



**Henry Schein, Inc.**

**ESG Presentation**

**February 2021**

# 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 include EPS guidance and are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make” or other comparable terms. A fuller discussion of our operations and financial condition, 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, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations. Forward looking statements include the overall impact of the Novel Coronavirus Disease 2019 (COVID-19) on the Company, its results of operations, liquidity, and financial condition (including any estimates of the impact on these items), the rate and consistency with which dental and other practices resume or maintain normal operations in the United States and internationally, expectations regarding personal protective equipment (“PPE”) and COVID-19 related product sales and inventory levels and whether additional resurgences of the virus will adversely impact the resumption of normal operations, the impact of restructuring programs as well as of any future acquisitions, and more generally current expectations regarding performance in current and future periods. Forward looking statements also include the (i) ability of the Company to make additional testing available, the nature of those tests and the number of tests intended to be made available and the timing for availability, the nature of the target market, as well as the efficacy or relative efficacy of the test results given that the test efficacy has not been, or will not have been, independently verified under normal FDA procedures and (ii) potential for the Company to distribute the COVID-19 vaccines and ancillary supplies.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: risks associated with COVID-19, as well as other disease outbreaks, epidemics, pandemics, or similar wide spread public health concerns and other natural disasters or acts of terrorism; 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; financial and tax risks associated with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; the potential repeal or judicial prohibition on implementation of the Affordable Care Act; changes in the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global macro-economic and political conditions, including international trade agreements and potential trade barriers; 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 confidentiality of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; litigation risks; new or unanticipated litigation developments and the status of litigation matters; cyberattacks or other privacy or data security breaches; risks associated with our global operations; our dependence on our senior management, as well as employee hiring and retention; 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.

Included within the 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 appendix, 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.

# Henry Schein – At a Glance

2020 GLOBAL  
NET SALES  
**\$10.1**  
BILLION

GLOBAL DENTAL: 59% OF SALES  
GLOBAL MEDICAL: 36% OF SALES  
TECHNOLOGY & VALUE-ADDED  
SERVICES: 5% OF SALES

OPERATIONS OR  
AFFILIATES IN  
**31**  
COUNTRIES AND  
TERRITORIES

SERVING MORE THAN  
**1 MILLION**  
CUSTOMERS

MORE  
THAN **20,000**  
TEAM SCHEIN MEMBERS  
INCLUDING 7,600 FSCs  
AND TELESales REPS

## HENRY SCHEIN CORPORATE RECOGNITION

**FORTUNE**  
WORLD'S MOST  
ADMIRABLE  
COMPANIES<sup>®</sup> 2021  
#1 HEALTH CARE  
WHOLESALERS

**20**  
YEARS

2021 **WORLD'S MOST  
ETHICAL  
COMPANIES<sup>™</sup>**  
WWW.ETHISPHERE.COM  
**10-TIME HONOREE**

**10** YEARS

**BEST**  
PLACES TO WORK  
2021 for LGBTQ Equality  
100% CORPORATE EQUALITY INDEX<sup>™</sup>

**100% – 6** YEARS



2020  
**FORTUNE<sup>®</sup>**  
CHANGE THE  
WORLD LIST  
**#19**

**FORBES** **5** YEARS  
AMERICA'S BEST EMPLOYERS LIST

COMPONENT OF  
**S&P 500<sup>®</sup> INDEX** **5** YEARS

# Q4 2020 Financial Performance – Key Considerations

## End Markets & Henry Schein Sales Results

- **Record net sales growth** for the **second half of 2020**
- **Dental end-markets remain stable** with practices remaining fully open; current **ADA survey data for U.S.** shows **practices at close to 80% of pre-COVID-19 patient volumes**
- Henry Schein One U.S. **insurance claims volumes continue to improve**
- **Q4 global dental consumable merchandise sales +10.0%**; excluding PPE and COVID-19 related product sales, **+5.0%**
  - **Q4 N.A. consumables sales +5.3%**, or 0.4% excluding PPE and COVID-19 related products
  - **Q4 International consumables +16.7%**, or +11.4% excluding PPE and COVID-19 related products
- **Global dental equipment year-over-year backlog heading into Q1 exhibited growth**
  - **Q4 N.A. dental equipment -13.2%**, impacted by difficult prior-year comparison, including Dentsply Sirona World moving to a virtual platform, supplier production transitions, and potential delay of equipment purchases associated with U.S. tax incentives
  - **Q4 International dental equipment +6.8%**
- **Q4 medical patient volumes still relatively stable; Ambulatory Surgery Center (ASC) patient volumes recovering more slowly**
  - **Q4 global Medical sales +48.2%**, excluding PPE and COVID-19 related product sales, **+3.6%**
- **Q4 global Technology & VAS -0.7%**; lower than historical patient volume due to COVID-19; pleased with solid growth in Dentrix Ascend and Enterprise Systems as well as N.A. financial services sales

# Long Term Margin and Earnings Growth and 2021 Guidance

## Long Term Margin and Earnings Growth

- Expect **PPE and COVID-19 related sales** to remain at **elevated levels**
- Do **not** expect material inventory adjustments to continue in 2021 and supplier rebate levels expected to improve
- Working to **mitigate stranded costs** and **balance investments** in future
- As dental and medical patient volumes improve **we expect our sales and earnings will improve**
- Long-term goal to **expand operating margin and EPS**, in part with contribution from **Henry Schein One, dental specialty solutions and corporate brands**

## 2021 Guidance\*

- **Non-GAAP EPS guidance at or above** 2019 non-GAAP diluted EPS from continuing operations of \$3.51 **is a floor**

# Our 30 Year Commitment to Stakeholder Capitalism

For three decades, we have been committed to a purpose-driven model that engages our 5 constituents of our Mosaic of Success to drive sustained, long-term economic success while also creating shared value for society.



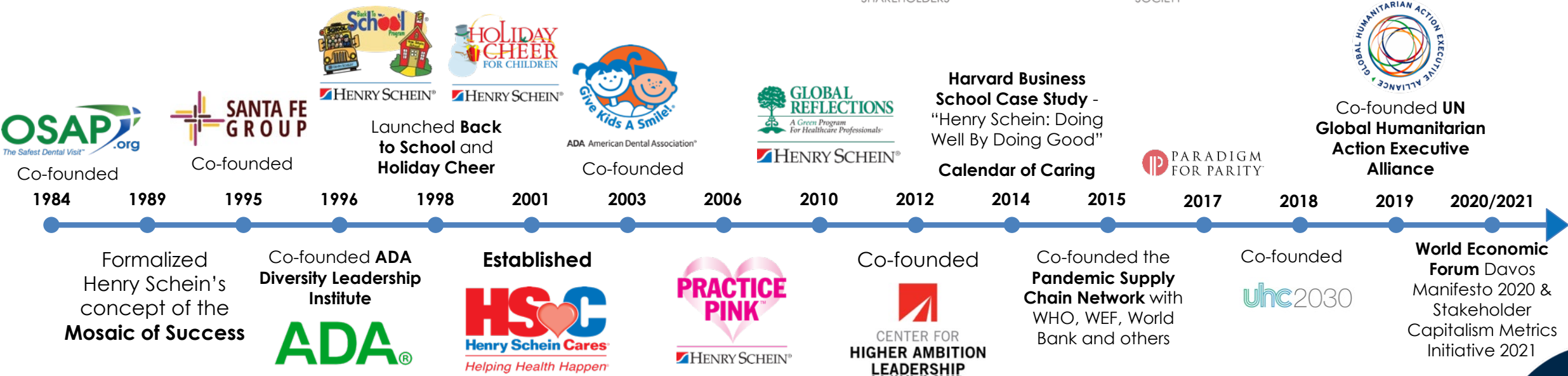
**12%**  
CAGR  
NON-GAAP EPS\*

**12%**  
CAGR  
STOCK APPRECIATION



Co-founded **UN Global Humanitarian Action Executive Alliance**

**World Economic Forum** Davos Manifesto 2020 & Stakeholder Capitalism Metrics Initiative 2021



# ESG Success To Date: Doing Well By Doing Good

## Environment

- 20+ years of **good environmental stewardship** through Henry Schein Cares
- Offered customers a range of **environmentally friendly products** for over a decade
- **Recycling program** for over a decade with a commitment to **sustainable packaging**
- Continually **decreasing our electricity consumption** in U.S. DCs for nearly 15 years
- **Reducing our carbon footprint** for nearly 15 years through transportation efficiency efforts



## Social

- Management **evaluated on D&I**
- **Cared for the safety, health and well-being of TSMs** during COVID-19 (i.e. town halls, roundtables, resource center, mental health support)
- Positively impacted the **health and well-being of over 6M children**
- **Donated nearly \$100M worth of product** over 20+ years to meet **health and humanitarian needs**
- Advocated the importance of **oral health as key to total health** for over two decades



## Governance

- Robust **Worldwide Business Standards** defining value and responsibilities applied to all TSMs
- Majority of **independent directors are diverse**
- **Independent Lead Director** since 2012
- **Board and senior management engagement and oversight** on ESG efforts



# ESG Plans: Action and Reporting

## Environment

- Partnering with suppliers & customers to **advance supply chain environmental performance**
- Working towards an **ambitious climate response**, including environmental goals & targets



**TCFD**



COP21 - CMP11  
**PARIS 2015**  
UN CLIMATE CHANGE CONFERENCE



- Further **energy efficiency measures** across our DCs and other facilities to **reduce emissions**

## Social

- **Safety, health & wellbeing** of Team Schein Members
- Further the **training & development** of Team Schein
- Reduce the gap in **access to health care and advance health equity**
- Continued focus on **Diversity & Inclusion** initiatives



- Deepen our work in **strengthening healthcare system sustainability** and **resilience**

## Governance

- **Senior management and Board engagement** with **Diversity & Inclusion Council**
- Actively engage with **ESG rating** and **government agencies**
- Enhancing **Global Supplier Code of Conduct**