Q4 2018

NASDAQ: HSIC
Safe Harbor Provision

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 are identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate” or other comparable terms. A full discussion of our operations and financial condition, 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, 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: effects of a highly competitive and consolidating market; our dependence on third parties for the manufacture and supply of our products; our dependence upon sales personnel, customers, suppliers and manufacturers; our dependence on our senior management; fluctuations in quarterly earnings; 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 macro-economic conditions; risks associated with currency fluctuations; risks associated with political and economic uncertainty; disruptions in financial markets; volatility of the market price of our common stock; changes in the health care industry; implementation of health care laws; failure to comply with regulatory requirements and data privacy laws; risks associated with our global operations; transitional challenges associated with acquisitions and joint ventures, including the failure to achieve anticipated synergies; financial risks associated with acquisitions and joint ventures; litigation risks; new or unanticipated litigation developments; the dependence on our continued product development, technical support and successful marketing in the technology segment; our dependence on third parties for certain technologically advanced components; increased competition by third party online commerce sites; risks from disruption to our information systems; cyberattacks or other privacy or data security breaches; certain provisions in our governing documents that may discourage third-party acquisitions of us; and changes in tax legislation. 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.

Included within the press release are non-GAAP financial measures that supplement the Company’s Consolidated Statements of Income prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Company’s actual results prepared under GAAP to exclude certain items. In the schedules attached to this press release, the non-GAAP measures have been reconciled to and should be considered together with the Consolidated Statements of Income. Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures.
Largest Distributor of Health Care Products and Services to Office-based Dental and Medical Practitioners

More than 18,000 Team Schein Members

More than 1 Million Customers

18 Years Fortune World’s Most Admired Companies

8 Years Ethisphere World’s Most Ethical Companies

15 Years Fortune 500

12 Years Nasdaq 100®

4 Years S&P 500®

2018 Fortune Change the World List

2018 Higher Ambition Company of the Year

Excluding animal health following spin-off
Leading Market Positions

Consistent Growth
• Track record of solid, long-term growth

Recession Resistant
• Somewhat elastic with macroeconomic trends

Fragmented Customer Base
• Approximately 1 million customers

Fragmented Competitors
• Small number of large, national competitors
• Approximately half the target markets served by smaller companies

Markets Served
• #1 global dental distributor
• #2 physician and alternate care distributor in the U.S.

Excluding animal health following spin-off
Positive Market Trends

Positive Demographic Trends
• Aging population represents increasing need for health care services
• Global middle class is growing

Technological Improvements
• Software and services
• Prosthetic solutions
• Patient communications

Focus on Preventive Care
• Growing awareness of importance of preventative care
• Improving access to care

Consolidation of Practitioners in Dental and Medical
• Multiple locations under common management
• Movement of procedures from hospital to physician office
Our primary objective is to partner with our customers allowing our customers to focus on delivering quality care to their patients.
Global Distribution Network

Distribution Centers

- 9 Core North American Distribution Centers serving Dental and Medical
- 8 Distribution Centers in Europe serving Dental and Medical
- 6 Distribution Centers in Australia/New Zealand serving Dental
- 7 Distribution Centers in Asia/Rest of World serving Dental

- Approximately 90% utilization with capacity for growth
- 30 warehouses worldwide with over 3.5 million square feet of warehouse for storage and processing
Our strategy is focused on delivering solutions that enable our customers to provide the best quality patient care while optimizing the efficiency of their practice.
Our Value-Added Solutions Approach

- Approximately 3,600 highly trained Field Sales Consultants worldwide, supported by approximately 1,900 telesales representatives.

- 182 equipment sales and service centers worldwide and more than 2,000 dedicated field technicians.

- Over 450 customer service reps who assist with payments, order inquiries, account maintenance, and other post sales transactions.

- More than 900 software development, product management and IT professionals worldwide.

- Over 1,000 technical representatives supporting customers using our practice management solutions.

Numbers excluding animal health following spin-off
Dental Market Position

Only global dental distributor and solutions company for general practitioners, specialists, and laboratories

- #1 in sales in North America
- #1 in sales in Europe
- #1 in sales in Australia/New Zealand
- #1 in sales in Brazil

Active customers (approximate)

- 90% of U.S. dental practices
- 80% of dental labs in North America
- 65% of European dental practices
- 80% of Australia/New Zealand dental practices
- 60% of Brazil dental practices

Multifaceted sales and marketing approach

- Over 2,900 dedicated Field Sales Consultants
- Product specialists, e.g., capital equipment, technology, specialty products, etc.
- Telesales
- Direct marketing using sophisticated database tools and information

Source: Henry Schein Estimates
Dental Market

2018 Henry Schein Global Dental Sales by Geography

$6.3B or 67.4% of Net Sales

North America (61%)
Europe (28%)
Rest of World (11%)

Market Share:
North America: 35% to 40%
Europe: 20+% 
Australia/New Zealand: 30%

Available Market:
$20 billion

Market Share and Available Market Represent Henry Schein Estimates

Market information excludes specialty products, services, and precious metals
Dental Specialty Markets

Dental Specialties
• Approximately $778 million in TTM revenue

Implants
• High-margin business
• Traditionally faster growth than core dental market
• Ability to leverage existing relationships with specialty practitioners
• General practitioners increasingly performing specialty procedures

Orthodontics
• Focus on orthodontic specialist
• Opportunity to expand product offering
• Specialist and general practitioner education

Endodontics
• Up to 25 endodontic treatments performed in the U.S. each year
• General Practitioners perform approximately 70% of root canal treatments in the U.S.
• The U.S. market accounts for over 35% of the worldwide endodontic market
• Aging population retaining more teeth and electing root canal treatments

Available Market: $7.8 billion
Market Share: 10%

Source: Henry Schein Estimates
Dental Market – Growth Opportunities

- Increasing penetration with existing customers
- Geographic expansion
- Advancing technology solutions, centered on practice management software
- Greater penetration of specialty markets
- Continued focus on large group practices
- Digitalization of prosthetic solutions
## Dental Market – Key Acquisitions

<table>
<thead>
<tr>
<th>Key Acquisitions</th>
<th>Description</th>
<th>LTM Revenue*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wuhan (2019)</td>
<td>Expands our dental business in China</td>
<td>$40M</td>
</tr>
<tr>
<td>Medentis/Intra-Lock/Pro-Cam (2018)</td>
<td>Strengthens Global Dental Implant Offerings</td>
<td>$45M</td>
</tr>
<tr>
<td>Ortho2 (2017)**</td>
<td>Advances orthodontic software offering</td>
<td>$14M</td>
</tr>
<tr>
<td>Edge Endo (2017)</td>
<td>Expands our line of Endodontic Solutions</td>
<td>$17M</td>
</tr>
<tr>
<td>SAS (2017)</td>
<td>Enhances Dental Surgical Supply offering</td>
<td>$72M</td>
</tr>
<tr>
<td>Marrodent (2016)</td>
<td>Entry into Poland Dental Market</td>
<td>$32M</td>
</tr>
<tr>
<td>One Piece (2016)**</td>
<td>Expands our Dental Business in Japan</td>
<td>$125M</td>
</tr>
<tr>
<td>Dental Cremer (2016)</td>
<td>Expands our Dental Business in Brazil</td>
<td>$145M</td>
</tr>
<tr>
<td>Dental Trey (2015)</td>
<td>Builds on our Dental Business in Italy</td>
<td>$49M</td>
</tr>
<tr>
<td>Iwase (2014)**</td>
<td>Entry into Japan Dental Market</td>
<td>$190M</td>
</tr>
<tr>
<td>Dental Speed Graph (2014)</td>
<td>Entry into Brazilian Dental Market</td>
<td>$28M</td>
</tr>
<tr>
<td>Arseus (2014)</td>
<td>Strengthened European Dental Lab Business</td>
<td>$97M</td>
</tr>
</tbody>
</table>

* Last 12 months revenue at time of acquisition in USD  
** Not consolidated
Medical Market Position

A leading U.S. distributor to healthcare providers in multiple segments: alternate-site practices, ambulatory surgery centers, laboratory, public safety, government and health systems

U.S. market focus - significant growth opportunities
• Approximately 55% of U.S. physician practices are active customers of Henry Schein
• Increase penetration organically and through acquisition
• Continued focus on large accounts, health systems and surgery centers
• Focus on specialty segments and solutions
• Create unique offering with supply partners
• Select international opportunities

Over 480 dedicated Field Sales Consultants
• Multi-channel capabilities

Source: Henry Schein Estimates
2018 Henry Schein Global Medical Sales by Geography

**Medical Market**

- **$2.7B or 28.3% of Net Sales**

**U.S. Market Share:**
- Approximately 20%

**Available Market:**
- $9 to $10 billion

- **North America (97%)**

**Key Acquisitions/JVs**

<table>
<thead>
<tr>
<th>Description</th>
<th>LTM Revenue*</th>
</tr>
</thead>
<tbody>
<tr>
<td>North American Rescue (2018)</td>
<td>$184M</td>
</tr>
<tr>
<td>Cardinal Physician Office Business (2014)</td>
<td>$230M</td>
</tr>
</tbody>
</table>

* Last 12 months revenue at time of acquisition in USD

Source: Henry Schein Estimates
Technology & Value-Added Services Market Position

Practice Management Solutions
- Two-thirds of revenue is recurring
  - Technical support
  - E-claims and credit card processing
- U.S. penetration (approximate)
  - 40% dental practices
  - Growing physician presence
- A leader in servicing large practices in Dental
- Approximately 100 dedicated Field Sales Consultants
- Direct access to more than 90% of dental schools in North America

Financial Services
- Full-service provider of financial services
- Providing Value-Added Services to clients
  - Synergies with broader distribution business
  - Leveraging R&D, marketing, and technology across business units
  - Technology development for a “global” business

Source: Henry Schein Estimates
Technology & Value-Added Solutions

2018 Henry Schein Global Technology & Value-Added Services by Geography

$408M or 4.3% of Net Sales

- **North America (84%)**
- **Europe (13%)**
- **Rest of World (3%)**

### Key Acquisitions/JVs

<table>
<thead>
<tr>
<th>Description</th>
<th>LTM Revenue*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henry Schein One (2018)</td>
<td>$400M ($100M incremental)</td>
</tr>
<tr>
<td>Logiciel Julie (2014)</td>
<td>$10M</td>
</tr>
</tbody>
</table>

* Last 12 months revenue at time of acquisition in USD

** Excluding restructuring costs and also excludes animal health following spin-off
Henry Schein One

- Henry Schein One is the only company offering integrated solutions that simplify each step of the patient experience
- Presence in 12 Countries
- Approximately 2,000 team members
Henry Schein One
Delivering One Complete Dental Solution for Business Success and Patient Satisfaction

**Revenue Cycle Management (RCM) Functionality**
- Insurance Management
- Payment Management
- Billing Management

**Products**
- Insurance Management
- Eligibilities
- eClaims
- Attachments
- eStatements
- DentrixPay
- PowerPay (LE)
- Unitas
- Dental Plans
- Coming Soon
- Lock Box/835
- Electronic Statements

**Patient Relationship Management (PRM) Functionality**
- Appointment Cycle Management
- Patient Portal
- Patient Check-in/out

**Products**
- DemandForce
- Rep. Mgmt, Social Media, Campaign Mgmt.
- Communication Mgr.
- Sesame (Ortho)
- Online Appointment Booking
- Coming Soon
- Best of Breed Product (DF, Sesame, and Com Mgr.)

**Patient Demand Generation/Marketing (PDG) Functionality**
- Websites
- Reputation Management
- SEO/SEM
- Marketing Services
- Dental Savings Plans
- Lead/Appointment Booking

**Products**
- Officite
- SEO/SEM, PPC, Rep Mgmt.
- Sesame (Ortho)
- Website Manager
- Dental Plans
- Dental Branding
- Coming Soon
- Online Appointment Booking/Leads
- Chat

**Practice Management, Business Analytics and Virtual Business Services**
Support, training, conversion/business consulting, and outsourcing

**TechCentral**
Hardware and Networking/Protected Practice
Financial Performance
## Growth Since Going Public

### Non-GAAP<sup>(1)</sup> ($ in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>2018</th>
<th>Compound Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$583.6</td>
<td>$9,417.6</td>
<td>13%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$18.3</td>
<td>$693.5</td>
<td>17%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>3.13%</td>
<td>7.36%</td>
<td>423 bps</td>
</tr>
<tr>
<td>Net Income</td>
<td>$8.6</td>
<td>$486.8</td>
<td>19%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$0.16</td>
<td>$3.17</td>
<td>14%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Excludes animal health in both periods. Excludes certain non-recurring items to provide a more comparable basis for analysis. See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.
## Annual Financial Performance

### Non-GAAP<sup>(1)</sup> ($ in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$9,417.6</td>
<td>$8,883.4</td>
<td>$8,218.9</td>
</tr>
<tr>
<td>Operating Income&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$693.5</td>
<td>$675.1</td>
<td>$630.5</td>
</tr>
<tr>
<td>Operating Margin&lt;sup&gt;1&lt;/sup&gt;</td>
<td>7.36%</td>
<td>7.60%</td>
<td>7.67%</td>
</tr>
<tr>
<td>Net Income&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$486.8</td>
<td>$457.0</td>
<td>$430.3</td>
</tr>
<tr>
<td>Diluted EPS&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$3.17</td>
<td>$2.89</td>
<td>$2.63</td>
</tr>
</tbody>
</table>

<sup>1</sup> From Continuing Operations. Excludes animal health in both periods. Excludes certain non-recurring items to provide a more comparable basis for analysis. See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.
## Q4 2018 – Financial Highlights

<table>
<thead>
<tr>
<th>Non-GAAP</th>
<th>($ in millions, except per share data)</th>
<th>Q4 2018</th>
<th>Q4 2017</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>$2,472.6</td>
<td>$2,402.6</td>
<td>3%</td>
</tr>
<tr>
<td>Operating Income(^1)</td>
<td></td>
<td>$192.6</td>
<td>$192.7</td>
<td>-</td>
</tr>
<tr>
<td>GAAP Operating Margin</td>
<td></td>
<td>6.39%</td>
<td>8.02%</td>
<td>(163) bps</td>
</tr>
<tr>
<td>Non-GAAP Operating Margin(^1)</td>
<td></td>
<td>7.79%</td>
<td>8.02%</td>
<td>(23) bps</td>
</tr>
<tr>
<td>Net Income(^1)</td>
<td></td>
<td>$136.2</td>
<td>$122.7</td>
<td>11%</td>
</tr>
<tr>
<td>Diluted EPS(^1)</td>
<td></td>
<td>$0.89</td>
<td>$0.79</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Notes:**
- Split Adjusted
- Excludes animal health in both periods.
- Excludes certain non-recurring items to provide a more comparable basis for analysis.
- See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.
Diversified Sales in Complementary Markets

2018 Worldwide Sales: $9.4 billion

By Product
- Dental (67.4%)
- Medical (28.3%)
- Tech/VAS (4.3%)

By Geography
- North America (72%)
- Europe (20%)
- Rest of World (8%)

Future Sales
- Overall sales outside of North America expected to grow at a faster rate
- Fragmented markets
- Additional geographic expansion
## Long-Term Financial Model and Goals

**Goal:** Grow 1% to 2% faster than end market growth rates (organic)

### Result:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Growth</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal</strong></td>
<td>5.6%</td>
<td>4.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Extra Week Impact</strong></td>
<td>1.5%</td>
<td>(1.5)%</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Acquisition</strong></td>
<td>1.0%</td>
<td>4.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Total Local Currency Growth</strong></td>
<td>8.1%</td>
<td>7.4%</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>Foreign Exchange/Other</strong></td>
<td>(0.7)%</td>
<td>0.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total Sales Growth</strong></td>
<td>7.4%</td>
<td>8.1%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

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### Notes:
- CAGR 7%
- **Net Sales ($ in Millions)**
- **From Continuing Operations. Data excludes animal health following spin-off.**
- **Excluding the impact of an extra week in 2016, which also affected 2017 growth rates.**

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Operating Income and Margin Highlights

Long-Term Financial Model and Goals

Goal:
- Continued operating margin expansion
- Approximately 20 basis points expansion in current environment (on a “same store” basis)
- Potentially higher as end markets and sales accelerate

Result:

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>3.1%&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>2018</td>
<td>7.4%&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

From Continuing Operations. Excludes animal health following spin-off. Excluding certain non-recurring items to provide a more comparable basis for analysis.

See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.
Earnings Highlights

Long-Term Financial Model and Goals

**Goal:**
High single to low double-digit organic diluted EPS growth enhanced by share repurchases and acquisitions

**Result:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>$0.17</td>
</tr>
<tr>
<td>2018</td>
<td>$3.17 (CAGR of 14%)</td>
</tr>
</tbody>
</table>

See the appendix of this slide set for a reconciliation of GAAP and non-GAAP measures.
Long-Term Financial Model and Goals

Goal:
- Cash flow from operations to exceed net income

Result:
- Annual operating cash flow has exceeded net income in excess of $1.2 billion since 2009*

Excludes restructuring and litigation charges. Includes animal health. Slide will be updated once we complete our discontinued operations accounting.

*From 2009 through 2018
Cash Return to Shareholders

2014: $300M
2015: $300M
2016: $550M
2017: $450M
2018: $200M*

* Blackout in part of 2018 due to spin-off of animal health business
Strong Balance Sheet

December 29, 2018  ($ in millions)

- **Cash & Equivalents**: $80.2
- **Working Capital**: $956.4
- **Total Assets**: $8,500.5
- **Total Debt**: $1,964.3
- **Equity**: $3,541.8
- **DSO Year-to-Date**: 43.6 days
- **Inventory Turns Year-to-Date**: 4.9x

Non-GAAP Total Debt to EBITDA

- 2016: 1.40
- 2017: 1.60
- 2018: 1.78

Excludes restructuring and litigation charges. Includes animal health. Slide will be updated once we complete our discontinued operations accounting.
Investment Merits

- Multiple organic and strategic growth opportunities
- Proven financial track record
- Operating model goals set the stage for attractive long-term growth
- Experienced Management Team
## GAAP & Non-GAAP Reconciliations

### Growth Since Going Public

Henry Schein, Inc.
Fourth Quarter 2018 Analyst
Full Year 2018 Financial Highlights
From Continuing Operations
(in millions, except per share data)

<table>
<thead>
<tr>
<th>Reconciling Items</th>
<th>GAAP Basis</th>
<th>Litigation Settlement</th>
<th>Restructuring</th>
<th>Loss on Sale of Equity Investment</th>
<th>Tax Reorganization Charges related to HS One, Entity Outside U.S., and Animal Health Spin-Off</th>
<th>Deferred Tax Adjustment</th>
<th>Transition Tax on Repatriated Earnings</th>
<th>Total Reconciling Items</th>
<th>Non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$8,883.4</td>
<td>$9,417.6</td>
<td>-6.0%</td>
<td>$5.3</td>
<td>$38.5</td>
<td>$54.4</td>
<td>$28.9</td>
<td>$17.6</td>
<td>$3.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$669.8</td>
<td>$600.6</td>
<td>-10.3%</td>
<td>$3.2</td>
<td>$28.9</td>
<td></td>
<td>$293.2</td>
<td>$140.0</td>
<td>$163.8</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>7.54%</td>
<td>6.38%</td>
<td></td>
<td>0.8%</td>
<td>$40.8</td>
<td></td>
<td>$0.02</td>
<td>$0.88</td>
<td>$0.88</td>
</tr>
<tr>
<td>Net Income</td>
<td>$293.2</td>
<td>$430.7</td>
<td>46.9%</td>
<td>$3.2</td>
<td>$28.9</td>
<td></td>
<td>$293.2</td>
<td>$140.0</td>
<td>$163.8</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.85</td>
<td>$2.80</td>
<td>51.4%</td>
<td>$0.02</td>
<td>$0.19</td>
<td></td>
<td>$1.03</td>
<td>$0.88</td>
<td>$0.88</td>
</tr>
</tbody>
</table>

**GAAP Basis**

**Litigation Settlement**

**Restructuring**

**Loss on Sale of Equity Investment**

**Tax Reorganization Charges related to HS One, Entity Outside U.S., and Animal Health Spin-Off**

**Deferred Tax Adjustment**

**Transition Tax on Repatriated Earnings**

**Total Reconciling Items**

**Non-GAAP**

**Growth Since Going Public**
## Q4 2018 Financial Highlights

### From Continuing Operations

(in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$2,402.6</td>
<td>$2,472.6</td>
<td>2.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$192.7</td>
<td>$158.0</td>
<td>-18.0%</td>
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<tr>
<td>Operating Margin</td>
<td>8.02%</td>
<td>6.39%</td>
<td>(163) bp</td>
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<tr>
<td>Operating Margin (1)</td>
<td>8.02%</td>
<td>6.39%</td>
<td>(163) bp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$(37.9)</td>
<td>$117.8</td>
<td>-410.8%</td>
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<tr>
<td>Diluted EPS</td>
<td>$(0.24)</td>
<td>$0.77</td>
<td>-420.8%</td>
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### Reconciling Items


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<tr>
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<th>GAAP Basis</th>
<th>Non-GAAP</th>
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<tr>
<td>Net Sales</td>
<td>$2,402.6</td>
<td>$2,402.6</td>
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<td>$192.7</td>
<td>$192.7</td>
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<td>8.02%</td>
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<td>Operating Margin (1)</td>
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<td>Net Income</td>
<td>$(37.9)</td>
<td>$122.7</td>
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<td>Diluted EPS</td>
<td>$(0.24)</td>
<td>$0.79</td>
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(1) Non-GAAP operating margin excludes the impact of restructuring.
## GAAP & Non-GAAP Reconciliations

### Q4 2018 Financial Highlights, Excluding Acquisitions

**Henry Schein, Inc.**

**Fourth Quarter 2018 Analyst**

**Q4 2018 - Financial Highlights**

**From Continuing Operations**

(in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Growth</th>
<th>Q4 2017</th>
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<tr>
<td><strong>Reconciling Items</strong></td>
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<td>GAAP Basis Restructuring Costs (2018)</td>
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<td>$ 2,402.6</td>
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<tr>
<td>Non-GAAP*</td>
<td>8.02%</td>
<td>7.79%</td>
<td>(23) bp</td>
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</tr>
</tbody>
</table>
Henry Schein, Inc.
Fourth Quarter 2018 Analyst
Operating Income and Margin Highlights
From Continuing Operations
(in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Reconciling Items</th>
<th>Non-GAAP</th>
</tr>
</thead>
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<td>Net Sales</td>
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<td>Operating Margin</td>
<td>7.20%</td>
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<td>Operating Margin %</td>
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<tr>
<td>CAGR</td>
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# GAAP & Non-GAAP Reconciliations

## Earnings Highlights

**Henry Schein, Inc.**
**Fourth Quarter 2018 Analyst Earnings Highlights**
**From Continuing Operations**

### (in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
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<td>GAAP EPS CAGR</td>
<td>7%</td>
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<tr>
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<tr>
<td><strong>Foreign Tax Benefit</strong></td>
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<tr>
<td><strong>Tax Benefit</strong></td>
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<tr>
<td><strong>Litigation Settlement net of Tax Benefit</strong></td>
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<td><strong>Deferred Taxes Associated with U.S. Tax Reform Legislation</strong></td>
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<tr>
<td><strong>One time tax on reorganization related to HS One</strong></td>
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<td>$3.1</td>
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<tr>
<td>Non-GAAP EPS CAGR</td>
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### Non-GAAP Net Income

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