

Henry Schein Reports First Quarter 2026 Financial Results

2026-05-05

- Q1 2026 GAAP diluted EPS of \$0.92 compared to \$0.88 GAAP diluted EPS in Q1 2025
- Q1 2026 non-GAAP diluted EPS of \$1.32 compared to \$1.15 non-GAAP diluted EPS in Q1 2025
- Reaffirming guidance for 2026 sales, non-GAAP diluted EPS, and Adjusted EBITDA
- Confirming that value creation initiatives are expected to deliver over \$200 million of operating income improvement over the next few years, with \$125 million run-rate by year-end 2026

MELVILLE, N.Y.--(BUSINESS WIRE)-- Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of health care solutions to office-based dental and medical practitioners, today reported financial results for the first quarter ended March 28, 2026.

"I am pleased with our strong first quarter results that reflect continuing momentum from the second half of last year as we grow market share and expand gross margins. Our growth outlook, combined with the progress made on value-creation initiatives and a strong start to the year, reinforces my confidence that we will deliver on our 2026 financial guidance," said Fred Lowery, Chief Executive Officer of Henry Schein. "I am committed to the Company's goal of achieving greater than \$200 million of annual operating income improvement within the next few years, with a \$125 million run-rate by the end of 2026. These initiatives, along with continued execution of our strategic plan, will contribute to us achieving high-single digit to low-double digit earnings growth in the coming years."

"Over the last two months as I have immersed myself in the business and spoken with customers, suppliers and employees, it is clear that Henry Schein has great assets with a differentiated platform to serve as a trusted partner to healthcare practitioners worldwide. As we look ahead, I'm excited by the significant opportunities to accelerate growth through the use of technology, improve operational execution, and become a more agile company," added Mr. Lowery.

First Quarter 2026 Financial Results

- Total net sales for the quarter were \$3.4 billion, an increase of 6.3% compared to the first quarter of 2025 and reflects 2.5% internal sales growth, 0.7% sales growth from acquisitions, and a 3.1% increase resulting from

foreign currency exchange. First quarter sales growth is detailed in Exhibit A ¹.

- Global Distribution and Value-Added Services sales for the quarter increased 6.1%, and reflects 2.5% internal sales growth, 0.6% sales growth from acquisitions, and a 3.0% increase resulting from foreign currency exchange compared with the first quarter of 2025. The main components are:
 - Global Dental Distribution merchandise sales for the quarter increased 9.0%, and by 3.0% internal sales growth, compared with the first quarter of 2025, with continuing strong momentum in the U.S.
 - Global Dental Distribution equipment sales for the quarter increased 8.6%, and by 3.5% internal sales growth, compared with the first quarter of 2025.
 - Global Medical Distribution sales for the quarter increased 1.7%, and by 1.3% internal sales growth, compared with the first quarter of 2025.
 - Global Value-Added Services sales for the quarter increased 10.6%, and by 7.8% internal sales growth, compared with the first quarter of 2025.
- Global Specialty Products sales for the quarter increased 8.1%, and by 1.7% internal sales growth, 1.7% sales growth from acquisitions, and a 4.7% increase resulting from foreign currency exchange, compared with the first quarter of 2025.
- Global Technology sales for the quarter increased 7.0%, and reflects 6.9% internal sales growth, 1.3% sales decrease due to a business disposal, and a 1.4% increase resulting from foreign currency exchange, compared with the first quarter of 2025.
- GAAP net income² for the quarter was \$107 million, or \$0.92 per diluted share ⁴, and compares with first-quarter 2025 GAAP net income of \$110 million, or \$0.88 per diluted share.
- Non-GAAP net income² for the quarter was \$153 million, or \$1.32 per diluted share ⁴, and compares with first-quarter 2025 non-GAAP net income of \$143 million, or \$1.15 per diluted share.
- Adjusted EBITDA³ for the quarter was \$289 million and compares with first-quarter 2025 Adjusted EBITDA of \$259 million.
- In the first quarter of 2026, the Company acquired a controlling interest in its S.I.N. distributor in the U.S. to enhance its position in the value implant market and support its business integration strategy. This transaction resulted in a remeasurement gain of \$11 million.

Share Repurchases

During the first quarter of 2026, the Company repurchased approximately 1.6 million shares of common stock at an average price of \$77.64 per share for a total of \$125 million.

At the end of the quarter, Henry Schein had \$655 million authorized and available for future stock repurchases.

2026 Financial Guidance

Henry Schein today reaffirmed its financial guidance for 2026. Guidance is for current continuing operations and does not include the impact of restructuring expenses and related costs, amortization expense of acquired intangible assets, the impairment of intangible assets, changes in contingent consideration, costs associated with

shareholder advisory matters, select implementation-related costs supporting value creation initiatives, and litigation settlements. This guidance also assumes that foreign currency exchange rates remain generally consistent with current levels.

- 2026 non-GAAP diluted EPS attributable to Henry Schein, Inc. is unchanged and expected to be \$5.23 to \$5.37.
- 2026 total sales growth is unchanged and expected to be approximately 3% to 5% over 2025.
- 2026 Adjusted EBITDA³ is unchanged and expected to grow mid-single digits compared with 2025.

Adjustments to 2026 GAAP Net Income and Diluted EPS

The Company is providing guidance for 2026 diluted EPS and for 2026 Adjusted EBITDA on a non-GAAP basis, as noted above. The Company is not providing a reconciliation of its 2026 non-GAAP diluted EPS guidance to its projected 2026 diluted EPS prepared on a GAAP basis, or its 2026 Adjusted EBITDA guidance to net income prepared on a GAAP basis. This is because the Company is unable to provide without unreasonable effort an estimate of restructuring expenses and related costs, including its ongoing value-creation initiatives, and the corresponding tax effect, which will be included in the Company's 2026 diluted EPS and net income, prepared on a GAAP basis. The inability to provide this reconciliation is due to the uncertainty and inherent difficulty of predicting the occurrence, magnitude, financial impact and timing of related costs.

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

First-Quarter 2026 Conference Call Webcast

The Company will hold a conference call to discuss first-quarter 2026 financial results today, beginning at 8:00 a.m. Eastern time. Individual investors are invited to listen to the conference call through Henry Schein's website by visiting <https://investor.henryschein.com/webcasts>. In addition, a replay will be available beginning shortly after the call has ended for a period of one week.

The Company will be posting slides that provide a summary of its first-quarter 2026 financial results on its website at <https://investor.henryschein.com/financials/quarterly-results/>.

About Henry Schein, Inc.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology. With more than 25,000 **Team Schein Members** worldwide, the Company's network of trusted advisors provides more than 1 million customers globally with more than 300 valued solutions that help improve operational success and clinical outcomes. Our Business, Clinical, Technology and Supply Chain solutions help office-based **dental** and **medical** practitioners work more efficiently so they can provide quality care more effectively. These solutions also support **dental laboratories, government and institutional health care clinics**, as

well as other alternate care sites.

Henry Schein operates through a centralized and automated distribution network, with a selection of more than 300,000 branded products and Henry Schein corporate brand products in our main distribution centers.

A FORTUNE 500 Company and a member of the S&P 500® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 34 countries and territories. The Company's sales reached \$13.2 billion in 2025, and have grown at a compound annual rate of approximately 11.0 percent since Henry Schein became a public company in 1995.

For more information, visit Henry Schein at www.henryschein.com, Facebook.com/HenrySchein, Instagram.com/HenrySchein, and [@HenrySchein](https://twitter.com/HenrySchein) on X.

Cautionary Note Regarding Forward-Looking Statements and Use of Non-GAAP Financial Information

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: our dependence on third parties for the manufacture and supply of our products and where we manufacture products, our dependence on third parties for raw materials or purchased components; risks relating to the achievement of our strategic growth objectives, including anticipated results of restructuring and value creation initiatives; risks related to the Strategic Partnership Agreement with KKR Hawaii Aggregator L.P. entered into in January 2025; transitions in senior company leadership (including, without limitation, the transition to a new Chief Executive Officer); our ability to develop or acquire and maintain and protect new

products (particularly technology and specialty products) and services and utilize new technologies that achieve market acceptance with acceptable margins; transitional challenges associated with acquisitions and joint ventures, including the failure to achieve anticipated synergies/benefits, as well as significant demands on our operations, information systems, legal, regulatory, compliance, financial and human resources functions in connection with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; adverse changes in supplier rebates or other purchasing incentives; risks related to the sale of corporate brand products; risks related to activist investors; security risks associated with our information systems and technology products and services, such as cyberattacks or other privacy or data security breaches (including the October 2023 incident); effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; political, economic, and regulatory influences on the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers, and increases in fuel and energy costs; changes in laws and policies governing manufacturing, development and investment in territories and countries where we do business; general global and domestic macro-economic and political conditions, including inflation, deflation, recession, unemployment (and corresponding increase in under-insured populations), consumer confidence, sovereign debt levels, fluctuations in energy pricing and the value of the U.S. dollar as compared to foreign currencies and changes to other economic indicators failure to comply with existing and future regulatory requirements, including relating to health care; risks associated with the EU Medical Device Regulation; failure to comply with laws and regulations relating to health care fraud or other laws and regulations; failure to comply with laws and regulations relating to the collection, storage and processing of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation, changes in tax rates and availability of certain tax deductions; 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; the threat or outbreak of war (including, without limitation, geopolitical wars), terrorism or public unrest (including, without limitation, the wars in Ukraine and Iran, the Israel-Gaza war and other unrest and threats in the Middle East and the possibility of a wider European or global conflict); changes to laws and policies governing foreign trade, tariffs and sanctions or greater restrictions on imports and exports, including changes to international trade agreements and the current imposition of (and the potential for additional) tariffs by the U.S. on numerous countries and retaliatory tariffs; supply chain disruption; litigation risks; new or unanticipated litigation developments and the status of litigation matters; our dependence on our senior management, employee hiring and retention, increases in labor costs or health care costs, and our relationships with customers, suppliers and manufacturers; and disruptions in financial markets. The order in which these factors appear should not be construed to indicate their relative importance or priority.

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

except as required by law.

Included within the press release are non-GAAP financial measures that supplement the Company's Consolidated Statements of Income prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Company's actual results prepared under GAAP to exclude certain items. In the schedule attached to the press release, the non-GAAP measures have been reconciled to and should be considered together with the Consolidated Statements of Income. Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. The impact of certain items that are excluded include integration and restructuring costs, amortization of acquisition-related assets, the insurance claim recovery associated with the cybersecurity incident, changes in contingent consideration, costs associated with shareholder advisory matters and select value creation consulting costs, and litigation settlements because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate and occur on an unpredictable basis. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures.

¹ See Exhibit A for details of sales growth. Internal sales growth is calculated from total net sales using constant foreign currency exchange rates and excludes sales from acquisitions.

² See Exhibit B for a reconciliation of GAAP net income and diluted EPS to non-GAAP net income and diluted EPS.

³ See Exhibit C for a reconciliation of GAAP net income to Adjusted EBITDA.

⁴ References to diluted EPS refer to diluted EPS attributable to Henry Schein, Inc.

(TABLES TO FOLLOW)

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

	Three Months Ended	
	March 28, 2026	March 29, 2025
Net sales	\$ 3,368	\$ 3,168
Cost of sales	2,298	2,168
Gross profit	1,070	1,000
Operating expenses:		
Selling, general and administrative	809	738
Depreciation and amortization	67	62
Restructuring and related costs	12	25
Operating income	182	175

Other income (expense):		
Interest income	7	6
Interest expense	(39)	(35)
Other, net	-	(1)
Income before taxes, equity in earnings of affiliates and noncontrolling interests	150	145
Income taxes	(38)	(35)
Equity in earnings of affiliates, net of tax	-	3
Net income	112	113
Less: Net income attributable to noncontrolling interests	(5)	(3)
Net income attributable to Henry Schein, Inc.	\$ 107	\$ 110
Earnings per share attributable to Henry Schein, Inc.:		
Basic	\$ 0.93	\$ 0.89
Diluted	\$ 0.92	\$ 0.88
Weighted-average common shares outstanding:		
Basic	114,939,640	123,776,073
Diluted	116,061,244	124,848,221

HENRY SCHEIN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	March 28, 2026 (unaudited)	December 27, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 138	\$ 156
Accounts receivable, net of allowance for credit losses of \$96 and \$90	1,719	1,651
Inventories, net	2,014	2,002
Prepaid expenses and other	625	655
Total current assets	4,496	4,464
Property and equipment, net	618	621
Operating lease right-of-use assets	312	301
Goodwill	4,284	4,213
Other intangibles, net	1,007	1,018
Investments and other	587	598
Total assets	\$ 11,304	\$ 11,215
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,043	\$ 1,154
Bank credit lines	1,046	764
Current maturities of long-term debt	35	33
Operating lease liabilities	78	78
Accrued expenses:		
Payroll and related	262	340
Taxes	192	179
Other	641	680
Total current liabilities	3,297	3,228
Long-term debt	2,327	2,310
Deferred income taxes	158	146
Operating lease liabilities	263	251
Other liabilities	437	486
Total liabilities	6,482	6,421
Redeemable noncontrolling interests	903	895
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, 114,424,682 issued and outstanding on March 28, 2026 and 115,771,149 issued and outstanding on December 27, 2025	1	1
Additional paid-in capital	167	177

Retained earnings	3,287	3,293
Accumulated other comprehensive loss	(189)	(226)
Total Henry Schein, Inc. stockholders' equity	<u>3,266</u>	<u>3,245</u>
Noncontrolling interests	653	654
Total stockholders' equity	<u>3,919</u>	<u>3,899</u>
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u>\$ 11,304</u>	<u>\$ 11,215</u>

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

	Three Months Ended	
	March 28, 2026	March 29, 2025
Cash flows from operating activities:		
Net income	\$ 112	\$ 113
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	81	73
Impairment charge on intangible assets	-	1
Non-cash restructuring and related charges	2	1
Stock-based compensation expense	3	5
Provision for losses on trade and other accounts receivable	6	2
Provision for (benefit from) deferred income taxes	2	(7)
Equity in earnings of affiliates	-	(3)
Distributions from equity affiliates	3	2
Changes in unrecognized tax benefits	(1)	2
Other	(27)	(27)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(69)	(74)
Inventories	8	(14)
Other current assets	6	75
Accounts payable and accrued expenses	(223)	(112)
Net cash provided by (used in) operating activities	<u>(97)</u>	<u>37</u>
Cash flows from investing activities:		
Purchases of property and equipment	(25)	(31)
Payments related to equity investments and business acquisitions, net of cash acquired	(24)	(51)
Proceeds from loan to affiliate	1	-
Capitalized software costs	(14)	(12)
Other	(1)	(5)
Net cash used in investing activities	<u>(63)</u>	<u>(99)</u>
Cash flows from financing activities:		
Net change in bank credit lines	283	215
Proceeds from issuance of long-term debt	57	150
Principal payments for long-term debt	(39)	(15)
Proceeds from issuance of stock upon exercise of stock options	1	1
Payments for repurchases and retirement of common stock	(125)	(161)
Payments for taxes related to shares withheld for employee taxes	(9)	(12)
Distributions to noncontrolling shareholders	(16)	(4)
Payments for contingent consideration	-	(12)
Acquisitions of noncontrolling interests in subsidiaries	(32)	(73)
Net cash provided by financing activities	<u>120</u>	<u>89</u>
Effect of exchange rate changes on cash and cash equivalents	22	(22)
Net change in cash and cash equivalents	(18)	5
Cash and cash equivalents, beginning of period	156	122
Cash and cash equivalents, end of period	<u>\$ 138</u>	<u>\$ 127</u>

Exhibit A - First Quarter Sales

Henry Schein, Inc.
2026 First Quarter
Sales Summary
(in millions)
(unaudited)
Q1 2026 over Q1 2025
Constant Currency
Growth

	Q1 2026	Q1 2025	Local Internal Growth	Acquisition Growth	Total Constant Currency Growth	Foreign Exchange Impact	Total Sales Growth
U.S. Distribution and Value-Added Services							
Merchandise	\$ 624	\$ 591	4.1%	1.5%	5.6%	0.0%	5.6%
Equipment	194	187	3.4%	0.0%	3.4%	0.0%	3.4%
Value-Added Services	48	45	6.2%	0.0%	6.2%	0.0%	6.2%
Total Dental	866	823	4.1%	1.0%	5.1%	0.0%	5.1%
Medical	1,043	1,030	1.2%	0.1%	1.3%	0.0%	1.3%
Total U.S. Distribution and Value-Added Services	1,909	1,853	2.5%	0.5%	3.0%	0.0%	3.0%
International Distribution and Value-Added Services							
Merchandise	668	594	1.8%	1.1%	2.9%	9.6%	12.5%
Equipment	223	197	3.6%	0.0%	3.6%	9.8%	13.4%
Value-Added Services	9	7	18.9%	9.5%	28.4%	12.6%	41.0%
Total Dental	900	798	2.4%	0.8%	3.2%	9.8%	13.0%
Medical	30	25	4.7%	0.0%	4.7%	11.4%	16.1%
Total International Distribution and Value-Added Services	930	823	2.5%	0.8%	3.3%	9.8%	13.1%
Global Distribution and Value-Added Services							
Global Merchandise	1,292	1,185	3.0%	1.2%	4.2%	4.8%	9.0%
Global Equipment	417	384	3.5%	0.0%	3.5%	5.1%	8.6%
Global Value-Added Services	57	52	7.8%	1.2%	9.0%	1.6%	10.6%
Global Dental	1,766	1,621	3.2%	1.0%	4.2%	4.8%	9.0%
Global Medical	1,073	1,055	1.3%	0.1%	1.4%	0.3%	1.7%
Total Global Distribution and Value-Added Services	2,839	2,676	2.5%	0.6%	3.1%	3.0%	6.1%
Global Specialty Products	397	367	1.7%	1.7%	3.4%	4.7%	8.1%
Global Technology	173	162	6.9%	-1.3%	5.6%	1.4%	7.0%
Eliminations	(41)	(37)	n/a	n/a	n/a	n/a	n/a
Total Global	\$ 3,368	\$ 3,168	2.5%	0.7%	3.2%	3.1%	6.3%

Exhibit B

Henry Schein, Inc.
2026 First Quarter
Reconciliation of reported GAAP net income and diluted EPS attributable to Henry Schein, Inc.
to non-GAAP net income and diluted EPS attributable to Henry Schein, Inc.
(in millions, except per share data)
(unaudited)

	First Quarter %		
	2026	2025	Growth
Net income attributable to Henry Schein, Inc.	\$ 107	\$ 110	(2.3)%
Diluted EPS attributable to Henry Schein, Inc.	\$ 0.92	\$ 0.88	4.5%
Non-GAAP Adjustments, net of tax and attribution to noncontrolling interests			
Restructuring and related costs (1)	\$ 8	\$ 17	
Acquisition intangible amortization (2)	27	27	
Cyber incident-insurance proceeds, net of third-party advisory expenses (3)	-	(15)	
Change in contingent consideration (4)	1	(2)	
Costs associated with shareholder advisory matters and select implementation related value creation consulting costs (5)	10	6	
Non-GAAP adjustments to net income	\$ 46	\$ 33	
Non-GAAP adjustments to diluted EPS	\$ 0.39	\$ 0.27	
Non-GAAP net income attributable to Henry Schein, Inc.	\$ 153	\$ 143	6.5%

Non-GAAP diluted EPS attributable to Henry Schein, Inc. \$ 1.32 \$ 1.15 14.8%

Management believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance and allow for greater transparency with respect to key metrics used by management in operating our business. These non-GAAP financial measures are presented solely for informational and comparative purposes and should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures. Net income growth rates are based on actual values and may not recalculate due to rounding. Amounts may not sum due to rounding.

(1) Restructuring and Related Costs

The following table presents details of our restructuring and related costs:

	First Quarter	
	2026	2025
Restructuring and related costs - pre-tax, as reported	\$ 12	\$ 25
Income tax benefit	(3)	(7)
Amount attributable to noncontrolling interests	(1)	(1)
Restructuring and related costs, net	<u>\$ 8</u>	<u>\$ 17</u>

(2) Acquisition Intangible Amortization

The following table presents details of amortization of acquired intangible assets:

	First Quarter	
	2026	2025
Acquisition intangible amortization - pre-tax, as reported	\$ 45	\$ 43
Income tax benefit	(11)	(10)
Amount attributable to noncontrolling interests	(7)	(6)
Acquisition intangible amortization, net	<u>\$ 27</u>	<u>\$ 27</u>

- (3) Represents cyber insurance proceeds, net of one time professional and other fees related to remediation of our Q4 2023 cyber incident. During Q1 2025, we received insurance proceeds of \$20 million (\$15 million, net of taxes) under this policy representing the remaining insurance recovery of losses related to the cyber incident.
- (4) Represents a change in the fair value of contingent consideration of \$1 million (\$1 million, net of taxes) and (\$2) million ((\$2) million, net of taxes) recorded during Q1 2026 and Q1 2025, respectively, related to certain 2023 and 2025 acquisitions.
- (5) Represents costs associated with shareholder advisory matters and select implementation related value creation consulting costs of \$13 million (\$10 million, net of taxes) and \$8 million (\$6 million, net of taxes) recorded during Q1 2026 and Q1 2025, respectively.

Exhibit C

Henry Schein, Inc.
2026 First Quarter
Reconciliation of reported GAAP net income to Adjusted EBITDA
(in millions)
(unaudited)

	First Quarter	
	2026	2025
Net income attributable to Henry Schein, Inc. (GAAP)	\$ 107	\$ 110
Income attributable to noncontrolling interests	5	3

Net income (GAAP)	112	113
Definitional adjustments:		
Interest income	(7)	(6)
Interest expense	39	35
Income taxes	38	35
Depreciation and amortization	81	73
Non-GAAP adjustments:		
Restructuring and related costs	12	25
Cyber incident-insurance proceeds, net of third-party advisory expenses	-	(20)
Impairment of intangible assets	-	1
Change in contingent consideration	1	(2)
Costs associated with shareholder advisory matters and select implementation related value creation consulting costs	13	8
Other adjustments:		
Equity in earnings of affiliates, net of tax	-	(3)
Adjusted EBITDA (non-GAAP)	<u>\$ 289</u>	<u>\$ 259</u>

Adjusted EBITDA is a non-GAAP measure that we calculate in the manner reflected on Exhibit C. We define Adjusted EBITDA as net income, excluding (i) net income attributable to noncontrolling interests, (ii) interest income and expense, (iii) income taxes, (iv) depreciation and amortization, (v) restructuring and related costs, (vi) cyber incident-insurance proceeds, net of third-party advisory expenses, (vii) impairment of intangible assets, (viii) change in contingent consideration, (ix) costs associated with shareholder advisory matters and select implementation related value creation consulting costs, and (x) equity in earnings of affiliates, net of tax. Amounts may not sum due to rounding.

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