

UNITED STATES
SECURITIES AND EXCHANGE
COMMISSIONWashington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 30, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-27078

HENRY SCHEIN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

11-3136595
(I.R.S. Employer Identification No.)

135 Duryea
Rd., New York
(Address of principal executive offices)
11747
(Zip Code)

(631) 843-5500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the

Act:	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
	Common Stock, par value \$.01 per share	HSC	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 29, 2024, there were 128,050,943 shares of the registrant's common stock outstanding.

HENRY SCHEIN, INC.

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PART I. FINANCIAL
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED BALANCE
SHEETS (in millions, except share
data)

	March 30, 2024 (unaudited)	December 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 159	\$ 171
Accounts receivable, net of allowance for credit losses of \$3(1)	1,644	1,863
Inventories, net of reserves of \$8 and \$92	1,686	1,815
Prepaid expenses and other	589	639
Total current assets	4,078	4,488
Property and equipment, net	500	498
Operating lease right-of-use assets	314	325
Goodwill	3,835	3,875
Other intangibles, net	915	916
Investments and other	503	471
Total assets	<u>\$ 10,145</u>	<u>\$ 10,573</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 879	\$ 1,020
Bank credit lines	264	264
Current maturities of long-term debt	103	150
Operating lease liabilities	75	80
Accrued expenses:		
Payroll and related	245	332
Taxes	143	137
Other	625	700
Total current liabilities	2,334	2,683
Long-term debt (1)	2,010	1,937
Deferred income taxes	77	54
Operating lease liabilities	266	310
Other liabilities	423	436
Total liabilities	5,110	5,420
Redeemable noncontrolling interests	798	864
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none outstanding	-	-
Common stock, \$0.01 par value, 480,000,000 shares authorized, 128,480,909 outstanding on March 30, 2024 and 129,247,765 outstanding on December 30, 2023	1	1
Additional paid-in capital	-	-
Retained earnings	3,838	3,860
Accumulated other comprehensive loss	(239)	(206)
Total Henry Schein, Inc. stockholders' equity	3,600	3,655
Noncontrolling interests	637	634
Total stockholders' equity	4,237	4,289
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u>\$ 10,145</u>	<u>\$ 10,573</u>

- (1) Amounts presented include balances held by our consolidated variable interest entity ("VIE"). At March 30, 2024 and December 30, 2023, includes trade accounts receivable of \$497 million and \$284 million, respectively, and long-term debt of \$300 million and \$210 million, respectively. See [Note 1 – Basis of Presentation](#) for further information.

See accompanying notes.

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
INCOME (in millions, except share and per share
data) (unaudited)

	Three Months Ended	
	March 30, 2024	April 1, 2023
Net sales	\$ 3,172	\$ 3,060
Cost of sales	2,160	2,094
Gross profit	1,012	966
Operating expenses:		
Selling, general and administrative	791	717
Depreciation and amortization	61	44
Restructuring costs	10	30
Operating income	150	175
Other income (expense):		
Interest income	5	3
Interest expense	(30)	(14)
Other, net	2	(1)
Income before taxes, equity in earnings of affiliates and noncontrolling interests	127	163
Income taxes	(32)	(39)
Equity in earnings of affiliates, net of tax	3	4
Net income	98	128
Less: Net income attributable to noncontrolling interests	(5)	(7)
Net income attributable to Henry Schein, Inc.	\$ 93	\$ 121
Earnings per share attributable to Henry Schein, Inc.:		
Basic	\$ 0.72	\$ 0.92
Diluted	\$ 0.72	\$ 0.91
Weighted-average common shares outstanding:		
Basic	128,720,661	131,365,789
Diluted	129,769,580	133,039,886

See accompanying notes.

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME
(in millions)
(unaudited)

	Three Months Ended	
	March 30,	April 1,
	2024	2023
Net income	\$ 98	\$ 128
Other comprehensive income, net of tax:		
Foreign currency translation gain (loss)	(54)	25
Unrealized gain (loss) from hedging activities	11	(3)
Other comprehensive income (loss), net of tax	(43)	22
Comprehensive income	55	150
Comprehensive income attributable to noncontrolling interests:		
Net income	(5)	(7)
Foreign currency translation loss (gain)	10	(2)
Comprehensive loss (income) attributable to noncontrolling interests	5	(9)
Comprehensive income attributable to Henry Schein, Inc.	<u>\$ 60</u>	<u>\$ 141</u>

See accompanying notes.

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
STOCKHOLDERS' EQUITY
(in millions, except share
data) (unaudited)

	Common Stock \$0.01 Par Value		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount					
Balance, December 30, 2023	129,247,765	\$ 1	\$ -	\$ 3,860	\$ (206)	\$ 634	\$ 4,289
Net income (excluding \$ attributable to Redeemable noncontrolling interests)	-	-	-	93	-	3	96
Foreign currency translation loss (excluding loss of \$ attributable to Redeemable noncontrolling interests)	-	-	-	-	(44)	-	(44)
Unrealized gain from hedging activities, net of tax of \$4	-	-	-	-	11	-	11
Change in fair value of redeemable securities	-	-	(42)	-	-	-	(42)
Noncontrolling interests and adjustments related to business acquisitions	-	-	1	-	-	-	1
Repurchase and retirement of common stock	(998,728)	-	(10)	(65)	-	-	(75)
Stock issued upon exercise of stock options	20,939	-	1	-	-	-	1
Stock-based compensation expense	314,759	-	8	-	-	-	8
Shares withheld for payroll taxes	(103,865)	-	(8)	-	-	-	(8)
Settlement of stock-based compensation awards	39	-	-	-	-	-	-
Transfer of charges in excess of capital	-	-	50	(50)	-	-	-
Balance, March 30, 2024	128,480,909	\$ 1	\$ -	\$ 3,838	\$ (239)	\$ 637	\$ 4,237

	Common Stock \$0.01 Par Value		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2022	131,792,817	\$ 1	\$ -	\$ 3,678	\$ (233)	\$ 649	\$ 4,095
Net income (excluding \$ attributable to Redeemable noncontrolling interests)	-	-	-	121	-	3	124
Foreign currency translation gain (excluding gain of \$ attributable to Redeemable noncontrolling interests)	-	-	-	-	23	-	23
Unrealized loss from foreign currency hedging activities, net of tax benefit of \$	-	-	-	-	(3)	-	(3)
Change in fair value of redeemable securities	-	-	3	-	-	-	3
Initial noncontrolling interests and adjustments related to business acquisitions	-	-	-	-	-	3	3
Repurchases and retirement of common stock	(1,223,919)	-	(13)	(87)	-	-	(100)
Stock-based compensation expense	1,016,300	-	10	-	-	-	10
Stock issued upon exercise of stock options	10,779	-	1	-	-	-	1
Shares withheld for payroll taxes	(399,194)	-	(29)	-	-	-	(29)
Transfer of charges in excess of capital	-	-	28	(28)	-	-	-
Balance, April 1, 2023	131,196,783	\$ 1	\$ -	\$ 3,684	\$ (213)	\$ 655	\$ 4,127

See accompanying notes.

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH
FLows
(in millions)
(unaudited)

	Three Months Ended	
	March 30, 2024	April 1, 2023
Cash flows from operating activities		
Net income	\$ 98	\$ 128
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	73	52
Restructuring charges	1	7
Stock-based compensation	8	10
Expense for losses on trade and other accounts	5	1
Provision for deferred income taxes	2	2
Equity in earnings of affiliates	(3)	(4)
Distributions from equity affiliates	2	2
Changes in unrecognized tax benefits	2	1
Changes in operating assets and liabilities, net of acquisitions	(6)	(1)
Accounts receivable	190	(20)
Inventories	74	63
Other current assets	41	29
Accounts payable and accrued liabilities	(290)	(243)
Net cash provided by operating activities	197	27
Cash flows from investing activities		
Acquisitions of property and equipment	(41)	(31)
Payments related to equity investments and business acquisitions	(20)	(1)
Proceeds from loan to affiliate	1	2
Capitalized software	(9)	(9)
Other	(3)	-
Net cash used in investing activities	(72)	(39)
Cash flows from financing activities		
Change in bank credit	-	132
Proceeds from issuance of long-term debt	90	31
Principal payments for long-term debt	(60)	(1)
Proceeds from issuance of stock upon exercise of stock options	1	1
Payments for repurchases and retirement of common stock	(75)	(100)
Payments for taxes related to shares withheld for employee taxes	(7)	(30)
Distributions to noncontrolling shareholders	(6)	(4)
Share repurchases of noncontrolling interests in subsidiaries	(94)	(8)
Net cash provided by (used in) financing activities	(151)	21
Effect of exchange rate changes on cash and cash equivalents	14	-
Net change in cash and cash equivalents	(12)	9
Cash and cash equivalents, beginning of period	171	117
Cash and cash equivalents, end of period	\$ 159	\$ 126

See accompanying notes.

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

Note 1 – Basis of Presentation

Our condensed consolidated financial statements include the accounts of Henry Schein, Inc., and all of our controlled subsidiaries (“we”, “us” and “our”). All intercompany accounts and transactions are consolidated. Investments in unconsolidated affiliates for which we have the ability to influence the financial decisions are accounted for under the equity method.

Our accompanying unaudited condensed consolidated financial statements have been prepared in accordance with principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnote disclosures required by U.S. GAAP for complete financial statements.

The unaudited interim condensed consolidated financial statements should be read in conjunction with our audited financial statements and notes to the consolidated financial statements contained in our Annual Report for the year ended December 30, 2023 and with the information contained in our other publicly available filings with the Securities and Exchange Commission. The condensed consolidated financial statements are adjusted as considered necessary for a fair presentation of the consolidated results of operations and financial position for the interim periods presented. All such adjustments are of a normal recurring nature.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Operations for the three months ended March 30, 2024 are not necessarily indicative of the results to be expected for any other interim period or for the year ending December 28, 2024.

Our condensed consolidated financial statements reflect estimates and assumptions made by us that affect things such as our goodwill, long-lived asset and definite-lived intangible asset valuation; inventory valuation; assessment of the annual effective tax rate; valuation of deferred income taxes and contingencies; the allowance for doubtful accounts; hedging activity; supplier rebates; measurement of compensation cost for certain share-based performance awards and cash bonus plans; and pension assumptions.

We consolidate the results of operations and financial position of a trade accounts receivable securitization vehicle (“VIE”) because we are its primary beneficiary, as we have the power to direct activities that significantly affect its economic performance and have the obligation to absorb the majority of its losses or benefits. For this VIE, the trade accounts receivable transferred to the VIE are pledged as collateral to the debt. The VIE’s creditors have recourse to us for losses on these trade accounts receivable. At March 30, 2024 and December 30, 2023, certain trade accounts receivable that can only be used to settle obligations of this VIE were \$497 million and \$284 million, respectively, and the liabilities of this VIE where the creditors have recourse were \$300 million and \$219 million, respectively.

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

Note 2 – Significant Accounting Policies and Recently Issued Accounting Standards
Significant Accounting Policies

There have been no material changes in our significant accounting policies during the three months ended March 31, 2024, as compared to the significant accounting policies described in Item 8 of our Annual Report on Form 10-K for the year ended December 30, 2023.

Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public business entities to disclose additional information in specified categories with respect to the effective rate of the statutory rate for federal, state and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a threshold. In addition to new disclosures associated with the rate reconciliation, the ASU requires information pertaining to taxes paid (net of refunds received) to be disaggregated for federal, state and foreign taxes and further disaggregated for specific jurisdictions to the extent the related amounts exceed a threshold. The ASU also requires items that need to be disaggregated based on their nature, which is determined by the item's fundamental or essential characteristics, such as the transaction or event that triggered the establishment of the reconciling item and the activity with which the reconciling item is associated. The ASU eliminates the historic requirement that entities disclose information concerning unrecognized tax benefits having a possibility of significantly increasing or decreasing in the 12 months following the reporting period. This ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance. This ASU should be applied on a prospective basis; however, retrospective application is permitted. We are currently evaluating the impact of ASU 2023-09 will have on our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Segment Reporting*, which aims to improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful analyses. Currently, Topic 280 requires that a public entity disclose certain information about its reportable segments. For example, a public entity is required to report a measure of segment profit or loss that the operating decision maker uses to assess segment performance and make decisions about allocating resources. ASU 2023-07 also requires other specified segment items and amounts, such as depreciation, amortization, depletion expense, to be disclosed under certain circumstances. The amendments in this ASU do not change those disclosure requirements and do not change how a public entity identifies its operating segments, those operating segments or applies the quantitative thresholds to determine its reportable segments. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We do not expect that the adoption of ASU 2023-07 will have a material impact on our consolidated financial statements.

In March 2024, the FASB issued ASU 2024-01, *Compensation - Stock Compensation (Topic 718): Application of Profits Interest and Similar Awards*, which clarifies how to determine whether a profit interest award should be accounted for as a share-based payment arrangement under Topic 718 or within the guidance. The ASU provides an illustrative example with multiple fact patterns and amends the paragraph 718-10-15-3 of Topic 718 to improve its clarity and operability. The guidance in ASU 2024-01 applies to all entities that issue profits interest awards as compensation to employees or nonemployees for goods or services. Entities can apply the amendments either retrospectively to all periods presented in the financial statements or prospectively to profits interest awards granted or modified on or after the date of adoption. If prospective application is elected, an entity must disclose the nature of and reason for the change in accounting principle that resulted from the adoption of the ASU. This ASU is effective for fiscal years beginning after

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

December 15, 2024, including interim periods within those fiscal years. We do not expect that the Acquisition will have a material impact on our consolidated financial statements.

Note 3 – Cyber Incident

In October 2023 Henry Schein experienced a cyber incident that primarily affected the operations of our American and European dental and medical distribution businesses. Henry Schein One, our practice software, revenue cycle management and patient relationship managementsolutions business, was not affected, and manufacturing businesses were mostly unaffected. On November 22, 2023, we experienced a disruption of our platform and related applications, which has since been remediated.

During the three months ended March 30, 2024, we continued to experience a residual impact of the cyber events relating primarily to decreased sales to episodic customers (customers that had generally less continuous level of demand pre-incident).

During the three months ended March 30, 2024, we incurred 5 million of expenses directly related to the incident, mostly consisting of professional fees. We maintain cyber insurance, subject to certain retention limits. With respect to the October 2023 cyber incident, we have million insurance following a \$ million retention.

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

Note 4 – Net Sales from Contracts with Customers

Net sales are recognized in accordance with policies disclosed in Item 8 of our Annual Report on Form 10-K for the year ended December 30, 2023.

Disaggregation of Net Sales

The following table disaggregates our net sales by reportable and operating segment and geographic area:

	Three Months Ended March 30, 2024		
	North America	International	Global
Net sales:			
Health care distribution			
Dental	\$ 1,103	\$ 811	\$ 1,914
Medical	1,014	27	1,041
Total health care distribution	2,117	838	2,955
Technology and value-added services	189	28	217
Total net sales	\$ 2,306	\$ 866	\$ 3,172

	Three Months Ended April 1, 2023		
	North America	International	Global
Net sales:			
Health care distribution			
Dental	\$ 1,144	\$ 754	\$ 1,898
Medical	951	20	971
Total health care distribution	2,095	774	2,869
Technology and value-added services	166	25	191
Total net sales	\$ 2,261	\$ 799	\$ 3,060

Contract Liabilities

At March 30, 2024, December 30, 2023, and December 31, 2022, the current and non-current contract liabilities were \$4 million and \$ million; \$89 million and \$ million; and \$6 million and \$ million, respectively. During the three months ended March 30, 2024, we recognized, in net sales, the amount that was deferred at December 30, 2023. During the three months ended April 1, 2023, we recognized in net sales \$ million of the amounts that were previously deferred at December 31, 2022. Current contract liabilities included in accrued expenses: other and the non-current contract liabilities are included in other liabilities on the balance sheets.

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

Note 5– Segment Data

We conduct our business through two reportable segments: (i) health care distribution and (ii) technology and value-added services. These segments offer different products and services to the same customer base. Our health care distribution segment serves office-based dental practitioners, dental laboratories, schools, government and institutions. Our medical businesses serve physician offices, urgent care centers, ambulatory care centers, medical clinics, dialysis centers, home health, federal and state governments and large group practices, and integrated delivery networks, among other providers across a wide range of specialties. Our technology and value-added services segment serves dental and medical practitioners and medical groups serve practitioners in 23 countries worldwide.

The health care distribution reportable segment aggregates our global dental and medical operating segments. This segment distributes consumable products, dental specialty products (including implant, orthodontic and endodontic products), small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products, personal protective equipment (“PPE”) products, vitamins, and orthopedic implants.

Our global technology and value-added services reportable segment provides software, technology and other services to health care practitioners. Our technology offerings include practice management systems for dental and medical practitioners. Our value-added practice solutions include practice education, revenue cycle management and financial services on a non-recourse basis, e-services, consulting services for practitioners, practice technology, network and hardware services, and other services.

The following tables present information about our reportable and operating segments:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Net sales:		
Health care distribution ⁽¹⁾		
Dental	\$ 1,914	\$ 1,898
Medical	1,041	971
Total health care distribution	2,955	2,869
Technology and value-added services	217	191
Total	<u>\$ 3,172</u>	<u>\$ 3,060</u>

- (1) Consists of consumable products, dental specialty products (including implant, orthodontic and endodontic products), equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products, PPE products, vitamins, and orthopedic implants.
- (2) Consists of practice management software and other value-added products, which are distributed primarily to health care practitioners. Includes consulting services for practitioners, practice technology, network and hardware services, and other services.

	Three Months Ended	
	March 30, 2024	April 1, 2023
Operating Income:		
Health care distribution	\$ 126	\$ 145
Technology and value-added services	24	30
Total	<u>\$ 150</u>	<u>\$ 175</u>

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

Note 6—Business

Acquisitions

Our acquisition strategy is focused on investments in companies that add new customers and sales channels to our footprint (whether entering a new country, such as emerging markets, or building scale in areas we have already invested in businesses), and finally, those that enable us to access new products and technologies.

2024 Acquisitions

During the quarter ended March 30, 2024, we made acquisitions within the technology and value-added segments. Our acquired ownership interest in these companies was 100%. Total consideration for these acquisitions was \$19 million. Net assets acquired primarily consisted of \$8 million of goodwill and 12 million of assets. The intangible assets acquired consisted of customer relationships and intellectual property of \$6 million, product development of \$4 million, trademarks and tradenames of \$1 million and non-compete agreements of \$1 million. Weighted average useful lives for these acquired intangible assets are 10 years, 10 years, 5 years and 5 years, respectively.

Goodwill is a result of the expected synergies and cross-selling opportunities that these acquisitions are expected to bring, as well as the expected growth potential. The majority of the acquired goodwill is deductible for tax purposes.

The impact of these acquisitions, individually and in the aggregate, was not considered material to our consolidated financial statements.

2023 Acquisitions

Acquisition of Shield

Healthcare

On October 2, 2023 we acquired 90% voting equity interest in Shield Healthcare, Inc. ("Shield"), a supplier of homecare medical products delivered directly to patients in their homes, for preliminary consideration of \$86 million (including cash paid of \$7 million, deferred consideration of \$2 million and redeemable interests of \$3 million). Based in California, Shield expands our existing medical business by delivering a range of products, including items such as incontinence, urology, ostomy, enteral nutrition, advanced wound care and diabetes supplies. Additionally, Shield offers continuous glucose monitoring devices directly to patients.

The accounting for the acquisition of Shield has not been completed in several respects, including but not limited to finalizing valuation assessments of accounts receivable, inventory, accrued liabilities and income and taxes. To assist in the allocation of consideration, we engaged valuation specialists to determine the fair value of intangible and tangible assets acquired and liabilities assumed. We will finalize the amounts recognized as necessary to complete the analysis is obtained. During the quarter ended March 30, 2024, we made immaterial measurement period adjustments, related primarily to operating leases.

The pro forma financial information has not been presented because the impact of the Shield acquisition was not material to our consolidated financial statements.

Acquisition of S.I.N. Implant

System

On July 5, 2023, we acquired 100% voting equity interest in S.I.N. Implant System ("S.I.N.") for \$329 million. Based in São Paulo, Brazil, S.I.N. manufactures an extensive line of products to perform dental procedures and is focused on advancing the development of value-priced dental implants. S.I.N. has plans to expand its products into the United States and other international markets.

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The accounting for the acquisition of S.I.N. has not been completed in several respects, including but not limited to, finalizing valuation assessments of accounts receivable, inventory, accrued liabilities and income and based on the information available. To assist in the allocation of consideration, we engaged valuation specialists to determine the fair value of intangible and tangible assets acquired and liabilities assumed. We will finalize the amounts recorded as necessary to complete the analysis is obtained. We expect to finalize these amounts as possible but no later than one year from the acquisition date. During the quarter ended March 30, 2024, we recorded insignificant measurement period adjustments, related primarily to deferred tax adjustments.

The pro forma financial information has not been presented because the impact of the S.I.N. acquisition was immaterial to our consolidated financial statements.

Acquisition of Biotech

Dental

On April 5, 2023, we acquired 57% voting equity interest in Biotech Dental ("Biotech Dental"), which is a provider of dental implants, clear aligners, individualized prosthetics and innovative digital dental services. Biotech Dental has several important solutions for dental practices and dental labs, including a comprehensive, integrated suite of planning and diagnostic software using open architecture that enables dental practices to create a digital view of the patient, offering greater diagnostic accuracy and an improved patient experience. The integration of Biotech Dental's software with Henry Schein One's industry-leading practice management software solutions will help customers streamline their clinical as well as administrative workflow, ultimately benefit of patients.

The following table aggregates the final fair value, as of the date of acquisition, of consideration paid and includes the Biotech Dental acquisition, including measurement period adjustments recorded through March 30, 2024.

	Preliminary Allocation as of July 1, 2023	Measurement Period Adjustments	Allocation as of March 30, 2024
Acquisition consideration:			
Cash	\$ 216	\$ -	\$ 216
Fair value of contributed equity share in a controlled subsidiary	25	-	25
Redeemable noncontrolling interests	182	-	182
Total consideration	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ 423</u>
Identifiable assets acquired and liabilities assumed:			
Current assets	\$ 78	\$ (4)	\$ 74
Intangible assets	119	70	189
Other noncurrent assets	76	(7)	69
Current liabilities	(50)	(10)	(60)
Long-term debt	(90)	17	(73)
Deferred income taxes	(38)	(15)	(53)
Other noncurrent liabilities	(16)	(4)	(20)
Total identifiable net assets	79	47	126
Goodwill	344	(47)	297
Total net assets acquired	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ 423</u>

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Goodwill is a result of expected synergies that are expected to originate from the acquisition as well as the expected potential of Biotech Dental. The acquired goodwill is deductible for tax purposes. During the quarter ended March 30, 2024 we finalized our accounting for the acquisition and recorded measurement adjustments related primarily to the completion of the intangibles valuation, including adjustments to intangibles, and certain other assets and liabilities.

The following table summarizes the identifiable intangible assets acquired as part of the acquisition of Biotech

	2023	Weighted Average Useful Lives (in years)
Customer relationships and lists	\$ 47	9
Trademarks / Tradenames	18	7
Product development	124	10
Total	\$ 189	

The pro forma financial information has not been presented because the impact of the Biotech Dental acquisition was immaterial to our condensed consolidated financial statements.

Other 2023 Acquisitions

During the year ended December 30, 2023, in addition to those noted above, we acquired companies within the distribution and technology and value-added services segments. Our acquired ownership interest ranged from 51% to 100%. During the quarter ended March 30, 2024, we recorded an adjustment of \$15 million, within the selling, general and administrative line in our condensed consolidated statements of income, representing the fair value of contingent consideration related to a 2023 acquisition.

During the three months ended March 30, 2024 we completed accounting for certain acquisitions that we recorded during the year ended December 30, 2023. In relation to these acquisitions, we did not record material adjustments to our condensed consolidated financial statements relating to changes in estimated values of assets acquired, liabilities and contingent consideration assets and liabilities.

The pro forma financial information for our 2023 acquisitions has not been presented because the impact of these acquisitions was immaterial to our condensed consolidated financial statements.

Acquisition Costs

During the three months ended March 30, 2024 and April 1, 2023 we incurred \$2 million and \$ million in acquisition costs, which are included in "selling, general and administrative" within our condensed consolidated statements of income.

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Note 7 – Fair Value

Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy (1) includes participant assumptions developed based on market data obtained from independent sources (observable) and (2) an entity's own assumptions about market participant assumptions developed based on information available in the circumstances (unobservable inputs).

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1— Unadjusted quoted prices in active markets for identical assets or liabilities that are measurable at the measurement date.
- Level 2— Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3— Inputs that are unobservable for the asset or liability.

The following section describes the fair values of our financial instruments and the methodologies that we used to measure their fair values.

Investments and notes receivable

There are no quoted market prices available for investments in unconsolidated affiliates and notes receivable. Our notes receivable contain variable interest rates. We believe the carrying amounts are a reasonable estimate of fair value based on the interest rates in the applicable markets. Our investments and notes receivable are based on Level 3 inputs within the fair value hierarchy.

Debt

The fair value of our debt (including bank credit lines, current maturities of long-term debt and long-term debt) is based on Level 3 inputs within the fair value hierarchy, and as of March 30, 2024 and December 30, 2023, was at \$2,377 million and \$2,351 million, respectively. Factors that we considered when estimating the fair value of our debt include market conditions, such as interest rates and credit spreads.

Derivative contracts

Derivative contracts are valued using quoted market prices and significant other observable inputs. Our derivative contracts primarily include foreign currency forward agreements, forecasted inventory purchase foreign currency forward contracts, interest rate swaps and total return swaps.

The fair values for the majority of our foreign currency derivative contracts are obtained by comparing the contracted published forward price of the underlying market rates, which are based on market rates for transactions that are classified within Level 2 of the fair value hierarchy.

The fair value of the interest rate swap, which is classified within Level 2 of the fair value hierarchy, is determined by comparing our contract rate to a forward market rate as of the valuation date.

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The fair value of total return swaps is determined by valuing the underlying exchange traded funds of the swap market on-close pricing by industry providers as of the valuation date that are classified within Level 1 of the fair value hierarchy.

Redeemable noncontrolling interests

The values for redeemable noncontrolling interests are based on recent transactions and/or implied multiples that are classified within Level 3 of the fair value hierarchy. See [Note 13 – Redeemable Noncontrolling Interests](#) for additional information.

Assets measured on a non-recurring basis at fair value include intangibles. Inputs for measuring intangibles are classified as Level 3 within the fair value hierarchy.

The following table presents our assets and liabilities that are measured and recognized at fair value basis classified under the appropriate level of the fair value hierarchy as of March 30, 2024 and December 30, 2023.

	March 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivative contracts designated as hedges	\$ -	\$ 1	\$ -	\$ 1
Derivative contracts undesignated	-	2	-	2
Total return swap	-	1	-	1
Total assets	\$ -	\$ 4	\$ -	\$ 4
Liabilities:				
Derivative contracts designated as hedges	\$ -	\$ 1	\$ -	\$ 1
Derivative contracts undesignated	-	1	-	1
Total liabilities	\$ -	\$ 2	\$ -	\$ 2
Redeemable noncontrolling interests	\$ -	-	798	798
December 30, 2023				
	Level 1	Level 2	Level 3	Total
Assets:				
Derivative contracts designated as hedges	\$ -	\$ 1	\$ -	\$ 1
Derivative contracts undesignated	-	1	-	1
Total return swap	-	4	-	4
Total assets	\$ -	\$ 6	\$ -	\$ 6
Liabilities:				
Derivative contracts designated as hedges	\$ -	\$ 18	\$ -	\$ 18
Derivative contracts undesignated	-	2	-	2
Total liabilities	\$ -	\$ 20	\$ -	\$ 20
Redeemable noncontrolling interests	\$ -	-	864	864

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Note 8 –
Debt
Bank Credit Lines

Bank credit lines consisted of the following:

	March 30, 2024	December 30, 2023
Revolving credit agreement	\$ 50	\$ 200
Other short-term bank credit lines	214	64
Total	<u>\$ 264</u>	<u>\$ 264</u>

Revolving Credit Agreement

On August 20, 2021, we entered a \$1.0 billion revolving credit agreement (the "Revolving Credit Agreement") which was subsequently amended and restated July 11, 2023 to extend the maturity date July 11, 2028 and update the interest rate provisions to reflect the current market approach for a multicurrency facility. The interest on this revolving credit facility is based on Term Secured Overnight Financing Rate ("Term SOFR") plus a spread based on our leverage ratio at the end of each financial reporting quarter. As of March 30, 2024 the interest rate on this revolving credit agreement was 1.10% for a combined rate 6.42%. The Revolving Agreement requires, among other things, that we maintain certain maximum leverage ratios. Additionally, the Revolving Credit Agreement contains customary representations, warranties and affirmative covenants as well as negative covenants, subject to negotiated exceptions, on liens, indebtedness, significant changes (including mergers), dispositions and certain restrictive agreements. As of March 30, 2024 and December 30, 2023, we had \$50 million and \$200 million in borrowings, respectively under this revolving credit facility. During the three months ended March 30, 2024, the average outstanding balance under the Revolving Agreement was approximately \$10 million. As of March 30, 2024 and December 30, 2023, there were \$10 million and \$10 million of letters of credit, respectively, provided to third parties under this Revolving Agreement. Credit

Other Short-Term Bank Credit Lines

As of March 30, 2024 and December 30, 2023, we had various other short-term bank credit lines in various currencies, with a maximum borrowing capacity of \$93 million and \$68 million, respectively. As of March 30, 2024 and December 30, 2023, \$4 million and \$4 million, respectively, were outstanding. During the three months ended March 30, 2024, the average outstanding balances under our various other short-term bank credit lines was approximately \$9 million. At March 30, 2024 and December 30, 2023, borrowings under short-term bank credit lines had a weighted average interest rate of 6.08% and 6.02%, respectively.

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Long-term debt

Long-term debt consisted of the following:

	March 30, 2024	December 30, 2023
Private placement facilities	\$ 1,024	\$ 1,074
Term loan	736	741
U.S. trade accounts receivable securitization	300	210
Various collateralized and uncollateralized loans payable with interest, in varying installments through 2030 at interest rates from 0.00% to 9.42% at March 30, 2024 and from 0.00% to 9.42% at December 30, 2023	46	54
Finance lease obligations	7	8
Total	2,113	2,087
Less current maturities	(103)	(150)
Total long-term debt	<u>\$ 2,010</u>	<u>\$ 1,937</u>

Private Placement Facilities

Our private placement facilities, four insurance companies, have a total facility amount of \$1.5 billion, and are available on an uncommitted basis at fixed rate economic terms to be agreed upon at the time of issuance. The facilities allow us to issue senior promissory notes to the fixed rate based on an agreed upon spread over applicable treasury notes at the time of issuance. The possible issuance will be selected by us and can range from 1 to 15 years (with an average life no longer than 12 years). The proceeds of any issuances under the facilities will be used for general corporate purposes, working capital and capital expenditures, to refinance existing indebtedness, and/or to fund potential acquisitions. The agreements provide, among other things, that we maintain certain maximum leverage ratios, and restrictions relating to subsidiary indebtedness, liens, affiliate transactions, disposal of assets and ownership changes. The facilities contain make-whole provisions in the event that we pay off the facilities prior to applicable due dates.

The components of our private placement facility borrowings, which have a weighted average interest rate of 4.69% as of March 30, 2024 are presented in the following table:

Date of Borrowing	Amount of Borrowing Outstanding	Borrowing Rate	Due Date
December 24, 2012	\$ 50	3.00%	December 24, 2024
June 16, 2017	100	3.42	June 16, 2027
September 15, 2017	100	3.52	September 15, 2029
January 2, 2018	100	3.32	January 2, 2028
September 2, 2020	100	2.35	September 2, 2030
June 2, 2021	100	2.48	June 2, 2031
June 2, 2021	100	2.58	June 2, 2033
May 4, 2023	75	4.79	May 4, 2028
May 4, 2023	75	4.84	May 4, 2030
May 4, 2023	75	4.96	May 4, 2033
May 4, 2023	150	4.94	May 4, 2033
Less: Deferred debt issuance costs	(1)		
Total	<u>\$ 1,024</u>		

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Term Loan

On July 11, 2023, we entered into a three-year \$750 million term loan credit agreement (the "Term Credit Agreement"). The interest rate on this term loan is based on the Term SOFR plus a spread based on rate at the end of each financial reporting quarter. This term loan matures on July 11, 2026. We are required to make quarterly payments of \$19 million from September 2023 through June 2024 and payments of \$9 million from September 2024 through June 2026, with the remaining balance due in July of March 30, 2026. As of March 30, 2024, the borrowings outstanding under this term loan were \$706 million. At March 30, 2024, the interest rate under the Term Credit Agreement was 5.82% plus 1.47% for a combined rate of 7.29%. As of December 30, 2023, the borrowings outstanding under this term loan were \$741 million. At December 30, 2023, the interest rate under the Term Credit Agreement was 5.00% plus 1.35% for a combined rate of 6.35%. However, we have a hedge in place that ultimately creates an effective fixed rate of 5.81% and 5.79% at March 30, 2024 and December 30, 2023, respectively. The Term Credit Agreement requires, among other things, that we maintain maximum leverage ratios. Additionally, the Term Credit Agreement contains customary representations, warranties, affirmative covenants as well as customary negative covenants, subject to negotiated exceptions, including business, significant corporate changes (including mergers), dispositions and certain restrictions.

U.S. Trade Accounts Receivable Securitization

We have a facility agreement based on our U.S. trade accounts receivable that is structured as an asset-backed securitization program with pricing committed for three years. This facility agreement has a purchase price of \$450 million with two banks as agents, and expires on December 15, 2025.

As of March 30, 2024 and December 30, 2023, the borrowings outstanding under this securitization facility were \$300 million and \$10 million, respectively. At March 30, 2024, the interest rate on borrowings under this facility was based on the asset-backed commercial paper rate of 5.47% plus 0.75%, for a combined rate of 6.22%. At December 30, 2023, the interest rate on borrowings under this facility was based on the asset-backed commercial paper rate of 5.67% plus 0.75%, for a combined rate of 6.42%.

If our accounts receivable collection pattern changes due to customer either paying late or not making payments, our ability to borrow under this facility may be reduced.

We are required to pay a commitment fee of 30 to 35 basis points depending upon program utilization.

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Note 9 – Income

Taxes

For the three months ended March 30, 2024 our effective tax rate was 25.6% compared 23.8% for the prior period. The difference between our effective tax rate and the federal statutory tax rate primarily relates to foreign income taxes and interest expense.

The Organization of Economic Co-Operation and Development (OECD) issued technical and guidance on Pillar Two Model Rules in December 2021, which provides for a global minimum tax rate on the earnings of large multinational businesses on a country-by-country basis. Effective January 1, 2024, the global tax rate is 15% for various jurisdictions pursuant to the Pillar Two framework. Future tax reform resulting from these developments may result in changes to long-standing tax principles, which may adversely affect our effective tax rate going forward or result in higher cash tax liabilities. As of March 30, 2024, the impact of Pillar Two Rules to our financial statements was immaterial. As we operate in jurisdictions which have adopted Pillar Two, we are continuing to analyze the implications to effectively manage the impact for 2024 and beyond.

The total amount of unrecognized tax benefits, which are included in “other liabilities” within our condensed balance sheets, as of March 30, 2024 and December 30, 2023, was \$123 million and \$115 million, respectively, of which \$106 million and \$107 million, respectively, would affect the effective tax rate if it is possible that the amount of unrecognized tax benefits will change in the next 12 months, which may result in a material impact on our condensed consolidated statements of income.

All tax returns audited by the IRS are officially closed through 2019. The tax years subject to IRS audit are 2020 and forward. In addition, limited positions reported in the 2017 tax year are subject to IRS examination.

The amount of tax interest expense included as a component of the provision for taxes was \$1 million for the three months ended March 30, 2024 and April 1, 2023, respectively. The total amount of interest is included in “other liabilities,” and was \$1 million as of March 30, 2024 and \$6 million as of March 30, 2023. The amount of penalties accrued for during the periods presented were not material to our condensed financial statements.

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Note 10 – Plan of

Restructuring

On August 1, 2022, we committed to a restructuring plan focused on funding the priorities of the plan. Streamlining operations and other initiatives to increase efficiency. We revised our previous expectations and we have extended this initiative through the end of 2024. We are currently unable in good faith to determine an estimate of the amount or range of amounts expected to be incurred in these activities, both with respect to each major type of cost associated therewith and to the total cost, estimate of the amount or range of amounts that will result in future cash expenditures.

During the three months ended March 30, 2024 and April 1, 2023, we recorded restructuring costs of \$10 million and \$30 million, respectively. The restructuring costs for these periods primarily related to severance and related costs, accelerated amortization of right-of-use lease assets and fixed assets, and costs related to exit.

Restructuring costs recorded for the three months ended March 30, 2024 and April 1, 2023, followed by the

	Three Months Ended March 30, 2024		
	Health Care Distribution	Technology and Value-Added Services	Total
Severance and employee-related costs	\$ 6	\$ 1	\$ 7
Accelerated depreciation and amortization	1	-	1
Exit and other related costs	2	-	2
Total restructuring costs	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 10</u>
	Three Months Ended April 1, 2023		
	Health Care Distribution	Technology and Value-Added Services	Total
Severance and employee-related costs	\$ 17	\$ 3	\$ 20
Accelerated depreciation and amortization	7	-	7
Exit and other related costs	1	1	2
Loss on disposal of a business	1	-	1
Total restructuring costs	<u>\$ 26</u>	<u>\$ 4</u>	<u>\$ 30</u>

The following table summarizes, by reportable segment, the activity related to the liabilities associated with restructuring initiatives for the three months ended March 30, 2024. The remaining accrued balance of restructuring costs as of March 30, 2024, which primarily relates to severance and employee-related costs, is included in accrued expenses; other within our condensed consolidated balance sheets. Liabilities related to facilities are recorded within our current and non-current operating lease liabilities within our condensed balance sheets.

	Health Care Distribution	Technology and Value-Added Services	Total
Balance, December 30, 2023	\$ 22	\$ 1	\$ 23
Restructuring costs	9	1	10
Non-cash accelerated depreciation and amortization	(1)	-	(1)
Cash payments and other adjustments	(11)	(1)	(12)
Balance, March 30, 2024	\$ 19	\$ 1	\$ 20

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Note 11 – Legal Proceedings

Henry Schein, Inc. has been named as a defendant in multiple opioid related lawsuits (currently less than one hundred and seventy-five); one or more of Henry Schein, Inc.'s subsidiaries is also named as a number of those cases). Generally, the lawsuits allege that the manufacturers of prescription opioid drugs engaged in a false advertising campaign to expand the market for such drugs and their own market share and that the supply chain (including Henry Schein, Inc. and its subsidiaries) reaped financial rewards by otherwise failing to monitor appropriately and restrict the improper distribution of those drugs. These actions of some that have been consolidated within the Multi-District Litigation ("MDL") proceeding In Re National Prescription Opiate Litigation (MDL No. 2804; Case No. 17-md-2804) and are currently stayed, and certain proceedings are pending in state courts and are proceeding independently and outside of the MDL. At this time, the following cases are set for trial: the action filed by DCH Health Care Authority, et al. in Alabama state court, which is currently set for a jury trial on July 8, 2024; the action filed by Mobile County Board of Health, et al. in Alabama state court, which has been set for a jury trial on August 12, 2024; and the action filed by Florida Health Services, Inc. (and 25 other hospitals located throughout the State of Florida) in Florida state court, which is scheduled for a jury trial in September 2025. Of Henry Schein's 2023 net sales of approximately \$11 billion, sales of opioids represented less than four-tenths of 1 percent. Opioids represent a negligible part of business. We intend to defend ourselves vigorously against these actions.

In August 2022, Henry Schein received a Grand Jury Subpoena from the United States Attorney's Office for the Western District of Virginia, seeking documents in connection with an investigation of possible violations of the Federal Food, Drug & Cosmetic Act by Butler Animal Health Supply, LLC ("Butler"), a former subsidiary of Henry Schein. The investigation relates to the sale of veterinary prescription drugs to certain customers. In October 2022, Henry Schein received a second Grand Jury Subpoena from the United States Attorney's Office for the Western District of Virginia. The October 2022 Subpoena seeks documents relating to payments made by Henry Schein to Butler or Covetrus, Inc. ("Covetrus"). Butler was spun off into a separate company and is a subsidiary of Covetrus in 2019 and is no longer owned by Henry Schein. We are cooperating with the investigation.

On January 18, 2024, a putative class action was filed against the Company in the U.S. District Court for the Eastern District of New York ("EDNY"), Case No. 24-cv-387 (the "Cruz-Bermudez Action"), based on the October 2023 cyber incident described in [Note 3 – Cyber Incidents](#). On January 26, 2024, a second putative class action was filed against the Company based on the cyber incident, also in the EDNY, Case No. 24-cv-559 (the "Depperschmidt Action"). On February 12, 2024, the Depperschmidt Action was voluntarily dismissed with prejudice. On February 16, 2024, an amended complaint was filed in the Cruz-Bermudez Action with plaintiffs' counsel from the Depperschmidt Action and an additional new plaintiff.

Plaintiffs in the Cruz-Bermudez Action seek to represent a class of all individuals whose personally identifiable information and personal health information was compromised by the incident. Plaintiffs generally claim to have been harmed by alleged actions and/or omissions by the Company in connection with the incident and that the Company made deceptive public statements regarding privacy and data protection. Plaintiffs assert a variety of claims seeking monetary damages, injunctive relief, costs and attorneys' fees, and other related relief. On March 22, 2024, plaintiffs voluntarily withdrew two of their five causes of action. On April 8, 2024, the court granted the Company's motion to dismiss the remaining claims. The case remains pending. We intend to defend vigorously against this action.

Henry Schein, Inc. and its affiliate, North American Rescue, LLC ("NAR"), have been named as defendants in lawsuits brought under the federal False Claims Act ("FCA"), in an action entitled *United States v. North American Rescue, LLC*, Case No. 21-cv-04238, filed in the United States District Court for the Eastern District of Pennsylvania. The case was filed under seal in 2021 by two relators (Corey Rhis and Murphy) who worked for one of NAR's competitors. Relators also name C-A-T Resources, LLC as a defendant. CAT-R manufactures one of the products at issue in the case (the combat application tourniquet, or

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“CAT”). After the Department of Justice declined to intervene, the case was unsealed, and Relators filed their complaint in November 2023. In response to motions to dismiss filed by Henry Schein, NAR and Relators requested and obtained leave to file their Second Amended Complaint on April 24, 2024. Relators’ claims are based on allegations that NAR and Henry Schein made false representations and certifications with, and sold and submitted false claims for payment to the federal government for, various medical products that Relators contend violated certain “Buy American” laws (e.g., the Berry Amendment and Trade Agreements Act of 1979) and/or were not properly sterilized as noted on the products’ packaging, and this misbranded. These products include the CAT, syringes, compressed gauze, tracheostomy kits, bladders, eye, ear, nose and throat kits, and trauma dressing. Relators allege Henry Schein controlled and supervised NAR’s alleged misconduct for a period of time. Relators seek three times the amount of damages to statutory civil penalties, reasonable expenses, attorneys’ fees and costs, and prejudgment interest. We intend to defend ourselves vigorously against this action.

From time to time, we may become a party to other legal proceedings including, without limitation, liability claims, employment matters, commercial disputes, governmental inquiries and investigations (which may involve our entering into settlement arrangements or consent decrees), and other matters arising in the ordinary course of our business. While the results of any legal proceeding cannot be predicted with certainty, none of these other pending matters are currently anticipated to have a material adverse effect on our financial position, liquidity or results of operations.

As of March 30, 2024, we had accrued our best estimate of potential losses relating to claims that were probable, liability and for which we were able to reasonably estimate a loss. This accrued amount, as well as expenses, was not material to our financial position, results of operations or cash flows. Our method for determining estimated losses considers currently available facts, presently enacted laws and regulations and other including probable recoveries from third parties.

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Note 12 – Stock-Based Compensation

Stock-based awards are provided to certain employees under our 2020 Stock Incentive Plan and to non-employees under our 2023 Non-Employee Director Stock Incentive Plan (formerly known as the 2015 Non-Employee Director Stock Incentive Plan) (together, the “Plans”). The Plans are administered by the Compensation Committee of the Board of Directors (the “Compensation Committee”). Historically, equity-based awards to employees have been granted solely in the form of time-based and performance-based restricted stock (“RSUs”) with the exception of our 2021 plan year in which non-qualified stock options were issued in place of performance-based RSUs and in 2022, when we granted time-based and performance-based RSUs, as well as non-qualified stock options. For our 2023 plan year, we returned to granting our employees equity-based awards in the form of time-based and performance-based RSUs. Our non-employee directors receive equity-based awards in the form of time-based RSUs.

RSUs are stock-based awards granted to recipients with specified vesting provisions. In the case of RSUs, delivery of the shares is conditioned on or following satisfaction of vesting conditions. We issue RSUs to employees that vest either solely based on the recipient’s continued service over time, primarily four-year cliff vesting and/or based on achieving specified performance measurements and the recipient’s continued service over time, primarily cliff vesting. RSUs granted to our non-employee directors primarily 12-month cliff vesting. For these RSUs, we recognize the cost as compensation expense on a straight-line basis.

For all RSUs, we estimate the fair value based on our closing stock price on the grant date. With respect to performance-based RSUs, the number of shares that ultimately vest and are received by the recipient is based on performance as measured against specified targets over a specified period, as determined by the Compensation Committee. Although there is no guarantee that performance targets will be achieved, we estimate the fair value of performance-based RSUs based on our closing stock price at time of grant.

Each of the Plans provide for certain adjustments to the performance measurement in connection with the Plans and with respect to the performance-based RSUs granted under our 2020 Stock Incentive Plan, performance measurement adjustments relate to significant events, including, without limitation, dispositions, new business ventures, certain capital transactions (including share repurchases), changes in average outstanding shares (other than those resulting from capital transactions referred to above), restructuring costs, if any, amortization expense recorded for acquisition-related intangible assets (solely with respect to performance-based RSUs granted in the 2023 and 2024 plan years), certain litigation expenses, if any, changes in accounting principles or in applicable laws or regulations, changes in income tax rates, foreign exchange fluctuations, the financial impact either positive or negative, of the impact of earnings generated by COVID-19 test kits (solely with respect to performance-based RSUs granted in the 2022 and 2023 plan years) and impairment charges (solely with respect to performance-based RSUs granted in the 2023 and 2024 plan years), and unforeseen events or circumstances affecting us.

Over the performance period, the number of RSUs that will ultimately vest and be issued and the related compensation expense is adjusted upward or downward based upon our estimation of achieving such targets. The ultimate number of shares delivered to recipients and the related compensation cost recognized is based on our actual performance metrics as defined under the 2020 Stock Incentive Plan.

Stock options are awards that allow the recipient to purchase shares of our common stock after vesting at a price set at the time of grant. Stock options were granted at an exercise price equal to our closing stock price at the time of grant. Stock options issued in 2021 and 2022 vest one-third per year based on the recipient’s continued service subject to the terms and conditions of the 2020 Stock Incentive Plan, are fully vested three years from the grant date and have a contractual term of ten years from the grant date, subject to earlier termination of term upon acceleration upon certain events. Compensation expense for stock options is recognized using a graded method. We estimate grant date fair value of stock options using the Black-Scholes valuation model. During the three months ended March 30, 2024, we did not grant any stock options.

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share and per share data)
(unaudited)

Our condensed consolidated statements of income reflect pre-tax share-based compensation expense of \$10 million for the three months ended March 30, 2024 and April 1, 2023.

Total unrecognized compensation cost related to unvested awards as of March 30, 2024 was \$10 million, which is expected to be recognized over a weighted-average period of 2.7 years.

approximately

Our condensed consolidated statements of cash flows present our stock-based compensation expense as a reconciling adjustment between net income and net cash provided by operating activities for all periods. There were no cash benefits associated with tax deductions in excess of recognized compensation for the three months ended March 30, 2024 and April 1, 2023.

We have not declared cash dividends on our stock in the past and we do not anticipate declaring cash dividends in the foreseeable future. The expected stock price volatility is based on implied volatilities from traded options, our historical volatility of our stock and other factors. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant that most closely aligns to the expected life of six years. The expected life of the options was determined using the simplified method for estimating the expected term as set forth in Staff Accounting Bulletin Topic 14.

The following table summarizes the stock option activity for the three months ended March 30, 2024:

	Shares	Weighted Average Exercise Price	Stock Options	Weighted Average Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at beginning of period	1,078,459	\$ 71.46			
Granted	-	-			
Exercised	(21,570)	62.71			
Forfeited	(897)	82.62			
Outstanding at end of period	1,055,992	\$ 71.63		7.3	\$ 8
Options exercisable at end of period	908,836	\$ 69.49			
	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (in years)		Aggregate Intrinsic Value
Expected to vest	147,110	\$ 84.84	3.0		\$ -

The following tables summarize the activity of our unvested RSUs for the three months ended March 30, 2024:

	Time-Based Restricted Stock Units			Performance-Based Restricted Stock Units		
	Shares/Units	Weighted Average Grant Date Fair Value Per Share	Intrinsic Value Per Share	Shares/Units	Weighted Average Grant Date Fair Value Per Share	Intrinsic Value Per Share
Outstanding at beginning of period	1,655,393	\$ 70.34		208,742	\$ 78.02	
Granted	432,350	76.56		450,333	76.81	
Vested	(307,839)	62.51		(6,432)	63.01	
Forfeited	(6,021)	81.48		(6,431)	83.07	
Outstanding at end of period	1,773,883	\$ 73.19	\$ 75.52	646,212	\$ 75.68	\$ 75.52

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(unaudited)

Note 13 – Redeemable Noncontrolling

Interests

Some minority stockholders in certain of our subsidiaries have the right, at certain times, to require us to acquire their ownership interest in those entities at fair value. Accounting Standards Codification Topic 480-10 is applicable for noncontrolling interests where we are or may be required to purchase all or a portion of the outstanding interest in a consolidated subsidiary from the noncontrolling interest holder under the terms of certain contractual agreements. The components of the change in the redeemable noncontrolling interests during the three months ended March 30, 2024 and the year ended December 30, 2023 are as follows:

	March 30, 2024	December 30, 2023
Balance, beginning of period	\$ 864	\$ 576
Decrease in redeemable noncontrolling interests due to acquisitions of noncontrolling interests in subsidiaries	(94)	(19)
Increase in redeemable noncontrolling interests due to business acquisitions	-	326
Net income attributable to redeemable noncontrolling interests	2	6
Distributions declared, net of capital contributions	(6)	(19)
Effect of foreign currency translation gain (loss) attributable to redeemable noncontrolling interests	(10)	5
Change in fair value of redeemable securities	42	(11)
Balance, end of period	<u>\$ 798</u>	<u>\$ 864</u>

Note 14 – Comprehensive

Income

Comprehensive income includes certain gains and losses that, under U.S. GAAP, are excluded from net income and are recorded directly to stockholders' equity.

The following table summarizes our Accumulated other comprehensive loss, net of applicable taxes as of:

	March 30, 2024	December 30, 2023
Attributable to redeemable noncontrolling interests:		
Foreign currency translation adjustment	\$ (42)	\$ (32)
Attributable to noncontrolling interests:		
Foreign currency translation adjustment	\$ (1)	\$ (1)
Attributable to Henry Schein, Inc.:		
Foreign currency translation adjustment	\$ (232)	\$ (188)
Unrealized loss from hedging activities	(2)	(13)
Pension adjustment loss	(5)	(5)
Accumulated other comprehensive loss	<u>\$ (239)</u>	<u>\$ (206)</u>
Total Accumulated other comprehensive loss	<u>\$ (282)</u>	<u>\$ (239)</u>

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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The following table summarizes the components of comprehensive income, net of applicable taxes as follows:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Net income	\$ 98	\$ 128
Foreign currency translation gain (loss)	(54)	25
Tax effect	-	-
Foreign currency translation gain (loss)	(54)	25
Unrealized gain (loss) from hedging activities	15	(4)
Tax effect	(4)	1
Unrealized gain (loss) from hedging activities	11	(3)
Comprehensive income	<u>\$ 55</u>	<u>\$ 150</u>

Our financial statements are denominated in U.S. Dollars. Fluctuations in the value of foreign currencies relative to the U.S. Dollar may have a significant impact on our comprehensive income. The foreign currency translation gain (loss) during the three months ended March 30, 2024 and three months ended April 1, 2023 was due to changes in foreign currency exchange rates of the Euro, Brazilian Real, British Pound, Australian Dollar, Swiss Franc and Canadian Dollar.

The hedging gain (loss) during the three months ended March 30, 2024, and April 1, 2023 was attributable to the investment hedge.

The following table summarizes our total comprehensive income, net of applicable taxes as follows:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Comprehensive income attributable to		
Henry Schein, Inc.	\$ 60	\$ 141
Comprehensive income attributable to		
noncontrolling interests	3	3
Comprehensive income (loss) attributable to		
Redeemable noncontrolling interests	(8)	6
Comprehensive income	<u>\$ 55</u>	<u>\$ 150</u>

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Note 15–Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Henry Schein, Inc. by the weighted average number of common shares outstanding for the period. Our diluted earnings per share is computed similarly, except that it reflects the effect of common shares issuable for unvested restricted stock options using the treasury stock method in periods in which they have a dilutive effect.

A reconciliation of shares used in calculating earnings per basic and diluted share follows:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Basic	128,720,661	131,365,789
Effect of dilutive securities:		
Stock options and restricted stock units	1,048,919	1,674,097
Diluted	<u>129,769,580</u>	<u>133,039,886</u>

The number of antidilutive securities that were excluded from the calculation of diluted weighted average outstanding shares are as follows:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Stock options	419,139	422,190
Restricted stock units	245,667	18,305
Total anti-dilutive securities excluded from earnings per share computation	<u>664,806</u>	<u>440,495</u>

Note 16 – Supplemental Cash Flow

Information

Cash paid for interest and income taxes was:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Interest	\$ 26	\$ 13
Income taxes	21	21

For the three months ended March 30, 2024 and April 1, 2023, we had \$15 million and \$(4) million of non-cash unrealized gains (losses) related to hedging activities, net respectively.

HENRY SCHEIN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Note 17 – Related Party Transactions

In connection with the formation of Henry Schein One, LLC, our joint venture with Internet Brands, which was formed on July 1, 2018, we entered into a ten-year royalty agreement with Internet Brands whereby we will pay Internet Brands approximately \$1 million annually for the use of their intellectual property. During the three months ended March 30, 2024 and April 1, 2023, we recorded \$1 million and \$1 million, respectively, in connection with costs related to this royalty agreement. As of March 30, 2024 and December 30, 2023, Henry Schein One, LLC had a net payable balance to Internet Brands of \$1 million and \$1 million, respectively, comprised of amounts related to results of operations and the royalty agreement. The components of this payable within accrued expenses: other within our condensed consolidated balance sheets.

We have interests in entities that we account for under the equity accounting method. In our normal business, during the three months ended March 30, 2024 and April 1, 2023, we recorded net sales of \$1 million and \$1 million, respectively, to such entities. During the three months ended March 30, 2024 and April 1, 2023, we purchased \$1 million and \$2 million, respectively, from such entities. At March 30, 2024 and December 30, 2023, we had an aggregate of \$1 million and \$2 million, respectively, due from our equity affiliates, and \$1 million and \$5 million, respectively, due to our equity affiliates.

Certain of our facilities related to our acquisitions are leased from employees and minority shareholders. These leases are classified as operating leases and have a remaining lease term ranging from one month to 17 years. As of March 30, 2024, current and non-current liabilities associated with related party operating leases were \$2 million and \$2 million, respectively. At March 30, 2024 related party leases represented 6.7% and 8.2% of total current and non-current operating lease liabilities, respectively. At December 30, 2023 related party leases represented 3.3% and 7.4% of the total current and non-current operating lease liabilities, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding 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. 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 different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are generally identified by the use of such terms as "may," "could," "expect," "believe," "plan," "estimate," "forecast," "project," "anticipate," "to be," "to make" or other similar terms. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the documents we file with the Securities and Exchange Commission (SEC), including our Annual Report on Form

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results, but are not limited to: our dependence on third parties for the manufacture and supply of our products; 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 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 information systems and technology products and services, such as cyberattacks or other privacy or data 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 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 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 state 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 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.

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Where You Can Find Important Information

We may disclose important information through one or more of the following channels: SEC filings, public conference calls and webcasts, press releases, the investor relations page of our website ([www.henryschein.com](#)) and the social media channels identified on the About Media Center page of our website.

Recent Developments

While the U.S. economy has recently experienced inflationary pressures and strengthening of the U.S. dollar, impacts have not been material to our results of operations. Though inflation impacts both our revenues and the depth and breadth of our product portfolio often allows us to offer lower-cost national brand solutions or corporate brand alternatives to our more price-sensitive customers who are unwilling to absorb price increases, positioning us to protect our gross profit.

Our condensed consolidated financial statements reflect estimates and assumptions made by us that affect, among other things, our goodwill, long-lived asset and definite-lived intangible asset valuation; inventory valuation; equity investment valuation; assessment of the annual effective tax rate; valuation of deferred income taxes and tax contingencies; the allowance for doubtful accounts; hedging activity; supplier rebates; measurement of compensation cost for certain share-based performance awards and cash bonus plans; and pension assumptions.

Cyber Incident

In October 2023 Henry Schein experienced a cyber incident that primarily affected the operations of our American and European dental and medical distribution businesses. Henry Schein One, our practice and revenue cycle management and patient relationship management solutions business, was not affected, and manufacturing businesses were mostly unaffected. On November 22, 2023, we experienced a disruption of our e-commerce platform and related applications, which has since been remediated.

During the three months ended March 30, 2024, we continued to experience a residual impact of the cyber event noted above relating primarily to decreased sales to episodic customers (customers that had generally registered a less continuous level of demand pre-incident). We have a number of programs planned and underway focused on establishing these customers.

We maintain cyber insurance, subject to certain retentions and policy limitations. With respect to the October 2023 incident, we have a \$60 million insurance policy, following a \$5 million retention.

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Executive-Level Overview

Henry Schein, Inc. is a solutions company for health care professionals powered by a network of people and technology. We believe we are the world's largest provider of health care products and services primarily to office-based dental and medical practitioners, as well as alternate sites. We serve more than one million customers worldwide including dental practitioners, laboratories, physician practices and ambulatory surgery centers, as well as government, institutional health care clinics and other alternate care facilities. We believe that we have a brand identity due to our more than 91 years of experience distributing health care products.

We are headquartered in Melville, New York, employ approximately 25,000 people (of which approximately 10,000 are based outside of the United States) and have operations or affiliates in 33 countries and territories. Our broad global footprint has evolved over time through our organic success as well as through contribution from strategic acquisitions.

We have established strategically located distribution centers around the world to enable us to better serve customers and increase our operating efficiency. This infrastructure, together with broad product and service offerings at competitive prices, and a strong commitment to customer service, enables us to be a single source supply for our customers' needs.

While our primary go-to-market strategy is in our capacity as a distributor, we also market and sell our corporate brand portfolio of cost-effective, high-quality consumable merchandise products, including in diagnostic devices, manufacture certain dental specialty products in the areas of implants, orthodontics and endodontics, manufacture drug products, and repackage/relabel prescription drugs and devices. We have achieved scale in these global businesses primarily through acquisitions, as manufacturers of these products do not utilize a distribution channel to serve customers.

We conduct our business through two reportable segments: (i) healthcare distribution and (ii) technology and value-added services. These segments offer different products and services to the same customer base. Our dental businesses serve office-based dental practitioners, dental laboratories, schools, government and institutions. Our medical businesses serve physician offices, urgent care centers, ambulatory care sites, emergency technicians, dialysis centers, home health, federal and state governments and large enterprises, such as group practices, and integrated delivery networks, among other providers across a wide range of specialties.

The health care distribution reportable segment, combining our global dental and medical operating businesses, distributes consumable products, small equipment, laboratory products, large equipment, equipment repair services, and generic pharmaceuticals, vaccines, surgical products, dental specialty products (including orthodontic and endodontic products), diagnostic tests, infection-control products, PPE products, vitamins and orthopedic implants.

Our global technology and value-added services business provides software, technology and other value-added services to health care practitioners. Our technology business offerings include practice management systems for dental and medical practitioners. Our value-added practice solutions include practice education, revenue cycle management and financial services on a non-recourse basis, e-services, technology, network and hardware services, as well as consulting, and continuing education services for practitioners.

A key element to grow closer to our customers is our One Schein initiative, which is a unified go-to-market approach that enables practitioners to work synergistically with our supply chain, equipment sales and service and other value-added services, allowing our customers to leverage the combined value that we offer through a single program. Specifically, One Schein provides customers with streamlined access to our comprehensive offering of national brand products, our corporate brand products and proprietary specialty products and solutions (including orthodontic and endodontic products). In addition, customers have access to a wide range of services including software and other value-added services.

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Industry

Overview

In recent years, the health care industry has increasingly focused on cost containment. This trend has benefited distributors capable of providing a broad array of products and services at low prices. It also has accelerated the growth of HMOs, group practices, other managed care accounts and collective buying groups, which, in addition to their emphasis on obtaining products at competitive prices, tend to favor distributors capable of providing management information support. We believe that the trend towards cost containment has the potential to favorably affect demand for technology solutions including software, which can enhance the efficiency and facilitation of practice management.

Our operating results in recent years have been significantly affected by strategies and transactions that we undertook to expand our business, domestically and internationally, in part to address significant changes in the health care industry, including consolidation of health care distribution companies, health care reform, towards managed care, cuts in Medicare and collective purchasing arrangements.

Industry Consolidation

The health care products distribution industry, as it relates to office-based health care practitioners, is highly diverse. The industry ranges from sole practitioners working out of relatively small offices to group practices organizations ranging in size from a few practitioners to a large number of practitioners who have joined or otherwise associated their practices.

Due in part to the inability of office-based health care practitioners to store and manage large quantities of supplies in their offices, the distribution of health care supplies and small equipment to office-based health care practitioners is characterized by frequent, small quantity orders, and a need for rapid, reliable and substantially complete fulfillment. The purchasing decisions within an office-based health care practice are typically made by the practitioner or an administrative assistant. Supplies and small equipment are generally purchased from more than one distributor, with one generally serving as the primary supplier.

The trend of consolidation extends to our customer base. Health care practitioners are increasingly seeking to partner, affiliate or combine with larger entities such as hospitals, health systems, group practices or hospital organizations. In many cases, purchasing decisions for consolidated groups are made at a centralized professional staff level; however, orders are delivered to the practitioners' offices.

We believe that consolidation within the industry will continue to result in a number of distributors, those particularly limited financial, operating and marketing resources, seeking to combine with larger companies that can provide growth opportunities. This consolidation also may continue to result in distributors seeking to acquire companies that can enhance their current product and service offerings or provide opportunities to serve a broader customer base.

Our approach to acquisitions and joint ventures has been to expand our role as a provider of products and services to the health care industry. This trend has resulted in our expansion into service areas that complement our existing operations and provide opportunities for us to develop synergies with, and thus strengthen, the acquired businesses.

As industry consolidation continues, we believe that we are positioned to capitalize on this trend, as we believe we have the ability to support increased sales through our existing infrastructure, although there can be no assurance that we will be able to successfully accomplish this. We also have invested in expanding our infrastructure to include a focus on building relationships with sales/marketing intermediaries who do not reside in the office-based practitioner setting.

As the health care industry continues to change, we continually evaluate possible candidates for joint venture acquisition and intend to continue to seek opportunities to expand our role as a provider of products and services to the health care industry. There can be no assurance that we will be able to successfully pursue any opportunity or consummate any such transaction, if pursued. If additional transactions are entered into or

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consummated, we would incur merger and/or acquisition-related costs, and there can be no assurance that the integration efforts associated with any such transaction would be successful.

Aging Population and Other Market Influences

The health care products distribution industry continues to experience growth due to the aging population, health care awareness, the proliferation of medical technology and testing, new pharmaceuticals, expanded third-party insurance coverage, partially offset by the effects of unemployment insurance coverage. In addition, the physician market continues to benefit from the shift of procedures and diagnostic testing from acute care settings to alternate-care sites, particularly physicians' offices.

According to the U.S. Census Bureau's International Database, between 2024 and 2034, the 45 and older population is expected to grow by approximately 11%. Between 2024 and 2044, this age group is expected to grow by approximately 20%. This compares with expected total U.S. population growth rates of approximately 11% between 2024 and 2034 and approximately 11% between 2024 and 2044.

According to the U.S. Census Bureau's International Database, in 2024 there are approximately seven million Americans aged 85 years or older, the segment of the population most in need of long-term care and elder services. By the year 2050, that number is projected to nearly triple to approximately 19 million. The population aged 84 years is projected to increase by approximately 20% during the same period.

As a result of these market dynamics, annual expenditures for health care services continue to increase in the United States. We believe that demand for our products and services will grow while continuing to be impacted by current and future operating, economic, and industry conditions. The Centers for Medicare and Medicaid Services published "National Health Expenditure Data" indicating that total national health care spending reached approximately \$4.5 trillion in 2022, or 17.3% of the nation's gross domestic product, the benchmark measure for annual production of goods and services in the United States. Health care spending is projected to reach approximately \$7.2 trillion by 2031, or 19.6% of the nation's projected gross domestic product.

Government

Certain of our businesses involve the distribution, manufacturing, importation, exportation, marketing, sale and promotion of pharmaceuticals and/or medical devices, and in this regard, we are subject to extensive local, federal and foreign governmental laws and regulations, including as applicable to our wholesale distribution pharmaceuticals and medical devices, manufacturing activities, and as part of our specialty home medical supplies businesses that distribute and sell medical equipment and supplies directly to patients. Federal, state and foreign governments have also increased enforcement activity in the health care sector, particularly in areas of fraud, abuse, anti-bribery and anti-corruption, controlled substances handling, medical device regulations and data privacy and security standards.

Certain of our businesses involve pharmaceuticals and/or medical devices, including in vitro diagnostic devices, paid for by third parties and must operate in compliance with a variety of burdensome and complex billing and record-keeping requirements in order to substantiate claims for payment under federal, state and commercial healthcare reimbursement programs.

Government and private insurance programs fund a large portion of the total cost of medical care and there have been efforts to limit such private and government insurance programs, including efforts, thus far unsuccessful, to seek repeal of the entire United States Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, each enacted in March 2010.

Certain of our businesses are subject to various additional federal, state, local and foreign laws and regulations with respect to the sale, transportation, importation, storage, handling and disposal of hazardous potentially hazardous substances; "forever chemicals" such as per- and polyfluoroalkyl substances; amalgam pricing disclosures; supply chain transparency around labor practices; and safe working conditions. In addition, activities to control medical costs, including laws and regulations lowering reimbursement rates for

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pharmaceuticals, medical devices, medical supplies and/or medical treatments or services, are ongoing. We recently released the 2024 durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) reimbursement schedule, which, effective January 1, 2024, reduced the DMEPOS reimbursement rates for non-suppliers, such as us, by removing the Coronavirus Aid, Relief, and Economic Security (aka CARES) relief rates in effect during the COVID-19 pandemic. This and other laws and regulations are subject to change and their evolving implementation may impact our operations and our financial performance.

Our businesses are generally subject to numerous laws and regulations that could impact our financial performance, and failure to comply with such laws or regulations could have a material adverse effect on our business.

A more detailed discussion of governmental laws and regulations is included in Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed with the SEC on February 28, 2024.

Results of Operations

The following tables summarize the significant components of our operating results and cash flows for the three months ended March 30, 2024 and April 1, 2023:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Operating results:		
Net sales	\$ 3,172	\$ 3,060
Cost of sales	2,160	2,094
Gross profit	1,012	966
Operating expenses:		
Selling, general and administrative	791	717
Depreciation and amortization	61	44
Restructuring costs	10	30
Operating income	\$ 150	\$ 175
Other expense, net	\$ (23)	\$ (12)
Net income	98	128
Net income attributable to Henry Schein, Inc.	93	121

	Three Months Ended	
	March 30, 2024	April 1, 2023
Cash flows:		
Net cash provided by operating activities	\$ 197	\$ 27
Net cash used in investing activities	(72)	(39)
Net cash provided by (used in) financing activities	(151)	21

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Plan of Restructuring

On August 1, 2022, we committed to a restructuring plan focused on funding the priorities of the BOLD+1 plan, streamlining operations and other initiatives to increase efficiency. We revised our previous expectations of completion and we have extended this initiative through the end of 2024. We are currently unable in good faith to make a determination of an estimate of the amount or range of amount expected to be incurred in connection with these activities, both with respect to each major type of cost associated therewith and to the total cost, or an estimate of the amount or range of amounts that will result in future cash expenditures.

During the three months ended March 30, 2024 and April 1, 2023, we recorded restructuring costs of \$10 million and \$30 million, respectively. The restructuring costs for these periods primarily related to severance and employee-related costs, accelerated amortization of right-of-use lease assets and fixed assets, and other lease costs.

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Three Months Ended March 30, 2024 Compared to Three Months Ended April 1, 2023

Note: Percentages for Net Sales; Gross Profit; Operating Expenses; Other Expense, Net; and Income Taxes are based on actual values and may not recalculate due to rounding.

Net Sales

Net sales were as follows:

	March 30, 2024	% Total	April 1, 2023	% Total	Increase	
					\$	%
Health care distribution ⁽¹⁾	\$ 1,914	60.3%	\$ 1,898	62.0%	\$ 16	0.8%
Medical	1,041	32.9	971	31.8	70	7.3
Total health care	2,955	93.2	2,869	93.8	86	3.0
Technology and value-added services ⁽²⁾	217	6.8	191	6.2	26	13.8
Total	\$ 3,172	100.0%	\$ 3,060	100.0%	\$ 112	3.7%

The components of our sales growth were as follows:

	Local Currency Growth		Total Local Currency Growth	Foreign Exchange Impact	Total Sales Growth
	Local Internal Growth	Acquisition Growth			
Health care distribution ⁽¹⁾					
Dental Merchandise	(3.7)%	3.8 %	0.1 %	0.7 %	0.8 %
Dental Equipment	0.2	-	0.2	0.6	0.8
Total Health Care Distribution	(2.9)	3.0	0.1	0.7	0.8
Medical	(0.7)	8.0	7.3	-	7.3
Total Health Care Distribution	(2.1)	4.6	2.5	0.5	3.0
Technology and value-added services	3.2	10.2	13.4	0.4	13.8
Total	(1.8)%	5.0 %	3.2 %	0.5 %	3.7 %

- (1) Consists of consumable products, dental specialty products (including implant, orthodontic and endodontic products), equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, products, diagnostic tests, infection-control products, PPE products, vitamins, and orthopedic products.
- (2) Consists of practice management software and other value-added products, which are distributed primarily to health care providers, consultancy, education, revenue cycle management and financial services on a non-recourse basis, e-services, education services for practitioners, practice technology, network and hardware services, and other services.

Global Sales

Global net sales for the three months ended March 30, 2024 increased 3.7%. The components of our sales growth are presented in the table above.

The 1.8% decrease in our internally generated local currency sales was primarily attributable to the residual impact of the cyber incident related to decreased sales to episodic customers (customers that had generally registered a long-term, continuous level of demand pre-incident) and lower sales of PPE products and COVID-19 test kits. For the three months ended March 30, 2024, the estimated decrease in internally generated local currency sales, excluding PPE products and COVID-19 test kits, was 1.2%.

We estimate that sales of PPE products and COVID-19 test kits were approximately \$181 million and \$201 million for the three months ended March 30, 2024 and April 1, 2023, respectively, representing an estimated decrease of \$20 million, or 10.0% versus the prior year, with the \$20 million net decrease year-over-year representing 0.6% of global net sales for the three months ended March 30, 2024.

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Dental

Dental net sales for the three months ended March 30, 2024 increased 0.8%. The components of our sales growth are presented in the table above.

The increase in local currency sales was attributable to the acquisitions of Biotech Dental and S.I.N. during the year ended December 30, 2023. The decrease in internally generated local currency sales for dental merchandise was primarily attributable to the residual impact of the cyber incident. Our sales increase in internally generated local currency for dental equipment was primarily attributable to some sales shifting into the first quarter of 2024 due to the delay of equipment installations during the fourth quarter of 2023 resulting from the impact of the cyber incident.

We estimate that sales of PPE products were approximately \$79 million and \$92 million for the three months ended March 30, 2024 and April 1, 2023, respectively, representing an estimated decrease of \$13 million, or 14.5% versus the prior year, with the \$13 million net decrease year-over-year representing 0.7% of dental net sales for the three months ended March 30, 2024. The decrease in sales of PPE products is primarily due to lower market prices and reduced demand following the cyber incident. The estimated decrease in internally generated local currency sales of PPE products, was 2.2%.

Medical

Medical net sales for the three months ended March 30, 2024 increased 7.3%. The components of our sales growth are presented in the table above. The increase in local currency sales was attributable to the acquisition of Health care during the year ended December 30, 2023. The internally generated local currency decrease in sales is primarily attributable to the residual impact of the cyber incident as well as the conversion of pharmaceutical product sales to lower priced generics, partially offset by strong sales of point-of-care diagnostic flu and multi-assay flu/COVID combination tests.

We estimate that sales of PPE products and COVID-19 test kits were approximately \$102 million and \$109 million for the three months ended March 30, 2024 and April 1, 2023, respectively, representing an estimated decrease of \$7 million, or 6.2% versus the prior year, with the \$7 million net decrease year-over-year representing 0.6% of medical net sales for the three months ended March 30, 2024. The decrease in sales of these products is primarily due to lower market prices of PPE products. The estimated increase in internally generated local currency sales of PPE products and COVID-19 test kits, was 0.1%.

Technology and value-added services

Technology and value-added services net sales for the three months ended March 30, 2024 increased 13.8%. The components of our sales growth are presented in the table above. The internally generated local currency increase in technology and value-added services sales is primarily attributable to a continued increase in the number of cloud-based users of our practice management software and an increase in revenue cycle management services. We also experienced increased demand for our revenue cycle management solutions and our analytical products.

Gross Profit

Gross profit and gross margin percentages by segment and in total were as follows:

	March 30, 2024	Gross Margin %	April 1, 2023	Gross Margin %	Increase	
					\$	%
Health care	\$ 867	29.3%	\$ 837	29.2%	\$ 30	3.5%
Technology and value-added services	145	66.8	129	67.4	16	12.7
Total	<u>\$ 1,012</u>	<u>31.9</u>	<u>\$ 966</u>	<u>31.6</u>	<u>\$ 46</u>	<u>4.7</u>

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As a result of different practices of categorizing costs associated with distribution network throughout industry, our gross margins may not necessarily be comparable to other distribution companies. Additionally, we realize substantially higher gross margin percentages in our technology and value-added services segment than our health care distribution segment. These higher gross margins result from being both the developer and seller of software products and services, as well as certain financial services. The software industry typically realizes higher margins to recover investments in research and development.

Within our health care distribution segment, gross profit margins may vary between the periods as a result of changes in the mix of products sold as well as changes in our customer mix. For example, sales of our branded and certain specialty products achieve gross profit margins that are higher than average total gross profit margins of all products. With respect to customer mix, sales to our large-group customers are typically complete gross margins due to the higher volumes sold as opposed to the gross margin on sales to office-based providers, who normally purchase lower volumes.

Health care distribution gross profit for the three months ended March 30, 2024 increased compared to the prior period due to gross profit from acquisitions and gross margin expansion as a result of a favorable impact sales mix of higher-margin products, partially offset by the decrease in sales resulting from the residual impact of the cyber incident and a reduction in sales of PPE products and COVID-19 test kits.

Technology and value-added services gross profit increased as a result of a higher gross profit from generally sales and gross profit from acquisitions. The slight decrease in gross margin rates was primarily due to amortization expense.

Operating Expenses

Operating expenses (consisting of selling, general and administrative expenses; depreciation and amortization; and restructuring costs) by segment and in total were as follows:

	March 30, 2024	% Respective Net Sales	April 1, 2023	% Respective Net Sales	Increase	
	\$		\$		\$	%
Health care	741	1%	692	1%	49	7.0%
Technology and value-added services	121	55.8	99	51.6	22	23.1
Total	862	27.2	791	25.8	71	9.0

The net increase in operating expenses is attributable to the following:

	Operating Costs	Restructuring Costs	Acquisitions	Total
Health care	43	(17)	23	49
Technology and value-added services	(6)	(3)	31	22
Total	37	(20)	54	71

The increase in operating costs during the three months ended March 30, 2024 includes increases in payroll and payroll related costs, travel, and convention expenses in both of our reportable segments and increased expenses in our healthcare distribution segment and an increase in accrued contingent consideration related to 2023 acquisition in our technology and value-added services segment. During the three months ended March 2024, we also incurred \$5 million of expenses directly related to the cyber incident, mostly consisting of professional fees.

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Other Expense, Net

Other expense, net was as follows:

	March 30, 2024	April 1, 2023	Variance	
			\$	%
Interest income	\$ 5	\$ 3	\$ 2	127.3%
Interest expense	(30)	(14)	(16)	(114.8)
Other expense, net	2	(1)	3	(363.5)
Other expense, net	<u>\$ (23)</u>	<u>\$ (12)</u>	<u>\$ (11)</u>	(81.5)

Interest income increased primarily due to increased interest rates. Interest expense increased primarily due to increased borrowings and increased interest rates.

Income

Taxes

Our effective tax rate was 25.6% for the three months ended March 30, 2024 compared to 23.8% for the prior period. The difference between our effective and federal statutory tax rates primarily relates to state and local taxes and interest expense.

The Organization of Economic Co-Operation and Development (OECD) issued technical and guidance on the Pillar Two Model Rules in December 2021, which provides for a global minimum tax rate on earnings of large multinational businesses on a country-by-country basis. Effective January 1, 2024, the global tax rate is 15% for various jurisdictions pursuant to the Pillar Two framework. Future tax reform resulting from these developments may result in changes to long-standing tax principles, which may adversely impact effective tax rate going forward or result in higher cash tax liabilities. As of March 30, 2024, the impact of Pillar Two Rules to our financial statements was immaterial. As we operate in jurisdictions which have adopted Pillar Two, we are continuing to analyze the implications to effectively manage the impact for 2024 and beyond.

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Liquidity and Capital Resources

Our principal capital requirements have included funding of acquisitions, purchases of additional interests, repayments of debt principal, the funding of working capital needs, purchases of fixed assets and purchases of common stock. Working capital requirements generally result from increased sales, special inventory forward buy-in opportunities and payment terms for receivables and payables. Historically, sales have been most prevalent just before the end of the year, and have caused our working capital requirements to be higher from the end of the third quarter to the end of the first quarter of the following year.

We finance our business primarily through cash generated from our operations, revolving credit facilities and placements. Please see [Note 8 – Debt](#) for further information. Our ability to generate sufficient cash flows for operations is dependent on the continued demand of our customers for our products and services, and access to products and services from our suppliers.

Our business requires a substantial investment in working capital, which is susceptible to fluctuations during the year as a result of inventory purchase patterns and seasonal demands. Inventory purchase activity is a function of sales activity, special inventory forward buy-in opportunities and our desired level of inventory. We anticipate increases in our working capital requirements.

We finance our business to provide adequate funding for at least 12 months. Funding requirements are based on forecasted profitability and working capital needs, which, on occasion, may change. Consequently, we may change funding structure to reflect any new requirements.

We believe that our cash and cash equivalents, our ability to access private debt markets and public equity and our available funds under existing credit facilities provide us with sufficient liquidity to meet our foreseeable short-term and long-term capital needs.

Our acquisition strategy is focused on investments in companies that add new customers and sales teams, increase geographic footprint (whether entering a new country, such as emerging markets, or building scale where we have already invested in businesses), and finally, those that enable us to access new products and technologies.

Net cash provided by operating activities was \$197 million for the three months ended March 30, 2024, compared to net cash provided by operating activities of \$27 million for the prior year. The net change of \$170 million was primarily attributable to changes in working capital accounts, primarily accounts receivable and accounts payable, accrued expenses; and lower cash net income. During the quarter ended March 30, 2024, the cyber incident had several residual impacts to the operating cash flows from our working capital, net of acquisitions, including an increase in operating cash flows from accounts receivable due to improved collection levels and decreased cash flows from accounts payable and accrued expenses resulting from previously delayed payments.

Net cash used in investing activities was \$72 million for the three months ended March 30, 2024, compared to cash used in investing activities of \$39 million for the prior year. The net change of \$33 million was primarily attributable to increased payments for equity investments and business acquisitions, and increased purchases of fixed assets resulting from our continued investment in our facilities and operations.

Net cash used in financing activities was \$151 million for the three months ended March 30, 2024, compared to cash provided by financing activities of \$21 million for the prior year. The net change of \$172 million was primarily due to increased net borrowings from debt to finance our investments and increased acquisitions of noncontrolling interests in subsidiaries, partially offset by decreased repurchases of common stock.

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The following table summarizes selected measures of liquidity and capital resources:

	March 30, 2024	December 30, 2023
Cash and cash equivalents	\$ 159	\$ 171
Working capital ⁽¹⁾	1,744	1,805
Debt:		
Bank credit lines	\$ 264	\$ 264
Current maturities of long-term debt	103	150
Long-term debt	2,010	1,937
Total debt	\$ 2,377	\$ 2,351
Leases:		
Current operating lease liabilities	\$ 75	\$ 80
Non-current operating lease liabilities	266	310

(1) Includes \$497 million and \$284 million of certain accounts receivable which serve as security for U.S. trade accounts receivable at March 30, 2024 and December 30, 2023, respectively.

Our cash and cash equivalents consist of bank balances and investments in money market funds representing investments with a high degree of liquidity.

Accounts receivable days sales outstanding and inventory turns

Our accounts receivable days sales outstanding from operations increased to 50.4 days as of March 30, 2024 from 44 days as of April 1, 2023, which was primarily attributable to the impact of the cyber incident. During the three months ended March 30, 2024, we wrote off approximately \$2 million of fully reserved accounts receivable against the receivable reserve. Our inventory turns from operations increased to 4.9 as of March 30, 2024 from 4.3 as of April 1, 2023. Our working capital accounts may be impacted by current and future economic conditions.

Leases

We have operating and finance leases for corporate offices, office space, distribution and other facilities, and vehicle equipment. Our leases have remaining terms of less than one month to approximately 17 years, which may include options to extend the leases for up to 15 years. As of March 30, 2024, our right-of-use assets related to operating leases were \$314 million and our current and non-current operating lease liabilities were \$75 million and \$266 million, respectively.

Stock Repurchases

On February 8, 2023, our Board of Directors authorized the repurchase of up to an additional \$400 million in shares of common stock.

From March 3, 2023 through March 30, 2024, we repurchased \$4.8 billion, or 91,393,533 shares, under common stock repurchase programs, with \$190 million available as of March 30, 2024 for future common stock repurchases.

Redeemable Noncontrolling

Interests

Some minority stockholders in certain of our consolidated subsidiaries have the right, at certain times, to require us to acquire their ownership interest in those entities. Accounting Standards Codification Topic 480-10 is applicable to redeemable noncontrolling interests where we are or may be required to purchase all or a portion of the outstanding interest in a consolidated subsidiary from the noncontrolling interest holder under the terms of a put option contained in contractual agreements. As of March 30, 2024 and April 1, 2023, our balance for redeemable noncontrolling interests was \$798 million and \$864 million, respectively. Please see [Note 13 – Redeemable Noncontrolling Interests](#) for further information.

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Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 30, 2023.

Accounting Standards Update

For a discussion of accounting standards updates that have been adopted or will be adopted, see [Note 2 - Significant Accounting Policies and Recently Issued Accounting Standards](#) in the Notes to the Condensed Financial Statements included under Item 1. Consolidated

1.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

RISK

There have been no material changes in our exposure to market risk from that disclosed in Item 7A of our Annual Report on Form 10-K for the year ended December 30, 2023.

ITEM 4. CONTROLS AND PROCEDURES

PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report as such term is defined in Rules 13a-15(d)-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of March 30, 2024, to ensure that material information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to them as appropriate to allow timely decisions regarding required disclosure and that all such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and the rules of the Nasdaq stock exchange.

Changes in Internal Control over Financial Reporting

The combination of continued acquisition integrations and systems implementation activity undertaken during the quarter and carried over from prior quarters when considered in the aggregate, represents a material change in internal control over financial reporting.

During the quarter ended March 30, 2024, post-acquisition integration related activities continued for our medical and dental businesses acquired during prior quarters. These acquisitions, the majority of which utilize information and financial accounting systems, have been included in our condensed consolidated financial statements since their respective dates of acquisition.

In addition, we completed systems implementation activities related to a new ERP system for two of our business units in Brazil. Finally, we continued systems implementation activities in the US for two of our business units.

All continued acquisition integrations and systems implementation activity involve necessary and appropriate management controls that are considered in our quarterly assessment of the design and effectiveness of our internal control over financial reporting.

The deficiencies in internal control over financial reporting identified as of December 30, 2023 at the application level related to logical and user access management and segregation of duties have been the subject of ongoing review and the development and implementation of specific remediation action plans, including the testing and validation of control operating effectiveness, which is expected to be completed prior to year-end.

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Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of Legal Proceedings, see [Note 11—Legal Proceedings](#) of the Notes to the Condensed Financial Statements included under Item 5 of this Form 10-K.

1.

ITEM 1A. RISK FACTORS

FACTORS

There have been no material changes from the risk factors disclosed in Part 1, Item 1A, of our Annual Report Form 10-K for the year ended December 30, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of equity securities by the issuer

Our share repurchase program, announced on March 3, 2003, originally allowed us to repurchase up to two million shares pre-stock splits (eight million shares post-stock splits) of our common stock, which represented approximately 2.3% of the shares outstanding at the commencement of the program. Subsequent to the announcement, we have increased the total amount authorized for the program to \$5.0 billion (including \$400 million authorized on February 8, 2023) of shares of our common stock to be repurchased under this program.

As of March 30, 2024, we had repurchased approximately \$4.8 billion of common stock (91,393,533 shares) under this program, with \$190 million available for future common stock share repurchases.

The following table summarizes repurchases of our common stock under our stock repurchase program during the fiscal quarter ended March 30, 2024:

Fiscal Month	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Our Publicly Announced Program	Maximum Number of Shares that May Yet Be Purchased Under Our Program (2)
12/31/2023 through 2/3/2024	478,429	\$ 74.28	478,429	3,012,674
2/4/2024 through 3/2/2024	464,966	75.75	464,966	2,525,517
3/3/2024 through 3/30/2024	55,333	76.57	55,333	2,514,895
	<u>998,728</u>		<u>998,728</u>	

(1) All repurchases were executed in the open market under our existing publicly announced authorized program.

(2) The maximum number of shares that may yet be purchased under this program is determined at the end of each month based on the closing price of our common stock at that time. This table excludes shares withheld from employees to satisfy minimum tax withholding requirements for equity-based transactions.

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ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the three months ended March 30, 2024, Michael S. Ettinger, the Company's Executive Vice President and Chief Operating Officer, and (ii) Walter Siegel, the Company's Senior Vice President and Chief Legal Counsel, each adopted a Rule 10b5-1 trading arrangement which is a trading plan for the future sale of securities intended to satisfy the affirmative defense of Exchange Rule 10b5-1(c), as well as the requirements of the Company's insider trading policy. Each plan is subject to an initial "cooling off" period during which there may be no transactions between the adoption date and a date that is the later of 90 days or two business days following the filing of its next quarterly report on Form 10-Q or Annual Report on Form 10-K. On March 4, 2024, Mr. Ettinger adopted the trading plan to sell a total of 12,240 shares based on limit orders at a specified price, after March 4, 2024. On March 7, 2024, Mr. Siegel adopted the trading plan to sell 4,134 shares based on a limit order at a specified price until a term sell-off on March 7, 2025.

ITEM 6.

EXHIBITS

10.1	Henry Schein, Inc. Incentive Plan and Plan Summary, effective as of January 2024.**+
10.2	Form of 2024 Restricted Stock Unit Agreement for time-based restricted stock awards pursuant to the Henry Schein, Inc. 2020 Stock Incentive Plan (as amended and restated effective as of May 21, 2020) of 2024 Restricted Stock Unit Agreement for performance-based restricted stock unit awards pursuant to the Henry Schein, Inc. 2020 Stock Incentive Plan (as amended and restated effective as of May 21, 2020) of 2024 Restricted Stock Unit Agreement for time-based restricted stock awards pursuant to the Henry Schein, Inc. 2023 Non-Employee Stock Incentive Plan (as amended and restated effective as of May 2023).**+
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document+
101.SCH	Inline XBRL Taxonomy Extension Schema Document+
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document+
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document+
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document+
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document+
104	The cover page of Henry Schein, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 30, 2024, formatted in Inline XBRL (included in Exhibit 101)

** Indicates management contracts, compensation or compensatory plan or arrangement furnished herewith.

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SIGNATURE

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 thereunto duly authorized.

Henry Schein, Inc.
(Registrant)

By: /s/ Ronald N. South
Ronald N. South
Senior Vice President and
Chief Financial Officer
(Authorized Signatory and Principal
Financial Accounting Officer)

Dated: May 7,
2024

**Henry Schein, Inc.
Incentive Plan
and
Plan Summary**

Amended and Restated as of January 1, 2024

1. Introduction

As a member of the management team, you have direct impact to the profitability of Henry Schein. To align your interest with that of the Company, you have been nominated to participate in the Henry Schein Incentive Plan (formerly the Performance Incentive Plan), as may be amended from time to time, ("HSIP," or the "Plan"), the incentive-based cash compensation program for the management team of Henry Schein, Inc. (the "Company"). This program was initially approved by the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors (the "Board") on February 26, 2014, and was initially effective beginning January 1, 2014. This program is renamed the Henry Schein Incentive Plan and is amended and restated effective as of January 1, 2024. This document serves as both the Plan and the Plan Summary.

Plan participants include the Company's management team of directors and vice presidents, among others, who have been designated by the Company to participate in the Plan (the "Participant"). The Plan has been designed to align all Participants in a concerted effort to drive our business toward achieving common objectives that benefit the Company as a whole, the management team and each Participant. The Plan is specifically designed to:

- Foster achievement of specific corporate, business unit, individual performance goals and/or strategic goals on an annual basis ("Goals");
- Provide each Participant with an annual cash bonus opportunity based on the achievement of the Goals ("HSIP Award"); and
- Recognize and reward Participants for individual and group team achievements.

The Goals will be set forth in writing each year, and you will receive documentation regarding your annual Goals each year you are a Participant. Annual Goals may be modified from time to time, and any modification will also be set forth in writing. Any mid-year changes must be approved by the CEO, the appropriate EMC or by the Compensation Committee before the commencement of the fourth quarter. The Compensation Committee must be notified of any material changes. For purposes of the Plan, performance and achievement of Goals will be measured each calendar year or any other period specified by the Compensation Committee.

The HSIP Award, in conjunction with a Participant's base compensation, is intended to provide Participants with competitive total annual cash compensation for comparable positions at companies in our industry and at other similarly sized organizations.

The Chief Executive Officer of the Company (the "CEO") (solely with respect to Participants other than executive officers) or the Compensation Committee has the sole authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the HSIP and to construe and interpret the terms and provisions of the HSIP and any HSIP Award and make all other determinations and take any other action necessary or appropriate for the administration of the Plan, including, without limitation, correcting any defect, supplying any omission or reconciling any inconsistency in the Plan and any HSIP Award in the manner and to the extent deemed necessary to carry the Plan into effect.

Any decision, interpretation or other action made or taken by or at the direction of the CEO (solely with respect to Participants other than executive officers) or the Compensation Committee will be final, binding and conclusive on Henry Schein and all Participants and their respective heirs, executors, administrators, successors and assigns. The CEO is authorized to act on behalf of the Compensation Committee under the Plan or to exercise any discretion that the Compensation Committee has under the Plan, provided that such act or exercise of discretion by the CEO may not apply to Participants who are executive officers.

The Compensation Committee may, in its sole discretion, delegate any of its responsibilities under the HSIP (including administrative tasks) to the extent permitted by applicable law. The Compensation Committee may rely on information, and consider recommendations, provided by the Company's Board of Directors or members of Company management.

2. Eligibility

The CEO annually determines eligibility for participation in the Plan, except that the Compensation Committee makes this determination with respect to executive officers. Participation is intended to be ongoing. However, changes in assignments may result in a Participants being ineligible to participate in the Plan. Participation in one year does not imply or guarantee participation in another year. Team Schein Members will be notified at the beginning of each year regarding their eligibility to participate in the Plan and will be notified during the year if that status changes.

HSIP awards for newly hired or promoted TSMs will be pro-rated. However, no new entry will be included after September of each performance year.

3. HSIP Awards and Individual Performance Goals

HSIP Awards are based on one or more of the following goals:

- a) **Company Financial Performance Goals**
 - The Company's annual profitability, specifically measured against earnings per share ("EPS"), net income or other predetermined profitability Goals.
- b) **Functional Area Financial Performance Goals**
 - The Participant's business unit or functional area's level of achievement in financial and other performance Goals.
- c) **Individual Performance Goals ("MBO Performance Goals")**
 - The Participant's achievement of his or her individual MBO Performance Goals.
- d) **Strategic Scorecard Goals**
 - The Participant's achievement of goals related to the Company's strategic plan.

The Company Financial Performance Goals are set annually by the Compensation Committee. Each Participant's Functional Area Financial Performance Goals, MBO Performance Goals and/or Strategic Scorecard Goals ("Other Goals") will be determined at the start of each year by their Manager and then reviewed, as applicable, by the Manager's Executive Management Committee (EMC) Member, CEO or the Compensation Committee or the Compensation Committee in its sole discretion (solely with respect

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to Participants who are executive officers), as applicable. There will be an ongoing review of these Goals. Any changes during the year must be approved by the Manager, the Manager's EMC Member, Vice President – Global Human Resources and Financial Operations and, if appropriate, by the CEO or the Compensation Committee (solely with respect to Participants who are executive officers). Each Participant and his or her Manager are encouraged to have performance evaluations during the year to monitor progress and, if necessary, to modify Goals (with the approval of the CEO and/or the Compensation Committee, if appropriate) for the balance of the year.

The HSIP Award payouts corresponding to levels of achievement of Company Financial Performance Goals are determined by the Compensation Committee in its sole discretion on an annual basis. The HSIP Award payouts for meeting or exceeding the Other Goals are determined on an annual basis by the Participant's Manager and then reviewed, as applicable, by the Manager's EMC Member, CEO or the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers).

Weighting of Goals for each Participant will be determined by the Participant's Manager and, if appropriate, approved by the CEO and/or the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers).

4. Company Financial Performance Goals

The Company Financial Performance Goals are determined by the Compensation Committee in its sole discretion with input from the Executive Management team. Each year, the Compensation Committee may, as it decides in its sole discretion, make adjustments to the Goals.

In determining whether the Company Financial Performance Goals have been achieved or exceeded, the Compensation Committee, in its sole discretion, will take into account the quality of earnings and/or circumstances of achievement.

5. Functional Area Financial Performance Goals

For Participants managing a Group, Division or Subsidiary: Functional Area Financial Goals are based on the financial performance of the Group, Division or Subsidiary measured against annual financial budgets, in the following areas:

- Group/Divisional/Subsidiary sales Goals.
- Group/Divisional/Subsidiary gross profit Goals.
- Group/Divisional/Subsidiary pre-tax income after "service and capital charge." Goals.
- Group/Divisional/Subsidiary net income Goals.

For all other Participants: Goals are based on expense performance relative to the budget.

In determining whether Functional Area Financial Goals have been achieved or exceeded, the CEO, the appropriate EMC, or the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers) will take into account the quality of earnings and/or circumstances of achievement.

6. MBO Performance Goals

Specific, measurable MBO Performance Goals will be approved for each Participant by the CEO, the appropriate EMC, or by the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers). These MBO Performance Goals should drive toward and support enterprise-wide initiatives, such as: Profitability; Process Excellence; Customer Satisfaction; Strategic Planning; and Organizational Development. To drive performance and to focus management energy, it is recommended that the number of MBOs be limited to three to nine critical objectives. For example,

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- **Profitability** - e.g., reduce expenses as a percent of sales; increase gross profit percentage and gross profit dollars; increase business unit sales; reduce inventory.
- **Process Excellence** - e.g., implement a new policy; reduce errors to customers; reduce DSOs; increase inventory turns.
- **Customer Satisfaction** - e.g., increase frequency of salesperson to customer contacts; implement project to develop computer screens to aid in positive customer interactions; support internal customer by completing all recruits within a reasonable predetermined time period; develop customer feedback program, such as surveys and focus groups.
- **Strategic Planning** - e.g., develop strategic plan based on individual responsibilities; benchmark Participant's unit against similar companies' functions.
- **Organizational Development** - e.g. personal business development; succession planning; diversity Goals; staff development; recruitment goals.

MBO Performance Goals should be specific, measurable, attainable, realistic and time-bound. In order to obtain an award of over 100% of the original MBO target amount, performance must have substantially exceeded the original parameters and expectations of the MBO Performance Goal in a measurable way. In summary, awards earned in excess of 100% should only be considered when significant benefits are realized when compared to the original MBO Performance Goal.

In determining whether MBO Performance Goals have been achieved or exceeded, the CEO, the appropriate EMC, or the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers) will take into account the quality of earnings and/or circumstances of achievement.

7. Strategic Scorecard Goals

Specific, measurable Strategic Scorecard Goals will be approved for each Participant by the CEO, the appropriate EMC, or by the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers). These Strategic Scorecard Goals should drive toward and support achievement of the financial goals and performance objectives set forth in the Company's then current strategic plan.

In determining whether Strategic Scorecard Goals have been achieved or exceeded, the CEO, the appropriate EMC, or the Compensation Committee in its sole discretion (solely with respect to Participants who are executive officers) will take into account the quality of earnings and/or circumstances of achievement.

8. HSIP Awards

During the first fiscal quarter of each year, individual performance for the previous year is evaluated relative to Goals. HSIP Awards are determined for each performance category, as applicable. A Participant's total HSIP Award will equal the sum of the awards earned in each category for the previous year's performance.

Notwithstanding anything herein to the contrary, the Compensation Committee or the CEO (solely with respect to Participants other than executive officers) may, at any time, provide that all or a portion of an HSIP Award is payable: (i) upon the attainment of any goal (including the Goals), as determined by the

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Compensation Committee or the CEO, as applicable; or (ii) regardless of whether the applicable Goals are attained, subject to the Compensation Committee's or the CEO's (solely with respect to Participants other than executive officers) sole discretion as to the quality of earnings and the circumstances of their achievement.

Any action by the Compensation Committee (or its delegate) hereunder will be made pursuant to resolutions documenting such action.

In order to receive any HSIP Award, Participants must be actively employed on the payment date of the year the HSIP Award is to be paid out. A prorated HSIP Award may be available, at the discretion of the Compensation Committee or the CEO (solely with respect to Participants other than executive officers), if a Participant in the Plan dies, becomes permanently disabled, retires at the normal Social Security retirement age during the Plan year, or in other special circumstances.

HSIP Awards, less applicable withholdings, will be made by the end of the first fiscal quarter of each year.

To the extent applicable, unless payments are deferred as may be permitted by the Company, payments under the Plan are intended to be short-term deferrals within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the guidance issued thereunder (collectively, "Section 409A") that are exempt from the applicable requirements of Section 409A and the Plan will be limited, construed and interpreted in accordance with such intent.

Notwithstanding anything to the contrary, the Company does not guarantee, and nothing in the Plan or otherwise is intended to provide a guarantee of, any particular tax treatment with respect to payments or benefits under the Plan or otherwise, and the Company will not be responsible for their compliance with or exemption from Section 409A.

9. Forfeiture Conditions and Recoupment

a) Recoupment/Clawback Policies

Notwithstanding anything herein to the contrary, a Participant's HSIP Award granted under the Plan is subject to the Company's (i) Incentive Compensation Recoupment Policy, (ii) the Company's Dodd-Frank Clawback Policy and (iii) any other clawback and/or recoupment policy approved by the Company's Board of Directors or the Compensation Committee (or other committee of the Board) from time to time, to the extent each is applicable to the Participant and/or any other Company recoupment policies or procedures that may be required under applicable law or otherwise adopted by the Company or incorporated into any other part of an HSIP Award (collectively, the "Clawback Policies"). The Participant's receipt of an HSIP Award shall constitute the Participant's acknowledgement that the Participant is subject to the Clawback Policies (as applicable) and that such Participant's HSIP Award may be subject to recoupment to the extent provided in such Clawback Policies. Nothing herein shall be construed as limiting any right of the Company to impose additional restrictions or other conditions with respect to an HSIP Award.

b) Cause and Material Restatements of Financial Statements

Notwithstanding anything herein to the contrary, the Company or the Compensation Committee may take recoupment actions with respect to each HSIP Award granted and/or paid under the Plan or may take actions to forfeit and cancel an HSIP Award, in each case, in the event the applicable Participant (i) engages in conduct that could reasonably be expected to constitute "Cause" (as defined herein) (regardless of whether the Participant's employment has terminated), as determined by the Company in its sole discretion, at any time on or after the grant date and prior to the applicable Payment Date (as defined below) and/or (ii) the Company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws (a "Restatement") that

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relates to the vesting schedule of the HSIP Award, the Compensation Committee shall have the right, in its sole discretion, to cause the immediate forfeiture of the HSIP Award during the Applicable Period (as defined below). With respect to clause (ii) herein, it is intended that the Company's right to recoup cash payments made under the HSIP Award shall be interpreted in a manner consistent with the Company's Dodd-Frank Clawback Policy, except that all references to executive officers (or words of like import) shall be disregarded.

For the purposes of the Plan, "Cause" means (i) if the Participant shall have committed fraud or any felony in connection with the Participant's duties as an employee of the Company or any of its affiliates, or willful misconduct or any act of disloyalty, fraud or breach of trust or confidentiality as to the Company or any of its affiliates, or willful misconduct or any act of disloyalty, dishonesty, fraud or breach of trust or confidentiality as to the Company or any of its affiliates or the commission of any other act which causes or may be reasonably expected to cause economic or reputational injury to the Company or any of its affiliates, (ii) the Participant's termination of employment with the Company or any of its affiliates is or would be deemed to be for Cause under any employment agreement between the Company or any of its affiliates and the Participant, or is expressly provided for under an HSIP Award, and/or (iii) any breach by the Participant of any agreement with the Company or any of its affiliates.

For the purposes of the Plan, "Applicable Period" means the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that the Company was required to prepare an accounting restatement or (ii) the date a court, regulator, or other legally authorized entity directs the Company to prepare an accounting restatement, in each case, regardless of if or when the accounting restatement is actually filed. In such case, the Participant shall have no further rights or interests with respect to such HSIP Award.

c) Competitive Activity

Notwithstanding anything herein to the contrary, each HSIP Award granted under the Plan is conditioned on the applicable Participant not engaging in any Competitive Activity (as defined below) from the effective date of the grant of the HSIP Award through the first anniversary of the applicable payment date of such HSIP Award (such applicable payment date, the "Payment Date"). If, on or after the effective date of grant of the HSIP Award but prior to the Payment Date, a Participant engages in a Competitive Activity, 100% of all HSIP Awards issued and payable to such Participant under the Plan shall be immediately forfeited in its entirety, and such Participant shall have no further rights or interests with respect to such HSIP Awards.

For purposes of the Plan, the Participant will be deemed to engage in a "Competitive Activity" if, either directly or indirectly, without the express prior written consent of the Company, the Participant (i) takes other employment with, render services to, or otherwise engages in any business activities with, companies or other entities that are competitors of the Company or any of its affiliates, (ii) solicits or induces, or in any manner attempts to solicit or induce, any person employed by or otherwise providing services to the Company or any of its affiliates, to terminate such person's employment or service relationship, as the case may be, with the Company or any of its affiliates, (iii) diverts, or attempts to divert, any person or entity from doing business with the Company or any of its affiliates or induces, or attempts to induce, any such person or entity from ceasing to be a customer or other business partner of the Company or any of its affiliates, (iv) violates any agreement between the Participant and the Company or any of its affiliates relating to the non-disclosure of proprietary or confidential information of the Company or any of its affiliates, and/or (v) conducts himself or herself in a manner adversely affecting the Company or any of its affiliates, including, without limitation, making false, misleading or negative statements, either orally or in writing, about the Company or any of its affiliates. The determination as to whether a

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Participant has engaged in a Competitive Activity shall be made (A) if the Participant is an executive officer of the Company, by the Committee in its sole discretion or (B) if the Participant is not an executive officer of the Company, by the Company in its sole discretion.

FOR CALIFORNIA PARTICIPANTS ONLY. With respect to any Participant who resides, or provides services, in California (a "California Participant"), the above definition of "Competitive Activity" does not apply and, for the purposes of the Plan, a California Participant will be deemed to engage in a "Competitive Activity" if, either directly or indirectly, without the express prior written consent of the Company, a California Participant (i) prior to a termination of employment with the Company, takes other employment with, renders services to, or otherwise engages in any business activities with, companies or other entities that are competitors of the Company or any of its affiliates, (ii) prior to a termination employment with the Company, solicits or induces, or in any manner attempts to solicit or induce, any person employed by or otherwise providing services to the Company or any of its affiliates, to terminate such person's employment or service relationship, as the case may be, with the Company or any of its affiliates, (iii) prior to a termination of employment with the Company, diverts, or attempts to divert, any person or entity from doing business with the Company or any of its affiliates or induces, or attempts to induce, any such person or entity from ceasing to be a customer or other business partner of the Company or any of its affiliates, (iv) violates any agreement between a California Participant and the Company or any of its affiliates relating to the non-disclosure of proprietary or confidential information of the Company or any of its affiliates, and/or (v) makes false, misleading or negative statements, either orally or in writing, about the Company or any of its affiliates; provided however, with respect to subsections (iv) and (v), following a termination of employment, a California Participant will not be limited from engaging in a lawful profession, trade, or business that is competitive with the Company or any of its affiliates or restrained from any activity that would be a violation of California Business and Professions Code § 16600. Any determination as to whether a California Participant has engaged in a Competitive Activity shall be made (A) if the Participant is an executive officer of the Company, by the Committee in its sole discretion or (B) if the Participant is not an executive officer of the Company, by the Company in its sole discretion.

With respect to any California Participant, notwithstanding the date of payment, no HSIP Award shall be earned by any California Participant prior to the first anniversary date of the Payment Date and satisfaction of the conditions of the applicable HSIP Award.

d) **Method of Recoupment**

In the event that (i) the Participant engages in conduct that could reasonably be expected to constitute "Cause" on or after the Payment Date, but on or prior to the first anniversary of such Payment Date, (ii) the Participant engages in a Competitive Activity on or after the Payment Date but on or prior to the first anniversary of such Payment Date, or (iii) the Company makes a determination it is required to prepare a Restatement that relates to the performance period incorporated into each such HSIP Award, in each case, the Company will have the right to recoup from the Participant, and such Participant will repay to the Company, within thirty (30) days following demand by the Company, an amount in cash equal to 100% of the HSIP Awards paid to the Participant on the Payment Date pursuant to the Plan with respect to clauses (i) and (ii), and in an amount equal to a percentage designated by the Company of the HSIP Awards paid to the Participant on the Payment Date pursuant to the Plan with respect to clause (iii). The Company also has the right to set off (or cause to be set off) any amounts otherwise due to a Participant from the Company in satisfaction of such repayment obligation, provided that any such amounts are exempt from, or set off in a manner intended to comply with, the requirements of Section 409A.

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Participants receiving HSIP Awards hereby acknowledge and agree that the forfeiture and recoupment conditions set forth in this section 9, in view of the nature of the business in which the Company and its affiliates are engaged, are reasonable in scope and necessary in order to protect the legitimate business interests of the Company and its affiliates, and that any violation thereof would result in irreparable harm to the Company and its affiliates. Each Participant hereby acknowledge and agree that (i) it is a material inducement and condition to the Company's issuance of the HSIP Award that such Participant agrees to be bound by such forfeiture and recoupment conditions and, further, that the amounts required to be forfeited or repaid to the Company pursuant to this Section 9 are reasonable, and (ii) nothing in the Plan is intended to preclude the Company (or any affiliate thereof) from seeking any remedies available at law, in equity, under contract to the Company or otherwise, and the Company (or any affiliate thereof) shall have the right to seek any such remedy with respect to the HSIP Award or otherwise.

10. Miscellaneous

All expenses of the Plan will be borne by the Company.

This Plan is not intended to, nor does it constitute, a contract or guarantee of continued employment. Nothing in the Plan or in any notice of an HSIP Award will affect the right of the Company or any of its affiliates to terminate the employment or service of any Participant or to increase or decrease the compensation payable to the Participant from the rate in effect at the commencement of a year or to otherwise modify the terms of such Participant's employment.

Except to the extent required by applicable law, no HSIP Award or payment thereof nor any right or benefit under the Plan will be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, garnishment, execution or levy of any kind or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, charge, garnish, execute upon or levy upon the same will be void and will not be recognized or given effect by the Company.

No person will have any claim or right to participate in the Plan or to receive any HSIP Award for any particular year.

Participants will have 30 days from the date of payment of their HSIP Award to dispute calculations. After this period is over, all amounts are final, subject to the forfeiture and recoupment provisions set forth herein. Disputes should be submitted to the Participant's manager for review and then submitted with any necessary documentation to the Participant's HR Business Partner.

The Company reserves the right to amend, suspend or terminate the Plan at any time without notice.

The Plan has not been adopted by stockholders.

No member of the Compensation Committee and no other director or TSM of the Company or its affiliates to whom any duty or power relating to the administration or interpretation of the Plan has been delegated will be liable for any action, omission, or determination relating to the Plan, and the Company will indemnify and hold harmless each member of the Compensation Committee and each other director or TSM of the Company or its affiliates to whom any duty or power relating to the administration or interpretation of the Plan has been delegated against any cost or expense (including counsel fees, which fees shall be paid as incurred) or liability (including any sum paid in settlement of a claim with the approval of the Compensation Committee) arising out of or in connection with any action, omission or determination relating to the Plan, unless, in each case, such action, omission or determination was taken or made by such member, director or TSM in bad faith and without reasonable belief that it was in the best interests of the Company. The foregoing provisions of this paragraph are in addition to and shall not be deemed to limit or modify, any exculpatory rights or rights to indemnification or the advancement of expenses that any such persons may now or hereafter have, whether under the Company's Amended and Restated Certificate of Incorporation (as amended), the Company's Amended and Restated Bylaws (as amended), the Delaware General Corporation Law or otherwise.

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In the event that any one or more of the provisions contained in the Plan will, for any reason, be held to be invalid, illegal or unenforceable, in any respect, such invalidity, illegality or unenforceability will not affect any other provision of the Plan and the Plan will be construed as if such invalid, illegal or unenforceable provisions had never been contained therein.

The Company will have the right to make any provisions that it deems necessary or appropriate to satisfy any obligations it may have under law to withhold federal, state or local income or other taxes incurred by reason of payments pursuant to the Plan.

The Plan and any amendments thereto will be construed, administered, and governed in all respects in accordance with the laws of the State of New York (regardless of the law that might otherwise govern under applicable principles of conflict of laws).

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**FORM OF RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
HENRY SCHEIN, INC. 2020 STOCK INCENTIVE PLAN
(AS AMENDED AND RESTATED EFFECTIVE AS OF MAY 21, 2020)**

THIS AGREEMENT (the "Agreement") is made as of [Grant Date] (the "Grant Date"), by and between Henry Schein, Inc. (the "Company") and [Participant Name] (the "Participant"). Additional country-specific and state-specific terms and conditions that govern the grant made hereunder are attached hereto on Annex 1, which terms and conditions are incorporated by reference herein and made a part of the Agreement.

W I T N E S S E T H:

WHEREAS, the Company has adopted the Henry Schein, Inc. 2020 Stock Incentive Plan (as amended and restated effective as of May 21, 2020), as amended from time to time (the "Plan") (a copy of which is on file with the Company's Corporate Human Resources Department and is available for the Participant to review upon request at reasonable intervals as determined by the Company), which is administered by the Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board");

WHEREAS, pursuant to Section 9(d) of the Plan, the Committee may grant Restricted Stock Units to Key Employees under the Plan;

WHEREAS, the shares of the Company's common stock are traded on the Nasdaq Stock Market under the symbol "HSIC"; and

WHEREAS, the Participant is a Key Employee of the Company or a Subsidiary.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Restricted Stock Units.

Subject to the restrictions and other conditions set forth herein, in the Plan and Annex 1, the Committee has authorized this grant of [Shares Granted] Restricted Stock Units to the Participant on the Grant Date.

2. Vesting and Payment.

(a) **Vesting Schedule.** Except as set forth in Sections 2(c) and 2(d), the Restricted Stock Units shall vest on the fourth anniversary of the Grant Date (the "Scheduled Payment Date"); provided that the Participant has not had a Termination of Employment at any time prior to the Scheduled Payment Date.

(b) **No Proportionate or Partial Vesting.** Except as set forth in Section 2(c), there shall be no proportionate or partial vesting in the periods prior to the vesting date and all vesting shall occur only on the vesting date; provided that no Termination of Employment has occurred prior to such date.

(c) **Retirement.** The Restricted Stock Units shall vest on a pro-rated basis upon the Participant's Retirement, unless otherwise provided expressly in a written agreement between the Participant and the Company (or a Subsidiary). For purposes of this Section 2(c), the Participant shall qualify for "Retirement" if (i) the Participant's age (minimum 55) plus years of service with the Company and its Subsidiaries equal or exceed 70, (ii) the Participant has provided written notice of the Participant's retirement to the Company at least 30 days prior to the date of such retirement, and (iii) no Termination of Employment has occurred prior to the date of such retirement. For purposes of determining the age and service requirement under Section 2(c)(i), the Participant's age and years of service shall be determined by the Participant's most recent birthday and employment anniversary, respectively. For purposes of this Section 2(c), vesting on a pro-rated basis shall be calculated by multiplying the number of Restricted Stock Units set forth under Section 1 by a fraction, the numerator of which is the number of days from the Grant Date to the date of the Participant's Retirement, and the denominator of which is the number of days from the Grant Date to the Scheduled Payment Date.

(d) **Change in Control Termination, Disability and Death.** The Restricted Stock Units shall become fully vested on the earliest of (i) a Termination of Employment by the Company (or a Subsidiary) without Cause occurring within the 2-year period following a Change of Control, (ii) the Participant's Disability and (iii) the Participant's death; provided that no Termination of Employment has occurred prior to any such event, unless otherwise provided expressly in a written agreement between the Participant and the Company (or a Subsidiary). For purposes of this Agreement, "Cause" shall have the meaning set forth in Section 7(b) of the Plan, but shall also include any breach by the Participant of any agreement with the Company or any of its Subsidiaries. For purposes of this Agreement, a "Change of Control" shall mean a Change of Control as defined in the Plan. For purposes of this Agreement, "Disability" shall mean the approval of, and receiving benefits for, long term disability by the disability insurance carrier under the Company's (or if applicable, Subsidiary's) long term disability plan.

(e) **Payment.** The Participant shall be entitled to receive one share of Common Stock with respect to one vested Restricted Stock Unit. The Participant shall be paid one share of Common Stock with respect to each vested Restricted Stock Unit within thirty (30) days of the Scheduled Payment Date; except that, in the event of (i) Retirement, (ii) a Termination of Employment by the Company (or a Subsidiary) without Cause occurring within the 2-year period following a Change of Control, (iii) death or (iv) Disability, the Participant shall be paid within thirty (30) days of such Retirement, Termination of Employment, death or Disability, subject to Section 18 set forth in Annex 1 to the extent applicable, including with respect to a Participant who qualifies for Retirement at any time following the Grant Date.

3. Forfeiture and Recoupment.

(a) **Forfeiture on Termination.** Subject to Section 2 above, all unvested Restricted Stock Units will be forfeited on the Participant's Termination of Employment.

(b) **Forfeiture due to Cause Conduct.** Notwithstanding anything herein or in the Plan to the contrary, in the event that the Participant engages in conduct that could reasonably be expected to constitute Cause, as defined in Section 2(d) above (regardless of whether the Participant had a Termination of Employment), as determined by the Company in its sole discretion, at any time on or after the Grant Date and prior to the applicable settlement date set forth in Section 2 above (such applicable settlement date, the "Payment Date") the Committee shall have the right, in its sole discretion, to cause the immediate forfeiture of all the Restricted Stock Units (including any

dividends credited thereupon) (whether or not vested) in their entirety, in which case the Participant shall have no further rights or interests with respect to such Restricted Stock Units (including any such dividends).

(c) **Forfeiture Following Competitive Activity.** Notwithstanding anything herein or in the Plan to the contrary, the grant of Restricted Stock Units (including any dividends credited thereupon) provided for under this Agreement is conditioned on the Participant not engaging in any Competitive Activity (as defined below) from the date that is twelve (12) months prior to the Payment Date through the first anniversary of such Payment Date. If, on or after the date that is twelve (12) months prior to the Payment Date but prior to the Payment Date, the Participant engages in a Competitive Activity, the Committee shall have the right, in its sole discretion, to cause the immediate forfeiture of all of the Restricted Stock Units (including any dividends credited thereupon) (whether or not vested) in their entirety, in which case the Participant shall have no further rights or interests with respect to such Restricted Stock Units (including any such dividends).

(d) **Recoupment Following Cause Conduct or Competitive Activity After Payment Date.** In the event that (i) the Participant engages in conduct described under Section 3(b) on or after the Payment Date, but on or prior to the first anniversary of such Payment Date or (ii) the Participant engages in a Competitive Activity on or after the Payment Date but on or prior to the first anniversary of such Payment Date, in each case, the Company shall have the right to recoup, in its sole discretion, from the Participant, and the Participant shall repay to the Company, within thirty (30) days following demand by the Company, a payment equal to the Fair Market Value of the aggregate shares of Common Stock payable in respect of such Restricted Stock Units (including any dividends credited thereupon) on the Payment Date (including any dividends or other distributions thereafter paid thereon); provided, that, the Company may require the Participant to satisfy such payment obligations hereunder either by forfeiting and returning to the Company such shares of Common Stock, Restricted Stock Units, dividends or any other shares of Common Stock, or making a cash payment or any combination of these methods, as determined by the Company in its sole discretion. The Company and its Subsidiaries, in their sole discretion, shall have the right to set off (or cause to be set off) any amounts otherwise due to the Participant from the Company (or the applicable Subsidiary) in satisfaction of such repayment obligation, provided that any such amounts are exempt from, or set off in a manner intended to comply with, the requirements of any applicable law (including, without limitation, Section 409A of the Code).

(e) **Participant Acknowledgement of Reasonableness.** The Participant hereby acknowledges and agrees that the forfeiture and recoupment conditions set forth in this Section 3, in view of the nature of the business in which the Company and its affiliates are engaged, are reasonable in scope and necessary in order to protect the legitimate business interests of the Company and its affiliates, and that any violation thereof would result in irreparable harm to the Company and its affiliates. The Participant also acknowledges and agrees that (i) it is a material inducement and condition to the Company's issuance of the Restricted Stock Units (including any dividends credited thereupon) that such Participant agrees to be bound by such forfeiture and recoupment conditions and, further, that the amounts required to be forfeited or repaid to the Company pursuant to forfeiture and recoupment conditions set forth above are reasonable, and (ii) nothing in this Agreement or the Plan is intended to preclude the Company (or

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any affiliate thereof) from seeking any remedies available at law, in equity, under contract to the Company or otherwise, and the Company (or any affiliate thereof) shall have the right to seek any such remedy with respect to the Restricted Stock Units, any dividends credited thereupon, or otherwise.

(f) **Definition of Competitive Activity.** For purposes of this Agreement, the Participant will be deemed to engage in a "Competitive Activity" if, either directly or indirectly, without the express prior written consent of the Company, the Participant (i) takes other employment with, renders services to, or otherwise engages in any business activities with, companies or other entities that are competitors of the Company or any of its affiliates, (ii) solicits or induces, or in any manner attempts to solicit or induce, any person employed by or otherwise providing services to the Company or any of its affiliates, to terminate such person's employment or service relationship, as the case may be, with the Company or any of its affiliates, (iii) diverts, or attempts to divert, any person or entity from doing business with the Company or any of its affiliates or induces, or attempts to induce, any such person or entity from ceasing to be a customer or other business partner of the Company or any of its affiliates, (iv) violates any agreement between the Participant and the Company or any of its affiliates relating to the non-disclosure of proprietary or confidential information of the Company or any of its affiliates, and/or (v) conducts himself or herself in a manner adversely affecting the Company or any of its affiliates, including, without limitation, making false, misleading or negative statements, either orally or in writing, about the Company or any of its affiliates. The determination as to whether the Participant has engaged in a Competitive Activity shall be made (A) if the Participant is an executive officer of the Company, by the Committee in its sole discretion or (B) if the Participant is not an executive officer of the Company, by the Company in its sole discretion.

(g) **Protected Rights.** Nothing in this Agreement shall be construed (i) to prohibit or is intended to restrict or impede the Participant from discussing the terms and conditions of the Participant's employment with coworkers or exercising protected rights under Section 7 of the National Labor Relations Act or (ii) to prohibit the Participant from reporting possible violations of federal or state law or making other disclosures that are protected under whistleblower or other provisions of any applicable federal or state law or regulations; further, nothing herein prevents the Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that a Participant has reason to believe is unlawful. In addition, the Participant is hereby advised as follows pursuant to the Defend Trade Secrets Act: An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (I) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (II) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(h) **Clawback Policies.** This Section 3(h) applies solely with respect to Participants who are members of the Company's Executive Management Committee. Notwithstanding anything herein to the contrary, to the extent applicable to the Participant, by accepting the Restricted Stock Units granted under this Agreement, the Participant agrees and acknowledges that the Restricted Stock Units awarded under this Agreement (including the underlying shares) (whether or not vested) shall be subject to, and the Participant agrees to abide by, the terms and conditions of (i) the Company's Incentive Compensation Recoupment Policy, (ii) the Company's Dodd-Frank Clawback Policy and (iii) any other clawback and/or recoupment policy approved by the Board (or any committee thereof) from time to time, in each case, as amended from time to time and to the extent set forth in each applicable policy. To the extent that the Participant is subject to the terms and conditions of any of the foregoing Company clawback policies, the Participant shall have signed or shall sign each applicable clawback policy acknowledgement provided by the Company either in connection with the execution of this Agreement or prior to the Participant's execution of this Agreement; provided, that the Participant's failure to sign such acknowledgement shall have no impact on the applicability or enforceability of such Company clawback policy.

4. Dividend Equivalents. Cash dividends on shares of Common Stock shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to a Participant, provided that such cash dividends shall not be deemed to be reinvested in shares of Common Stock and will be held uninvested and without interest and paid in cash if and when the Restricted Stock Unit vests. Stock dividends on shares of Common Stock shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to a Participant, provided that the Participant shall not be entitled to such dividend unless and until the Restricted Stock Unit vests.

5. **Rights as a Stockholder.** The Participant shall have no rights as a stockholder with respect to any shares covered by any Restricted Stock Unit unless and until the Participant has become the holder of record of the shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares, except as otherwise specifically provided for in this Agreement or the Plan.

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6. **Withholding.** The Participant shall pay, or make arrangements to pay, in a manner satisfactory to the Company, an amount equal to the amount of all applicable foreign, federal, state, provincial and local taxes that the Company is required to withhold at any time. In the absence of such arrangements, the Company or one of its Subsidiaries shall have the right to withhold such taxes from the Participant's normal pay or other amounts payable to the Participant. In addition, any statutorily required withholding obligation may be satisfied, in whole or in part, at the Participant's election, in the form and manner prescribed by the Committee, by delivery of shares of Common Stock (including shares issuable under this Agreement).

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. Capitalized terms in this Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan. Subject to Section 3, if and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

8. **Amendment.** To the extent applicable, the Board or the Committee may at any time and from time to time amend, in whole or in part, any or all of the provisions of this Agreement to comply with any applicable laws and stock exchange rules and regulations (including, without limitation, Section 409A of the Code and the regulations thereunder) and may also amend, suspend or terminate this Agreement subject to the terms of the Plan. Except as otherwise provided in the Plan, no modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

9. **Notices.** Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by regular United States mail or similar foreign mail or post, first class and prepaid, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Henry Schein, Inc.
135 Duryea Road
Melville, New York 11747
Attention: General Counsel

If to the Participant, to the address on file with the Company.

10. **No Obligation to Continue Employment or Services.** This Agreement is not an agreement of employment, consultancy or directorship. This Agreement does not guarantee that the Company or its Subsidiaries will employ or retain, or continue to employ or retain, the Participant during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which any Restricted Stock Unit is outstanding, nor does it modify in any respect the Company or its Subsidiaries' right to terminate or modify the Participant's employment, service relationship or compensation.

11. **Legend.** The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section.

12. **Securities Representations.** The grant of the Restricted Stock Units and issuance of shares of Common Stock upon vesting of the Restricted Stock Units shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No shares of Common Stock may be issued hereunder if the issuance of such shares of Common Stock would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the shares of Common Stock may then be listed. As a condition to the settlement of the Restricted Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The shares of Common Stock are being issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(a) He or she has been advised that he or she may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Act") and in this connection the Company is relying in part on his or her representations set forth in this section.

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(b) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, the shares of Common Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register the shares of Common Stock (or to file a "re-offer prospectus").

(c) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the shares of Common Stock may be made only in limited amounts in accordance with such terms and conditions.

13. **Transfer of Personal Data.** The Participant authorizes, agrees and unambiguously consents to the transmission and processing by the Company (or any Subsidiary) of any personal data information related to Restricted Stock Units awarded under this Agreement, for legitimate business purposes (including, without limitation, the administration of the Plan) out of the Participant's home country and including to countries with less data protection laws than the data protection laws provided by the Participant's home country. This authorization/consent is freely given by the Participant.

14. **Delivery Delay.** The delivery of any certificate representing the Common Stock may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares of Common Stock shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. The Participant

acknowledges and understands that the Company intends to meet its delivery obligations in Common Stock with respect to Restricted Stock Units, except as may be prohibited by law or described in this Agreement, the Plan or supplementary materials.

15. Miscellaneous.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

(a) **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of New York (regardless of the law that might otherwise govern under applicable New York principles of conflict of laws).

(b) **Counterparts.** This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(c) **Waiver.** The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(d) **Joint Venture/Partnership.** This Agreement and the Plan do not create a joint venture or partnership between the Company and any Subsidiary.

(e) Notwithstanding any provisions in this Agreement, this grant of Restricted Stock Units shall be subject to any additional country-specific and state-specific terms and conditions set forth in Annex 1 to the Agreement for the Participant's country or state to the extent applicable. Moreover, if the Participant relocates to one of the countries included in Annex 1, the additional country-specific terms and conditions for such country or the additional state-specific terms and conditions for such state, if any, will apply to the Participant to the extent that the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

16. ACQUIRED RIGHTS. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT: (A) THE COMPANY MAY TERMINATE OR AMEND THE PLAN AT ANY TIME; (B) THE AWARD OF RESTRICTED STOCK UNITS MADE UNDER THIS AGREEMENT IS COMPLETELY INDEPENDENT OF ANY OTHER AWARD OR GRANT AND IS MADE AT THE SOLE DISCRETION OF THE COMPANY; AND (C) NO PAST GRANTS OR AWARDS (INCLUDING, WITHOUT LIMITATION, THE RESTRICTED STOCK UNITS AWARDED HEREUNDER) GIVE THE PARTICIPANT ANY RIGHT TO ANY GRANTS OR AWARDS IN THE FUTURE WHATSOEVER.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

HENRY SCHEIN, INC.

Michael S. Ettinger
Executive Vice President, Chief Operating Officer

PARTICIPANT

[Electronic Signature]
[Participant Name]

[Acceptance Date]

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ANNEX 1

Additional Country Specific Terms and Conditions for the Restricted Stock Unit Agreement

Capitalized terms, unless explicitly defined in this Annex 1, shall have the meanings given to them in the Agreement or in the Plan.

For purposes of this Annex 1, "Employer" means the entity (the Company or Subsidiary) that employs the Participant.

Terms and Conditions

This Annex 1 includes special terms and conditions applicable to the Participant if the Participant resides in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency between countries after the Grant Date, the Company will, in its discretion, determine to what extent the special terms and conditions contained herein shall be applicable to the Participant.

Notifications

This Annex 1 also includes country-specific information of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the exchange control, foreign asset/account reporting and other laws in effect in the respective countries as of January 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant does not rely on the information noted herein as the only source of information relating to the consequences of his/her participation in the Plan because the information may be out of date at the time that the Participant vests in the Restricted Stock Units or sells the shares of Common Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his/her individual situation.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying shares of Common Stock. The Participant should consult with his/her own personal tax, legal and financial advisors regarding his/her participation in the Plan before taking any action related to the Plan.

Finally, if the Participant is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency after the Grant Date, the information contained herein may not be applicable to the Participant in the same manner.

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UNITED STATES

The second to last sentence of Section 2(d) of Agreement is hereby deleted in its entirety and replaced with the following:

"For the purposes of this Agreement, a "Change of Control" shall mean the occurrence of a Section 409A Change of Control (as defined in Section 17)."

As of the Grant Date, if the Participant either (i) qualifies for Retirement (as defined in Section 2(c) of the Agreement) or (ii) may become eligible to qualify for Retirement prior to the Scheduled Payment Date, Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

"Dividend Equivalents. Cash dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to the Participant, provided that such cash dividends shall not be deemed to be reinvested in Shares and will be held uninvested and without interest. The Participant's right to receive any such cash dividends shall vest if and when the related Restricted Stock Unit vests, and such cash dividends shall be paid in cash to the Participant if and when the related Restricted Stock Unit is paid to the Participant. Stock dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to the Participant. The Participant's right to receive any such stock dividends shall vest if and when the related Restricted Stock Unit vests, and such stock dividends shall be paid in stock to the Participant if and when the related Restricted Stock Unit is paid to the Participant."

The following shall be added to the Agreement as a new Section 17:

"Change of Control Defined. For purposes of this Agreement, a "Section 409A Change of Control" shall be deemed to have occurred upon:

- (i) an acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of (A) 50% or more of the then outstanding Shares or (B) 33% or more of the total combined voting power of the then outstanding voting securities of HSI entitled to vote generally in the election of directors (the "Outstanding HSI Voting Securities"); excluding, however, the following:
 - (w) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (x) any acquisition by the Company, (y) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or (z) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar corporate transaction (in each case, a "Corporate Transaction"), if, pursuant to such Corporate Transaction, the conditions described in clauses (A), (B) and (C) of paragraph (iii) below are satisfied; or
- (ii) within any 12-month period beginning on or after the date of the Agreement, the individuals who constitute the Board immediately before the beginning of such period (the Board as of the date hereof shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided that for purposes of this Subsection any individual who becomes a member of the Board subsequent to the date hereof whose election, or nomination for election by HSI's stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who are also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or
- (iii) the consummation of a Corporate Transaction or, if consummation of such Corporate Transaction is subject to the consent of any government or governmental agency, the obtaining of such consent (either explicitly or implicitly by consummation); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding Shares and Outstanding HSI Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction and the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors, in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the outstanding Shares and Outstanding HSI Voting Securities, as the case may be, (B) no Person (other than the Company, any

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employee benefit plan (or related trust) of the Company or the corporation resulting from such Corporate Transaction and any Person beneficially owning, immediately prior to such Corporate Transaction, directly or indirectly, 33% or more of the outstanding Shares or Outstanding HSI Voting Securities, as the case may be, will beneficially own, directly or indirectly, 33% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding securities of such corporation entitled to vote generally in the election of directors and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) the sale or other disposition of all or substantially all of the assets of the Company; excluding, however, such sale or other disposition to a corporation with respect to which, following such sale or other disposition, (x) more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors will be then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Common Stock and Outstanding HSI Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the outstanding Common Stock and Outstanding HSI Voting Securities, as the case may be, (y) no Person (other than the Company and any employee benefit plan (or related trust) of the Company or such corporation and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 33% or more of the outstanding Common Stock or Outstanding HSI Voting Securities, as the case may be) will beneficially own, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (z) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of such corporation.

(v) No event set forth herein shall constitute a "Section 409A Change of Control" unless such event also qualifies as a "change in control event" for purposes of Treasury Regulation § 1.409A-3(i)(5). Accordingly, the definition of "Section 409A Change of Control" set forth herein shall be limited, construed and interpreted in accordance with Section 409A and the regulations issued thereunder."

The following shall be added to the Agreement as a new Section 18:

"Section 409A. This Agreement is subject to Section 16(i) of the Plan, and any provisions in this Agreement providing for the payment of "nonqualified deferred compensation" (as defined in Section 409A of the Code and the Treasury regulations thereunder) to the Participant are intended to comply with, or be exempt from, the requirements of Section 409A of the Code, and this Agreement shall be interpreted in accordance therewith. Neither party individually or in combination may accelerate or defer the timing of the payment of any such nonqualified deferred compensation, except in compliance with Section 409A of the Code and this Agreement, and no amount shall be paid prior to the earliest date on which it is permitted to be paid under Section 409A of the Code and this Agreement. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Participant as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. A Termination of Employment or Retirement shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A of the Code upon or following a Termination of Employment or Retirement, as applicable, unless such Termination of Employment or Retirement, as applicable, is also a "separation from service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Participant is a "specified employee," upon his or her "separation from service" (as defined under Section 409A of the Code under such definitions and procedures as established by the Company in accordance with Section 409A of the Code), any portion of a payment, settlement, or other distribution made upon such a "separation from service" that would cause the acceleration of, or an addition to, any taxes pursuant to Section 409A of the Code will not commence or be paid until a date that is six (6) months and one (1) day following the applicable "separation from service." Any payments, settlements, or other distributions that are delayed pursuant to this Section 18 following the applicable "separation from service" shall be accumulated and paid to the Participant in a lump sum without interest on the first business day immediately following the required delay period. Any amounts payable hereunder that satisfy the short-term deferral exception in Treas. Reg. §1.409A-1(b)(4) shall not be subject to Section 409A of the Code. Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period shall be within the Company's sole discretion."

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For California Participants only, the following shall be added to the Agreement as a new paragraph immediately following Section 3(d):

FOR CALIFORNIA PARTICIPANTS ONLY. With respect to any Participant who resides, or provides services, in California (a "California Participant"), Section 3(d) does not apply and, for purposes of this Agreement, a California Participant will be deemed to engage in a "Competitive Activity" if, either directly or indirectly, without the express prior written consent of the Company, the Participant (i) prior to a Termination of Employment, takes other employment with, renders services to, or otherwise engages in any business activities with, companies or other entities that are competitors of the Company or any of its affiliates, (ii) prior to a Termination of Employment, solicits or induces, or in any manner attempts to solicit or induce, any person employed by or otherwise providing services to the Company or any of its affiliates, to terminate such person's employment or service relationship, as the case may be, with the Company or any of its affiliates, (iii) prior to a Termination of Employment, diverts, or attempts to divert, any person or entity from doing business with the Company or any of its affiliates or induces, or attempts to induce, any such person or entity from ceasing to be a customer or other business partner of the Company or any of its affiliates, (iv) violates any agreement between the Participant and the Company or any of its affiliates relating to the non-disclosure of proprietary or confidential information of the Company or any of its affiliates, and/or (v) makes false, misleading or negative statements, either orally or in writing, about the Company or any of its affiliates; provided however, with respect to subsections (iv) and (v), following a Termination of Employment, the Participant will not be limited from engaging in a lawful profession, trade, or business that is competitive with the Company or any of its affiliates or restrained from any activity that would be a violation of California Business and Professions Code § 16600. Any determination as to whether the Participant has failed to earn the Restricted Stock Units (and any payments made with respect thereto) or engaged in a Competitive Activity shall be made (A) if the Participant is an executive officer of the Company, by the Committee in its sole discretion or (B) if the Participant is not an executive officer of the Company, by the Company in its sole discretion.

With respect to any California Participant, notwithstanding the date of payment, and subject to Section 3, no Restricted Stock Unit (including any dividends credited thereupon and the underlying shares) shall be earned by any Participant prior to the first anniversary date of the Payment Date and satisfaction of the conditions under this Agreement.

**FORM OF RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
HENRY SCHEIN, INC. 2020 STOCK INCENTIVE PLAN
(AS AMENDED AND RESTATED EFFECTIVE AS OF MAY 21, 2020)**

THIS AGREEMENT (the "Agreement") is made as of [Grant Date] (the "Grant Date"), by and between Henry Schein, Inc. (the "Company") and [Participant Name] (the "Participant"). Additional country-specific and state-specific terms and conditions that govern the grant made hereunder are attached hereto on Annex 1, which terms and conditions are incorporated by reference herein and made a part of the Agreement.

W I T N E S S E T H:

WHEREAS, the Company has adopted the Henry Schein, Inc. 2020 Stock Incentive Plan (as amended and restated effective as of May 21, 2020), as amended from time to time (the "Plan") (a copy of which is on file with the Company's Corporate Human Resources Department and is available for the Participant to review upon request at reasonable intervals as determined by the Company), which is administered by the Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board");

WHEREAS, pursuant to Section 9(d) of the Plan, the Committee may grant Restricted Stock Units to Key Employees under the Plan;

WHEREAS, the shares of the Company's common stock are traded on the Nasdaq Stock Market under the symbol "HSIC"; and

WHEREAS, the Participant is a Key Employee of the Company or a Subsidiary.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Restricted Stock Units.

Subject to the restrictions and other conditions set forth herein, in the Plan and Annex 1, the Committee has authorized this grant of [Shares Granted] Restricted Stock Units to the Participant on the Grant Date.

2. Vesting and Payment.

(a) **Vesting Schedule.** Except as otherwise provided in Sections 2(c), 2(d), 2(e) and 2(f), the Restricted Stock Units awarded under this Agreement shall not vest unless and until (1) the Committee determines and certifies that the target(s) and performance goal(s), a copy of which is on file with the Company's Corporate Human Resources Department and is available for Participant to review upon reasonable request and at reasonable intervals as determined by the Company (collectively, the "Performance Goal(s)"), have been satisfied with respect to the three-year period beginning on or about January 1 of the year the grant was made and (2) the third anniversary of the Grant Date (the "Scheduled Payment Date"); provided, however, that if the satisfaction of the Performance Goal(s) exceed 100% of the targets, the Committee shall issue to the Participant such additional Shares in an amount that corresponds to the incremental percentage of the goal(s) achieved in excess of 100% of the targets up to a maximum of 200% of the targets, provided that any such additional Shares shall be subject to the terms and conditions of this Agreement. Except as set forth in Sections 2(c), 2(d), 2(e) and 2(f), if the targets and Performance Goal(s) are not satisfied in accordance with this Section 2(a), the Restricted Stock Unit awarded under this Agreement shall be forfeited. Notwithstanding anything herein or in the Plan to the contrary, but except as set forth in Sections 2(c), 2(d), 2(e) and 2(f), the Participant must be employed by the Company (or a Subsidiary) at the times the targets and Performance Goal(s) are satisfied and on the third anniversary of the date of grant. The Participant acknowledges and agrees that the Performance Goal(s) are confidential and agrees to execute the Company's form confidentiality agreement prior to viewing Performance Goal(s), actual performance results and/or mandatory adjustments.

(b) **No Proportionate or Partial Vesting.** Except as set forth in Sections 2(c), 2(d) and 2(f), there shall be no proportionate or partial vesting in the periods prior to the vesting date and all vesting shall occur only on the vesting date; provided that no Termination of Employment has occurred prior to such date.

(c) **Retirement.** The Restricted Stock Units shall vest on a pro-rated basis, subject to actual achievement of the Performance Goal(s) during the applicable three-year period, upon the Participant's Retirement, unless otherwise provided expressly in a written agreement between the Participant and the Company (or a Subsidiary). For purposes of this Section 2(c), the Participant shall qualify for "Retirement" if (i) the Participant's age (minimum 55) plus years of service with the Company and its Subsidiaries equal or exceed 70, (ii) the Participant has provided written notice of the Participant's retirement to the Company at least 30 days prior to the date of such retirement, and (iii) no Termination of Employment has occurred prior to the date of such retirement. For purposes of determining the age and service requirement under Section 2(c)(i), the Participant's age and years of service shall be determined by the Participant's most recent birthday and employment anniversary, respectively.

(d) **Disability.** The Restricted Stock Units shall vest on a pro-rated basis, assuming target levels of the Performance Goals have been achieved, upon the Participant's Disability, provided that no Termination of Employment has occurred prior to such date, unless otherwise provided expressly in a written agreement between the Participant and the Company (or a Subsidiary). For purposes of this Agreement, "Disability" shall mean the approval of, and receiving benefits for, long term disability by the disability insurance carrier under the Company's (or if applicable, Subsidiary's) long term disability plan.

(e) **Change in Control Termination.** The Restricted Stock Units shall vest in full, assuming target levels of the Performance Goals have been achieved, upon a Termination of Employment by the Company (or a Subsidiary) without Cause occurring within the 2-year period following a Change of Control; provided that no Termination of Employment has occurred prior to such date, unless otherwise provided expressly in a written agreement between the Participant and the Company (or a Subsidiary). For purposes of this Agreement, "Cause" shall have the meaning set forth in Section 7(b) of the Plan, but shall also include any breach by the Participant of any agreement with the Company or any of its Subsidiaries. For purposes of this Agreement, a "Change of Control" shall mean the occurrence of a Change of Control (as defined in the Plan).

(f) **Death.** The Restricted Stock Units shall vest on a pro-rated basis, assuming target levels of the Performance Goals have been achieved, upon the Participant's death, provided that no Termination of Employment has occurred prior to such date, unless otherwise provided expressly in a written agreement between the Participant and the Company (or a Subsidiary).

(g) **Calculation of Pro-rated Vesting.** For purposes of Sections 2(c), 2(d) and 2(f), vesting on a pro-rated basis shall be calculated by multiplying the number of Restricted Stock Units set forth under Section 1 by a fraction, the numerator of which is the number of days from the Grant Date to the date of the Participant's death, Disability or Retirement, as applicable, and the denominator of which is the number of days from the Grant Date to the Scheduled Payment Date.

(h) **Timing of Payment.** The Participant shall be entitled to receive one share of Common Stock with respect to one vested Restricted Stock Unit. The Participant shall be paid one share of Common Stock with respect to each vested Restricted Stock Unit within thirty (30) days of the Scheduled Payment Date; except that, in the event of (i) a Termination of Employment by the Company (or a Subsidiary) without Cause occurring within the 2-year period following a Change of Control, (ii) death or (iii) Disability, the Participant shall be paid within thirty (30) days of such employment termination, death or Disability, provided no Termination of Employment has occurred prior to such dates, subject to Section 18 set forth in Annex 1, to the extent applicable. In the event of Retirement, the Participant shall be paid one share of Common Stock with respect to each vested Restricted Stock Unit within thirty (30) days of the Scheduled Payment Date.

3. Forfeiture and Recoupment.

(a) **Forfeiture on Termination.** Subject to Section 2 above, all unvested Restricted Stock Units will be forfeited on the Participant's Termination of Employment.

(b) **Forfeiture due to Cause Conduct.** Notwithstanding anything herein or in the Plan to the contrary, in the event that the Participant engages in conduct that could reasonably be expected to constitute Cause, as defined in Section 2(e) above (regardless of whether the Participant had a Termination of Employment), as determined by the Company in its sole discretion, at any time on or after the Grant Date and prior to the applicable settlement date set forth in Section 2 above (such applicable settlement date, the "Payment Date"), the Committee shall have the right, in its sole discretion, to cause the immediate forfeiture of all the Restricted Stock Units (including any dividends credited thereupon) (whether or not vested), in their entirety, in which case the Participant shall have no further rights or interests with respect to such Restricted Stock Units (including any such dividends).

(c) **Forfeiture due to Material Restatement.** Notwithstanding anything herein or in the Plan to the contrary, in the event that the Company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws that relates to the vesting period under Section 2(a) above, the Committee shall have the right, in its sole discretion, to cause the immediate forfeiture of all the Restricted Stock Units (including any dividends credited thereupon) (whether or not vested), in their entirety during the Applicable Period (as defined herein). The Applicable Period shall mean the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that the Company was required to prepare an accounting restatement or (ii) the date a court,

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regulator, or other legally authorized entity directs the Company to prepare an accounting restatement, in each case, regardless of if or when the accounting restatement is actually filed. In such case, the Participant shall have no further rights or interests with respect to such Restricted Stock Units (including any such dividends).

(d) **Forfeiture Following Competitive Activity.** Notwithstanding anything herein or in the Plan to the contrary, the grant of Restricted Stock Units (including any dividends credited thereupon) provided for under this Agreement is conditioned on the Participant not engaging in any Competitive Activity (as defined below) from the date that is twelve (12) months prior to the Payment Date through the first anniversary of such Payment Date. If, on or after the date that is twelve (12) months prior to the Payment Date but prior to the Payment Date, the Participant engages in a Competitive Activity, the Committee shall have the right, in its sole discretion, to cause the immediate forfeiture of all of the Restricted Stock Units (including any dividends credited thereupon) (whether or not vested) in their entirety, in which case the Participant shall have no further rights or interests with respect to such Restricted Stock Units (including any such dividends).

(e) **Recoupment Following Cause Conduct, Competitive Activity After Payment Date, or Material Restatement.** In the event that (i) the Participant engages in conduct described under Section 3(b) on or after the Payment Date, but on or prior to the first anniversary of such Payment Date, (ii) the Company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws that relates to the vesting period under Section 2(a) above, or (iii) the Participant engages in a Competitive Activity on or after the Payment Date but on or prior to the first anniversary of such Payment Date, in each case, the Company shall have the right to recoup, in its sole discretion, from the Participant, and the Participant shall repay to the Company, within thirty (30) days following demand by the Company, a payment equal to the Fair Market Value of the aggregate shares of Common Stock payable in respect of such Restricted Stock Units (including any dividends credited thereupon) on the Payment Date (including any dividends or other distributions thereafter paid thereon); provided, that, the Company may require the Participant to satisfy such payment obligations hereunder either by forfeiting and returning to the Company such shares of Common Stock, Restricted Stock Units, dividends or any other shares of Common Stock, or making a cash payment or any combination of these methods, as determined by the Company in its sole discretion. The Company and its Subsidiaries, in their sole discretion, shall have the right to set off (or cause to be set off) any amounts otherwise due to the Participant from the Company (or the applicable Subsidiary) in satisfaction of such repayment obligation, provided that any such amounts are exempt from, or set off in a manner intended to comply with, the requirements of any applicable law (including, without limitation, Section 409A of the Code). It is intended that the Company's right to recoup Restricted Stock Units (including any dividends credited thereupon and the underlying shares) under this Section 3(e)(ii) relates to the Applicable Period and shall be interpreted in a manner consistent with the Company's Dodd-Frank Clawback Policy, except that all references to executive officers (or words of like import) shall be disregarded.

(f) **Participant Acknowledgement of Reasonableness.** The Participant hereby acknowledges and agrees that the forfeiture and recoupment conditions set forth in this Section 3, in view of the nature of the business in which the Company and its affiliates are engaged, are reasonable in scope and necessary in order to protect the legitimate business interests of the Company and its affiliates, and that any violation thereof would result in irreparable harm to the Company and its affiliates. The Participant also acknowledges and agrees that (i) it is a material inducement and condition to the Company's issuance of the Restricted Stock Units (including any dividends credited thereupon) that such Participant agrees to be bound by such forfeiture and recoupment conditions and, further, that the amounts required to be forfeited or repaid to the Company pursuant to forfeiture and recoupment conditions set forth above are reasonable, and (ii) nothing in this Agreement or the Plan is intended to preclude the Company (or any affiliate thereof) from seeking any remedies available at law, in equity, under contract to the Company or otherwise, and the Company (or any affiliate thereof) shall have the right to seek any such remedy with respect to the Restricted Stock Units, any dividends credited thereupon, or otherwise.

(g) **Definition of Competitive Activity.** For purposes of this Agreement, the Participant will be deemed to engage in a "Competitive Activity" if, either directly or indirectly, without the express prior written consent of the Company, the Participant (i) takes other employment with, renders services to, or otherwise engages in any business activities with, companies or other entities that are competitors of the Company or any of its affiliates, (ii) solicits or induces, or in any manner attempts to solicit or induce, any person employed by or otherwise providing services to the Company or any of its affiliates, to terminate such person's employment or service relationship, as the case may be, with the Company or any of its affiliates, (iii) diverts, or attempts to divert, any person or entity from doing business with the Company or any of its affiliates or induces, or attempts to induce, any such person or entity from ceasing to be a customer or other business partner of the Company or any of its affiliates, (iv) violates any agreement between the Participant and the Company or any of its affiliates relating to the

non-disclosure of proprietary or confidential information of the Company or any of its affiliates, and/or (v) conducts himself or herself in a manner adversely affecting the Company or any of its affiliates, including, without limitation, making false, misleading or negative statements, either orally or in writing, about the Company or any of its affiliates. The determination as to whether the Participant has engaged in a Competitive Activity shall be made (A) if the Participant is an executive officer of the Company, by the Committee in its sole discretion or (B) if the Participant is not an executive officer of the Company, by the Company in its sole discretion.

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(h) **Protected Rights.** Nothing in this Agreement shall be construed (i) to prohibit or is intended to restrict or impede the Participant from discussing the terms and conditions of the Participant's employment with coworkers or exercising protected rights under Section 7 of the National Labor Relations Act or (ii) to prohibit the Participant from reporting possible violations of federal or state law or making other disclosures that are protected under whistleblower or other provisions of any applicable federal or state law or regulations; further, nothing herein prevents the Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that a Participant has reason to believe is unlawful. In addition, the Participant is hereby advised as follows pursuant to the Defend Trade Secrets Act: An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (I) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (II) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(i) **Clawback Policies.** This Section 3(i) applies solely with respect to Participants who are members of the Company's Executive Management Committee. Notwithstanding anything herein to the contrary, to the extent applicable to the Participant, by accepting the Restricted Stock Units granted under this Agreement, the Participant agrees and acknowledges that the Restricted Stock Units awarded under this Agreement (including the underlying shares) (whether or not vested) shall be subject to, and the Participant agrees to abide by, the terms and conditions of (i) the Company's Incentive Compensation Recoupment Policy, (ii) the Company's Dodd-Frank Clawback Policy and (iii) any other clawback and/or recoupment policy approved by the Board (or any committee thereof) from time to time, in each case, as amended from time to time and to the extent set forth in each applicable policy. To the extent that the Participant is subject to the terms and conditions of any of the foregoing Company clawback policies, the Participant shall have signed or shall sign each applicable clawback policy acknowledgement provided by the Company either in connection with the execution of this Agreement or prior to the Participant's execution of this Agreement; provided, that the Participant's failure to sign such acknowledgement shall have no impact on the applicability or enforceability of such Company clawback policy.

4. **Dividend Equivalents.** Cash dividends on shares of Common Stock shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to a Participant, provided that such cash dividends shall not be deemed to be reinvested in shares of Common Stock and will be held uninvested and without interest and paid in cash if and when the Restricted Stock Unit vests. Stock dividends on shares of Common Stock shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to a Participant, provided that the Participant shall not be entitled to such dividend unless and until the Restricted Stock Unit vests.

5. **Rights as a Stockholder.** The Participant shall have no rights as a stockholder with respect to any shares covered by any Restricted Stock Unit unless and until the Participant has become the holder of record of the shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares, except as otherwise specifically provided for in this Agreement or the Plan.

6. **Withholding.** The Participant shall pay, or make arrangements to pay, in a manner satisfactory to the Company, an amount equal to the amount of all applicable foreign, federal, state, provincial and local taxes that the Company is required to withhold at any time. In the absence of such arrangements, the Company or one of its Subsidiaries shall have the right to withhold such taxes from the Participant's normal pay or other amounts payable to the Participant. In addition, any statutorily required withholding obligation may be satisfied, in whole or in part, at the Participant's election, in the form and manner prescribed by the Committee, by delivery of shares of Common Stock (including shares issuable under this Agreement).

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. Capitalized terms in this Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan. Subject to Section 3, if and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

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8. **Amendment.** To the extent applicable, the Board or the Committee may at any time and from time to time amend, in whole or in part, any or all of the provisions of this Agreement to comply with any applicable laws and stock exchange rules and regulations (including, without limitation, Section 409A of the Code and the regulations thereunder) and may also amend, suspend or terminate this Agreement subject to the terms of the Plan. Except as otherwise provided in the Plan, no modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

9. **Notices.** Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by regular United States mail or similar foreign mail or post, first class and prepaid, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Henry Schein, Inc.
135 Duryea Road
Melville, New York 11747
Attention: General Counsel

If to the Participant, to the address on file with the Company.

10. **No Obligation to Continue Employment or Services.** This Agreement is not an agreement of employment, consultancy or directorship. This Agreement does not guarantee that the Company or its Subsidiaries will employ or retain, or continue to employ or retain, the Participant during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which any Restricted Stock Unit is outstanding, nor does it modify in any respect the Company or its Subsidiaries' right to terminate or modify the Participant's employment, service relationship or compensation.

11. **Legend.** The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company,

promptly present to the Company any and all certificates representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section.

12. Securities Representations. The grant of the Restricted Stock Units and issuance of shares of Common Stock upon vesting of the Restricted Stock Units shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No shares of Common Stock may be issued hereunder if the issuance of such shares of Common Stock would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the shares of Common Stock may then be listed. As a condition to the settlement of the Restricted Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The shares of Common Stock are being issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(a) He or she has been advised that he or she may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Act") and in this connection the Company is relying in part on his or her representations set forth in this section.

(b) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, the shares of Common Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register the shares of Common Stock (or to file a "re-offer prospectus").

(c) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the shares of Common Stock may be made only in limited amounts in accordance with such terms and conditions.

13. Transfer of Personal Data. The Participant authorizes, agrees and unambiguously consents to the transmission and processing by the Company (or any Subsidiary) of any personal data information related to Restricted Stock Units awarded under this Agreement, for legitimate business purposes (including, without limitation, the administration of the Plan) out of the Participant's home country and including to countries with less data protection laws than the data protection laws provided by the Participant's home country. This authorization/consent is freely given by the Participant.

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14. Delivery Delay. The delivery of any certificate representing the Common Stock may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares of Common Stock shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. The Participant acknowledges and understands that the Company intends to meet its delivery obligations in Common Stock with respect to Restricted Stock Units, except as may be prohibited by law or described in this Agreement, the Plan or supplementary materials.

15. Miscellaneous.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

(a) **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of New York (regardless of the law that might otherwise govern under applicable New York principles of conflict of laws).

(b) **Counterparts.** This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(c) **Waiver.** The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(d) **Joint Venture/Partnership.** This Agreement and the Plan do not create a joint venture or partnership between the Company and any Subsidiary.

(e) Notwithstanding any provisions in this Agreement, this grant of Restricted Stock Units shall be subject to any additional country-specific and state-specific terms and conditions set forth in Annex 1 to the Agreement for the Participant's country or state to the extent applicable. Moreover, if the Participant relocates to one of the countries included in Annex 1, the additional country-specific terms and conditions for such country or the additional state-specific terms and conditions for such state, if any, will apply to the Participant to the extent that the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

16. ACQUIRED RIGHTS. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT: (A) THE COMPANY MAY TERMINATE OR AMEND THE PLAN AT ANY TIME; (B) THE AWARD OF RESTRICTED STOCK UNITS MADE UNDER THIS AGREEMENT IS COMPLETELY INDEPENDENT OF ANY OTHER AWARD OR GRANT AND IS MADE AT THE SOLE DISCRETION OF THE COMPANY; AND (C) NO PAST GRANTS OR AWARDS (INCLUDING, WITHOUT LIMITATION, THE RESTRICTED STOCK UNITS AWARDED HEREUNDER) GIVE THE PARTICIPANT ANY RIGHT TO ANY GRANTS OR AWARDS IN THE FUTURE WHATSOEVER.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

HENRY SCHEIN, INC.

Michael S. Ettinger
Executive Vice President, Chief Operating Officer

PARTICIPANT

[Electronic Signature]

[Participant Name]

[Acceptance Date]

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ANNEX 1

**Additional Country Specific Terms and Conditions
for the Restricted Stock Unit Agreement**

Capitalized terms, unless explicitly defined in this Annex 1, shall have the meanings given to them in the Agreement or in the Plan.

For purposes of this Annex 1, "Employer" means the entity (the Company or Subsidiary) that employs the Participant.

Terms and Conditions

This Annex 1 includes special terms and conditions applicable to the Participant if the Participant resides in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency between countries after the Grant Date, the Company will, in its discretion, determine to what extent the special terms and conditions contained herein shall be applicable to the Participant.

Notifications

This Annex 1 also includes country-specific information of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the exchange control, foreign asset/account reporting and other laws in effect in the respective countries as of January 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant does not rely on the information noted herein as the only source of information relating to the consequences of his/her participation in the Plan because the information may be out of date at the time that the Participant vests in the Restricted Stock Units or sells the shares of Common Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his/her individual situation.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying shares of Common Stock. The Participant should consult with his/her own personal tax, legal and financial advisors regarding his/her participation in the Plan before taking any action related to the Plan.

Finally, if the Participant is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency after the Grant Date, the information contained herein may not be applicable to the Participant in the same manner.

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UNITED STATES

The last sentence of Section 2(e) of Agreement is hereby deleted in its entirety and replaced with the following:

"For the purposes of this Agreement, a "Change of Control" shall mean the occurrence of a Section 409A Change of Control (as defined in Section 17)."

As of the Grant Date, if the Participant either (i) qualifies for Retirement (as defined in Section 2(c) of the Agreement) or (ii) may become eligible to qualify for Retirement prior to the Scheduled Payment Date, Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

"Dividend Equivalents. Cash dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to the Participant, provided that such cash dividends shall not be deemed to be reinvested in Shares and will be held uninvested and without interest. The Participant's right to receive any such cash dividends shall vest if and when the related Restricted Stock Unit vests, and such cash dividends shall be paid in cash to the Participant if and when the related Restricted Stock Unit is paid to the Participant. Stock dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to the Participant. The Participant's right to receive any such stock dividends shall vest if and when the related Restricted Stock Unit vests, and such stock dividends shall be paid in stock to the Participant if and when the related Restricted Stock Unit is paid to the Participant."

The following shall be added to the Agreement as a new Section 17:

"Change of Control Defined. For purposes of this Agreement, a "Section 409A Change of Control" shall be deemed to have occurred upon:

- (i) an acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of (A) 50% or more of the then outstanding Shares or (B) 33% or more of the total combined voting power of the then outstanding voting securities of HSI entitled to vote generally in the election of directors (the "Outstanding HSI Voting Securities"); excluding, however, the following:
 - (w) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (x) any acquisition by the Company, (y) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or (z) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar corporate transaction (in each case, a "Corporate Transaction"), if, pursuant to such Corporate Transaction, the conditions described in clauses (A), (B) and (C) of paragraph (iii) below are satisfied; or
- (ii) within any 12-month period beginning on or after the date of the Agreement, the individuals who constitute the Board immediately before the beginning of such period (the Board as of the date hereof shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided that for purposes of this Subsection any individual who becomes a member of the Board subsequent to the date hereof whose election, or nomination for election by HSI's stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who are also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board;

or

(iii) the consummation of a Corporate Transaction or, if consummation of such Corporate Transaction is subject to the consent of any government or governmental agency, the obtaining of such consent (either explicitly or implicitly by consummation); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding Shares and Outstanding HSI Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction and the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors, in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the outstanding Shares and Outstanding HSI Voting Securities, as the case may be, (B) no Person (other than the Company, any

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employee benefit plan (or related trust) of the Company or the corporation resulting from such Corporate Transaction and any Person beneficially owning, immediately prior to such Corporate Transaction, directly or indirectly, 33% or more of the outstanding Shares or Outstanding HSI Voting Securities, as the case may be, will beneficially own, directly or indirectly, 33% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding securities of such corporation entitled to vote generally in the election of directors and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) the sale or other disposition of all or substantially all of the assets of the Company; excluding, however, such sale or other disposition to a corporation with respect to which, following such sale or other disposition, (x) more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors will be then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Common Stock and Outstanding HSI Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the outstanding Common Stock and Outstanding HSI Voting Securities, as the case may be, (y) no Person (other than the Company and any employee benefit plan (or related trust) of the Company or such corporation and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 33% or more of the outstanding Common Stock or Outstanding HSI Voting Securities, as the case may be) will beneficially own, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (z) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of such corporation.

(v) No event set forth herein shall constitute a "Section 409A Change of Control" unless such event also qualifies as a "change in control event" for purposes of Treasury Regulation § 1.409A-3(i)(5). Accordingly, the definition of "Section 409A Change of Control" set forth herein shall be limited, construed and interpreted in accordance with Section 409A and the regulations issued thereunder."

The following shall be added to the Agreement as a new Section 18:

"**Section 409A.** This Agreement is subject to Section 16(i) of the Plan, and any provisions in this Agreement providing for the payment of "nonqualified deferred compensation" (as defined in Section 409A of the Code and the Treasury regulations thereunder) to the Participant are intended to comply with, or be exempt from, the requirements of Section 409A of the Code, and this Agreement shall be interpreted in accordance therewith. Neither party individually or in combination may accelerate or defer the timing of the payment of any such nonqualified deferred compensation, except in compliance with Section 409A of the Code and this Agreement, and no amount shall be paid prior to the earliest date on which it is permitted to be paid under Section 409A of the Code and this Agreement. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Participant as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. A Termination of Employment or Retirement shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A of the Code upon or following a Termination of Employment or Retirement, as applicable, unless such Termination of Employment or Retirement, as applicable, is also a "separation from service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Participant is a "specified employee," upon his or her "separation from service" (as defined under Section 409A of the Code under such definitions and procedures as established by the Company in accordance with Section 409A of the Code), any portion of a payment, settlement, or other distribution made upon such a "separation from service" that would cause the acceleration of, or an addition to, any taxes pursuant to Section 409A of the Code will not commence or be paid until a date that is six (6) months and one (1) day following the applicable "separation from service." Any payments, settlements, or other distributions that are delayed pursuant to this Section 18 following the applicable "separation from service" shall be accumulated and paid to the Participant in a lump sum without interest on the first business day immediately following the required delay period. Any amounts payable hereunder that satisfy the short-term deferral exception in Treas. Reg. § 1.409A-1(b)(4) shall not be subject to Section 409A of the Code. Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period shall be within the Company's sole discretion."

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For California Participants only, the following shall be added to the Agreement as a new paragraph immediately following Section 3(g):

FOR CALIFORNIA PARTICIPANTS ONLY. With respect to any Participant who resides, or provides services, in California (a "California Participant"), Section 3(g) does not apply and, for purposes of this Agreement, a California Participant will be deemed to engage in a "Competitive Activity" if, either directly or indirectly, without the express prior written consent of the Company, the Participant (i) prior to a Termination of Employment, takes other employment with, renders services to, or otherwise engages in any business activities with, companies or other entities that are competitors of the Company or any of its affiliates, (ii) prior to a Termination of Employment, solicits or induces, or in any manner attempts to solicit or induce, any person employed by or otherwise providing services to the Company or any of its affiliates, to terminate such person's employment or service relationship, as the case may be, with the Company or any of its affiliates, (iii) prior to a Termination of Employment, diverts, or attempts to divert, any person or entity from doing business with the Company or any of its affiliates or induces, or attempts to induce, any such person or entity from ceasing to be a customer or other business partner of the Company or any of its affiliates, (iv) violates any agreement between the Participant and the Company or any of its affiliates relating to the non-disclosure of proprietary or confidential information of the Company or any of its affiliates, and/or (v) makes false, misleading or negative statements, either orally or in writing, about the Company or any of its affiliates; provided however, with respect to subsections (iv) and (v), following a Termination of Employment, the Participant will not be limited from engaging in a lawful profession, trade, or business that is competitive with the Company or any of its affiliates or restrained from any activity that would be a violation of California Business and Professions Code § 16600. Any determination as to whether the Participant has failed to earn the Restricted Stock Units (and any payments made with respect thereto) or engaged in a Competitive Activity shall be made (A) if the Participant is an executive officer of the Company, by the Committee in its sole discretion or (B) if the Participant is not an executive officer of the Company, by the Company in its sole discretion.

With respect to any California Participant, notwithstanding the date of payment, and subject to Section 3, no Restricted Stock Unit (including any dividends credited thereupon and the underlying shares) shall be earned by any Participant prior to the first anniversary date of the Payment Date and satisfaction of the conditions under this Agreement.

**FORM OF RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
HENRY SCHEIN, INC. 2023 NON-EMPLOYEE DIRECTOR STOCK INCENTIVE PLAN
(AS AMENDED AND RESTATED EFFECTIVE AS OF May 23, 2023)**

THIS AGREEMENT (the "Agreement") made as of [Grant Date] (the "Grant Date"), by and between Henry Schein, Inc. (the "Company") and [Participant Name] (the "Participant").

W I T N E S S E T H:

WHEREAS, the Company has adopted the Henry Schein, Inc. 2023 Non-Employee Director Stock Incentive Plan (as amended and restated effective as of May 23, 2023), a copy of which is on file with the Company's Corporate Human Resources Department and is available for Participant to review upon request at reasonable intervals as determined by the Company (the "Plan"), which is administered by a Committee appointed by the Company's Board of Directors (the "Committee"); and

WHEREAS, pursuant to Section 7 of the Plan, the Committee may grant Restricted Stock Units to non-employee directors under the Plan; and

WHEREAS, the Participant is a non-employee director of the Company.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of Restricted Stock Units.** Subject to the restrictions and other conditions set forth herein and in the Plan, the Committee has authorized this grant of [Shares Granted] Restricted Stock Units to the Participant on the Grant Date.
2. **Vesting and Payment.**
 - (a) Except as set forth in Sections 2(c) and 2(d) below, the Restricted Stock Units shall vest on the twelve-month anniversary of the Grant Date (the "Scheduled Payment Date"); provided that the Participant has not had a Termination of Services any time prior to the Scheduled Payment Date.
 - (b) Except as may otherwise be provided by the Committee, in its sole and absolute discretion, there shall be no proportionate or partial vesting in the periods prior to the Scheduled Payment Date and, except as set forth in Sections 2(c) and 2(d) below, all vesting shall occur only on the Scheduled Payment Date; provided that no Termination of Services has occurred prior to the Scheduled Payment Date.
 - (c) The Restricted Stock Units will become fully vested on a Change of Control; provided that no Termination of Services has occurred prior to the Change of Control. For purposes of vesting, a "Change of Control" shall mean the occurrence of a Change of Control (as defined in the Plan) or a Section 409A Change of Control (as defined in Section 3(f)).
 - (d) The Restricted Stock Units will become fully vested on the date of the Participant's Retirement. For purposes of this Agreement, "Retirement" shall refer to the Participant's Termination of Services due to retirement in accordance with the terms and conditions of the Company's Retirement Policy, approved by the Company's Board of Directors on November 30, 2015.
 - (e) The Participant shall be entitled to receive one share of Common Stock with respect to one vested Restricted Stock Unit. The Participant shall be paid one share of Common Stock with respect to each vested Restricted Stock Unit within thirty (30) days of the Scheduled Payment Date; except that, in the event of (i) a Change of Control or (ii) Retirement, the Participant shall be paid within thirty (30) days of such Change of Control or Retirement; provided no Termination of Employment has occurred prior to such dates.
3. **Deferred Payment.** Notwithstanding Section 2(e) above, the Participant may elect to defer the payment date of his or her vested Restricted Stock Units beyond the Scheduled Payment Date (such elected deferred payment date, the "Deferred Payment Date"), provided, that:
 - (a) In order for a deferral election under this Section 3 to be effective, the Participant must make the election prior to the Grant Date.
 - (b) A deferral election made by the Participant pursuant to this Section 3 with respect to one or more of the Participant's Restricted Stock Units shall, subject to Sections 3(c) and (e) below, defer the payment date of such Restricted Stock Units to the Deferred Payment Date elected by the Participant, which must be one of the following: (i) the third (3rd) anniversary of the Scheduled Payment Date; (ii) the fifth (5th) anniversary of the Scheduled Payment Date; (iii) the seventh (7th) anniversary of the Scheduled Payment Date; (iv) the tenth (10th) anniversary of the Scheduled Payment Date; or (v) the date of the Participant's Termination of Services which occurs after the Scheduled Payment Date.
 - (c) The Participant shall also be permitted to further defer the payment date of his or her vested Restricted Stock Units beyond the Deferred Payment Date, provided that: (i) in order to be effective, the Participant must make such deferral election at least twelve (12) months prior to the Deferred Payment Date; (ii) a deferral election made by the Participant pursuant to this Section 3(c) shall defer the payment date of his or her vested Restricted Stock Units for a period of time (expressed in whole years) of not less than five (5) years and no more than ten (10) years beyond the Deferred Payment Date; and (iii) the Participant's deferral election shall not become effective until twelve (12) months after the date on which it is made. The Participant shall be entitled to make more than one deferral election under this Section 3(c) with respect to his or her vested Restricted Stock Units, and any such new Deferred Payment Date election that becomes effective in accordance herewith shall supersede any previous Deferred Payment Date election made by the Participant with respect to such Restricted Stock Units on and after the twelve (12) month anniversary after the election is made.
 - (d) The Participant must make any deferral election permitted under this Section 3 in writing on the election form and in accordance with the procedures established by the Company. A deferral election is valid solely with respect to the Restricted Stock Units identified on the election form and must comply with the requirements of this Section 3 to be given effect. Subject to the requirements set forth in this Section 3, the Participant shall be entitled to make deferral elections with respect to all or only a portion of his or her Restricted Stock Units and any such deferral elections need not be the same for all of the Participant's Restricted Stock Units.
 - (e) If the Participant elects in accordance with this Section 3 to defer the date of payment of any of his or her Restricted Stock Units beyond the Scheduled Payment Date, the payment date of such Restricted Stock Units, to the extent vested, shall occur within the thirty (30) day period following the earliest of the following to occur: (i) the Deferred Payment Date; (ii) the Participant's Termination of Services

(other than as a result of the Participant's death, Disability or Retirement), but only if such Termination of Services qualifies as a "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code and the Treasury regulations thereunder and, solely to the extent applicable, subject to the six (6) month delay described in Section 15(h) of the Plan with respect to "specified employees"; (iii) the Participant's death; (iv) the Participant's Disability; (v) the Scheduled Payment Date if the Participant has a Termination of Services due to Retirement; or (vi) a "Section 409A Change of Control" (as defined below).

(f) For purposes of Sections 2(c) and 3(e) only, a "Section 409A Change of Control" shall mean a Change in Control (as defined in the Plan); provided, that, no event shall constitute a "Section 409A Change of Control" for purposes of this Agreement unless such event also qualifies as a "change in control event" for purposes of Treasury Regulation § 1.409A-3(i)(5).

4. Termination.

Except as set forth in Section 2(d) above, all unvested Restricted Stock Units will be forfeited on the Participant's Termination of Services.

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5. **Dividend Equivalents.** Cash dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to the Participant, provided that such cash dividends shall not be deemed to be reinvested in Shares and will be held uninvested and without interest. The Participant's right to receive any such cash dividends shall vest if and when the related Restricted Stock Unit vests, and such cash dividends shall be paid in cash to the Participant if and when the related Restricted Stock Unit is paid to the Participant. Stock dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each Restricted Stock Unit granted to the Participant. The Participant's right to receive any such stock dividends shall vest if and when the related Restricted Stock Unit vests, and such stock dividends shall be paid in stock to the Participant if and when the related Restricted Stock Unit is paid to the Participant.

6. **Rights as a Stockholder.** The Participant shall have no rights as a stockholder with respect to any shares covered by any Restricted Stock Unit unless and until the Participant has become the holder of record of the shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares, except as otherwise specifically provided for in this Agreement or the Plan.

7. Withholding.

To the extent applicable, the Participant shall pay, or make arrangements to pay, in a manner satisfactory to the Company, an amount equal to the amount of all applicable foreign, federal, state, provincial and local taxes that the Company is required to withhold at any time. In the absence of such arrangements, the Company or one of its Subsidiaries shall have the right to withhold such taxes from the Participant's normal pay or other amounts payable to the Participant. In addition, any statutorily required withholding obligation may be satisfied, in whole or in part, at the Participant's election, in the form and manner prescribed by the Committee, by delivery of shares of Common Stock (including shares issuable under this Agreement).

8. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. Capitalized terms in this Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

9. **Amendment.** To the extent applicable, the Board or the Committee may at any time and from time to time amend, in whole or in part, any or all of the provisions of this Agreement to comply with any applicable laws and stock exchange rules and regulations (including, without limitation, Section 409A of the Code and the regulations thereunder) and may also amend, suspend or terminate this Agreement subject to the terms of the Plan. Except as otherwise provided in the Plan, no modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

10. **Notices.** Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by regular United States mail, first class and prepaid, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Henry Schein, Inc.
135 Duryea Road
Melville, New York 11747
Attention: General Counsel

If to the Participant, to the address on file with the Company.

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11. **No Obligation to Continue Directorship.** This Agreement is not an agreement of directorship. This Agreement does not guarantee that the Company will retain, or continue to retain, the Participant during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which any Restricted Stock Unit is outstanding, nor does it modify in any respect the Company's right to terminate or modify the Participant's services or compensation as a director.

12. **Legend.** The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Shares issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section.

13. **Securities Representations.** The grant of the Restricted Stock Units and issuance of Shares upon vesting of the Restricted Stock Units shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. As a condition to the settlement of the Restricted Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The Shares would be issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(a) He or she has been advised that he or she may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Act") and in this connection the Company is relying in part on his or her representations set forth in this section.

(b) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, the Shares must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such Shares and the Company is under no obligation to register the Shares (or to file a "re-offer prospectus").

(c) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Shares may be made only in limited amounts in accordance with such terms and conditions.

14. **Transfer of Personal Data.** The Participant authorizes, agrees and unambiguously consents to the transmission and processing by the Company (or any subsidiary) of any personal data information related to the Restricted Stock Units awarded under this Agreement, for legitimate business purposes (including, without limitation, the administration of the Plan) out of the Participant's home country and including to countries with less data protection laws than the data protection laws provided by the Participant's home country. This authorization/consent is freely given by the Participant.

15. **Section 409A.** This Agreement is subject to Section 15(h) of the Plan, and any provisions in this Agreement providing for the payment of "nonqualified deferred compensation" (as defined in Section 409A of the Code and the Treasury regulations thereunder) to the Participant are intended to comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in accordance therewith. Neither party individually or in combination may accelerate or defer the timing of the payment of any such nonqualified deferred compensation, except in compliance with Section 409A of the Code and this Agreement, and no amount shall be paid prior to the earliest date on which it is permitted to be paid under Section 409A of the Code and this Agreement. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Participant as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. Any amounts payable hereunder that satisfy the short-term deferral exception in

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Treas. Reg. §1.409A-1(b)(4) shall not be subject to Section 409A of the Code. Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period shall be within the Company's sole discretion.

16. **Miscellaneous.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

(a) This Agreement shall be governed and construed in accordance with the laws of New York (regardless of the law that might otherwise govern under applicable New York principles of conflict of laws).

(b) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(c) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(d) This Agreement and the Plan do not create a joint venture or partnership between the Company and any Subsidiary.

17. **NO Acquired Rights.** THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT: (A) THE COMPANY MAY TERMINATE OR AMEND THE PLAN AT ANY TIME; (B) THE AWARD OF RESTRICTED STOCK UNITS MADE UNDER THIS AGREEMENT IS COMPLETELY INDEPENDENT OF ANY OTHER AWARD OR GRANT AND IS MADE AT THE SOLE DISCRETION OF THE COMPANY; AND (C) NO PAST GRANTS OR AWARDS (INCLUDING, WITHOUT LIMITATION, THE RESTRICTED STOCK UNITS AWARDED HEREUNDER) GIVE THE PARTICIPANT ANY RIGHT TO ANY GRANTS OR AWARDS IN THE FUTURE WHATSOEVER.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

HENRY SCHEIN, INC.

Michael S. Ettinger
Executive Vice President, Chief Operating Officer

PARTICIPANT

[Electronic Signature]
[Participant Name]

[Acceptance Date]

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**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Stanley M. Bergman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Henry Schein, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ Stanley M. Bergman

Stanley M. Bergman
Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Ronald N. South, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Henry Schein, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ Ronald N. South

Ronald N. South
Senior Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Henry Schein, Inc. (the "Company") for the period ending March 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stanley M. Bergman, the Chairman and Chief Executive Officer of the Company, and I, Ronald N. South, Senior Vice President and Chief Financial Officer of the Company, do hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2024

/s/ Stanley M. Bergman
Stanley M. Bergman
Chairman and Chief Executive Officer

Dated: May 7, 2024

/s/ Ronald N. South
Ronald N. South
Senior Vice President and
Chief Financial Officer

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.