

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 the report (Date of earliest event reported): April 23, 2018

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
(I.R.S. 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))

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 7.01 Regulation FD.

On April 23, 2018, Henry Schein, Inc. (the “Company,”) held an investor presentation relating to the Company’s entry into definitive agreements on April 20, 2018 with HS Spingo, Inc., a Delaware corporation and a direct, wholly owned subsidiary of the Company (“Spingo”), and Direct Vet Marketing, Inc. (d/b/a Vets First Choice), a Delaware corporation (“DVM”), as part of a Reverse Morris Trust transaction pursuant to which, subject to the terms and conditions set forth in certain definitive agreements, (i) the Company will contribute the assets and entities comprising its animal health business (the “Spingo Business”) to Spingo, (ii) in exchange for the contribution to Spingo of the Spingo Business, Spingo will issue to the Company shares of common stock, par value \$0.01 per share, of Spingo (the “Spingo Common Stock”), (iii) Spingo will pay to the Company a special dividend in an amount as determined by the Company in its reasonable discretion and in certain specified circumstances, an additional cash dividend, and the repayment of certain outstanding intercompany debt owed by Spingo and its subsidiaries to the Company and its subsidiaries, (iv) the Company will subsequently distribute to its stockholders all of the shares of Spingo Common Stock held by the Company (the “Distribution”), and (v) immediately after the Distribution, HS Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Spingo (“Merger Sub”), will merge with and into DVM, with DVM surviving the merger as a wholly owned subsidiary of Spingo (collectively, the “Transactions”). Upon consummation of the Transactions, on a fully diluted basis, the stockholders of the Company will own approximately 63% of the outstanding shares of Spingo Common Stock and the then former stockholders of DVM will own approximately 37% of the outstanding shares of Spingo Common Stock, subject to certain adjustments. A copy of the presentation presented on the investor conference call is furnished herewith as Exhibit 99.1.

On April 23, 2018, the Company and DVM issued a joint press release in connection with the Transactions. A copy of the press release is furnished herewith as Exhibit 99.2.

Such investor presentation and joint press release shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2 attached hereto, shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Investor Presentation, dated April 23, 2018.
99.2	Joint Press Release, dated April 23, 2018.

Forward-Looking Statements

In accordance with the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Company provides 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. These statements are identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate” or other comparable terms. Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction, including future financial and operating results, plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to anticipated synergies and the expected timetable for completing the proposed transaction — are forward-looking statements. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. Therefore, you should not rely on any of these forward-looking statements. 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. For example, these forward-looking statements could be affected by factors including, without limitation, risks associated with the ability to consummate the transaction and the timing of the closing of the transaction; the ability to obtain requisite approvals; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in reports filed with the SEC by the Company from time to time, including those discussed under the heading “Risk Factors” in its most recently filed Annual Report on Form 10-K. The Company undertakes no duty and has no obligation to update any forward-looking statements contained herein.

Additional Information and Where to Find It

In connection with the proposed transaction, Spinco plans to file relevant materials with the SEC, including a registration statement on Form S-1/S-4 containing a prospectus. **Investors and security holders are urged to carefully read the registration statement/prospectus (including any amendments or supplements thereto and any documents incorporated by reference therein) and any other relevant documents filed with the SEC when they become available, because they will contain important information about the parties and the proposed transaction.** The registration statement/prospectus and other relevant documents that are filed with the SEC can be obtained free of charge (when available) from the SEC's web site at www.sec.gov. These documents can (when available) also be obtained free of charge from the Company upon written request to the Company at 135 Duryea Road, Melville, New York.

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

SIGNATURES

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.

Date: April 23, 2018

By: /s/ Walter Siegel
Name: Walter Siegel
Title: Senior Vice President and General Counsel



HENRY SCHEIN TO SPIN OFF AND MERGE ITS ANIMAL HEALTH BUSINESS WITH VETS FIRST CHOICE, CREATING AN INNOVATIVE APPROACH TO ADVANCING VETERINARY CARE

APRIL 23, 2018



Safe Harbor Statement

Forward Looking Statements

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. These statements are identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or other comparable terms. Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction, including future financial and operating results, plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to anticipated synergies and the expected timetable for completing the proposed transaction — are forward-looking statements. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. Therefore you should not rely on any of these forward-looking statements. 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. For example, these forward-looking statements could be affected by factors including, without limitation, risks associated with the ability to consummate the transaction and the timing of the closing of the transaction; the ability to obtain requisite approvals; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in reports filed with the SEC by Henry Schein from time to time, including those discussed under the heading "Risk Factors" in its most recently filed Annual Report on Form 10-K. We undertake no duty and have no obligation to update any forward-looking statements contained herein.

Additional Information and Where to Find It

In connection with the proposed transaction, Vets First Corp. plans to file relevant materials with the SEC, including a registration statement on Form S-1/S-4 containing a prospectus, in the coming months. **Investors and security holders are urged to carefully read the registration statement/prospectus (including any amendments or supplements thereto and any documents incorporated by reference therein) and any other relevant documents filed with the SEC when they become available, because they will contain important information about the parties and the proposed transaction.** The registration statement/prospectus and other relevant documents that are filed with the SEC can be obtained free of charge (when available) from the SEC's web site at www.sec.gov. These documents can (when available) also be obtained free of charge from Henry Schein, Inc. upon written request to Carolynne Borders at Henry Schein, Inc., 135 Duryea Road, Melville, NY 11747. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, including operating income. The non-GAAP financial measures contained herein have limitations as analytical tools and should not be considered in isolation or in lieu of an analysis of our results as reported under U.S. GAAP. These non-GAAP measures should be evaluated only on a supplementary basis in connection with our U.S. GAAP results. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the back of this presentation.

Vets First Corp. - Creating a New Animal Health Innovator



75% of vets in the U.S.; 70% in Europe and Australia/New Zealand

Only global animal health supply chain and technology solutions company



vetsfirstchoice

More than 5,100* active practices on Rx management platform

A leading insights, analytics and services platform, helping vets to identify and manage gaps in care

* at end of 2017

\$3.6B

PRO FORMA 2017
COMBINED REVENUE

IN-OFFICE

SUPPLY CHAIN
& SOFTWARE SOLUTIONS



80,000

VET OFFICES GLOBALLY



+5,000

TEAM MEMBERS

ONLINE

PRO-ACTIVE PRESCRIPTION
MANAGEMENT &
DIGITAL SOLUTIONS



Strategic Benefits for Vets First Corp. and Henry Schein

Unlocks Shareholder Value for Vets First Corp. and Henry Schein

- Positions each company for above market growth
- Streamlined focus and enhanced capital allocation
- Grows available market for veterinarians and manufacturers
- Expected year three synergies will be in excess of \$100M in operating income



Vets First Corp.

- Animal health:
 - Assist veterinarians in managing their practices through a multi-channel platform
 - Harness the power of insights and analytics
- Henry Schein Animal Health's practice management solutions combined with Vets First Choice platform to drive differentiated level of service and support to veterinarians
- Help clinicians achieve better outcomes for pets through increased compliance
- Positions Vets First Corp. to achieve a premium valuation

Henry Schein

- Dental and medical:
 - Increase focus in helping dentists and physicians in operating a more efficient practice so practitioners can deliver quality clinical care
 - High-touch, full-service, value-added approach for supplies, equipment, service, and practice management software
 - Provide innovative solutions for global dental and medical practitioners
 - Opportunity for increased investment
 - Expected to be between \$1.0 billion and \$1.25 billion in cash on a tax-free basis

Vets First Corp.

OVERVIEW

An End-to-End Technology-enabled Platform at Scale

**INTEGRATED
SOLUTION.
IMPROVED
OUTCOMES.**



Vets First Corp.: Creating a Win for Stakeholders



Vet

- Enhanced medical compliance
- Improved practice economics



Pet Owner

- Improved pet health
- Multi-channel healthcare
- Enhanced client experience



Manufacturer

- Driver of category growth
- Global partner



Internal Teams

- Collaborative growth with focused missions
- Exciting growth opportunities for both companies

A new value chain connecting
veterinarians, pet owners, and manufacturers
to improve the delivery of care and increase value for shareholders

Vets First Corp.: Well-Positioned to Succeed

- Complementary skill sets that create **the only multi-channel, integrated platform** entirely focused on improving the veterinary practice
- **Significant global scale** in an attractive end-market
 - We seek to significantly build on this global leadership position
- **Opportunity to expand margins** as recurring revenues accelerate amidst **platform adoption**
- The ability to **harness technology to create market growth** and expand customer lifetime value
- Evolving consumer trends have created an **opportunity for rapid growth on the right platform**

TRANSACTION

SUMMARY

Transaction Summary

- Reverse Morris Trust – intended to be a tax-free spin-off to Henry Schein shareholders for U.S. tax purposes, followed by a merger with Vets First Choice
- Expected to close by the end of 2018; subject to customary closing conditions and regulatory approvals
- Expected fully diluted ownership:
 - Henry Schein shareholders: 63%
 - Vets First Choice shareholders: 37%
 - Precise ownership percentages are subject to adjustments as set forth in the transaction agreements
- Henry Schein Animal Health and Vets First Choice expect to realize annual synergies such that in year three synergies for the combined business will be in excess of \$100M in operating income
- Henry Schein expected to receive between \$1.0 billion and \$1.25 billion in cash on a tax-free basis
 - As part of the transaction and prior to its completion, Henry Schein expects to buy out the minority interest in its U.S. Animal Health business for approximately \$365 million
 - Henry Schein plans to use the proceeds of this transaction for general corporate purposes, including share repurchases, paying down debt and disciplined M&A
- Post closing, Henry Schein expects to deliver EPS growth for the remaining consolidated Henry Schein business in the high-single digit to low-double digit range
- Henry Schein 2018 EPS guidance remains unchanged; will provide a financial update following the closing of the transaction

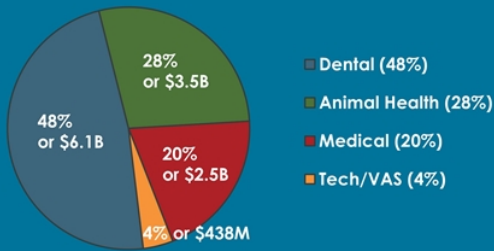
10

Henry Schein, Inc.

OVERVIEW

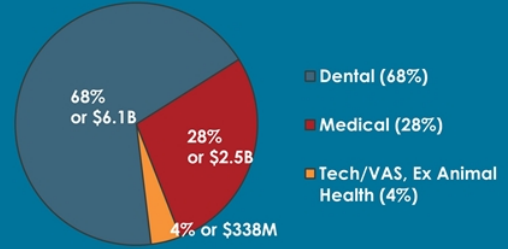
Henry Schein, Inc.

Pre Spin-off 2017 Reported Revenue



- Global dental, medical and animal health businesses
- Technology and Value-Added Services business
- \$12.5 billion in global sales
- \$865 million in non-GAAP operating income*

Post Spin-off 2017 Pro Forma Revenue



- Global dental and medical businesses
- Technology & Value-Added Services business
- \$9.0 billion remaining sales
- \$695 million in non-GAAP operating income* on a pro forma basis

* See reconciliation of GAAP and non-GAAP measures in the appendix of this presentation. 12

Henry Schein's Strong Market Positions

Dental

- Only global dental supply chain and solutions company for general practitioners, specialists, and laboratories
 - #1 in North America, Europe, Australia/New Zealand and Brazil
 - Leading global dental practice management software, including +40% market share in the U.S.
- Growth Opportunities:
 - Increasing penetration with existing customers through value-added services
 - Greater penetration of specialty markets
 - Geographic expansion
 - Advancing technology solutions, centered on practice management software through Henry Schein One joint venture
 - Continued focus on large group practices
 - Digitalization of prosthetic solutions



Medical

- A leading U.S. supply chain and solutions company to primary care physicians and specialists, group practices, physician-owned labs and ambulatory surgery centers
 - Approximately 55% of U.S. physician practices are active customers
 - Significant business with large group practices and IDNs with considerable formulary expertise
- Growth Opportunities:
 - Increasing penetration with existing customers through value-added services
 - Continued focus on independent practices, large group practices and ambulatory care centers
 - Greater penetration with specialty physician markets



Henry Schein: Strategically Well-Positioned with Continued Financial Strength

Henry Schein (Post Close)

- High touch, value added market approach
- Focus on delivering solutions that enable customers to deliver the best quality patient care while increasing the efficiency of their practice
 - Patient demand generation
 - Technology and equipment interoperability
 - Providing robust solutions for clinical workstations
 - Uniquely positioned to serve common sites of care for dental and medical
- Goal to offer investors an attractive return on investment
- Strong track record of growth, operational excellence and successful M&A, led by a proven management team

14

Q&A

Contacts

At Henry Schein

Investor Relations:

Carolynne Borders
Vice President, Investor Relations
carolynne.borders@henryschein.com
(631) 390-8105

Media:

Anne Marie Gothard
Vice President, Corporate Media Relations
Annmarie.gothard@henryschein.com
(631) 390-8169

At Vets First Choice

Investor Relations:

Nicholas Jansen
Vice President, Investor Relations
nicholas.jansen@vetsfirstchoice.com
(888) 280-2221, x1103

Media:

David Melancon
david.melancon@vetsfirstchoice.com
(917) 378-8525

Appendix: GAAP and Non-GAAP Reconciliation

Henry Schein, Inc.
2017 Operating Income

Reconciliation of GAAP Operating Income, pre spin-off to
(1) Non-GAAP Operating Income, pre spin-off and
(2) Non-GAAP Operating Income, post spin-off

(Amounts in millions USD)

GAAP Operating Income, pre spin-off	\$	859.4
Operating Income Non-GAAP Adjustments		
Litigation settlement		5.3
Non-GAAP Operating Income, pre spin-off (1)		864.7
Pro Forma Adjustments		
Animal health distribution		(146.6)
Animal health technology and value-added services		(23.0)
Non-GAAP Operating Income, post spin-off (2)	\$	<u>695.1</u>

17

**HENRY SCHEIN TO SPIN OFF AND MERGE ITS ANIMAL HEALTH BUSINESS
WITH VETS FIRST CHOICE, CREATING AN INNOVATIVE
APPROACH TO ADVANCING VETERINARY CARE**

- *Henry Schein Will Spin Off Its Animal Health Business, Which Will Merge with Vets First Choice Forming an Independent Public Company*
- *Transaction Unlocks Value for Henry Schein Shareholders by Creating an Exciting New Animal Health Company While Providing Enhanced Focus for Its Growing Dental and Medical Businesses; Year-Three Operating Income Synergies for the Combined Animal Health Businesses Expected to be in Excess of \$100 Million*
- *Upon Completion of the Transaction, Henry Schein Shareholders Will Own Approximately 63% and Vets First Choice Shareholders Will Own Approximately 37% of the New Company; Henry Schein Expects to Receive Between \$1.0-\$1.25 Billion in Cash on a Tax-Free Basis*

Conference call with slide presentation begins at 8:30 a.m. Eastern time

MELVILLE, N.Y., and PORTLAND, ME, April 23, 2018 – Henry Schein, Inc. (Nasdaq: HSIC) and Vets First Choice announced plans today for Henry Schein to spin off its Animal Health business and merge it with Vets First Choice, creating an innovative approach to advancing the delivery of animal health care designed to provide unique benefits to veterinarians, manufacturers, pet owners, and their pets.

The new company, to be called Vets First Corp., will harness insights and analytics to provide pro-active prescription management, and combined with Henry Schein's leading global animal health solutions, will create a unique animal health service and technology platform dedicated to supporting the veterinary market. By bringing together the power of data analytics, digital communications, practice management software, and supply chain expertise into a multi-channel platform, Vets First Corp. is expected to improve health outcomes for the benefit of pets and their owners, while driving increased demand for products and services for the benefit of veterinary offices and manufacturers.

"We are excited about the merger of Henry Schein Animal Health with Vets First Choice. Over the years we have observed the impressive success of Vets First Choice and believe the combined management team is well positioned to capitalize on the significant opportunities created by the merger," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer, Henry Schein, Inc.

“We are similarly excited about the significant growth opportunities for Henry Schein’s dental and medical businesses as we implement our 2018-2020 Strategic Plan,” Mr. Bergman continued. “Building upon our long history of reinvention, the Company will continue to expand our offering of innovative solutions for our dental and medical customers. We see significant growth opportunities in both the dental and medical markets, such as advancing our position in practice management solutions, including those provided by our new Henry Schein One joint venture, and expanding our penetration with health care practitioners and specialists as well as large group practices and ambulatory care sites.”

A New Global Leader in Animal Health

“We are early in the lifecycle of rapid technological change in the animal health market,” said Ben Shaw, Founder and CEO of Vets First Choice, who will become CEO of the new company. “This merger creates an enhanced value chain that connects the veterinarian, the manufacturer, and the pet owner through insights and analytics that will support better clinical and financial outcomes. This new global animal health care company is focused on improving clinical compliance by facilitating the delivery of care how, when, and where the pet owner wants it.”

Vets First Choice, founded in 2010, has quickly become a leading provider of technology-enabled health care services, with a sole focus on animal health. The company is based in Portland, Maine, where the combined company will be headquartered.

Henry Schein Animal Health (HSAH) is the world’s largest and only global supply chain provider of animal health products and related services, with market-leading positions in North America, Europe, and Australia/New Zealand. HSAH has approximately 4,300 team members and active customers include approximately 75% of veterinarians in the U.S., and 70% of veterinarians in Europe and Australia/New Zealand. In addition, more than 50% of U.S. Animal Health practices currently utilize Henry Schein’s practice management software platform to drive office productivity and customer engagement. Vets First Choice has approximately 750 team members in the U.S., and more than 5,100 veterinary practices on its prescription management platform.

Immediately following a spin-off from Henry Schein, HSAH will combine with Vets First Choice to form a new publicly traded company that is expected to provide veterinarians with a powerful new platform to grow their practices, improve client engagement, and drive better health outcomes for pets. This transaction is expected to uniquely position the new company to pursue new revenue opportunities, greater operational efficiency, and accelerated growth, in an attractive end-market.

The company will have combined pro forma 2017 sales of approximately \$3.6 billion. HSAH and Vets First Choice expect synergies to grow annually such that in year three, operating income synergies for the combined business will be in excess of \$100 million, driven largely by accelerated revenue growth from the adoption of the Vets First Choice platform across the HSAH customer base.

“By combining forces with HSAH, we anticipate accelerating the introduction of new and enhanced programs, services, and technology to veterinary teams so they can deepen their focus on doing the great work of caring for the animals in our lives,” said Mr. Shaw. “Manufacturers will benefit from a global platform to help drive category growth, improved client engagement, and enhanced medication and service compliance. At the same time, team members of the combined company will continue to contribute in a highly collaborative environment with the shared goal of supporting our customers’ success.”

Unlocking Henry Schein Shareholder Value

“For Henry Schein, we believe the transaction benefits our shareholders in two ways,” Mr. Bergman said. “We believe Vets First Corp., as an independent public company focused exclusively on animal health, will be well-positioned to achieve a premium valuation in the market. We believe the transaction positions Henry Schein shareholders to benefit from their investment in a more focused dental and medical growth company.

“Following the spin-off of HSAH as an independent company, Henry Schein will focus on our market-leading dental and medical businesses as we make continued investments for future growth,” Mr. Bergman said. “We are confident in our ability to build upon our track record of delivering solid internal and acquisition growth, as we have over our 23-year history as a public company. We believe our formula of serving the dental and medical markets with innovative products, solutions, and support will position us well to drive increased top and bottom line growth going forward.”

Following the close of the transaction, on a pro forma basis, Henry Schein’s total 2017 revenue for the remaining business will be approximately \$9.0 billion with approximately \$690 million in GAAP operating income, or \$695 million on a non-GAAP basis (see Exhibit A for reconciliation of GAAP operating income and non-GAAP operating income). Henry Schein expects to deliver EPS growth for the remaining consolidated business in the high-single digit to low-double digit range. Henry Schein expects to update full-year earnings guidance for the remaining business once the transaction closes by the end of 2018.

Management and Governance

Henry Schein will nominate six individuals to the board of directors and Vets First Choice will nominate five individuals to the board. Stanley Bergman will serve as a board member of Vets First Corp. and will continue as Henry Schein’s Chairman of the Board and CEO. Henry Schein, Inc. will nominate the Chair of the Governance and Nominating Committee of Vets First Corp., who will also serve as lead director. Ben Shaw, the CEO of Vets First Choice, will become the CEO of Vets First Corp., and David Shaw, Chairman of the Board and Co-Founder of Vets First Choice, as well as Founder of IDEXX Laboratories, Inc., will serve as Chairman of Vets First Corp. The current management of HSAH and Vets First Choice will have senior roles in Vets First Corp.

Transaction Details and Conditions to Close

The transaction is structured as a "Reverse Morris Trust" transaction intended to be tax-free to Henry Schein shareholders for U.S. tax purposes. It is currently expected that shares of Vets First Corp. common stock will be distributed to Henry Schein stockholders in connection with the spin-off of the Henry Schein Animal Health business and to Vets First Choice stockholders in the subsequent merger. In addition, equity incentives held by Henry Schein Animal Health and Vets First Choice employees will be converted into equity incentives in respect of shares of Vets First Corp. and shares of Vets First Corp. may be issued to certain minority holders of Henry Schein Animal Health subsidiaries in exchange for their interests in those subsidiaries. It is expected that Henry Schein shareholders and the aforementioned Henry Schein Animal Health-related parties will own approximately 63% of Vets First Corp. common stock immediately following the transaction, while Vets First Choice investors will own approximately 37% of such stock. The precise ownership percentages are subject to adjustments as set forth in the transaction agreements, but in all cases Henry Schein shareholders will receive a majority of Vets First Corp. shares in the transaction.

Additionally, Henry Schein expects to receive between \$1.0 billion and \$1.25 billion in cash on a tax-free basis as part of the transaction. Henry Schein plans to use the proceeds for general corporate purposes, including share repurchases, repayment of indebtedness and acquisition opportunities.

The transaction has been unanimously approved by the Boards of Directors of Henry Schein and Vets First Choice, and is expected to close by the end of 2018. It is also subject to customary closing conditions, including customary regulatory approvals, the receipt of tax opinions from counsel with respect to the transaction and the effectiveness of the registration statement on Form S-1/S-4 to be filed with the U.S. Securities and Exchange Commission in connection with the transaction.

Advisors

Centerview Partners is serving as exclusive financial advisor to Henry Schein, Inc., and Cleary Gottlieb and Proskauer Rose are serving as its legal advisors. J.P. Morgan Securities, LLC is serving as exclusive financial advisor to Vets First Choice and Morgan Lewis is serving as its legal advisor.

Conference Call

The Company will hold a conference call to discuss today's announcement, beginning at 8:30 a.m. Eastern time. A presentation about the transaction will be posted to the Investors Relations section of www.henryschein.com.

Individual investors are invited to listen to the conference call through Henry Schein's website at www.henryschein.com. In addition, a replay will be available beginning shortly after the call has ended.

About Henry Schein

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](#) serving more than 1 million customers globally, the Company is the world's largest provider of Business, Clinical, and Technology solutions to enhance the efficiency of office-based [dental](#), [animal health](#), and [medical](#) practitioners. The Company also serves [dental laboratories](#), [government and institutional health care clinics](#), and other alternate care sites.

A Fortune 500® Company and a member of the S&P 500® and the Nasdaq 100® indexes, Henry Schein's network of trusted advisors provides health care professionals with the valued solutions they need to improve operational success and clinical outcomes. The Company offers customers exclusive, innovative products and solutions, including practice management software, e-commerce solutions, specialty and surgical products, as well as a broad range of [financial services](#). 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.

Headquartered in Melville, N.Y., Henry Schein has operations or affiliates in 34 countries. The Company's sales reached a record \$12.5 billion in 2017, and have grown at a compound annual rate of approximately 15 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), and [@HenrySchein](https://twitter.com/HenrySchein) on Twitter.

About Vets First Choice

Vets First Choice is a leading provider of technology-enabled health care services for companion and equine veterinary practitioners. Founded in 2010, the company partners with veterinarians to create insight into gaps in patient care and offers professionalized pro-active prescription management to drive client engagement and improve compliance. Its services result in better prescription compliance, increased client engagement, and improved practice revenues and profitability. For more information, please visit www.vetsfirstchoice.com.

Additional Information and Where to Find It

In connection with the proposed transaction, Vets First Corp. plans to file relevant materials with the SEC, including a registration statement on Form S-1/S-4 containing a prospectus, in the coming months. **Investors and security holders are urged to carefully read the registration statement/prospectus (including any amendments or supplements thereto and any documents incorporated by reference therein) and any other relevant documents filed with the SEC when they become available, because they will contain important information about the parties and the proposed transaction.** The registration statement/prospectus and other relevant documents that are filed

with the SEC can be obtained free of charge (when available) from the SEC's web site at www.sec.gov. These documents can (when available) also be obtained free of charge from Henry Schein, Inc. upon written request to Carolynne Borders at Henry Schein, Inc., 135 Duryea Road, Melville, NY 11747. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-Looking Statements

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, Henry Schein provides 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. These statements are identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or other comparable terms. Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction, including future financial and operating results, plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to anticipated synergies and the expected timetable for completing the proposed transaction — are forward-looking statements. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. Therefore, you should not rely on any of these forward-looking statements. 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. For example, these forward-looking statements could be affected by factors including, without limitation, risks associated with the ability to consummate the transaction and the timing of the closing of the transaction; the ability to obtain requisite approvals; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in reports filed with the SEC by Henry Schein from time to time, including those discussed under the heading "Risk Factors" in its most recently filed Annual Report on Form 10-K. We undertake no duty and have no obligation to update any forward-looking statements contained herein.

Non-GAAP Financial Measures

This press release contains certain non-GAAP financial measures, including operating income. The non-GAAP financial measures contained herein have limitations as analytical tools and should not be considered in isolation or in lieu of an analysis of our results as reported under U.S. GAAP. These non-GAAP measures should be evaluated only on a supplementary basis in connection with our U.S. GAAP results. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of this press release.

Contacts:

Henry Schein

Investors: Carolynne Borders, Vice President, Investor Relations, carolynne.borders@henryschein.com, (631) 390-8105

Media: Ann Marie Gothard, Vice President, Corporate Media Relations, annmarie.gothard@henryschein.com, (631) 390-8169

Vets First Choice

Investors: Nicholas Jansen, Vice President, Investor Relations
nicholas.jansen@vetsfirstchoice.com, (888) 280-2221, x1103

Media: David Melancon, david.melancon@vetsfirstchoice.com,
(917) 378-8525

Henry Schein, Inc.
2017 Pro Forma Operating Income Reconciliation
of GAAP results to non-GAAP results
(in thousands, except per share data)
(unaudited)

	<u>Full Year 2017</u>
Operating Income	\$ 859,369
Pro Forma Adjustments	
Animal health distribution (1)	\$ (146,579)
Animal health technology and value-added services (1)	(22,976)
Total pro forma Operating Income	\$ 689,814
Non-GAAP Adjustments	
Litigation settlement (2)	5,325
Pro Forma Non-GAAP Operating Income	\$ 695,139

Management believes that pro forma 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 pro forma 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.

- (1) Represents a pro forma adjustment to 2017 operating income as a result of the divestiture of the Animal Health distribution and Animal Health technology and Value-Added Services businesses.
(2) Represents a 2017 pre-tax charge of \$5,325 related to a litigation settlement.