales growth, EPS and Adjusted EBITDA guidance and are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make” or other comparable terms. A fuller discussion of our operations, financial condition and status of litigation matters, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

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

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

Included within 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 attached to 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

Solid second quarter financial results, including strong operating cashflow, that reflected stable end markets

Updating our 2024 full-year financial guidance, given the challenging economic environment in certain markets, as well as the delay in recovery from the cyber incident

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

We remain enthusiastic about the markets we serve, Henry Schein's competitive position, our customer-centric integrated business model, and the opportunities for growth and enhanced profitability that lie ahead



# Q2 Financial Highlights

Worldwide Sales Growth\*

**+1.1%**

Experiencing improving sales trends in our distribution businesses

Non-GAAP Diluted EPS\*\*

**\$1.23**

Foreign currency exchange impact on our second quarter diluted EPS was unfavorable by approximately one cent versus the prior year

Global Dental Sales Growth

**-1.7%**

The pace of recovery in Merchandise sales following last year's cyber incident is taking longer than anticipated

Dental Specialties Sales Growth

**+7.2%**

Driven by strong dental implant and biomaterials sales in Europe as well as endodontics sales globally

Global Technology/VAS Sales Growth

**+10.8%**

Driven by Value-Added Services, Revenue Cycle Management, Dentrix-Ascend and our Dentally cloud-based solution

Global Medical Sales Growth

**+5.0%**

Driven by recent acquisitions in our Home Solutions business

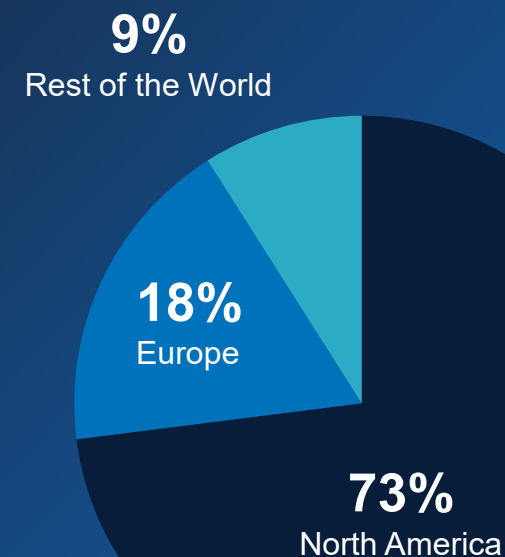
\*Includes a 0.5% sales decrease resulting from foreign exchange rates and a 0.5% sales decrease from lower sales of PPE.

\*\*Refer to slide 19 for our GAAP & Non-GAAP Reconciliation.

# Q2 2024 Consolidated Results\*

<i>(in millions of USD except EPS)</i>	Q2 2024 (GAAP)	Q2 2023 (GAAP)	Q2 2024 (Non-GAAP)	Q2 2023 (Non-GAAP)
Total Sales	\$3,136	\$3,100	\$3,136	\$3,100
Operating Income	\$159	\$201	\$242	\$253
Operating Margin	5.09%	6.46%	7.75%	8.16%
Diluted EPS	\$0.80	\$1.06	\$1.23	\$1.31

## BY GEOGRAPHY



<sup>5</sup> \*Refer to slide 19 for our GAAP & Non-GAAP Reconciliation.



# Q2 2024 Worldwide Sales Summary

<i>(in millions of USD)</i>	Q2 2024	Q2 2023	y/y $\Delta$	y/y LCI* $\Delta$
Global Dental	\$1,924	\$1,957	-1.7%	-2.1%
Global Medical	998	950	5.0%	-4.3%
Global Technology/VAS	214	193	10.8%	3.9%
<b>Total Sales</b>	<b>\$3,136</b>	<b>\$3,100</b>	<b>1.1%</b>	<b>-2.4%</b>



\*LCI reflects internally generated sales in local currencies excluding acquisitions from the prior twelve months.

# Progress on BOLD+1 Strategic Priorities

Objective	Update
<b>BUILD</b> complementary software, specialty, and services businesses for high growth	<ul style="list-style-type: none"><li>• Closed TriMed acquisition to enter the high-growth high-margin foot and ankle, hand and wrist segments of the orthopedic market</li><li>• With Biotech Dental and S.I.N. Implant System acquisitions, became the #3 Dental Implant/Biomaterials business</li><li>• #2 in Endodontics, supported by new product launches</li><li>• Expanded our Orthodontic business with Biotech Dental's 'Smilers' clear aligner product, now launched in the U.S.</li><li>• Integrated AI solutions into Dentrix Ascend, including Detect AI powered and manufactured by VideaHealth, our proprietary embedded artificial intelligence product to assist dentists in their diagnosis of dental disease, and Dentrix Ascend Voice, powered by Bola AI, further strengthening our position as the #1 global dental software solution company</li></ul>
<b>OPERATIONALIZE</b> One Distribution to deliver exceptional customer experience, increased efficiency and sales growth	<ul style="list-style-type: none"><li>• Acquired Shield Healthcare resulting in a \$300M Home Health platform</li><li>• Acquired ABC Dental, a \$30M revenue full-service dental distributor in Switzerland</li><li>• Ace and EdgeEndo product portfolios now marketed through the Henry Schein North America Distribution team</li></ul>
<b>LEVERAGE</b> One Schein to broaden and deepen relationships with our customers and expand customer spend through our product portfolio	<ul style="list-style-type: none"><li>• Aligned sales teams, successfully deepening our penetration of the DSO segment across specialty products and technology solutions</li><li>• Providing solutions through the Large Practice Sales acquisition</li></ul>
<b>DRIVE</b> digital transformation for our customers and for Henry Schein	<ul style="list-style-type: none"><li>• Preparing for launch of GEP in the UK later this year</li><li>• Integrated leading Nemotech clinical workflow software with Dentrix in the U.S.</li><li>• Launched Dentrix Eligibility Pro that integrates claims eligibility data into practice management software, and Reserve With Google that enables consumers to make patient appointments directly from their Google business listing</li></ul>

**+1 Creating Value For Our Stakeholders**

# Value Creation Through Focused M&A

Acquisition	Annual Revenue	Strategic Rationale	Expected Outcome	Expands complementary high-growth software, specialty and services businesses	Invests for growth in core distribution business
	\$52M	<ul style="list-style-type: none"> <li>Strengthens relationship with existing Integrated Delivery Networks and Ambulatory Surgical Center customers</li> </ul>	<ul style="list-style-type: none"> <li>Expand product offering and provide comprehensive orthopedic solutions to customers.</li> </ul>		
	\$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>		
	~\$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>		
	\$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>		
	\$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>		
	\$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>		
	\$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

**\$493M** YTD Operating Cashflow

**2.5x** Debt-to-EBITDA ratio as of June 29, 2024  
Maintain investment grade balance sheet

**\$552M\***  
Remaining share repurchase authorization as of 8/5/2024

**Strong balance sheet provides flexibility to pursue attractive opportunities**

Acquisitions

**\$181M**  
Invested YTD

Return of Capital to Shareholders

**\$175M**  
Repurchased YTD

Capital Expenditures

**\$78M**  
Invested YTD

<sup>9</sup> \*Includes additional \$500 million of share repurchases that was authorized by our Board of Directors on July 31st. We expect to repurchase approximately \$175 million in shares in the second half of this year.

# Financial Guidance – FY2024

Our 2024 total sales growth is now expected to be approximately 4% to 6% over 2023, versus our previous guidance of 8% to 10% growth. The previous guidance anticipated a stronger economy as well as a faster recovery from the cyber incident.

We now expect non-GAAP diluted EPS to be in the range of \$4.70 to \$4.82, which compares with previous guidance of \$5.00 to \$5.16, and reflects growth of 4% to 7% compared with 2023 non-GAAP diluted EPS of \$4.50.

New restructuring plan to integrate recent acquisitions, right-size operations and further increase efficiencies, targeting \$75 million to \$100 million in annual run-rate savings.

This guidance reflects an estimated non-GAAP effective tax rate of 25%.

As a result of the timing of implementing our restructuring plans, we expect year-over-year growth in diluted EPS to be higher in the fourth quarter than in the third quarter.

2024 Adjusted EBITDA is expected to grow in the low double-digit percentages versus 2023 Adjusted EBITDA and compares with prior guidance of more than 15%.

As of August 6, 2024*	Prior Guidance for Full Year 2024	Revised Guidance for Full Year 2024
Total Sales growth over 2023 Actuals	+8% to +10%	+4% to +6%
Adjusted EBITDA growth over 2023 Actuals	> 15%	low double-digits
2024 Non-GAAP diluted EPS**	\$5.00 to \$5.16	\$4.70 to \$4.82

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 restructuring costs related to an ongoing initiative to drive operating efficiencies, including the corresponding tax effect, that will be included in the Company's 2024 diluted EPS and net income prepared on a GAAP basis. The inability to provide this reconciliation is due to the uncertainty and inherent difficulty of predicting the occurrence, magnitude, financial impact and timing of related costs.

Management does not believe these items are representative of the Company's underlying business performance. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

\*FY2024 Guidance is as of August 6, 2024 and should not be considered an update of guidance beyond that date. Guidance is for current continuing operations as well as acquisitions that have closed and does not include the impact of potential future acquisitions, restructuring and integration expenses, amortization expense of acquired intangible assets, contingent consideration revaluation adjustments, certain expenses directly associated with the cyber incident or any related insurance claim recovery. 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 20 for GAAP & Non-GAAP Reconciliation.

# Appendix

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# Q2 2024 Worldwide Financial Results\*

<i>(in millions of USD except EPS)</i>	Q2 2024 (Non-GAAP)	Q2 2023 (Non-GAAP)	y/y $\Delta$
<b>Total sales</b>	<b>\$3,136</b>	<b>\$3,100</b>	<b>1.1%</b>
Gross profit	1,018	975	4.4%
Gross margin	32.46%	31.45%	+101 bps
Operating expenses (Non-GAAP)**	776	722	7.3%
<b>Operating income (Non-GAAP)**</b>	<b>\$242</b>	<b>\$253</b>	<b>-4.0%</b>
Operating margin (Non-GAAP)**	7.75%	8.16%	-41 bps
Net income attributable to Henry Schein, Inc. (Non-GAAP)**	\$158	\$173	-8.3%
<b>Earnings per share (Non-GAAP)**</b>	<b>\$1.23</b>	<b>\$1.31</b>	<b>-6.1%</b>
Effective tax rate (Non-GAAP)**	24.9%	22.7%	

\*Refer to slide 19 for our GAAP & non-GAAP Reconciliations.

\*\*GAAP Results as follows:

Q2 2024: Operating expenses \$859, Operating income \$159, Operating margin 5.09%, Net income \$104, Earnings per share \$0.80, Effective tax rate 24.9%

Q2 2023: Operating expenses \$774, Operating income \$201, Operating margin 6.46%, Net income \$140, Earnings per share \$1.06, Effective tax rate 22.0%

# Adjusted EBITDA

(in millions of USD)

	Q2 2024	Q2 2023
<b>Net Income attributable to Henry Schein, Inc. (GAAP)</b>	<b>\$104</b>	<b>\$140</b>
Income attributable to noncontrolling interests	1	8
<b>Net Income (GAAP)</b>	<b>105</b>	<b>148</b>
Interest income	(6)	(3)
Interest expense	32	19
Income taxes	33	41
Depreciation and amortization	74	59
Restructuring costs	15	18
Cyber incident-insurance proceeds, net of third-party advisory expenses	(7)	0
Change in contingent consideration	23	0
Litigation settlements	5	0
Equity in earnings of affiliates, net of tax	(6)	(3)
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$268</b>	<b>\$279</b>

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



# Q2 2024 Global Dental Sales Summary

<i>(in millions of USD)</i>	Q2 2024	Q2 2023	y/y $\Delta$	y/y LCI* $\Delta$
North America Dental Consumables	\$849	\$897	-5.3%	-5.2%
North America Dental Equipment	280	272	2.7%	2.9%
<b>North America Dental</b>	<b>\$1,129</b>	<b>\$1,169</b>	<b>-3.4%</b>	<b>-3.3%</b>
International Dental Consumables	\$635	\$617	2.9%	1.0%
International Dental Equipment	160	171	-6.1%	-5.5%
<b>International Dental</b>	<b>\$795</b>	<b>\$788</b>	<b>1.0%</b>	<b>-0.4%</b>
Global Dental Consumables	\$1,484	\$1,514	-1.9%	-2.6%
Global Dental Equipment	440	443	-0.7%	-0.4%
<b>Global Dental</b>	<b>\$1,924</b>	<b>\$1,957</b>	<b>-1.7%</b>	<b>-2.1%</b>

<sup>14</sup> \*LCI reflects internally generated sales in local currencies excluding acquisitions from the prior twelve months.

# Q2 2024 Global Medical Sales Summary

<i>(in millions of USD)</i>	Q2 2024	Q2 2023	y/y $\Delta$	y/y LCI* $\Delta$
North America Medical	\$970	\$925	4.9%	-4.3%
International Medical	28	25	9.0%	-1.9%
<b>Global Medical</b>	<b>\$998</b>	<b>\$950</b>	<b>5.0%</b>	<b>-4.3%</b>

15 \*LCI reflects internally generated sales in local currencies excluding acquisitions from the prior twelve months.

# Q2 2024 Technology/VAS Sales Summary

<i>(in millions of USD)</i>	Q2 2024	Q2 2023	y/y $\Delta$	y/y LCI* $\Delta$
North America Technology/VAS	\$186	\$168	10.8%	2.9%
International Technology/VAS	28	25	11.0%	10.5%
<b>Global Technology/VAS</b>	<b>\$214</b>	<b>\$193</b>	<b>10.8%</b>	<b>3.9%</b>

**Q2 2024**

# Technology/VAS + Dental Specialty Sales Summary

<i>(in millions of USD)</i>	Q2 2024	Q2 2023	y/y $\Delta$
Global Technology/VAS	\$214	\$193	10.8%
Global Dental Specialties*	279	260	7.2%
<b>Global Technology/VAS + Dental Specialties</b>	<b>\$493</b>	<b>\$453</b>	<b>8.7%</b>
% of Total Sales	15.7%	14.6%	

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

# Q2 2024 GAAP to Non-GAAP Income Statements

<i>(in millions of USD except EPS)</i>	Q2 2024 GAAP	Restructuring Costs	Acquisition Intangible Amortization	Cyber Incident Costs	Litigation Settlements	Change in Contingent Consideration	Q2 2024 Non-GAAP
<b>Total sales</b>	<b>\$3,136</b>						<b>\$3,136</b>
Gross profit	1,018						1,018
Selling, general and administrative	781			7	(5)	(23)	760
Depreciation and amortization	63		(47)				16
Restructuring costs	15	(15)					0
<b>Operating income</b>	<b>\$159</b>	<b>\$15</b>	<b>\$47</b>	<b>\$(7)</b>	<b>5</b>	<b>\$23</b>	<b>\$242</b>
Net interest expense	(27)						(27)
Income before taxes	132	15	47	(7)	5	23	215
Income taxes	(33)	(3)	(12)	1	1	(6)	(54)
Equity in earnings of affiliates, net of tax	6						6
Net income	105	12	35	(6)	4	17	167
Less: Net income attributable to non-controlling interests	(1)	(1)	(7)				(9)
Net income attributable to Henry Schein, Inc.	104	11	28	(6)	4	17	158
<b>Earnings per share (Diluted)</b>	<b>\$0.80</b>	<b>\$0.08</b>	<b>\$0.22</b>	<b>\$(0.04)</b>	<b>\$0.03</b>	<b>\$0.13</b>	<b>\$1.23</b>



# GAAP & Non-GAAP Reconciliations

## Q2 2024 Financial Highlights

Henry Schein, Inc.  
Second Quarter 2024 Analyst Presentation  
Q2 2024 - Financial Highlights  
(in millions, except per share data)

	GAAP			Reconciling Items												Non-GAAP			
	Q2 2023	Q2 2024	Growth	Restructuring Costs		Acquisition Intangible Amortization		Cyber Incident-Insurance Proceeds, Net of Third-Party Advisory Expenses		Change in Contingent Consideration		Litigation Settlements		Q2 2023	Q2 2024	Growth			
				2023	2024	2023	2024	2023	2024	2023	2024	2023	2024						
Net Sales	\$ 3,100	\$ 3,136	1.1%														\$ 3,100	\$ 3,136	1.1%
Operating Income	201	159	-20.3%	\$ 18	\$ 15	\$ 34	\$ 47	\$ -	\$ (7)	\$ -	\$ 23	\$ -	\$ 5				253	242	-4.0%
Operating Margin	6.46%	5.09%	(137) bps														8.16%	7.75%	(41) bps
Net Income	140	104	-25.8%	\$ 13	\$ 11	\$ 20	\$ 28	\$ -	\$ (6)	\$ -	\$ 17	\$ -	\$ 4				173	158	-8.3%
Diluted EPS	\$ 1.06	\$ 0.80	-24.5%	\$ 0.10	\$ 0.08	\$ 0.15	\$ 0.22	\$ -	\$ (0.04)	\$ -	\$ 0.13	\$ -	\$ 0.03				\$ 1.31	\$ 1.23	-6.1%

Notes: Amounts may not sum due to rounding.

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.  
Second Quarter 2024 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		Cyber Incident-Third-Party Advisory Expenses		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.

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.