UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
For the fiscal year ended December 30, 2023

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
For the transition period from _____ to _____

Commission file number 0-27078

HENRY SCHEIN, INC.

(Exact name of registrant as specified in its charter)

Delaware	**11-3136595**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

135 Duryea Road
Melville, 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 w
Common Stock, par value $.01 per share	HSIC	The Nasdaq Global Selec

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Sec
YES: ☒ NO: ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15
YES: ☐ NO: ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or
Securities Exchange Act of 1934 (or for such shorter period that the registrant was required to file such report
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 req
Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the
submitted pursuant to Rule 405 of
required to submit such files).
YES: ☒ NO: ☐

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

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting comp ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extend
new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's as
effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the regi
accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the finan
filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recover
the registrant included in the incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D ☐

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

The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant, comput
the closing sale price as quoted on the Nasdaq Global Select Market on July 1, 2023, was approximately $10,506,753,000

As of February 20, 2024, there were 128,505,719 shares of registrant's Common Stock, par value $.01 per share, out

Documents Incorporated by Reference:

Portions of the Registrant's definitive proxy statement to be filed pursuant to Regulation 14A not later than 12 (after the end of the fiscal year) are incorporated by reference in Part III hereof.

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PART I

ITEM 1. Business

General

Henry Schein, Inc. is a solutions company for health care professionals powered by a people and technology. We believe we are the world's largest provider of health care products a primarily to office-based dental and medical practitioners, as well as alternate sites of care. Our philoso grounded in our commitment to help customers operate a more efficient and successful business so th can provide better clinical care.

With more than 91 years of experience distributing health care products, we have bu small, mid-sized and large customers in the dental and medical markets, serving more than one millio worldwide across dental practices, laboratories, physician practices, and ambulatory surgery centers, a government, institutional health care clinics and other alternate care clinics.

We are headquartered in Melville, New York and employ more than 25,000 people. A 55% of our workforce is based in the United States and approximately 45% is based outside of th States. We have operations or affiliates in 33 countries and territories. Our broad global footprint has time through our organic growth as well as through contribution from strategic acquisitions.

We stock a comprehensive selection of more than 300,000 branded products and Hen corporate brand products through our main distribution centers. Our infrastructure, including over 5 square feet of space in 36 strategically located distribution and 22 manufacturing facilities around the wo to provide rapid and accurate order fulfillment, better serve our customers and increase infrastructure. This, together with broad product and service offerings at competitive price strong commitment to customer service, enables us to be a single source of supply for our customers' needs

We conduct our business through two reportable segments: (i) health care distributio technology and value-added services. These segments offer different products and services to the sa base. Our dental businesses serve office-based dental practitioners, dental laboratories, schools, gover other institutions. Our medical businesses serve physician offices, urgent care centers, am sites, emergency medical technicians, dialysis centers, home health, federal and state governments an enterprises, such as group practices and integrated delivery networks, among other providers across a wi specialties.

The health care distribution reportable segment, combining our global dental and me operating segments, distributes consumable products, small equipment, laboratory products, large equip equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, dental specialty p (including implant, orthodontic and endodontic products), diagnostic tests, infection-control products, pe protective equipment ("PPE") products and vitamins. While our primary go-to-market strategy is in our cap distributor, we also market and sell under our own corporate brand portfolio of cost-effective, high-qualit merchandise and manufacture certain dental specialty products in the areas of oral surg endodontics and orthodontics.

The technology and value-added services reportable segment provides software, tech other value-added services to health care practitioners. Henry Schein One, the largest contributor of sa category, offers dental practice management solutions for dental and medical practitioners. In additi dentists and physicians a broad suite of electronic health records, patient communication services electronic marketing and website design, analytics and patient demand generation. Our value-added pract include practice consultancy, education, integrated revenue cycle management and the facilitation of a recurring basis (or e-services) to help dentists and physicians operate and expand their busine practices, e-services, technology, network and hardware services, as well as consulting, and conti practitioners. We believe our hands-on consultative approach to provide solutions to making is a key differentiator for our business.

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Recent Developments

See “Management’s Discussion and Analysis of Financial Condition and Results of Op
Recent Developments” herein for a discussion related to recent Company developments.

Industry

The global health care distribution industry, as it relates to office-based health care p
diverse. The industry ranges from sole practitioners working out of relatively small o
sized practices ranging in size from a few practitioners to several hundred practices
supported by dental support organizations (“DSOs”), medical group purchasing organizations (“GPOs”), h
delivery networks.

Due in part to the limited capacity of office-based health care practitioners to store a
large quantities of supplies in their offices, the distribution of health care supplies and small equipment
practitioners has been characterized by frequent, small quantity orders, and a need f
substantially complete order fulfillment. The purchasing decisions within an office-ba
typically made by the practitioner, hygienist or office manager. Supplies and small eq
practice are generally purchased from more than one distributor, with one generally serving as the primary

The health care distribution industry continues to experience growth due to demand
aging population, increased health care awareness and the importance of preventative care, an increas
understanding of the connection between good oral health and overall health, improved access to care glob
medication technology and testing, new pharmacology treatments and expanded third-pa
coverage, partially offset by the effects of unemployment on insurance coverage and technologi
improvements in dental software and services, prosthetic solutions and telemedicine. In
continues to benefit from the shift of procedures and diagnostic testing from acute ca
alternate care, particularly physicians’ offices and ambulatory surgery centers.

We believe that consolidation within the industry will continue to result in a number
practices with limited financial, operating and marketing resources, seeking to combine w
provide growth opportunities. This consolidation also may continue to result in distri
companies that can enhance their current product and service offerings or provide op
customer base.

In addition, customer consolidation will likely lead to multiple locations under commo
management and the procedures from the hospital setting to the physician or alternate
the health care industry is increasingly focused on efficiency and cost containment. This trend has be
distributors capable of providing a broad array of products and services at low prices. It also has accelera
growth of health maintenance organizations (“HMOs”), group practices, other managed care accounts
buying groups, which, in addition to their emphasis on obtaining products at competitive prices, tend
distributors capable of providing specialized management information support. We believe that the trend
containment has favorably affect demand for technology solutions, including software,
efficiency and facilitation of practice management.

Competition

The distribution and manufacture of health care supplies and equipment is highly co
Many of the items we sell are available to our customers from a number of suppliers. In a
obtain exclusive rights from manufacturers to market particular products. Manufactu
directly to end users, and thereby eliminate or reduce our role and that of other distri
certain parts of the dental market, such as those related to dental specialty products, and medical e
sell directly to end customers.

In North America, we compete with other distributors, as well as several manufacture
products, primarily on the basis of price, breadth of product line, e-commerce capabi

value-added products and services. In the dental market, our primary competitors in the Patterson Dental division of Patterson Companies, Inc. and Benco Dental Supply Company. In a compete against a number of other distributors that operate on a national, regional and local level. Ou competitors in the U.S. medical market, which accounts for the large majority of our global medical sale McKesson Corporation and Medline Industries, Inc., which are national distributors. We also compete with a regional medical distributors, as well as a number of manufacturers that sell directly to physic and patients. With regard to our dental software, we compete against numerous companie the Patterson Dental division of Patterson Companies, Inc., Carestream Health, Inc., Carestream De Centaur Software Development Pty Ltd. (d.b.a. dental4windows, dental4web), Open Dental Software PlanetDDS LLC, Good Methods Global Inc. (d.b.a. CareStack) and Curve Dental, LLC. In other softwa markets, including revenue cycle management, patient relationship management and patient demand ge we compete with companies such as Vyne Therapeutics Inc., EDI-Health Group, Inc. (d.b.a. Dental X C Weave Communications, Inc., and Solutionreach, Inc. The medical practice management an medical records market is fragmented and we compete with numerous companies such as the NextGe Quality Systems, Inc., eClinicalWorks, Allscripts Healthcare Solutions, Inc. and Epic Systems Corporat

Outside of the U.S., we believe we are the only global distributor of supplies and equi dental practices and our competitors are primarily local and regional companies. We also face significant internationally, where we compete on the basis of price and customer service against several large c including the GACD Group, Proclinic SA, Lifco AB, Planmeca Oy and Billericay Dental Supply Co. L a large number of other dental and medical product distributors and manufacturers in intern countries and territories we serve.

Competitive Strengths

We have more than 91 years of experience in distributing products to health care pra resulting in strong awareness of the Henry Schein® brand. Our competitive strengths include:

A focus on meeting our customers' unique needs. We are committed to providing customized so customers that are driven by our understanding of the end markets we serve and refl technology-driven products and services best suited for their practice needs. We are committed to cont enhance these offerings through organic investment in our products and our teams, as well as throu acquisition of new products and services that may help us better serve our customers.

Direct sales and marketing expertise. Our sales and marketing efforts are designed to establ customer relationships through personal or virtual visits by field sales representative telesales contact, and direct marketing, emphasizing our broad product lines, including exclusive distributio agreements, competitive prices and ease of order placement, particularly through our e-commerce platforms. elements of our direct sales and marketing efforts are:

- Field sales consultants. Our field sales consultants, including equipment sales spec North American, European and other international markets. These consultants covering major our direct marketing and telesales efforts and enable us to better market, service and sup of more sophisticated products and equipment.

- Marketing. We market to existing and prospective office-based health care provi combination of owned, earned and paid digital channels, tradeshows, as well as direct mail, catalogs, flyers, and other promotional materials. Our strategies include an emphas educational content through webinars and content marketing initiatives. We continue to enhance o technology to improve our targeting capability and the relevance of messaging and offers.

- Telesales. We support our direct marketing effort with inbound and outbound te representatives, who facilitate order processing, generate new sales through direct and frequen stay abreast of market developments and the hundreds of new products, servic introduced each year to educate practice personnel.

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- Electronic commerce solutions. We provide our customers and sales teams with innov competitive e-commerce solutions. We continue to invest in our e-commerce p offer enhanced content management so customers can more easily find the products they need an engaging purchasing experience, supported by excellent customer service.

- Social media. Our operating entities and employees engage our customers and su partners through various social media platforms, which are an important element of our commun marketing efforts. We continue to expand our social media presence to raise awareness a engage customers beyond a sale and deliver services and solutions to specialized audie

Broad product and service offerings at competitive prices. We offer a broad range of products an our customers, at competitive prices, in the following categories:

- Consumable supplies and equipment. We distribute consumable products, small equipm products, large equipment, equipment repair services, branded and generic pha vaccines, dental specialty products, diagnostic tests, infection-control products and vitamins. W comprehensive selection of more than 300,000 branded products and Henry Schein corporate b through our distribution centers. We also market and sell our own corporate brand po quality, effective, consumable merchandise products and manufacture certain dental spec in the areas of implants, orthodontics and endodontics.

- Technology and other value-added products and services. We sell practice management, b analytics, patient engagement and patient demand creation software solutions customers. Our practice management solutions provide practitioners with electronic medical re treatment history, analytics, billing, accounts receivable analyses and management, appo claims processing, electronic mail and word processing programs, network and hardware servi electronic commerce and marketing services, sourcing third party patient payment plans, tran and continuing education programs for practitioners. We also sell medical software for pr electronic health records ("EHR") and e-Prescribe medications and prescriptio management certified We have technical representatives supporting customers using our practice managemen and services. As of December 30, 2023, we had an active user base of approximately 110,000 p 350,000 customers, including users of AxiUm, Dentally®, Dentrix Ascend®, Dental Vis Systems® Dentrix® Dentrix® Enterprise, Easy Dental®, EndoVision®, Evolution® and E Analytics™, Gendex®, Jarvis® Software, Oasis, OMSVision®, Orisline®, PBS Endo®, Peri Power Practice® Px, PowerDent, and Viive® and subscriptions for Demandforce®, Se Lighthouse 360® for dental practices and DentalPlans.com® for dental patients.

- Repair services. We have 119 equipment sales and service centers worldwide tha repair, installation and a variety of technical services for our health care customers. Our t provide installation and repair services for dental handpieces, dental and medical smal table-top sterilizers and large dental equipment.

- Financial services. We offer our customers solutions in operating their practices m providing access to a number of financial services and products provided by th non-recourse suppliers (including financing for equipment, technology and software products, non- practice leasehold improvements, business debt consolidation and commercial real e financing, patient financing and credit card processing) at rates that we believe are generally low our customers would be able to secure independently. We also provide staffing services, dent brokerage and valuation services.

Commitment to superior customer service. We maintain a strong commitment to providing su service. We frequently monitor our customer service through customer surveys, focu statistical reports. Our customer service policy primarily focuses on:

- Exceptional order fulfillment. We ship an average of approximately 141,000 cartons

- Comprehensive ordering process. Customers may place orders 24 hours a day, 7 days commerce solutions, telephone, fax, e-mail and mail.

Integrated management information systems. Our information systems generally allo management of key functions, including centralized accounts receivable, inventory, accounts pay purchasing, order fulfillment and financial and operational reporting. These systems allow deliver superior customer service, properly target customers, manage financial perfo operationally statistics.

Cost-effective purchasing. We believe that cost-effective purchasing is a key element to ma our position as a competitively priced provider of health care products. We continuou negotiate with manufacturers and suppliers' offerings and prices in order to obtain products at the lo our customers. In 2023, our top 10 health care distribution suppliers and our single largest supplier accounte approximately 24% and 4%, respectively, of aggregate purchases.

Efficient distribution. We distribute our products from our 36 strategically located distrib to maintain optimal inventory levels in order to satisfy customer demand for prompt order fulfillment. These inventory levels are managed on a daily basis with the aid of our m systems. Once an order is entered, it is electronically transmitted to the distribution center closest to the customer for order fulfillment.

Products and Services

The following table sets forth the percentage of consolidated net sales by principal ca services offered through our health care distribution and technology and value-added products and reportable segments:

	December 30, 2023	December 31, 2022	Decembe 2021
Health care distribution:			
Dental products[1]	61.1%	59.1%	
Medical products[2]	32.4	35.2	
Total health care distribution	93.5	94.3	
Technology and value-added services:			
Software and related products and other value-added products[3]	6.5	5.7	
Total	100.0	100.0	1

(1) Includes infection-control products, handpieces, preventatives, impression materials, composites, restorative materials, anesthetics, sutures, dental implants, impression trays, dental chairs, delivery units and lights, X-ray supplies a PPE products, repair and high-tech and digital restoration equipment.

(2) Includes branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infe products, X-ray equipment, PPE products and vitamins.

(3) Consists of practice management software and other value-added products, which are distributed and healthcare providers, on a non-recourse basis, e-services, continuing education services for pract consulting and other services.

Business Strategy

Our mission is to provide innovative, integrated health care products and services; an trusted advisor and customers - enabling them to deliver the best quality patient care a their practice efficiency and profitability. Our BOLD+1 Strategic Plan consists of the

- **Build ("B")** Complementary software, specialty, and services businesses for high
- **Operationalize ("O")** One Distribution to deliver exceptional customer experience and growth efficiency,
- **Leverage ("L")** One Schein to broaden and deepen relationships with our custom
- **Drive ("D")** Drive digital transformation for our customers and for Henry Schein
- **+1** Create Value for our stakeholders

To accomplish this, we apply our competitive strengths in executing the following str

- Increase penetration of our existing customer base. We have over one million customers w we intend to increase sales to our existing customer base and enhance our pos supplier. We believe our offering of a broad range of products, services and su including software solutions that help drive improved workflow efficiency and patient commu practices, with our full-service value proposition, helps us to retain and grow our base.
- Increase the number of customers we serve. This strategy includes increasing the produ sales consultants and telesales teams, as well as using our customer database to market our offerings in the dental, medical and laboratory operating segments. In the dental business, we provide products a practices, mid-market groups, and large DSOs as well as community health ce care. Leveraging our broad array of assets and capabilities, we offer solutions that address the unique needs of customers in the medical business, we have expanded to serve customers locate outside of the traditional office, such as urgent care clinics, retail, occupational health and h settings. As health care shift, we remain committed to serving these practitione providing the products and services they need.

- Leverage our value-added products and services. We continue to increase cross-selling e product lines utilizing a consultative selling process. In the dental business, we selling opportunities between our dental software users and our dental custom we have opportunities to expand our vaccine, injectables and other pharmaceu medical business, healthcare providers, as well as cross-selling EHR systems and software when we sell products. Our strategy extends to providing health systems, integrated delivery networks and group and multi-site health care organizations, including physician clinics, these same value ad As physicians and health systems closely align, we have increased access to op our marketing and selling our product and service portfolios.

- Pursue strategic acquisitions and joint ventures. Our acquisition strategy is focused on i companies that add new customers and sales teams, increase our geographic f (whether by entering new markets, such as emerging markets, or building scale where we have alrea and finally, those that enable us to access new products and technologies.

Markets Served

Demographic trends indicate that our markets are growing, as an aging U.S. populati increasingly use dental and health care services. According to the U.S. Census Bureau's International Database, betwee 2033, the 45 and older population is expected to grow by approximately 11%. Between 2023 and 2043 group is expected to grow by approximately 21%. This compares with expected total U.S. population grow approximately 6% between 2023 and 2033 and approximately 11% between 2023 and 2043.

In the dental industry, there is predicted to be a rise in oral health care expenditures the population increases. There is increasing demand for new technologies that allow productivity, and this is being driven in the U.S. by lower insurance reimbursement ra an expected increase in dental insurance coverage.

In the medical market, there continues to be a migration of procedures from acute-ca offices and home health settings, a trend that we believe provides additional opportu There also is a shift of vaccines, injectables and other pharmaceuticals in alternate-care se established a leading position as a vaccine supplier to the office-based physician prac

We support our dental and medical professionals through the many SKUs that we offe through important value-added services, including practice management software, electronic services and continuing education, all designed to help maximize a practitioner's effic

processing, financial

Additionally, we seek to expand our dental full-service model and medical offerings in
where
opportunities exist. We do this through both direct sales and by partnering with local
and
manufacturing companies.

For information on revenues and long-lived assets by geographic area, see
Note 4 – Segment and Geo
of "Notes to Consolidated Financial Statements."

Seasonality and Other Factors Affecting Our Business and Quarterly Results

We experience fluctuations in quarterly earnings. As a result, we may fail to meet or
expectations
securities analysts and investors, which could cause our stock price to decline.

Our business is subject to seasonal and other quarterly fluctuations. Sales and profita
generally
higher in the third and fourth quarters due to the timing of sales of seasonal products
influenza
purchasing patterns of office-based health care practitioners for certain products (inc
software)
equipment and year-end promotions. Sales and profitability may also be impacted by t
and
certain annual dental tradeshows where equipment promotions are offered. In addition
practices
purchases in the U.S. until year-end due to tax incentives. We expect our
seasonality
to continue in the foreseeable future.

Governmental Regulations

We
strive to be compliant in all material respects with the applicable laws, regulations
below,
described
we believe we have effective compliance programs and other controls in plac
substantial
compliance. However, compliance is not guaranteed either now or in the future, as c
regulations
may be subject to varying and evolving interpretations that could affect our
compliance
framework, as well as additions and enforcement approaches, including political changes.
discover
situations we
seek to remedy them and bring the affected area back into compl
President
Biden (the "Biden Administration") has indicated that it will be more aggress
pursuit
of alleged
violations and has revoked certain guidance that would have limited governme
ability
to pursue potential violations, and has stated that it is more prepared to pu
individuals
for corporate
an aggressive approach to anti-corruption activities. Federa
certain
foreign
governments have also increased enforcement activity in the health care sector, parti
abuse,
fraud and
bribery and corruption, controlled substances handling, medical device re
security
standards.

Changes to applicable laws, regulations and guidance described below, as well as rel
administrative
may require
us to update or revise our operations, services, marketin
programs
and compliance
controls, and may impose additional and unforeseen costs on us, pose
risks
previously unknown
or may otherwise have a material adverse effect on our business.

Government

Certain of our businesses involve the distribution, manufacturing, importation, expor
marketing
of pharmaceuticals and/or medical devices, and in this regard, we are subj
extensive
federal, state,
local and foreign governmental laws and regulations, including as applicable to our
pharmaceuticals
and medical devices, manufacturing activities, and as part of our spe
businesses
that distribute and sell medical equipment and supplies directly to patient
foreign
governments have also increased enforcement activity in the health care sect
and
abuse, fraud,
bribery and anti-corruption, controlled substances handling, medical
privacy
and security
standards.

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

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Government and private insurance programs fund a large portion of the total cost of
and therefore have
health efforts to limit such private and government insurance programs, including effo
successful, to
seek repeal of the entire United States Patient Protection and Affordable Care Act, as
and Health Care Reconciliation Act, each enacted in March 2010 (as amended, the "AC

Certain of our businesses are subject to various additional federal, state, local and for
including with respect to the sale, transportation, importation, storage, handling and
potentially hazardous substances; "forever chemicals" such as per-and polyfluoroalky
and safe conditions. In addition, activities to control medical costs, including laws an
reimbursement rates for pharmaceuticals, medical devices, medical supplies and/or r
arrangements. The Centers for Medicare & Medicaid Services ("CMS") recently releas
durable medical prosthetics, orthotics and supplies ("DMEPOS") reimbursement schedule
effective January 1,
2024, reduced the DMEPOS reimbursement rates for non-rural suppliers, such as us,
Aid, Relief, and Economic Security (aka CARES) Act relief rates in effect during the C
and other laws and regulations are subject to change and their evolving implementat
impact our operations
and our financial performance.

Our businesses are generally subject to numerous laws and regulations that could im
and failure to comply with such laws or regulations could have a material adverse effe
business.

Operating, Security and Licensure Standards

Certain of our businesses are subject to local, state and federal governmental laws ar
distribution of pharmaceuticals and medical devices and supplies. Among the United
laws applicable to
us are the Controlled Substances Act, the Federal Food, Drug, and Cosmetic Act, a
("FDC Act"),
Section 361 of the Public Health Service Act and Section 401 of the Consolidated App
Act of the States as well as laws regulating the billing of and reimbursement from govern
programs, such as
Medicare and Medicaid, and from commercial payers. We are also subject to comparable foreign

The FDC Act, the Controlled Substances Act, their implementing regulations, and sim
regulate the introduction, manufacture, advertising, marketing and promotion, sampl
and reimbursement, labeling, packaging, storage, handling, returning or recalling, report
distribution of and
recordkeeping for pharmaceuticals and medical devices shipped in interstate comm
requires many similar activities within the state. Furthermore, Section 361 of the Public Hea
Act, which provides
authority to prevent the introduction, transmission or spread of communicable diseas
the United States, the
U.S. Food and Drug Administration's ("FDA") regulation of human cells,
tissue-based products, also known as "HCT/P products."

The Federal Drug Quality and Security Act of 2013 brought about significant changes
to
pharmaceutical supply chain requirements. Title II of this measure, known as the Dr
("DSCSA"), was enacted in November 2013, and had a planned "phase in" schedule o
over ten years,
requiring a national electronic, interoperable system to identify and trace certain p
distributed by
drugs as they are
United States that went into effect on November 27, 2023. Those D
required to that year on
scheduled to change on November 27, 2023, and include requiring trading partners t
document information about
receive and maintain
products and ownership only "electronically" (and not via paper
"stabilization period"
Subject to a one-year
announced by FDA through two guidance documents in late Au
FDA's stabilization period to accommodate an additional year, until November 27, 2024
trading partners
time for
to troubleshoot and mature their electronic (versus paper), interoperable sy
which
FDA does not
intend to take action to enforce the requirements for the interoperable
product tracing.
package level
Additionally, the FDA announced that it does not intend to take actio
FDC Act with
the
respect to drug product that is introduced in a transaction into commer
manufacturer or repackager before November 27, 2024, and for subsequent transact
product through the
FDA states this stabilization period is intended to avoid disruption t
ensure continued patient access to drug products as trading partners move towards f
DSCSA's enhanced drug security requirements. The law's track and trace requireme
manufacturers, wholesalers, third-party logistics providers (e.g., trading partners), re

pharmacies) of prescription drugs took effect in January 2015, and, as stated, continu
DSCSA product tracing requirements replace the former FDA drug pedigree requirem
implemented. The
state requirements that are inconsistent with, more stringent than, or in addition to,
requirements.
The DSCSA also establishes certain requirements for the licensing and operation of p
and third-party logistics providers ("3PLs"), and includes the eventual creation of nat
wholesaler and 3PL
licensure standards where states do not license such entities. The DSCSA requires that
and 3PLs
distribute drugs in accordance with certain standards regarding the recordkeeping, s
prescription drugs. The DSCSA requires wholesalers and 3PLs to submit annual repo
which include
information regarding each state where the wholesaler or 3PL is licensed, the name a
each facility and
contact information. According to FDA guidance, states are pre-empted from imposi
licensing requirements
that are inconsistent with, less stringent than, directly related to, or covered by the s
established by federal
laws. Current state licensing requirements concerning wholesalers will re
until the FDA
issues regulations as directed by the DSCSA. FDA issued a proposed rule establ
wholesaler standards
for licensing and other requirements in February 2022, but that ru
be finalized,
and finalized with respect to our specialty home medical supply business, we are subje
laws (including
state laws (including state pharmacy laws), and also certain accreditation standards, includ
for
reimbursement from Medicare and other third-party payers.

The Food and Drug Administration Amendments Act of 2007 and the Food and Drug A
Safety and
Innovation Act of 2012 amended the FDC Act to require the FDA to promulgate regul
device identification
implement a unique device identification ("UDI") system for medical devices. The UDI rule phased in the
requirements,
implementation of the UDI beginning with the highest-risk devices (i.e., Class III medical
lowest-risk devices.
to lowest-risk devices. Most compliance dates were reached as of September 24, 2018,
of
requirements for low risk devices being reached on September 24, 2022, which comp
phase-in period, the FDA
In May 2021, however, FDA issued an enforcement policy stating that it does not intend to
identification numbers
use of legacy on device labels and packages for finished devices manufactur
September 24, 2023. The UDI regulations require "labelers" to include unique device
("UDIs"), in a format prescribed by the FDA and issued under a system operated by an
agency, on the labels and packages of medical devices (including, but not limited to,
software that qualifies
as a medical device under FDA rules), and to directly mark certain devices with UDIs
regulations also
labelers to submit certain information concerning UDI-labeled devices to the
which
information is publicly available on an FDA database, the Global Unique Device Ident
22, 2022, the FDA posted the final guidance regarding the Global Unique Device Iden
Database entitled
Identification Policy Regarding Compliance Dates for Class I and Uncl
Devices, and Global Unique Device Identification Database Requirements for Certa
Marketing Orders.
The UDI regulations and subsequent FDA guidance regarding the UDI requirements provide f
exemptions and time extensions. For example, the UDI regulations include a general
exemption from the Quality System Regulation (other than record-keeping requirements
Class I devices
Regulated labelers include entities such as device manufacturers, repackagers, repro
labelers that
relabelers that's label to be applied or modified, with the intent that the device will b
commercially distributed without any subsequent replacement or modification of the label and include certain
businesses.
As a distributor of controlled substances, we are required, under the Controlled Subs
obtain registrations for our facilities from the United States Drug Enforcement Adm
("DEA"),
permitting us to handle controlled substances. We are also subject to other statutory and regula
relating to the storage, sale, marketing, handling, reporting, record-keeping and distr
such drugs, in
accordance with the Controlled Substances Act and its implementing regulations, and
subject to heightened
We are also subject to inspection by the DE
our businesses are also required to register for permits and/or licenses with, and com
standards of the DEA, the FDA, the United States Department of Health and Human
("HHS"), state boards of pharmacy, state health departments and/or comparable state
foreign agencies, and certain accrediting bodies, depending on the type of operations
distribution, manufacturing or sale. These businesses include those that distribute, r
repackage prescription pharmaceuticals and/or medical devices and/or HCT/P produc
operations, or install, maintain or repair equipment.

In addition, Section 301 of the National Organ Transplant Act, and a number of comp
laws, impose civil and/or criminal penalties for the transfer of human organs, as defined in the regulati
while generally permitting payments for the reasonable costs incurred in their procur
distribution. We are also subject to foreign government regulation of such products. The
regulatory authorities have broad inspection and enforcement powers, including the a
suspension of production or distribution of products by our distribution centers, seize or order the recall of produ
significant civil and administrative sanctions for violations of these laws and regulation
regulations or similar foreign enforcement powers.

EU Regulation of Medicinal and Dental Products

European Union ("EU") member states regulate their own healthcare systems, as doe
latter regulates, most notably medicinal products and medical devices. Medicinal pro
defined broadly as combinations of substances having certain functionalities and may not
"regulations" apply in all member states, whereas "directives" are implemented by th
laws of member states.

On medicines for humans, we are regulated under Directive No. 2001/83/EC of 6 Nov
as amended by Directive 2003/63/EC of 25 June 2003, and EU Regulation (EC) No. 726/2004 of 31 M
These rules govern the authorization of products, and regulate their manufacture, importatio
and distribution requirements which may be implemented without warning, as well as a
system under which marketing authorizations may be withdrawn, and includes poten
for breaches of or on other bases such as harmfulness or lack of efficacy.

EU Regulation No. 1223/2009 of 30 November 2009 on cosmetic products requires that cosmetic pr
includes dental products) be safe for human health when used under normal or reaso
foreseeable conditions of use and complies with certain obligations which apply to manufacturer, importer and d
market surveillance, and non-compliance may result in the recall or withdrawal of products,
other sanctions.

In the EU, the EU Medical Device Regulation No. 2017/745 of 5 April 2017 ("EU MDR
wide scope, from dental material to X-ray machines, and certain software. It was m
became applicable three years after publication (i.e., May 26, 2020). However, on April 23, 2020, to allo
European Economic Area ("EEA") national authorities, notified bodies, manufacturers and other actors to focus
related to the COVID-19 pandemic, the European Council and Parliament adopted Re
2020/561, postponing the date of application of the EU MDR by one year (to May 26, 2021).

The EU MDR significantly modifies and intensifies the regulatory compliance require
medical device industry as a whole. Among other things, the EU MDR:

- strengthens the rules on placing devices on the market and reinforces surveill
- establishes explicit provisions on manufacturers' responsibilities for the follow
are available;
quality, performance and safety of devices placed on the market;
- improves the traceability of medical devices throughout the supply chain to th
patient through a unique identification number;
- sets up a central database to provide patients, healthcare professionals and th
comprehensive information on products available in the EU;
- strengthens rules for the assessment of certain high-risk devices, such as impl
may have to undergo an additional check by experts before they are placed on the market;
- identifies importers and distributors and medical device products through regi
database (EUDAMED, which is not fully functional for the time being and might not be s
the end of 2027, therefore, the use of this database is only possible through a volun
by way of choice, is currently not mandatory).

In particular, the EU MDR imposes strict requirements for the confirmation that a pr
requirements, including regarding a product's clinical evaluation and a company's qu
distribution, marketing and sale of medical devices, including post-market surveillanc

Regulation 2023/607 of the European Parliament and of the Council of 15 March 2023 amending Regulations (EU) 2017/745 on medical devices and (EU) 2017/746 as regards the transitional provisions for certain medical devices and in vitro diagnostic medical devices, notably, extended the EU MDR transitional periods applicable to certain medical devices that have been assessed and/or certified under the Directive No. 93/42/EEC of 14 June 1993 concerning medical devices (the "EU Medical Device Directive"). Subject to certain conditions, medical devices that (i) obtained a certificate under the EU Medical Device Directive from May 25, 2017, (ii) which was still valid on May 26, 2021 (i.e., the date of application of the EU MDR) and (iii) which has not subsequently been withdrawn may, for the moment, continue to be placed on the market or put into service until December 31, 2027 for higher risk devices or December 31, 2028 for medium and low risk devices. The EU MDR requirements regarding the distribution, marketing and sale including quality systems and post-market surveillance have to be observed by manufacturers, importers and distributors as of the May 26, 2021.

Other EU regulations that may apply under appropriate circumstances include EU Regulation No. 1907/2006 of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals, which requires importers to register substances or mixtures that they import in the EU when they exceed certain quantities, and EU Regulation No 1272/2008 of 16 December 2008 on classification, labelling and packaging of substances and mixtures (currently under revision), which sets various obligations with respect to the labelling and packaging of concerned substances and mixtures.

Furthermore, compliance with legal requirements has required and may in the future require us to delay, modify or distribution, or institute voluntary recalls of, or other corrective actions concerning, our products, which could result in regulatory and enforcement actions, financial losses, harm to our reputation and loss of sales. Our customers are also subject to significant federal, state, local and foreign government regulations, which may affect our interactions with customers, including the design and functionality of our products.

Certain of our businesses are subject to various additional federal, state, local and foreign laws and regulations, including those relating to the sale, transportation, storage, handling and disposal of hazardous substances, and safe working conditions. In addition, certain of our businesses operate in compliance with a variety of burdensome and complex billing and record-keeping requirements to substantiate claims for payment under federal, state and commercial healthcare reimbursement programs.

Certain of our businesses also maintain contracts with governmental agencies and are subject to certain regulatory requirements specific to government contractors.

Antitrust and Consumer Protection

The federal government of the United States, most U.S. states and many foreign countries have enacted laws that prohibit certain types of conduct deemed to be anti-competitive, as well as consumer protection laws that seek to protect consumers from improper business practices. At the U.S. federal level, the Federal Trade Commission oversees enforcement of these types of laws, and states have similar government agencies. Violations of antitrust or consumer protection laws may result in various sanctions, including criminal and civil penalties. Private plaintiffs may also bring civil lawsuits against us in the United States for alleged antitrust violations, including claims for treble damages. EU law also regulates competition and provides for detailed rules for the enforcement of prohibitions against anti-competitive activities. The Biden Administration has indicated increased antitrust enforcement and has been aggressive in investigating and challenging non-compete restrictions and other restrictive contractual terms that it believes harm workers and competition.

Health Care Fraud

Certain of our businesses are subject to federal and state (and similar foreign) healthcare fraud and abuse laws, referral laws and regulations with respect to their operations. Some of these laws, such as the federal False Claims Law, prohibit the submission or causing the submission of false or fraudulent claims for payment to federal, state and other health care payers and programs. Other laws, referred to as federal and state anti-kickback laws, prohibit soliciting, offering, receiving or paying remuneration in order to induce the referral of, or the purchasing, leasing or arranging for, or recommending, ordering, purchasing or leasing of, items or services paid for by federal, state and other health care payers and programs. Certain additional

as the federal Physician Self-Referral Law, commonly known as the “Stark Law,” prohibits physicians and other healthcare professionals from referring a patient to an entity with which the physician or an immediate family member has a financial relationship, for the furnishing of certain designated health services (for example, durable medical equipment and medical supplies), unless an exception applies. Violations of Anti-Kickback Statute and Stark Law may be enforced as violations of the federal False Claims Act.

The fraud and abuse laws and regulations have been subject to heightened enforcement efforts over the past few years, and significant enforcement activity has been the result of “relators” who serve as whistleblowers by filing complaints on behalf of the United States (and if applicable, particular states) under federal and state false claims laws, which may provide for substantial awards to relators, including treble damages and substantial civil penalties under the federal False Claims Act, as well as loss of licenses and the ability to participate in federal and state healthcare programs. In addition, corporate integrity agreement or corporate compliance monitor which may have an adverse effect on our business. Also, these measures may be interpreted or applied by prosecutorial authority in a manner that could require us to make changes in our operations and substantial defense expenses. Even unsuccessful challenges by regulatory authorities or relators could result in reputational harm and the incurring of substantial costs. Most states have adopted similar fraud and abuse and false claims laws, which may be in addition to federal False Claims Act penalties, and have their own penalties, which may be in addition to federal False Claims Act penalties, as well as other fraud and abuse laws.

With respect to measures of this type, the United States government (among others) has increasingly focused on financial relationships between suppliers on the one hand and physicians, dentists and other healthcare professionals on the other. As a result, we regularly review and revise our marketing practices as necessary to facilitate our compliance.

We also are subject to certain United States and foreign laws and regulations concerning the conduct of our foreign operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, German anti-bribery laws and laws pertaining to the accuracy of our internal books and records, which have been the focus of increasing enforcement activity globally in recent years.

While we believe that we are substantially compliant with applicable fraud and abuse laws and have adequate compliance programs and controls in place to ensure substantial compliance, we cannot predict whether changes in applicable law, or interpretation of laws, or changes in our services or practices in response to changes in applicable law or interpretation of laws, or failure to comply with applicable laws, would have a material adverse effect on our business.

Affordable Care Act and Other Insurance Reform

The ACA increased federal oversight of private health insurance plans and included a number of provisions designed to reduce Medicare expenditures and the cost of health care generally, to reduce fraud and abuse, and to provide access to increased health coverage. The ACA also materially expanded the number of individuals in the United States with health insurance.

The ACA has faced frequent legal challenges, including litigation seeking to invalidate some or all of the law or the manner in which it has been implemented. Seeking to repeal some of the law, in 2012, the United States Supreme Court, in upholding the constitutionality of the ACA and its individual mandate provision requiring health insurance or else face a penalty, simultaneously limited ACA provisions requiring Medicaid expansion, making such expansion a state-by-state decision. In addition, one of the major political parties in the United States remains committed to seeking the ACA’s legislative repeal, but legislation to do so has previously failed to pass both chambers of Congress. Under President Trump’s administration, numerous administrative actions were taken to materially weaken the ACA, including, without limitation, permitting the sale of less robust plans with lower coverage and eliminating “premium support” for individuals provided by the ACA. The Tax Cuts and Jobs Act enacted in 2017, which contains a broad range of tax reforms that impact the individual and corporate tax rates, international tax provisions, income and payroll tax deductions, also effectively repealed the ACA’s individual mandate by zeroing out the tax penalty. An ACA lawsuit decided by the federal Fifth Circuit Court of Appeals found the individual

unconstitutional, and returned the case to the District Court for the Northern District
consideration of whether the remainder of the ACA could survive the excision of the individual manda
decision's was appealed to the United States Supreme Court. The Supreme Court issu
On June 17, 2021, the merits of the case, the Supreme Court held that the plaintiffs in
without reaching to have standing to challenge the ACA. Any outcomes of future cases that change the ACA, in addition
legislation, guidance and/or Executive Orders that do the same, could have a significa
health care industry. For instance, the American Rescue Plan Act of 2021 enhanced p
credits, which expansion of the number of people covered under the ACA. These cha
results in an increased some limited, with changes in place for 2021 only and others available through the end of 20

An ACA provision, generally referred to as the Physician Payments Sunshine Act or O
Physician Sunshine Act"), imposes annual reporting and disclosure requirements for drug and
manufacturers with regard to payments or other transfers of value made to certain cove
(including physicians, dentists, teaching hospitals, physician assistants, nurse practitioners, clin
specialists, certified anesthetists, and certified nurse midwives), and for such manufactu
distributors and group purchasing organizations, with regard to certain ownership interests held by c
reports entity. CMS publishes information from these reports on a publicly availab
including amounts transferred and to physician, dentist, teaching hospital, and non-physician practitioner i
Sunshine Act. Similar state reporting laws, although we or our subsidiaries may be requir
transparency laws that address circumstances not covered by the Sunshine Act, and s
well as the federal law, can be unclear. We are also subject to foreign regulations requiring tr
interactions between suppliers and certain customers.

In the United States, government actions to seek to increase health-related price tran
also affect our For example, hospitals are currently required to publish online a list of thei
charges for items and services, including discounted cash prices and payer-specific and de-identified ne
accessible in a machine-readable format. Hospitals are also required to publish a consumer-friendly list o
"shoppable" services (i.e., services that can be scheduled by a patient in advance) and
ancillary services, maintain an online price estimator tool. CMS may impose civil mone
for compliance with these price transparency requirements. Additionally, the No Sur
("NSA"), effective January 1, 2022, imposes additional price transparency requirements. The N
intended to "out-of-network" patients. This will result in fewer out-of-network paymen
providers and other physicians, which may cause financial stress to those providers who are dependent on
network fees.
Another notable Medicare health care reform initiative, the Medicare Access and CH
2015 ("MACRA"), enacted on April 16, 2015, established a new payment framework,
Medicare payments to "eligible clinicians," including physicians, dentists and other p
Under MACRA, clinicians are required to participate in Medicare through the Merit-B
System ("MIPS") or Advanced Alternative Payment Models, through which Medicare
clinicians includes eligible positive and negative payment adjustments that take into acc
promoting interoperability, cost and improvement activities. Data collected in the first MIPS per
(2017), determined payment adjustments that began January 1, 2019. MACRA standards and
levels, and reflect a fundamental change in physician reimbursement that is expecte
substantial incentives for physicians to participate in risk contracts, and to increase phy
and reporting obligations. The implications of the implementation of MACRA are unc
future regulatory activity and physician activity in the marketplace. New state-level p
delivery systems, including those modeled after such federal programs, are also incr
rolled out through Medicaid administrators, as well as through the private sector, which may fu
marketplace business.

Recently, in addition to other government efforts to control health care costs, there h
increasing scrutiny on current efforts to control or reduce drug costs by Congress, the
executive branch and various states. At the state level, several states have adopted laws that
(including relabelers and repackagers) to provide advance notice of certain price incr
relating to those price increases, while others have taken legislative or administrativ
prescription drug affordability boards or multi-payer purchasing pools to reduce the

the federal level, section 1927 of the Social Security Act sets forth Average Sales Pric reporting requirements for manufacturers (including repackagers and relabelers) and requires manufacturers to provide CMS with pricing information for their Part B-covered drugs no later than 30 days aft the quarter. Also at the federal level, several related bills have been introduced and regu proposed or finalized, which, if enacted or finalized, respectively, would impact drug pricing and related costs.

As a result of political, economic and regulatory influences, the health care distributi the United States is under intense scrutiny and subject to fundamental changes. We cannot predict what further proposals, if any, will be adopted, when they may be adopted, or what impact they ma

EU Directive on the pricing and reimbursement of medicinal products

EU law provides for the regulation of the pricing of medicinal products which are imp EU member states (Directive No. 89/105/EC of 21 December 1988 relating to the transparency of measures r pricing of medicinal products for human use and their inclusion in the scope of nation insurance systems). Member states may, subject notably to transparency conditions and to the statement based upon objective and verifiable criteria, regulate the price charged (or its increases) for auth of reimbursement of medicines and their level, or they may freeze prices, place controls on the profitability of per responsible for placing medicinal products on the market, and include or exclude the medicine on the list of p covered by national health insurance systems.

EU law does not expressly include provisions like those of the Sunshine Act in the Un but a growing number of EU member states (such as France in 2011 and Italy in 2022) have enacte transparency of relationships in the healthcare sector. The scope of these laws varies member state to another and may, for example, include the relations between healthcare industry play physicians or their associations, students preparing for medical professions or their associations, teache publishers of prescription and dispensing assistance software.

Regulated Software; Electronic Health Records

The FDA has become increasingly active in addressing the regulation of computer sof digital health products intended for use in health care settings. The 21st Century Cures Act (the "C signed into law on December 13, 2016, among other things, amended the medical device definition to ex software from FDA regulation, including clinical decision support software that meets certain criter the FDA issued a guidance document describing the impact the Cures Act on existing September 27, 2019, policies. Concurrently, FDA issued a draft guidance describing FDA's approach to clinical deci Software. On September 28, 2022, FDA issued final guidance that made several changes to the dra and that provide a more restricted interpretation of exempt clinical decision support software. Certain businesses involve the development and sale of software and related products to support physician and dent management, and it is possible that the FDA or foreign government authorities could determine that one o products is a medical device, which could subject us or one or more of our businesses to substantia requirements with respect to those products.

In addition, our businesses that involve physician and dental practice management pr our specialty home medical supply business, include electronic information technology systems that store personal, financial, clinical and other sensitive information of individuals. These information te vulnerable to systems breakdown, wrongful intrusions, data breaches and malicious attack, w require us to expend significant resources to eliminate these problems and address related securit claims against us by private parties and/or governmental agencies. For example, we subject to numerous and evolving federal, state, local and foreign laws and regulation the privacy and security of personal information, such as the federal Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations ("HIPAA"), the Controlling the Assault of Pornography and Marketing Act ("CAN-SPAM"), the Telephone Consumer Protection Act of 1991 (Federal Trade Commission Act ("FTC Act"), the California Privacy Act ("CCPA"), and Rights Act ("CPRA") that became effective on January 1, 2023. Several other states h comprehensive privacy legislation, and several privacy bills have been proposed both

that may result in additional legal requirements that impact our business. Laws and regulations relating to privacy and data protection are continually evolving and subject to potentially differing interpretations. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Our businesses' failure to comply with these laws could expose us to breach of contract claims, substantial fines, penalties and liabilities, and costs for remediation and harm to our reputation. Also, evolving laws and regulations may restrict the ability of our customers to obtain, use or disseminate patient information, require us to incur additional costs to re-design our products to reflect these legal requirements, or could have an adverse effect on our operations.

Also, the European Parliament and the Council of the EU adopted the pan-European General Data Protection Regulation ("GDPR"), effective from May 25, 2018, which increased privacy rights for individuals ("Data Subjects"), including individuals who are our customers, suppliers and employees. The GDPR extended the scope of the EU data protection law to all companies processing personal data of Data Subjects residing in the EU, including companies not established in the EU, but which offer goods or services to Data Subjects in the EU or monitor their behavior in the EU. Noncompliance can result in penalties of up to the greater of EUR 20 million, or 4% of global company revenues (sanction that may be pursued by Data Subjects or their representatives as compensation for damages. Member states may individually impose additional requirements regarding certain limited matters (for which the GDPR let some room of flexibility), such as employee data. With respect to the personal data it protects, the GDPR requires, among other things, consent from Data Subjects or another acceptable legal basis to process the personal data, notification of data breach where required, data integrity and security, and fairness and transparency in relation to storage, use or other processing of the personal data. The GDPR also provides rights to Data Subjects relating to information, access, rectification, erasure of the personal data and the right to object to the processing.

On August 20, 2021, China promulgated the PRC Personal Information Protection Law, which took effect on November 1, 2021. The PIPL imposes specific rules for processing personal information and the law shall also apply to personal information activities carried out outside China, including the provision of products or services to PRC citizens. Any non-compliance with these laws and regulations may subject us to regulatory actions, orders to rectify or terminate any actions that are deemed illegal by regulatory authorities, as well as reputational damage or legal proceedings against us, which may have a material adverse effect on our business, financial condition, or results of operations. The PIPL carries maximum penalties of CNY50 million or 5% of annual revenue of entities that process personal data. In the United States, the CCPA, which provides new privacy protections afforded California residents, became effective January 1, 2020. The CCPA requires companies, such as us, to institute additional protections regarding the collection, use, and disclosure of certain personal information of California residents. Compliance with the obligations imposed by the CCPA depends on how particular regulators interpret and apply them. Regulations were released in August 2020, but there remains uncertainty about how the CCPA will be interpreted by the courts and the regulators. If we fail to comply with the CCPA or if regulators assert that we have failed to comply with the CCPA, we may be subject to certain fines or other penalties and litigation, any of which may negatively impact our reputation, require significant resources, and harm our business. Furthermore, California voters approved the CPRA on November 3, 2020, which amends and expands the CCPA, including by providing consumers with new rights with respect to their personal information, and creating a new state agency, the California Privacy Protection Agency, to enforce the CCPA and the CPRA. The CPRA came into effect on January 1, 2023, applying to information collected by businesses on or after January 1, 2022.

As noted above, other states, as well as the federal government, have increasingly considered or adopted expansive personal privacy laws, backed by significant civil penalties for non-compliance. While we believe we have substantially compliant programs and controls in place to comply with the GDPR, CPRA, PIPL, other state law requirements, our compliance with data privacy and cybersecurity laws is likely to require additional costs on us, and we cannot predict whether the interpretations of these laws, or changes in requirements or responses to new requirements or interpretations of the requirements, will have an adverse effect on our business.

material adverse

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We also sell products and services that health care providers, such as physicians and
manage patient medical or dental records. These customers, and we, are subject to l
regulations, such as HIPAA and the Payment Card Industry Data Security Standards, w
the privacy and security of those records, and our products may also be used as part
customers' comprehensive data security programs, including in connection with their efforts to c
applicable privacy Perceived or actual security vulnerabilities in our products or serv
failure by us or our perceived or actual customers who use our products or services to comply with applic
privacy and data security requirements, may not only cause us significant reputational har
against us by our customers and/or governmental agencies and involve substantial fi
liabilities and expenses and costs for remediation.

Various federal initiatives involve the adoption and use by health care providers of ce
systems. The initiatives include, among others, programs that incentivize physician
through EHR technology in accordance with certain evolving requirements, including r
interoperability, cost and improvement activities. Qualification for the MIPS incentive
of EHRs that are certified as having certain capabilities designated in evolving standa
by CMS and the National Coordinator for Health Information Technology of HHS ("ONC"
our businesses involve the manufacture and sale of such certified EHR systems and other products li
incentive programs. In order to maintain certification of our EHR products, we must
changing governmental standards. If any of our EHR systems do not meet these standards, yet
health care providers to receive federal incentive payments, we may be exposed to ris
under federal health care fraud and abuse laws, including the False Claims Act. Additionally, effective Sep
2023, the Office of Inspector General ("OIG") for HHS issued a final rule implementing civil money p
information blocking established by the Cures Act. OIG incorporated regulations published by
basis for enforcing information blocking penalties. Each information blocking violation carries
million penalty.
Moreover, in order to satisfy our customers, and comply with evolving legal requirem
products may need increasingly complex functionality, such as with respect to reporting a
Although we believe we are positioned to accomplish this, the effort may involve incre
implementation or product modifications, or otherwise satisfy applicable standards, could ha
adverse effect on

Other health information standards, such as regulations under HIPAA, establish stan
health data transmissions and transaction code set rules for specific electronic transa
involving claims submissions to third party payers. Failure to abide by these and othe
health data standards could expose us to breach of contract claims, substantial fines
and other liabilities and expenses, costs for remediation and harm to our reputation.

Additionally, as electronic medical devices are increasingly connected to each other a
ability of these connected systems to safely and effectively exchange and use exchan
increasingly important. As a medical device manufacturer, we must manage risks inc
associated with interface that is incorporated into a medical device.

There may be additional legislative or regulatory initiatives in the future impacting h

E-Commerce

Electronic commerce solutions have become an integral part of traditional health car
distribution. Our distribution business is characterized by rapid technological devel
competition. The continuing advancement of online commerce requires us to cost-effe
technologies, to enhance existing services and to develop and introduce a variety of n
address the demands of consumers and our customers on a timely basis, particularly in
offering
Through our proprietary, technologically-based suite of products, we offer customers
alternatives. We believe that our tradition of reliable service, our name recognition and
on solid customer relationships, position us well to participate in this significant aspe

We continue to explore ways and means to improve and expand our online presence a
online commerce offerings and our use of various social media outlets.

International Transactions

United States and foreign import and export laws and regulations require us to abide
the importation and exportation of products. We also are subject to certain laws and regulation
conduct of our foreign operations, including the U.S. Foreign Corrupt Practices Act, t
Bribery Act, German and other anti-bribery laws and laws pertaining to the accuracy
books and as well as other types of foreign requirements similar to those imposed in th
States.
While we believe that we are substantially compliant with the foregoing laws and reg
promulgated and possess all material permits and licenses required for the conduct of
there can be no laws and regulations that impact our business or laws and regulations
practices will not have a material adverse effect on our business.

See "Item 1A. Risk Factors" for a discussion of additional burdens, risks and regulatory de
affect our results of operations that may and financial condition.

Proprietary Rights

We hold trademarks relating to the "Henry Schein®" name and logo, as well as certain other tra
to protect our trademarks to the fullest extent practicable.

Employees and Human Capital

Henry Schein has a long, rich history of a purpose-driven model that engages our five
stakeholder partners, customers, our employees, who are referred to as Team Schein Me
("TSMs"), stakeholders of our Mosaic of Success to drive sustained, long-term economi
while also creating value for society. Through our strong values-based culture, our sustainability
social, and governance ("ESG") efforts integrates our sense of purpose into the way w
business "do well by doing good" for a healthier planet and healthier people. Overseen
Nominating and Governance Committee of our Board of Directors ("Board") with the Compensation C
playing a role in ESG matters related to human capital engagement and executive compensation, so
highlights capital matters include:

- continuing to evaluate our pay equity analysis for the majority of the U.S. w
which reviews compensation across gender and ethnic groups for equity and fairness;
- expanding our Diversity and Inclusion ("D&I") learning journey by educatin
D&I topics; and
- continuing to drive a culture of wellness and engagement for our TSMs by f
where they can feel engaged, included and psychologically safe.

At Henry Schein, our employees are our greatest asset. We employ more than 25,000
approximately 55% is based in the United States and approximately 45% is based outsid
United States. Approximately 14% of our employees are subject to collective bargaining agreements
relations with our employees are excellent.

Our TSMs are the cornerstone of the Company. We provide a connected and caring c
invest in the safety of our TSMs and encourages their contribution to our mission of maki
Team experience. Our TSM experience strategy is centered around our Team Schein Values, or the guiding
responsibilities of Henry Schein and its TSMs. We know our business success is built
commitment of our team, which is dedicated to meeting the needs of their fellow TSM
partners, stockholders and society.

We recognize the changes in how and where we work, and the expectations of our te
to stay connected to our values-based culture. Throughout 2023, we rolled out a continuous
programs that used various methods, including The Pulse Global Culture Survey and TSM roundtables, to
feedback from our TSMs on the employee experience. The Pulse Global Culture Survey was redesigne
aligned to our Team Schein Values - and we received good or excellent scores in all v
feedback. TSMs overall enjoy working for the Company and intend to stay, mainly driven
values-based culture with a sense of purpose, a meaningful experience and an overall
However, there are also areas of opportunity, which include a focus on reducing burn
and providing opportunities for career mobility. This feedback is shared with our Executive M
Board, both of whom are committed to addressing the identified opportunities. As pa
highlights in 2023 included:

- **Community**: Provide opportunities for TSMs to have fun while contributing to an in
and support that respects the unique contributions of each other.
  - Continued focus on creating a diverse and inclusive environment where TS
belonging. In 2023, Diversity and Inclusion, for the second time, was our to
identified in The Pulse Global Culture Survey. To guide our efforts and education related to
Diversity and Inclusion Council, with engagement from our Board and Executive Manager
Company's overall D&I strategy. To deepen our commitment to D&I across
Global Directors and Vice Presidents each have a goal tied to their compensation t
D&I education and training, and in 2023 we cascaded this goal down to our U.S. M
continue to expand our D&I learning journey, educating TSMs on key D&I topics. We u
importance of ensuring our internal team reflects the diversity of our customers and so
contributed to focus our talent planning, compensation and recruitment process
alignment with our corporate strategic planning objectives to achieve concrete results. We con
publishes Equal Employment Opportunity Commission ("EEOC") EEO-1 data fo
  - Launched Henry Schein Games, a virtual platform with a field-day type eve
bring TSMs together through friendly competition by earning points for t
engaging in related activities and posting photos.
  - Launched Community Circles, which brought TSMs across the Company tog
connect over hobbies and activities that they are passionate about.
  - Hosted Connection Days throughout the globe at Henry Schein facilities, w
designed to bring TSMs together to participate in fun non-work-rela
peers and leadership.
  - Continued to expand our Employee Resource Groups ("ERGs"), an inclusive
TSMs to share, connect, learn and develop both personally and professiona
sponsorship has our Executive Management Committee and our Board. Our C
diversity in our ERG programs.
  - Launched an enhanced Onboarding Program that provides TSMs with strate
program since its start to their careers at Henry Schein. To help ensure T
joining the company in a remote or hybrid working environment feel connected to our
launched a Culture Ambassador Program, which provides new hires with a
through how we live our values and how they can engage.

- **Caring**: Build a world we want to live in by supporting each other and the communi
work. we live and
  - Continued to offer a variety of opportunities to volunteer for team-buildi
engaging in local which TSMs live and work, such as through Carry the Lo
and Global Back to School and Holiday Cheer.
  - Launched a new quarterly campaign to provide opportunities for TSMs t
ways that connect back to their own personal purpose, such as helping t
through corporate social responsibility activities virtually or in-person.
  - Enhanced our strategic partnerships with industry associations, custome
support access to quality health care through various key programs and
A Smile, Alpha Omega-Henry Schein Cares Holocaust Survivors Oral He

the Pressure).
- Expanded our Steps for Suicide Prevention campaign, which brings TSM
walk and provide education.
- We also understand the importance of driving a culture of wellness for o
through our Mental Wellness Committee, which is supported by our CEO
Management and Board. In 2023, we rolled out a 'Year of Wellness' campa
monthly tips, videos and educational programming to TSMs that focused
feeling that month. We also launched an education program for manage
tactical examples of how to help reduce burnout amongst teams and sup
way of working.

- **Career.** Provide opportunities for TSMs to develop personally and professionally
embodying our values to achieve our collective goals with excellence and integ

  - Continued investment in our employees by providing both formal and
learning opportunities focused on growing and enhancing knowledge, skills a
throughout a suite of professional development training programs for curren
roles. In 2023, we saw an increase in participation in our workshops, with TSI
utilization of skills learned.
  - Continued expansion of our formal mentorship and coaching program
  - Continued roll-out of talent planning efforts designed to ensure a stro
pipeline of leadership across the organization by strategically identifying and deve
talent through development opportunities and intentional succession plans
Our talent planning efforts informs curriculum design and content to help
right capabilities and help ensure alignment of career development efforts
future needs of the organization. Our Board is provided with periodic updates regard
and succession planning efforts and participates in professional developm
with our TSMs.
  - Enhanced company-wide recognitions, including our Teddy Philson T
Award, was redesigned in 2023 to provide more visibility and meaning
to TSMs who exemplify our Team Schein Values, as well as other programs in
which highlight TSMs who exemplify our Team Schein Values.

Available Information

We make available free of charge through our Internet website, www.henryschein.co
reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, statements of ben
ownership of securities on Forms 3, 4 and 5 and amendments to these reports and statements filed
pursuant to Section 13(a) and Section 16 of the Securities Exchange Act of 1934 as soon as reaso
practicable after such materials are electronically filed with, or furnished to, the United States Securities an
Commission, or SEC. Our principal executive offices are located at 135 Duryea Road, Melville, New Y
and our telephone number is (631) 843-5500. Unless the context specifically requires otherw
the "Company," "Henry Schein," "we," "us" and "our" mean Henry Schein, Inc., a Delaware corporati
subsidiaries.

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Information about our Executive Officers

The following table sets forth certain information regarding our executive officers:

Name	Age	Position
Stanley M. Bergman	74	Chairman, Chief Executive Officer, Director
James P. Breslawski	70	Vice Chairman, President, Director
Brad Connett	65	Chief Executive Officer, North America Distribution Group
Michael S. Ettinger	62	Executive Vice President and Chief Operating Officer
Lorelei McGlynn	60	Senior Vice President, Chief Human Resources Officer
Mark E. Mlotek	68	Executive Vice President, Chief Strategic Officer, Director
Walter Siegel	64	Senior Vice President and Chief Legal Officer
Ronald N. South	62	Senior Vice President, Chief Financial Officer

Stanley M. Bergman has been our Chairman and Chief Executive Officer since 1989 and Mr. Bergman held the position of President from 1989 to 2005. Mr. Bergman held the Executive Vice President from 1985 to 1989 and Vice President of Finance and Administration from

James P. Breslawski has been our Vice Chairman since 2018, President since 2005 and a Breslawski was the Chief Executive Officer of our Henry Schein Global Dental Group since 1992. Mr. Breslawski held the position of Executive Vice President and President of U.S. Dental Group from 2005 with responsibility for the North American Dental Group. Between 1980 and 1990, Mr. Breslawski held various positions with us, including Chief Financial Officer, Vice President of Finance and Corporate Controller.

Brad Connett has been our Chief Executive Officer, North American Distribution Group since 2021. Mr. Connett was previously President of our U.S. Medical Group from 2018 to 2021. Mr. Connett has held a number of roles of increasing responsibility at the Company. Throughout his career, he has received industry honors, including the John F. Sasen Leadership Award from the Healthcare Distribution Association (HIDA), in recognition of his service to the industry, and induction into the Hall of Fame by Repertoire Magazine.

Michael S. Ettinger has been our Executive Vice President and Chief Operating Officer since 2018. Prior to his current position, Mr. Ettinger served as Senior Vice President, Corporate & Legal Affairs and Secretary from 2015 to 2022, Senior Vice President, General Counsel & Secretary from 2006 to 2013, Vice President, General Counsel and Secretary from 2000 to 2006, Vice President and Associate General Counsel from 1998 to 2000 and Associate General Counsel from 1994 to 1998. Before joining us, Mr. Ettinger served as an associate with Weiner & Gardner and as a member of the Tax Department at Arthur Andersen.

Lorelei McGlynn has been our Senior Vice President, Chief Human Resources Officer since us in 1999, Ms. McGlynn has served as Vice President, Global Human Resources and Operations from 2008 to 2013, Chief Financial Officer, International Group and Vice President of Global Operations from 2002 to 2008 and Vice President, Finance, North America from 1999 to 2002. Prior to Ms. McGlynn served as Assistant Vice President of Finance at Adecco Corporation.

Mark E. Mlotek has been our Executive Vice President and Chief Strategic Officer since Senior Vice President from 1994 to 2018. Mr. Mlotek was subsequently Executive Vice President of the Corporate Business Development Group between 2000 and 2012. Prior to that, Mr. Mlotek was Vice President, General Counsel and Secretary from 1999 to 2000 and from 1994 to 1999 he was a director in 1995. Prior to joining us, Mr. Mlotek was a partner in the law firm of Robinson Brog Leinwand Greene Genovese & Gluck, counsel to us, specializing in mergers and acquisitions, corporate reorganizations and tax law from 1989 to 1994.

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Walter Siegel has been our Senior Vice President and Chief Legal Officer since 2021. Prior to joining our Senior Vice President and General Counsel from 2013 until 2021. Prior to joining Henry Schein, Mr. Siegel was employed with Standard Microsystems Corporation, a publicly traded global semiconductor company, from 2005 to 2012, holding positions of increasing responsibility, most recently as Senior Vice President, General Counsel and Secretary.

Ronald N. South has been our Senior Vice President and Chief Financial Officer (and principal financial officer and principal accounting officer) since 2022. Prior to holding his current position, Mr. South served as our Vice President Corporate Finance, and Chief Accounting Officer from 2013 until 2022. Prior to joining us in 2008 as Vice President, Corporate Finance, Mr. South held leadership roles at Bristol-Myers Squibb, where he served as Vice President, Finance, for the Cardiovascular and Metabolic business lines, as well as Vice President, Controller, International Pharmaceutical Division, and Vice President, Corporate General Auditor. Prior to Bristol-Myers Squibb, Mr. South served as North American Director of Corporate Audit at PepsiCo, and held various positions of increasing responsibility with PricewaterhouseCoopers LLP, where he advised clients located in the United States, Europe, and Latin America. Mr. South is a certified public accountant.

Other Executive Management

The following table sets forth certain information regarding other Executive Management:

Name	Age	Position
Andrea Albertini	53	Chief Executive Officer, International Distribution Group
Leigh Benowitz	56	Senior Vice President and Chief Global Digital Transformat
Trinh Clark	50	Senior Vice President and Chief Global Customer Experien
James Mullins	59	Senior Vice President, Global Supply Chain
Kelly Murphy	43	Senior Vice President and General Counsel
Christopher Pendergast	61	Senior Vice President and Chief Technology Officer
René Willi, Ph.D.	56	Chief Executive Officer, Global Oral Reconstruction Group

Andrea Albertini has been Chief Executive Officer, International Distribution Group since 2018. Mr. Albertini joined us in 2013 and has held several positions within the organization including President, International Distribution Group, President of our EMEA Dental Distribution Group, and Vice-President, International Dental Equipment. Prior to joining Henry Schein, Mr. Albertini held leadership positions at Castellini and Gaetani.

Leigh Benowitz has been our Senior Vice President and Chief Global Digital Transformation Officer since 2022. Ms. Benowitz joined us in 2017 and has held several key positions including Vice President, Digital & Customer Experience and Global eCommerce Platform Digital Transformation Officer. Prior to joining Henry Schein, Ms. Benowitz held various positions of increasing responsibility at Citi.

Trinh Clark has been our Senior Vice President and Chief Global Customer Experience Officer since 2022. Ms. Clark joined us in 2007 and has served as Vice President, Technology Enablement, North American Distribution Group. Prior to joining Henry Schein, Ms. Clark held various positions of increasing responsibility at

James Mullins has been our Senior Vice President of Global Supply Chain since 2018. Mr. Mullins joined us in 1988 and has held a number of key positions with increasing responsibility, including Senior Vice President, Customer

Kelly Murphy has been our Senior Vice President and General Counsel since 2021. Since joining us in 2011, Ms. Murphy has held several key positions of increasing responsibility within the legal function, including as Deputy General Counsel.

Christopher Pendergast has been our Senior Vice President and Chief Technology Officer joining us, Mr. Pendergast was employed by VSP Global from 2008 to 2018, most rec Prior to Chief Technology Officer and Chief Information Officer. Prior to VSP Global, Mr. Pendergas increasing responsibility at Natural Organics, Inc., from 2006 to 2008, IdeaSphere In 2000 to 2006, IBM Corporation from 1987 to 1994 and 1998 to 2000 and Rohm and H Corporation from 1994 to 1998.

René Willi, Ph.D. has been our Chief Executive Officer, Global Oral Reconstruction Grou Previously, Dr. Willi was the President of our Global Dental Surgical Group. Prior to j Willi, Dr. Willi held senior level roles with Institut Straumann AG as Executive Vice President, 2005 to 2013. Prior to Straumann, he held roles of increasing responsibility in Medtr Business Unit from cardiovascular division from 2003 to 2005 and with McKinsey & Company as a management consulta to 2003.

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ITEM 1A. Risk Factors

Our business operations could be affected by factors that are not presently known to
considered not to be material to our operations, so you should not consider the risks dis
necessarily represent a complete statement of all risks and uncertainties. The Compa
that could have a material adverse impact on our business, reputation, financial resu
the trading price of our common stock. The order in which these factors appear does
necessarily reflect their priority.

COMPANY RISKS

**We are dependent upon third parties for the manufacture and supply of a sig
volume of our products.**

We obtain a significant volume of the products we distribute from third parties, with
generally do not contracts. While there is typically more than one source of supply, so
suppliers, in the supply a significant portion of the products we sell. In 2023, our top 10 h
aggregate purchases and our largest supplier accounted for approximately 25% and 4%, respectivel
Because of our dependence upon such suppliers, our operations are subject to the su
and supply products in the quantities that we require, and the risks include delays caus
production based on conditions outside of our control, including a supplier's failure to
applicable product requirements (which may result in product recalls and/or cessation of sa
suppliers' manufacturing capabilities. In the event of any such interruption in supply
and obtain acceptable replacement sources on a timely basis. There is no guarantee
be able to obtain sources of supply on a timely basis, if at all, and an extended interru
a high-sales volume product, could result in a significant disruption in our sales and o
our relationships with customers and our reputation. In addition, certain of our su
and the ability markets restricted or negatively impacted because of allegations of fo
their supply chains. Forced labor legislation affecting the supply chain has increased around the w
recently passed the Uyghur Forced Labor Prevention Act. Our supply chain could be
suppliers fail to comply with, or are unable to satisfy our demand for products, as a re
applicable forced labor regulations.

**Our future growth (especially for our technology and value-added services s
ability to develop or acquire and maintain and protect new products and te
that achieve market acceptance and profitable margins.**

Our future success depends on our ability to timely develop (or obtain the right to sel
(particularly for our technology and value-added services segment) products and serv
quickly and cost-effectively. Our ability to anticipate customer needs and emerging t
develop or acquire services and technologies at competitive prices requires significant res
with the requisite skills, experience and expertise, particularly in our technology segm
including employees
management, patent engagement and demand creation software solutions. The failu
challenges successfully address these disrupt our sales and operations. Additionally, our softwa
services or products, like software products generally, may contain undetected errors or bugs when introd
new versions. Any such defective software may result in increased expenses related to the
affect our relationships with customers as well as our reputation. With respect to cer
that we develop, we rely primarily upon copyright, trademark and trade secret laws,
contractual and protections and confidentiality obligations. We cannot provide assuranc
will be available, adequate or enforceable in a timely manner to protect our software
products.

**Risks inherent in acquisitions, dispositions and joint ventures could offset th
benefits.**

One of our business strategies has been to expand our domestic and international ma
acquisitions and joint ventures and we expect to continue to make acquisitions and en
future. Such transactions require significant management attention, may place signif
operations, information systems, legal, regulatory, compliance, financial, and human

is risk that one or more may not succeed. We cannot be sure, for example, that we w
benefits of revenue growth that we expect from these acquisitions or joint ventures or that we w
costs, taxes, additional costs or expenses. Our ability to successfully implement our acquisition and jo
strategy depends on other things, the following:

- the availability of suitable acquisition or joint venture candidates at accepta
- our ability to consummate such transactions, which could potentially be pro
  U.S. or foreign antitrust regulations;
- the liquidity of our investments and the availability of financing on acceptab
- our ability to retain customers or product lines of the acquired businesses c
- our ability to retain, recruit and incentivize the management of the compani
- our ability to successfully integrate these companies' operations, services, p
  personnel with our culture, management policies, legal, regulatory, and compliance policie
  policies, internal procedures, working capital management, financial, and o
  cybersecurity systems and strategies; and

Furthermore, some of our acquisitions and future acquisitions may give rise to an obl
make contingent payments to satisfy certain repurchase obligations, which payments could have ma
financial results individually or in the aggregate.

Additionally, when we decide to sell assets or a business, we may encounter difficulty
executing alternative exit strategies on acceptable terms in a timely manner, which c
accomplish our objectives. Alternatively, we may dispose of assets or a business at a
terms that are less than anticipated. Dispositions may also involve continued financial involveme
divested businesses, transition service agreements, indemnities or other current or contin
obligations. Failure to perform under these arrangements, performance by the acquired or divested business, or oth
outside, could affect our future financial results.

Certain provisions in our governing documents and other documents to which
party may discourage third parties from seeking to acquire us that might otherwise result in our st
receiving a premium over the market price of their shares.

The provisions of our certificate of incorporation and by-laws may make it more diffic
acquire us, may discourage acquisition bids and may impact the price that certain inv
be willing to pay in the future for shares of our common stock. These provisions, among other things r
affirmative vote of at least 60% of the shares of common stock entitled to vote to appro
a sale, lease, transfer or exchange of all or substantially all of our assets; and (ii) the
vote of at least 66 2/3% of our common stock entitled to vote to (a) remove a director; and
by-laws, with certain limited exceptions. In addition, certain of our employee incentiv
provide for accelerated vesting of stock options and other awards upon termination without caus
change in control, or grant the plan committee discretion to accelerate awards upon
control. Furthermore, agreements between us and our executive officers provide for increased seve
benefits if those executive officers are terminated without cause by us or if they term
reason, in each case within two years following a change in control or within ninety days prior to the
of the change in the first public announcement of the pendency of the change in contr

Adverse changes in supplier rebates or other purchasing incentives could neg
our business.

The terms on which we purchase or sell products from many suppliers may entitle u
rebate or other incentive based on the attainment of certain growth goals. Suppliers may
eliminate rebates under their programs, or increase the growth goals or other cond
rebates or incentives to levels that we cannot achieve. Increased competition eithe
must meet to earn
branded products could result in us failing to earn rebates or incentives that are co
growth goals. Additionally, factors outside of our control, such as customer preferen
or supply issues, can have a material impact on our ability to achieve the growth goa

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which may reduce the amount of rebates or incentives we receive. The occurrence o events could have an adverse impact on our business, financial condition or operating results.

Sales of corporate brand products entail additional risks, including the risk t our relationships with suppliers. sales could adversely affect

We offer certain corporate brand products that are available exclusively from us. The products subject us to risks generally encountered by entities that source, market and sell corpora products, including, but not limited to, potential product liability risks, mandatory or voluntary product recall supply chain and distribution chain disruptions, and potential intellectual property infringement risks to adequately address some or all of these risks could have an adverse effect on our business, finan results. In addition, an increase in the sales of our corporate brand products may n products offered by our suppliers which, consequently, could adversely impact certain supplier relationships. Our ability to locate qualified, economically stable suppliers who satisfy our requirem products in a sufficient, timely and effective manner, is critical to ensuring, among other things customer confidence. In addition, we are exposed to the risk that our competitors or our l their own private label, generic, or low-cost products that compete with our product products could capture significant market share or decrease market prices overall, price points. Such sales and margins. Any failure to develop sourcing relationships with a broad and deep supplier base co adverse effect on our business, financial condition or operating results.

INDUSTRY RISKS

Security risks generally associated with our information systems and our tech products and services have in the recent past adversely affected our business and results of operations, a adversely affect our business and our results of operations if such products, s systems (or third-party systems we rely on) are interrupted, damaged by unforeseen events, are subj cyberattacks or fail for any extended period of time.

We rely on information systems ("IS") in our business to obtain, rapidly process, anal and store customer, product, supplier and employee data to, among other things:

- maintain and manage worldwide systems to facilitate the purchase and dist thousands of inventory items from numerous distribution centers;
- receive, process and ship orders on a timely basis;
- manage the accurate billing and collections for our customers;
- process payments to suppliers;
- provide products and services that maintain certain of our customers' elect or dental records (including protected health information of their patients); and
- maintain and manage global human resources, compensation and payroll sy

In addition to health information in our customers' electronic medical and dental reco our IS stores other sensitive personal and financial information, such as healthcare and other infor to our employees, as well as other sensitive information such as credit card information fron party business, that is confidential, and in many cases subject to privacy laws.

Our IS are vulnerable to, among other things, natural disasters, power losses, compu telecommunication failures, cybersecurity threats and other criminal activity. Information security risks l significantly in recent years in part because of an overall increase in cyber incidents, their increased sophistication and the involvement of organized crime, hackers, terrorists and foreign state agents. The hea industry in particular has been targeted by threat actors seeking to undermine companies' cybersecurity de measures.

We have processes in place intended to ensure that our security measures keep pace
We regularly review, monitor and implement multiple layers of security through techi
people. We utilize security technologies designed to protect and maintain the integri

defenses are monitored and routinely tested internally and by external parties. Despi
efforts, our facilities and systems and those of our third-party service providers have been, and may in the
vulnerable to security incidents, cybersecurity attacks and data breaches, acts of vanda
and other malicious code, misplaced or lost data, programming and/or human errors,
other acts
that could impact the security, reliability and availability of our systems. In addition, hardware, softwar
internally or developed from third parties may contain defects in design or manufactur
problems that could compromise information security. As a practical matter, so long as we c
business and our business partners do the same, there can be no guaranty that such
successfully stop
any particular cybersecurity incident given the constantly evolving nature of the
may result in
substantial costs as we update our cybersecurity defense systems and our general co
evolving challenges, and legislative or regulatory action related to cybersecurity may
or in the development
of new technology products and services.

A cyberattack that bypasses or compromises our IS cybersecurity / or general informa
controls (including third-party systems we rely on) causing an IS security breach may
to be disrupted, of our IS business systems (including third-party systems we rely on),
operations
(including, without limitation, receiving, verifying, and processing customer orders, c
payable, warehouse management and shipping, and systems tied to internal controls
result in the
loss or misuse of business, financial, and other protected information, a negative im
financial
performance, and to an adverse impact on our financial accounting and reporting con

A cyberattack that bypasses or compromises our IS cybersecurity / or general compu
parties with whom we engage may also lead to claims against us by affected parties a
and involve fines and penalties, as well as substantial defense and settlement expense
governmental agencies,
these incidents may, individually or collectively, have a material impact on our business. A successful cyberatta
may result in the
future disruption of our business operations, adversely impact our financial accounting an
operations, divert the attention of management, and adversely impact our results of o

In addition, we develop products and provide services to our customers that are tech
cyberattack that bypasses the IS supporting our products or services causing a secur
security vulnerabilities in our products or services could also cause significant loss of
reputational
harm, and actual or perceived vulnerabilities may lead to claims against us by our cus
governmental
agencies. In addition, certain of our practice management products and services purc
healthcare
providers, such as physicians and dentists, are used to store and manage patient med
customers' patient
records. These customers are subject to laws and regulations which require that they protect the pri
security of those
records, and our products may be used as part of these customers' comprehensive da
programs, including
in connection with their efforts to comply with applicable privacy and security laws.

In addition to immaterial and unrelated prior incidents at certain of our subsidiaries,
2023, Henry Schein
and Europe medical distribution businesses. Henry Schein One, our practice manager
revenue cycle
management and patient relationship management solutions business was not affecte
business lines were
mostly unaffected. Once we became aware of the issue, we took ste
contained
and remediated this incident. We restored affected systems and applications, our distribut
reactivated our
ecommerce platform. We also notified law enforcement and our empl
customers, suppliers
and investors, informing them of both the incident and management's efforts to mitig
operations
and data maintained on the Company's systems. Subsequently, on or abou
2023, we
determined that the threat actor obtained personal and sensitive information maintai
systems
and since that date we have notified affected parties and potenti
as appropriate. The scope of personal and sensitive data impacted is still under investig
November 22, 2023,
we incurred disruption to our ecommerce platform and related applicati
remediated. The October 2023 cybersecurity incident disrupted key business operati
financial results for the fourth quarter and full year 2023, diverted attention of manag
Company to incur significant remediation costs. We continue to review the effects of
Company's business as we do expect some short-term residual impact on our financia

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2024, two putative class actions were filed against us based on the incident and one o actions is still pending.

We are spending, and plan to expend in the future, additional resources to continue t problems caused by, or to address business interruptions, and data security breaches.

In addition, customers and suppliers may impose additional cybersecurity requiremen result of the incident we experienced in October 2023, and some customers and suppliers have ma requests to date. We cannot guarantee that we will be able to satisfy such additional requirements, and fai such requirements could result in a loss of revenue or diminished product availability that materially adversely affect our business. We also may be perceived as a more vulnerable target of the cyb a result of the October 2023 incident. If the Company is subject to more attacks in the future as a r recent incident, this could materially affect our business adversely.

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

The health care products distribution industry is highly competitive (includin from third-party online commerce sites) and consolidating, and we may not b compete successfully.

We compete with numerous companies, including several major manufacturers and d Some of our competitors have greater financial and other resources than we do, which could allow compete more successfully. Most of our products are available from several sources and our custom have relationships with several distributors. Competitors could obtain exclusive rights to market particu which we would then be unable to market. Manufacturers also could increase their efforts to sell dire users and thereby eliminate or reduce our role in distribution. Industry consolidation among health car distributors and manufacturers, price competition, product unavailability, whether due to our inability to access products or interruptions in manufacturing supply, or the emergence of new competitors, also Consolidation has also increased among manufacturers of health care products, whic material adverse effect on our margins and product availability. We could be subject to charge event we fail to satisfy minimum purchase commitments contained in some of our con financial losses in the Additionally, traditional health care supply and distribution relationships are being challenged by e commerce solutions. The continued advancement of online commerce by third parties will requi to effectively adopt changing technologies, to enhance existing services and to differentiate our busine with additional value-added services) to address changing demands of consumers and our customers basis. The emergence of such potential competition and our inability to anticipate and effectivel changes on a timely basis could have a material adverse effect on our business.

The health care industry is experiencing changes due to political, economic a regulatory influences that could materially adversely affect our business.

The health care industry is highly regulated and subject to changing political, econon regulatory influences. In recent years, the health care industry has undergone, and is in the process of unde significant changes driven by various efforts to reduce costs, including, among other factors: trends towa collective purchasing arrangements and consolidation among office-based health care practitio changes in reimbursements to customers, including increased attention to value-based payment as well as growing enforcement activities (and related monetary recoveries) by governmental o and the profitability of our customers may be materially adversely affected by laws an including reimbursement rates for pharmaceuticals, medical supplies and devices, and/or medi or services, or changes to the methodology by which reimbursement levels are determined. If we ar react effectively to these and other changes in the health care industry, our business could be materially affected. The ACA greatly expanded health insurance coverage in the United States and has been the ta litigation and Congressional reform efforts since its adoption. Any outcome of future court cases th ACA, in addition to future legislation, regulation, guidance and/or Executive Orders that do th have a significant impact on the U.S. healthcare industry and the ability or willingness of ind

engage with it.

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**Expansion of GPOs, DSOs or provider networks and the multi-tiered costing s
competitive disadvantage.**

The health care products industry is subject to a multi-tiered costing structure, whicl
and/or product. Under this structure, certain institutions can obtain more favorable p
health care products obtain. The multi-tiered costing structure continues to expand as
integrated health care and others with significant purchasing power, such as GPOs and DSOs
price levels. Additionally, the formation of provider networks, GPOs and DSOs may
purchasing decisions with whom we do not have a historical relationship and may thr
effectively compete could in turn negatively impact our financial results. In addition, su
organizations may relationships with manufacturers, thereby either eliminating or reduc
services by distributors. Although we are seeking to obtain similar terms from manu
prices demanded by GPO and DSO contracts or other contracts, and to develop relati
existing provider networks, GPOs and DSOs, we cannot guarantee that such terms
obtained or contracts

**Increases in shipping costs or service issues with our third-party shippers cou
business.**

Our ability to meet our customers' expedited delivery expectations is an integral com
business for which our customers rely. Shipping is a significant expense in the operat
business. We ship orders through third-party delivery services, and typically bear the c
any significant increase in shipping rates could have a material adverse effect on our
financial results. While we have recently experienced increases in the cost of shi
additional expenses to be material to our results. However, it is possible that such co
future. Similarly, strikes or other service interruptions by those shippers, including a
shipping ports, could cause our operating expenses to rise and materially adverse a
ability to deliver

MACRO-ECONOMIC AND POLITICAL RISKS

**Uncertain global and domestic macro-economic and political conditions coul
adverse effect on our results of operations and financial condition.**

Uncertain global and domestic macro-economic and political conditions that affect th
the level of the United States, Europe, Asia, and other parts of the world could materia
affect our results and financial condition. These uncertainties, include, among other thin

- election results;
- changes to laws and policies governing foreign trade, tariffs and sanctions,
  restrictions on imports and exports;
- supply chain disruptions;
- changes in laws and policies governing health care or data privacy;
- changes to the relationship between the United States and China;
- sovereign debt levels;
- the inability of political institutions to effectively resolve actual or perceived
  budgetary crises or issues;
- consumer confidence;
- unemployment levels (and a corresponding increase in the uninsured and u
- changes in population);
- changes in regulatory and tax regulations;
- interest rate fluctuations, and strengthening of the dollar, which have and w
  impact on operations;
- availability of capital;
- increases in fuel and energy costs;
- the effect of inflation on our ability to procure products and our ability to in
  pass through to our customers price increases we may receive;

over time and

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- changes in tax rates and the availability of certain tax deductions;
- increases in labor costs or health care costs;
- the threat or outbreak of war, terrorism or public unrest (including, without
the war in Ukraine, the Israel-Gaza war and other unrest and threats in the Middle Ea
possibility of a pandemic or global conflict); and
- changes in laws and policies governing manufacturing, development, and in
countries and territories where we do business.

Additionally, changes in government, government debt and/or budget crises may lead
spending in certain countries, which could reduce overall health care spending, and/o
taxes, which could depress spending overall. Recessionary or inflationary conditions
levels of consumer and commercial spending may also cause customers to reduce, modify, dela
plans to purchase products and may cause suppliers to reduce their output or change their terms of
experienced inflationary pressures, including higher freight costs and interest expense. Although
increases in our costs, the depth and breadth of our product portfolio often allows us to
solutions or brand alternatives to our more price-sensitive customers who a
absorb price increases, thus positioning us to protect our gross profit. The strengthening of the do
has impacted and costs, but neither inflation nor exchange rates have materially impa
results of operations. We generally sell products to customers with payment terms. If c
operating and financial performance deteriorate, or if they are unable to make schedu
they may not be able to, or may delay, payment to us. Likewise, for similar reasons su
report credit or payment terms.

REGULATORY AND LITIGATION RISKS

**Failure to comply with existing and future regulatory requirements could mat
adversely affect our business.**

We strive to be compliant with the applicable laws, regulations and guidance describ
respects, and believe we have effective compliance programs and other controls in pl
substantial. However, compliance is not guaranteed either now or in the future as ce
regulations may be subject to varying and evolving interpretations that could affect our
comply, as well as additions and enforcement approaches, including in light of political
When we discover compliance we seek to remedy them and bring the affected area bac
with respect. Changes in applicable laws, regulations and guidance described below may re
update our business, services, marketing practices, and compliance programs and controls
and could result in additional costs on us, pose new or previously immaterial risks to us, or may oth
adverse effect on our business. There can be no assurance that current and future go
adversely affect our business, and we cannot predict new regulatory priorities, the fo
regulatory actions, and their impact on the health care industry and on our business a
operations.

Global efforts toward healthcare cost containment continue to exert pressure on prod
the United States, in addition to other government efforts to control health care costs, there has
increased scrutiny and efforts to control or reduce drug costs by Congress, the Presi
branch agencies and various states. We and our subsidiaries may be required to report drug pricing d
federal laws. At the state level, several states have adopted laws, that may apply to so
operations, that manufacturers, including re-packagers or re-labelers, to provide advanc
increases and to report information relating to those price increases, while others ha
legislative or administrative action to establish prescription drug affordability boards or multi-paye
the cost of prescription drugs. At the federal level, several related bills have been int
proposed which, if enacted or finalized, respectively, would impact drug pricing and r

Under the Sunshine Act, we are required to collect and report detailed information re
relationships we have with covered recipients, including physicians, dentists, teachin
non-physician practitioners. We and our subsidiaries may be required to report infor

transparency laws that address circumstances not covered by the Sunshine Act, and s
state laws, as well as the federal law, can be unclear. We are also subject to foreign regulations req
transparency of certain interactions between suppliers and their customers. While we believe we have substa
and plan to bring all compliance satisfying the above laws and requirements, such compliance im
additional requirements are sometimes unclear. In the United States, government actio
related to healthcare transparency may also affect our business.

Our business is subject to additional requirements under various local, state, federal
regulations laws and to the sale and distribution of, and third-party payment for, pha
devices and HCT/P products. Among the federal laws with which we must comply are
Act, the FDCA, as amended by the Federal Drug Quality and Security Act, including DSCSA, Sectio
Controlled Substances Act, the Public Health Service Act and Section 401 of the Consolidated Appropriations Act of the Social Sec
Among other laws, and the regulations promulgated thereunder:

- regulate the introduction, manufacture, advertising, marketing and promot
  pricing and reimbursement, labeling, packaging, storage, handling, returning or recalli
  and distribution of, and record keeping for drugs, HCT/P products and medical d
  including requirements with respect to unique medical device identifiers;
- subject us to inspection by the FDA and DEA and similar state authorities;
- regulate the storage, transportation and disposal of certain of our products
  hazardous materials;
- require us to advertise and promote our drugs and devices in accordance w
  FDA requirements;
- require us to report average sales price (ASP) for drugs or biologicals paya
  CMS with a Part B Medicaid drug rebate agreement;
- require registration with the FDA and the DEA and various state agencies;
- require record keeping and documentation of transactions involving drug p
- require us to design and operate a system to identify and report suspicious
  controlled substances to the DEA and certain states;
- require us to manage returns of products that have been recalled and subje
  recall procedures and activities;
- impose on us reporting requirements if a pharmaceutical, HCT/P product o
  device causes, or contributes to, serious illness, injury or death;
- require manufacturers, wholesalers, re-packagers and dispensers of prescr
  identify and trace certain prescription drugs as they are distributed;
- require the licensing of prescription drug wholesalers and third-party logist
- and mandate compliance with standards for the recordkeeping, storage and han
  prescription drugs, and associated reporting requirements.

The FDA has become increasingly active in addressing the regulation of computer sof
digital health intended for use in health care settings. The Cures Act, signed into law on D
2016, among other things amended the medical device definition to exclude certain software from
regulation, including certain clinical decision support software. On September 27, 2019, the FDA issued a
guidance documents on digital health products, which incorporated applicable Cures Act standards, and o
FDA has subsequently finalized certain of these guidance documents, including regarding
clinical decision support tools and other software that are exempt from regulation by the FDA as medi
and the FDA may issue new guidance in this area. Certain of our businesses involve the d
software and related products to support physician and dental practice management,
possible that the FDA or foreign government authorities could determine that one or more of our products i
regulated as a medical device, which could subject us or one or more of our businesses to substantia
costs and potential enforcement actions or liabilities for noncompliance with respect
imaging software is regulated as a medical device which subjects our businesses to s
requirements, costs and potential enforcement actions or liabilities for noncompliance
products.

Applicable federal, state, local, and foreign laws and regulations also may require us to comply with various standards relating to, among other things, licensure or registration, program eligibility, procurement, pricing, reimbursement, sales and marketing practices, product integrity, and supply tracking, manufacturing, personnel, privacy and security of health or other personal information, and labeling, packaging, installation, maintenance and the importation and exportation of products. The FDA and other U.S. agencies (including CMS with respect to complex Medicare reimbursement requirements applicable to our business) and state Medicaid agencies, have recently increased their regulatory scrutiny of the sale, marketing and promotion of drug and device products. In particular, the DEA has heightened enforcement activities due to the opioid crisis. Our business is also subject to requirements of similar and other foreign governmental laws, regulations affecting our operations abroad.

The failure to comply with any of these laws or regulations, or new interpretations of existing laws or regulations and the imposition of any additional laws and regulations, could materially adversely affect our business. The costs associated with complying with the various applicable statutes and regulations, which may be modified, could be material. Allegations by a governmental body that we have violated these laws could have a material adverse effect on our businesses. While we believe that we are in substantial compliance with applicable laws and regulations, and believe we have adequate compliance programs and controls in place to ensure substantial compliance, if it is determined that we have not complied with these laws, we could potentially be subject to warning letters, substantial civil and criminal penalties, mandatory recall or seizure of product, consent decrees and suspension or limitation of payments to us, product distribution or manufacturing, enforcement agreements to resolve allegations of non-compliance, we could be required to make settlement payments, subject to civil and criminal penalties, including fines and the loss of licenses. Failure to comply with government requirements could also adversely affect our ability to participate in federal and state health care programs, such as Medicare and Medicaid, and damage our reputation.

The EU Medical Device Regulation ("MDR") may adversely affect our business

The EU MDR, applicable since May 26, 2021, significantly modifies and intensifies the requirements for the medical device industry as a whole. Among other things, the EU MDR:

- strengthens the rules on placing devices on the market and reinforces surveillance once they are available;
- establishes explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improves the traceability of medical devices throughout the supply chain to the patient through a unique identification number;
- sets up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU;
- strengthens rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market; and
- identifies importers and distributors and medical device products through new requirements (EUDAMED not due, for the time being, until the end of 2027 at the earliest as mentioned above).

In particular, the EU MDR imposes strict requirements for the confirmation that a product meets the regulatory requirements, including regarding a product's clinical evaluation and a company's quality system and for the post-marketing, marketing and sale of medical devices, including post-market surveillance. Pursuant to Regulation 2023/607 and subject to certain conditions, medical devices that have been certified under the EU Medical Device Directive from May 25, 2017, (ii) which was still valid on May 26, 2021, and (iii) subsequently withdrawn may, for the moment, continue to be placed on the market until December 31, 2027 for higher risk devices or December 31, 2028 for medium and lower risk devices. Nevertheless, EU MDR requirements regarding the distribution, marketing and sale of medical devices and post-market surveillance have to be observed by manufacturers, importers and distributors as of May 26, 2021 (i.e., May 26, 2021). The modifications created by the EU MDR may have an impact on how we manufacture products and the way we conduct our business in the EEA.

If we fail to comply with laws and regulations relating to health care fraud or and regulations, we could suffer penalties or be required to make significant changes to our oper could adversely affect your business.

Certain of our businesses are subject to federal and state (and similar foreign) health and abuse, referral laws and regulations with respect to their operations. Some of th claims laws, prohibit the submission or causing the submission of false or fraudulen federal, state and other health care payers and programs. Other laws, referred to as kickback laws, prohibit offering or paying remuneration in order to induce or reward the ordering, purchasing, leasing or arranging for, or recommending ordering, purchasin services that are paid for by federal, state and other health care payers and program federal laws, such as the federal Physician Self-Referral Law, commonly known as the prohibits physicians and other health care professionals from referring a patient to an entity w physician (or family member) has a financial relationship, for the furnishing of certain designated h (for example, medical equipment and medical supplies), unless an exception applies. Viola Kickback or the Stark Law may be enforced as violations of the federal False Claims A

The fraud and abuse laws and regulations have been subject to heightened enforceme over the past few years, and significant enforcement activity has been the result of "relators" who serve whistleblowers bringing false claims on behalf of the United States (and if applicable, particular states) unde and who may receive up to 30% of total government recoveries. Penalties under frau laws may include treble damages and substantial civil penalties under the federal Fal as well as loss of licenses and the ability to participate in federal and state health care or imposition of a corporate compliance monitor, which could have a material advers business. Also, these laws may be interpreted or applied by a prosecutorial, regulatory or judici and may require us to make changes in our operations or incur substantial defense and s expenses. Even challenges by regulatory authorities or private relators could result in re harm our reputation and cause us to incur substantial costs. Most states have adopted similar state false claims law their laws may include penalties which may be in addition to federal False Claims Act penalties, as fraud and abuse

With respect to measures of this type, the United States government (among others) financial relationships between suppliers on the one hand and physicians, dentists, an concerns about or other providers. As a result, we regularly review and revise our marketing practices as n ensure compliance.

Our aspirations, goals and disclosures related to environmental, social and governanc regulators and private litigants among other things on related claims made by compa expose us to risks, including reputational, financial, legal and other risks, that could hav impact our stock price. California has adopted stringent new climate disclosure and the SEC appears to be poised to adopt expansive new disclosure requirements on clima requirements, as has the EU.

In the EU, the Directive No. 2019/1937 of October 23, 2019, on the protection of persons who rep Union law, organizes the legal protection of whistleblowers. This Directive covers whis breaches relating to certain EU laws, in particular as regards public health, the above-mentio Regulation No. 726/2004 or, as regards data protection, the GDPR. The Directive pro and includes former employees. All private companies with 50 or more employees ar create effective internal reporting channels. All EU Member States other than Poland and Estonia ha implemented the Directive.

We also are subject to the requirements of the new Directive No. 2022/2464 on corpo ("CSR Directive") adopted on December 14, 2022 and which has to be implemented b members states by July 6, 2024, at the latest. By amending Directives No. 2004/109, No. 2006/43, No. 2013/ 537/2014, the CSR Directive strengthens the existing rules on non-financial reporting for large companies to publish sustainability-related information and, in particular, di and impacts on environmental matters.

We also are subject to certain United States and foreign laws and regulations concern
operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, Ge
conduct of our foreign
and other anti-bribery laws and laws pertaining to the accuracy of our internal books
which have been increasing enforcement activity globally in recent years. Our businesses
subject to other laws and regulations that could impact our financial results, includin
securities, antitrust, consumer protection, and marketing laws and regulations.

In the EU, both active and passive bribery are criminalized. The EU Council Framew
2003/568/JHA combating corruption in the private sector establishes more detailed rules on t
legal persons and deterrent sanctions. However, the liability of legal persons is regul
national level.
Failure to comply with fraud and abuse laws and regulations, and other laws and regu
could result in significant civil and criminal penalties and costs, including the loss of licenses and the
federal and state health care programs, and could have a material adverse effect on o
We may determine to enter into settlements, make payments, agree to consent decrees or ent
resolve such matters. Intentional or unintentional failure to comply with settlement a
consent decrees could materially adversely affect our business.

While we believe that we are substantially compliant with applicable fraud and abuse
laws and regulations, and believe we have adequate compliance programs and controls in plac
substantial, we cannot predict whether changes in applicable law, or interpretation o
changes in our marketing practices in response to changes in applicable law or interpreta
could have a material adverse effect on our business.

**If we fail to comply with laws and regulations relating to the collection, stora
processing or security or standards in electronic health records or transmissio
be required to make significant changes to our products, or incur substantial fines, penalties, or o
liabilities.**
Our businesses that involve physician and dental practice management products, and
supply businesses, include electronic information technology systems that store and p
personal health, financial, and other sensitive information of individuals. These information te
systems may be subject to breakdown, wrongful intrusions, data breaches and malicious attack, w
require significant resources to eliminate these problems and address related securit
and could involve claims by private parties and/or governmental agencies.

We are directly or indirectly subject to numerous and evolving federal, state, local an
and regulations that regulate the privacy and security of personal information, such as HIPAA, CAN-SP
FTC Act, Section 5 of the CCPA, and the CPRA that became effective on January 1, 2023. Laws an
relating to privacy and data protection are continually evolving and subject to potentially differin
interpretations. These laws may not be harmonized, may be interpreted and applied in a manner th
inconsistent from one jurisdiction to another or may conflict with other rules or our practices. Our business
comply with these laws and regulations could expose us to breach of contract claims, substantial f
liabilities and expenses, costs for remediation and harm to our reputation. Also, evol
regulations could restrict the ability of our customers to obtain, use or disseminate pati
information, or could require us to incur significant additional costs to re-design our products to reflect the
requirements, which could have a material adverse effect on our operations.

In addition, the European Parliament and the Council of the EU adopted the GDPR ef
May 25, 2018, increased privacy rights for Data Subjects, including individuals who are our c
employees. The GDPR extended the scope of responsibilities for data controllers and
processors, and imposes increased requirements and potential penalties on companies, such
established in the EU and process personal data of Data Subjects (regardless the Dat
location of the data controller) and companies that are not established in the EU but that offer goods or services to Data Subjects in the EU
EU. Noncompliance can result in penalties of up to the greater of EUR 20 million, or 4
revenues (sanction that may be public), and Data Subjects may seek damages. Memb
impose additional requirements and penalties regarding certain limited matters (for w

room of flexibility), such as employee personal data. With respect to the personal dat the GDPR requires, among other things, controller accountability, consents from Data Subjects acceptable legal basis to process the personal data, notification within 72 hours of a personal data bre required, data integrity and security, and fairness and transparency regarding the storage, use or ot processing of the personal data. The GDPR also provides rights to Data Subjects relating notably to information, rectification, erasure of the personal data and the right to object to the processing.

On August 20, 2021, China promulgated the PIPL, which took effect on November 1, PIPL imposes specific rules for processing personal information and it also specifies that the law sh to personal information activities carried out outside China but for the purpose of providing prod services to PRC citizens. Any non-compliance with these laws and regulations may subject us to fines rectify or terminate any actions that are deemed illegal by regulatory authorities, other penalties, as well reputational damage or legal proceedings against us, which may affect our business, financial condition or results The PIPL carries maximum penalties of CNY50 million or 5% of the annual revenue of entities t personal data.

In the United States, the CCPA, which increases the privacy protections afforded Cal residents, became effective January 1, 2020. The CCPA generally requires companies, such as us, to ins additional protections regarding the collection, use and disclosure of certain personal information of Califor Compliance with the obligations imposed by the CCPA depends in part on how particular regulato and apply them. Regulations were released in August of 2020, but there remains some uncertainty abo CCPA will be interpreted by the courts and enforced by the regulators. If we fail to comply with th regulators assert that we have failed to comply with the CCPA, we may be subject to certain fines or ot and litigation, any of which may negatively impact our reputation, require us to expend significant r harm our business. Furthermore, California voters approved the CPRA on November 3, 2020, w amend and expand the CCPA, including by providing consumers with additional rights with respect to th information, and creating a new state agency to enforce CCPA and CPRA. The CPRA came into effect 2023, applying to information collected by businesses on or after January 1, 2022.

Other states, as well as the federal government, have increasingly considered the ado similarly expansive personal privacy laws, backed by significant civil penalties for non-compliance. While we have substantially compliant programs and controls in place to comply with the GDPR, CC CPRA requirements, our compliance with data privacy and cybersecurity laws is likely to im additional costs on us, and we cannot predict whether the interpretations of the requirements, or changes in in response to new requirements or interpretations of the requirements, could have a material adve our business.

We also sell products and services that health care providers, such as physicians and to store and manage patient medical or dental records. These customers and we are subject to la regulations and industry standards, such as HIPAA and the Payment Card Industry Data Security Standards, w the privacy and security of those records. Our products or services may be used as p customers' comprehensive data security programs, including in connection with their efforts to c applicable data privacy and security laws and contractual requirements. Perceived or actual security vulnerabilities in our products or services, or the perceived or actual failure by us or our customers who use our pro services to comply with applicable legal or contractual data privacy and security requirements, may not significant reputational harm, but may also lead to claims against us by our customers and/or go agencies and involve substantial fines, penalties and other liabilities and expenses and costs for re Additionally, under the GDPR, health data belong to the category of "sensitive data" and benefit from spe protection. Processing of such data is generally prohibited, except for specific exceptions.

Certain of our businesses involve the manufacture and sale of electronic health recor systems and other products linked to government supported incentive programs, where the EHR system certified as having certain capabilities designated in evolving standards, such as those adopted by CMS order to maintain certification of our EHR products, we must satisfy the changing governmental standa other EHR systems do not meet these standards, yet have been relied upon by health care providers to re payments, we may be exposed to risk, such as under federal health care fraud and ab Claims Act. Additionally, effective September 1, 2023, the OIG for HHS issued a final money penalties for information blocking as established by the Cures Act. OIG incorp

by ONC as the basis for enforcing information blocking penalties. Each information b
million penalty. While we believe we are substantially in compliance with such certifi
violation carries a $1
with applicable laws and regulations and that we have adequate compliance progra
controls in place to
compliance, we cannot predict whether changes in applicable law,
interpretation of laws, our compliance programs and controls, could have a material ad
our business.

Moreover, in order to satisfy our customers and comply with evolving legal requirem
products may need to
increasingly complex functionality, such as with respect to reporting and
Although we believe we are positioned to accomplish this, the effort may involve incr
and our failure to
product modifications, or otherwise satisfy applicable standards, could ha
adverse effect on

Additionally, as electronic medical devices are increasingly connected to each other a
ability of these
connected systems to safely and effectively exchange and use exchan
is increasingly important. As a medical device manufacturer, we must manage risks inc
associated with
interface that is incorporated into a medical device.

Tax legislation could materially adversely affect our financial results and tax

We are subject to the tax laws and regulations of the United States federal, state, and
foreign jurisdictions. From time to time, various legislative initiatives may be propos
adversely
affect our tax positions. There can be no assurance that our effective tax ra
materially
affected by legislation resulting from these initiatives. In addition, tax laws
regulations are subject to
interpretations. Although we believe that our historic
positions are sound and
consistent with applicable laws, regulations and existing precedent, there can be no a
will not be challenged by relevant tax authorities or that we would be successful in an
challenge.

We face inherent risk of exposure to product liability, intellectual property in
and claims that the use of the products we sell results in injury.

Our business involves a risk of product liability, intellectual property infringement an
in the course of business
, and from time to time we are named as a defendant in cases as a
distributor. Additionally, we own interests in companies that manufacture certain dent
result, we could be subject to the potential risk of product liability, intellectual prope
claims relating to the
manufacture and distribution of products by those entities. In a
business continues to grow, purchasers of such products may increasingly seek recou
from the ultimate product manufacturer, for product-related claims. Another potentia
distribution of our products is liability resulting from counterfeit or tainted products i
supply chain. In
some of the products that we transport and sell are considered hazardous m
handling
of such materials or accidents involving the transportation of such materials
as leakage or
action that could harm our reputation.

Customs policies or legislative import restrictions could hinder the Company
import goods in a timely basis and result in government enforcement act
sanctions.

Government-imposed import policies and legislation regulating the import of goods a
forced labor or human trafficking could result in delays or the inability to import good
materials that are
to our operations, and such policies or legislation could also result in finan
government enforcement actions and reputational harm. While the Company has pol
and seeks to
import of goods that are manufactured in whole or in part by forced labor o
human trafficking,
legislative and governmental policy initiatives, we may be subject to inc
as a result of
, supply chain disruption and other restrictions.

GENERAL RISKS

Our business operations, results of operations, cash flows, financial condition

may be negatively impacted by the effects of disease outbreaks, epidemics, pandemics, or similar widespread public health concerns and natural or man-made disasters, such as terrorism, civil unrest, fire, and extreme weather

Our business operations, results of operations, cash flows, financial condition and liquidity may be negatively impacted by the effects of disease outbreaks, epidemics, pandemics, similar wide-spread public health concerns and natural or man-made disasters, such as terrorism, civil unrest, fire, and extreme weather (collectively, "disasters"). For example, as a global healthcare solutions company, the COVID-19 pandemic and the actions we take in response to it has, and may again have, a material adverse effect on our business, results of operations and cash flows. It has resulted in and may result in a material adverse effect on our financial condition and liquidity. The impact from the COVID-19 pandemic included, and could include as a result of other disasters, the potential impacts from among other

- significant volatility in supply, demand and selling prices for personal protective equipment (PPE), test kits and related products;
- reduction in peoples' ability and willingness to be in public;
- reduction in peoples' ability and willingness to seek elective care;
- interrupted operations of industries that use or manufacture the products we sell;
- impact of adapted business practices;
- significant changes in political conditions;
- volatility in the financial market; and
- unavailability or impairment of our manufacturing, distribution, or other facilities or such as our information systems.

The impact from disasters may also exacerbate other risks discussed herein, any of which could have a material adverse effect on us.

Our global operations are subject to inherent risks that could materially adversely affect our business.

Our global operations are subject to risks that could materially adversely affect our business. Risks that our global operations are subject to include, among other things:

- difficulties and costs relating to staffing and managing foreign operations;
- difficulties and delays inherent in sourcing products, establishing channels of trade and contracting in foreign markets;
- fluctuations in the value of foreign currencies;
- uncertainties relating to trade agreements and international trade relations;
- longer payment cycles of foreign customers and difficulty of collecting receivables in foreign jurisdictions;
- repatriation of cash from our foreign operations to the United States;
- regulatory requirements, including, without limitation, anti-bribery, anti-corruption laws pertaining to the accuracy of our internal books and records;
- litigation risks, new or unanticipated litigation developments and the status of matters;
- unexpected difficulties in importing or exporting our products and import/export quotas, sanctions or penalties;
- limitations on our ability under local laws to protect our intellectual property;
- unexpected regulatory, legal, economic and political changes in foreign markets;
- changes in tax regulations that influence purchases of capital equipment;
- civil disturbances, geopolitical turmoil, including terrorism, war or political developments; and
- risks associated with climate change, including physical risks such as impacts from extreme weather and potential physical consequences, regulatory and technology developments, stakeholder expectations and reputational risk.

Our future success is substantially dependent upon our senior management, and the loss of any of them could have a material adverse effect on our business.

Our future success is substantially dependent upon the efforts and abilities of our senior management, particularly Stanley M. Bergman, Chairman and Chief Executive Officer. Mr. Bergman's employment agreement was extended through December 31, 2025. Although the Company has a succession plan for its senior leadership team, including Mr. Bergman, the loss of the services of Mr. Bergman would have a material adverse effect on our business. We do not currently have "key person" life insurance policies on any of our employees. Competition for senior management is intense, and we may not be successful in attracting and retaining qualified personnel. Additionally, our future revenues and profitability depend on our ability to maintain successful relationships with our customers, as well as customers, suppliers, and manufacturers. If we fail to maintain our existing relationships or fail to develop new relationships with such key persons in the future, our business may be adversely affected.

Disruptions in the financial markets may materially adversely affect the availability and cost of credit to us.

Our ability to make scheduled payments or refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which in turn is subject to prevailing economic conditions and financial, business and other factors beyond our control. Disruptions in the financial markets may materially adversely affect the availability and cost of credit to us.

Item 1B. Unresolved Staff Comments

We have no unresolved comments from the staff of the SEC that were issued 180 days or more preceding the end of our 2023 fiscal year.

Item 1C. Cybersecurity

We rely on information systems in our business to obtain, rapidly process, analyze, maintain and manage many types of customer, supplier and employee data to, among other things: maintain and manage many types of inventory information; facilitate the purchase and distribution of thousands of inventory items from hundreds of vendors; receive, process and ship orders on a timely basis; manage the accurate billing and collection for thousands of customers; process payments to suppliers and vendors; provide product and patient information; maintain and manage global human resources, compensation and payroll functions; and maintain our customers' electronic medical or dental records (including protected health information) and other information. For these purposes, we define "information systems" in a manner consistent with the definition contained in rules recently adopted by the SEC to mean "electronic information resources, owned or used by the registrant, including physical infrastructure controlled by such information resources, or components thereof, organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of the registrant's information to support the registrant's operations."

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk mitigation strategy intended to protect the confidentiality, integrity and availability of our information systems. Our cybersecurity risk mitigation strategy is designed so that the Company's cybersecurity program is aligned with generally accepted cybersecurity standards and frameworks, in particular the National Institute of Standards and Technology Cybersecurity Framework, or "NIST CSF," and our Company is externally audited, or certified, with respect to the NIST CSF on a partial scope.

We maintain an Office of Cybersecurity ("OCS"), led by our Chief Information Security Officer ("CISO"), who oversees the operations of our cyber risk mitigation strategy. The OCS is a cross-functional management team, which continuously evaluates our global cybersecurity program's effectiveness and focuses on maintaining and protecting our information systems. In overseeing the operations of our cybersecurity

strategy, the OCS partners with our Global Technology Solutions team, which is led b
Technology Officer ("CTO") and is comprised of over one hundred professionals that support our
systems and Our cyber risk mitigation strategy includes monitoring for and addressing
that are in connection with information systems, as well as at our third-party vendors, suppliers a
third-party business partners.

Our CISO reports to our CTO. Our CTO, who also serves as Senior Vice President, ha
30 years of leading large-scale global IT organizations and received a Bachelor of Bu
Administration in Computer Information Systems and a Master of Business Administration fro
University. See Item 1. Business, Other Executive Management. Our Vice President, Global CISO, who also
President and Head of the Office of Cyber Security, is a National Security Agency Ce
Information Systems has nearly 30 years of experience leading global cybersecurity p
Electrical Engineering and Computer Science from Lafayette College, and a Master o
Information Technology Management from Johns Hopkins University. The cybersecu
is also overseen by senior managers who are members of our Executive Steering Com
Company's chief senior technology, legal and internal auditing officers. Our CEO is r
briefed on, among developments, and our Board oversees our risk mitigation strategy pri
through its Audit Regulatory, Compliance and Cybersecurity Committee, as described i
below.

Our cybersecurity risk management program includes, among other elements:

- risk assessments designed to help identify material cybersecurity risks to our i
- a security team principally responsible for managing our (i) cybersecurity risk assessment systems, (ii) defensive cybersecurity control standards;
- the use of expert external service providers to assess, test or otherwise assist w cybersecurity controls, and to respond to specific cybersecurity threats;
- the review and assessment of past cybersecurity incidents with a view to learn further strengthen our cyber risk mitigation strategy;
- a written cybersecurity incident response plan that includes procedures for res cybersecurity incidents; and
- a Global Information Security Policy, together with more detailed information s policies, procedures, standards, and guidelines.

In addition, all employees with systems access are required to participate in mandato
cybersecurity courses, along with compliance programs. Our employees who perform
data keeper roles receive additional mandatory annual data security training specific to spoofing, p
social engineering threats. Per written Company policies, employees are also required to safegu
confidential information.

Our cybersecurity risk strategy is integrated into our overall enterprise risk managem
cybersecurity team is supported by and connected with the enterprise risk manageme

Prior Cybersecurity Incidents

In addition to immaterial and unrelated prior incidents at certain of our subsidiaries,
experienced a cybersecurity incident that primarily affected the operations of our No
and European medical distribution businesses. Henry Schein One, our practice manager
management and patient relationship management solutions business, was not affect
business lines were mostly unaffected. Once we became aware of the issue, we took step
contained this incident. We restored affected systems and applications, our distribut
reactivated our e-commerce platform. We also notified law enforcement and our empl
customers, suppliers and investors, informing them of both the incident and management's efforts to mitig
operations and data maintained on the Company's systems. Subsequently, on or abou
determined that the threat actor obtained personal and sensitive information maintai
certain third parties and since that date we have notified affected and potentially affe

2023 and ending to

The scope of personal and sensitive data impacted is still under investigation. On No
2023, we experienced a related disruption to our ecommerce platform and related applications
since then. As described in "Management's Discussion & Analysis – 2023 Compared
adversely impacted our financial results for the fourth quarter and full year 2023. We
some impact on our financial results in 2024.

It is part of the mission of our cybersecurity risk mitigation strategy to constantly evo
to adapt to evolving risks, and to learn from prior incidents, and we have evaluated a
with the assistance of third-party expert consultants. Members of the Audit
and Cybersecurity Committee of our Board of Directors are conducting a
October 2023 incident, including the measures undertaken in response to the incider

Cybersecurity Governance

Our Board has a Regulatory, Compliance and Cybersecurity Committee that focuses o
cybersecurity oversight, working with other Board committees, principally the Audit Committee. The purpose
Regulatory, Compliance and Cybersecurity Committee is to assist the Board by providing guidanc
oversight of the Company's senior management responsible for assessing and managing Company-wi
compliance and cybersecurity risk management programs. The primary responsibilit
Regulatory, Compliance and Cybersecurity Committee are to (i) discuss cybersecurity strategic do
issues, challenges and thereto, (ii) provide expertise to guide assessment and monitor
Company-wide corporate compliance and cybersecurity risk management budgeting, spe
(iii) monitor progress and status of the Company's regulatory, corporate compliance a
cybersecurity risk management programs, (iv) review and evaluate major regulatory, corporate complia
cybersecurity risk management initiatives to identify emerging and future opportunities for synergy or
regulatory, compliance and cybersecurity risk management investments more effective
efficiently, (v) report to the Audit Committee on regulatory, corporate compliance and cybersecu
reviewed by the Regulatory, Compliance and Cybersecurity Committee that may impa
Company's financial risk exposure, and (vi) be generally available to, and communicate with, the Company's se
management and the Board in the areas described above.

Our CISO and CTO, along with other key executives who are part of our Executive St
Committee, review cybersecurity program effectiveness, standards, enforcement and cybersecurity iss
Board's Regulatory, Compliance and Cybersecurity Committee on at least a quarterly
the Audit Committee on at least a bi-annual basis. Our CTO meets with Board members outside
regular basis as well as in connection with specific cybersecurity issues or threats.

ITEM 2. Properties

Within our health care distribution segment (for properties with more than 100,000 s
own and/or lease approximately 5.7 million square feet of properties, consisting of distribution, off
showroom, manufacturing and sales space, in locations including the United States, Australia, Au
Belgium, Brazil, China, the Czech Republic, France, Germany, Hong Kong SAR, Irelan
Japan, Liechtenstein, Luxembourg, Malaysia, Mexico, Morocco, the Netherlands, New Zeala
Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Arab Emirate
United Kingdom. Leases expire at various times, the longest of which range from 2024 to 2041.

We believe that our properties are in good condition, are well maintained and are sui
adequate to carry on our business. We have additional operating capacity at certain distribution center fac

ITEM 3. Legal Proceedings

For a discussion of Legal Proceedings, see Note 16 – Commitments and Contingencies of the Notes to t
Consolidated Financial Statements included under Item 8.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matte
Equity Securities

Our common stock is traded on the Nasdaq Global Select Market tier of the Nasdaq S
under the symbol HSIC.

On February 20, 2024, there were approximately 107,000 holders of record of our co
and the last sales price was $75.64. A substantially greater number of holders of our co
are "street name" holders, whose shares are held by banks, brokers and other financial ins

Purchases of Equity Securities by the Issuer

Our share repurchase program, announced on March 3, 2003, originally allowed us t
shares (eight million shares post-stock splits) of our common stock, w
approximately 2.3% of the shares outstanding at the commencement of the program.
additional
(total of $5.9 billion authorized on February 8, 2023) of shares of our common sto
this program.

As of December 30, 2023, we had repurchased approximately $4.7 billion of common
(90,394,805 shares) under the program, with $265 million available for future common stock share rep

The following table summarizes repurchases of our common stock under our stock re
fiscal quarter ended December 30, 2023:

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	Maximu of Sh that M Be Purch Our Pro
10/1/2023 through 11/4/2023	-	-	-	
11/5/2023 through 12/2/2023	-	-	-	
12/3/2023 through 12/30/2023	692,441	$ 72.32	692,441	
	692,441		692,441	

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

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

Dividend Policy

We have not declared any cash or stock dividends on our common stock during fiscal
2022. We do not anticipate declaring any cash or stock dividends on our common stoc
We intend to retain earnings to finance the expansion of our business and for genera
purposes, including
upon the earnings, financial condition, capital requirements, level of indebtedness, co
respect to payment of dividends and other factors.

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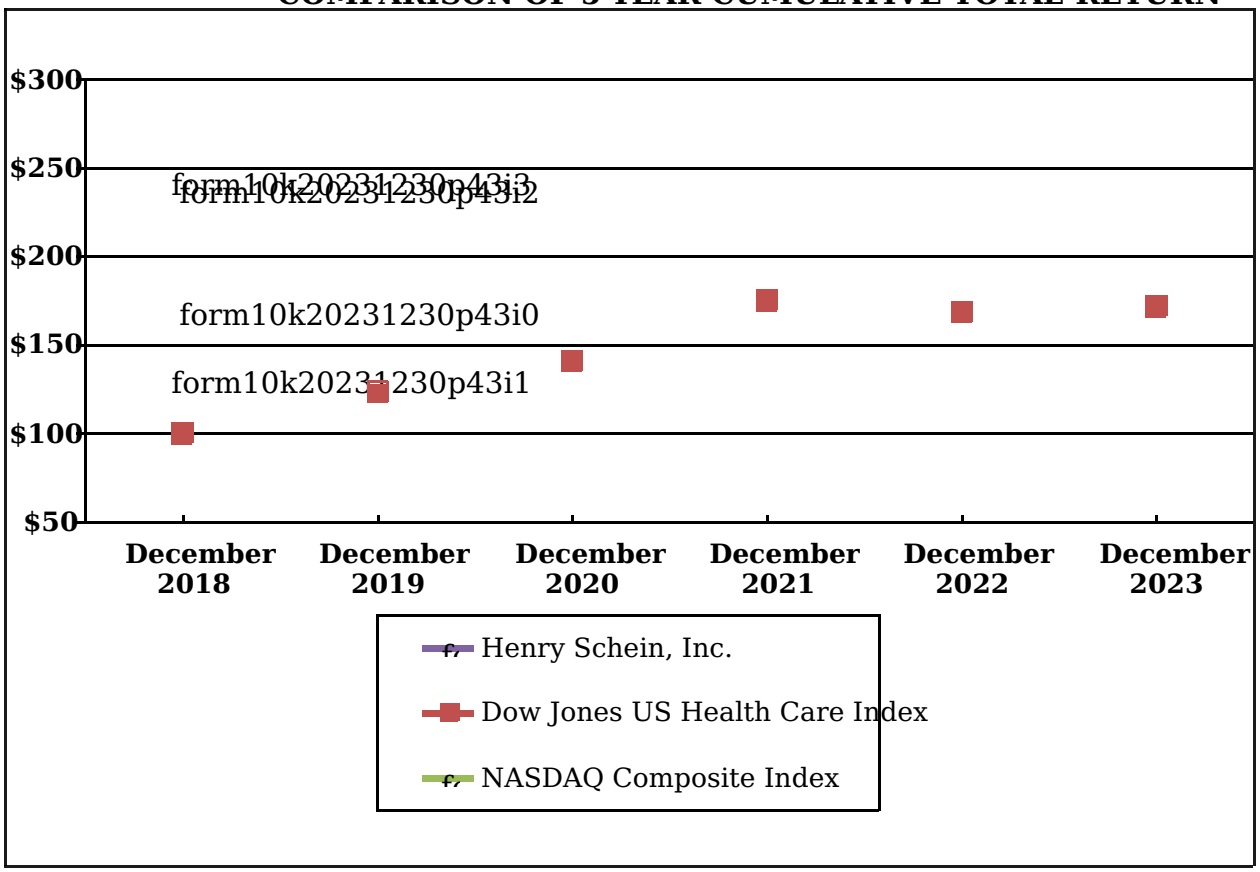
Stock Performance Graph

The graph below compares the cumulative total stockholder return on $100 invested, including reinvestment of dividends, on December 29, 2018, the last trading day before the beginning of our fiscal year through 2023, with the cumulative total return on $100 invested for the same period in the Dow Jones U.S. Health Care Index and the Nasdaq Stock Market Composite Index.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN



ASSUMES $100 INVESTED ON DECEMBER 29, 2018
ASSUMES DIVIDENDS REINVESTED

	December 29, 2018	December 28, 2019	December 26, 2020	December 25, 2021	December 31, 2022	Dece 2
Henry Schein, Inc.	$ 100.00	$ 110.31	$ 109.05	$ 124.11	$ 132.28	$ 1
Dow Jones U.S. Health Care Index	100.00	123.48	140.83	175.06	168.44	1
NASDAQ Stock Market Composite Index	100.00	138.27	198.34	244.03	164.56	2

ITEM 6.

[Reserved]

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ITEM 7. Management's Discussion and Analysis of Financial Condition and R
Operations
Cautionary Note Regarding Forward-Looking Statements

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation R
1995, we the following cautionary remarks regarding important factors that, among ot
to different materially from the forward-looking statements, expectations and assumptio
herein. All forward-looking statements made by us are subject to risks and uncertaint
future performance. These forward-looking statements involve known and unknown r
factors that may cause our actual results, performance and achievements or industry
materially from any future results, performance or achievements expressed or implied
forward-looking statements. These statements are generally identified by the use of such terms as "m
"expect," "believe," "plan," "estimate," "forecast," "project," "anticipate," "to be," "to
other factors that could cause or contribute to such differences include, but are not
this Annual Report on Form 10-K, and in particular the risks discussed under the capt
Factors" in Item 1A those that may be discussed in other documents we file with the Se
Exchange Commission ("SEC").

Risk factors and uncertainties that could cause actual results to differ materially from
include, but are not limited to: our dependence on third parties for the manufacture a
ability to develop, or acquire and maintain and protect new products (particularly tech
products) and that achieve market acceptance with acceptable margins; transitional cl
associated with dispositions and joint ventures, including the failure to achieve anticipat
benefits, and demands on our operations, information systems, legal, regulatory, com
financial and human resources functions in connection with acquisitions, dispositions and joint ventures; c
provisions in our governing documents that may discourage third-party acquisitions of us; adverse cha
support purchasing incentives; risks related to the sale of corporate brand products; se
associated with our information systems and technology products and services, such as cyberattacks or o
data breaches (including the October 2023 incident); effects of a highly competitive (inclu
competition from third-party online commerce sites) and consolidating market; chang
risk from expansion of customer purchasing power and multi-tiered costing structur
for shipping costs or other service issues with our third-party shippers; general global
and political conditions, including inflation, deflation, recession, ongoing wars, fluctu
macro-economic the value of the U.S. dollar as compared to foreign currencies, and changes to other e
impact on international trade agreements, potential trade barriers and terrorism; geopolitical w
existing and future regulatory requirements; risks associated with the EU Medical De
comply with Regulation, failure to comply with laws and regulations relating to health care fraud or other laws and regu
laws and regulations relating to the collection, storage and processing of sensitive pe
information or breaches or transmissions; changes in tax legislation; risks related
protect our intellectual property, and other claims; risks associated with customs policies or legislative impor
risks associated with disease outbreaks, epidemics, pandemics (such as the COVID-19 pandemic), or s
spread of other health concerns and other natural or man-made disasters; risks associated with our g
operations, litigation or anticipated litigation developments and the status of litigation matter
dependence on management, employee hiring and retention, and our relationships with custo
and manufacturers; and disruptions in financial markets. The order in which these factor
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 a
ability to control. Accordingly, any forward-looking statements contained herein should not
as a prediction of actual results. We undertake no duty and have no obligation to update forward-loo
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 channel
conference calls and webcasts, press releases, the investor relations page of our web
(and the social media channels identified on the Newsroom page of our website.

Recent Developments

During the years ended December 30, 2023 and December 31, 2022 we continued to
sales of PPE and COVID-19 test kits as compared to the comparable prior-year period
due to lower demand for PPE and lower market demand for COVID-19 test kits.

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

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

Cybersecurity Incident

In addition to immaterial and unrelated prior incidents at certain of our subsidiaries,
2023 Henry Schein experienced a cybersecurity incident that primarily affected the operations of our No
and European medical distribution businesses. Henry Schein One, our practice manager
management and patient relationship management solutions business, was not affect
business was mostly unaffected. Once we became aware of the issue, we took step
contained this incident. We restored affected systems and applications, our distribut
reactivated our ecommerce platform. We also notified law enforcement and our empl
customers, suppliers and investors informing them of both the incident and management's efforts to mitig
operations and data maintained on the Company's systems. Subsequently, on or abou
2023, we learned that the threat actor obtained personal and sensitive information maintai
certain third parties and since that date we have notified affected and potentially affe
The scope of personal and sensitive data impacted is still under investigation. On No
2023, we experienced a related disruption to our ecommerce platform and related applications
remediated. As described in "Management's Discussion & Analysis – 2023 Compared
incident adversely impacted our financial results for the fourth quarter and full year 2023. We
residual impact on our financial results in 2024.

We maintain cybersecurity insurance, subject to certain retentions and policy limitati
respect to the cybersecurity incident, we have a $60 million insurance policy, followi
retention.

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Executive-Level Overview

Henry Schein, Inc. is a solutions company for health care professionals powered by a people and technology. We believe we are the world's largest provider of health care products and services to office-based dental and medical practitioners, as well as alternate care settings. We serve more than one million customers worldwide including dental practitioners, laboratories, physician practices, and ambulatory surgery centers, as well as institutional health care clinics and other alternate care settings. We believe that we have a unique 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 11,500 are based outside of the United States) and have operations or affiliates in 33 countries. Our footprint has evolved over time through our organic success as well as through strategic acquisitions.

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

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

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 customers. Our global dental businesses serve office-based dental practitioners, dental laboratories, schools and other institutions. Our medical businesses serve physician offices, urgent care centers, ambulatory surgery centers, medical laboratories, dialysis centers, home health, federal and state governments and government agencies, as well as integrated delivery networks, among other providers across a wide range of specialties.

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

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

A key element to grow closer to our customers is our One Schein initiative, which is a unique approach that enables practitioners to work synergistically with our supply chain, equipment and value-added services, allowing our customers to leverage the combined value through a single point of contact. Specifically, One Schein provides customers with streamlined access to our comprehensive offerings of our corporate brand products and proprietary specialty products (including implant, orthodontic and endodontic products). In addition, customers have access to solutions, including financial services, software and other value-added services.

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Industry Overview

In recent years, the health care industry has increasingly focused on cost containmen
distribution to be capable of providing a broad array of products and services at low prices
growth of HMOs, group practices, other managed care accounts and collective buyin
which, in addition to obtaining products at competitive prices, tend to favor distributors
providing management information systems. We believe that the trend towards cost containm
to favorably affect demand for technology solutions, including software, which can en
efficiency of practice management.

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

Industry Consolidation

The health care products distribution industry, as it relates to office-based health car
practitioners, is fragmented and diverse. The industry ranges from sole practitioners working out of relatively sm
group practices organizations ranging in size from a few practitioners to a large number of
combined or otherwise associated their practices.

Due in part to the inability of office-based health care practitioners to store and mana
quantities of supplies, the distribution of health care supplies and small equipment to office-
has been characterized by frequent, small quantity orders, and a need for rapid, relia
substantially complete purchasing decisions within an office-based health care practic
practitioner or an administrative assistant. Supplies and small equipment are genera
from distributors, with one generally serving as the primary supplier.

The trend of consolidation extends to our customer base. Health care practitioners a
seeking to affiliate or combine with larger entities such as hospitals, health systems, gr
hospital organizations. In many cases, purchasing decisions for consolidated groups a
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 o
those with limited financial, operating and marketing resources, seeking to combine w
providers with opportunities. This consolidation also may continue to result in distri
companies that can enhance their current product and service offerings or provide op
customer base.

Our approach to acquisitions and joint ventures has been to expand our role as a prov
products and services industry. This trend has resulted in our expansion into service area
opportunities for us to develop synergies with, and thus stren
businesses.

As industry consolidation continues, we believe that we are positioned to capitalize o
have the ability to support increased sales through our existing infrastructure, althou
we will be able to successfully accomplish this. We also have invested in expanding our sale
infrastructure to include a focus on building relationships with decision makers who
the office-based practitioner setting.

As the health care industry continues to change, we continually evaluate possible can
intend to continue to seek opportunities to expand our role as a provi
products and services industry. There can be no assurance that we will be able to successfu
opportunity or consummate any such transaction, if pursued. If additional transactio
consummated, we would incur merger and/or acquisition-related costs, and there can
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
population, health care awareness, the proliferation of medical technology and testing,
treatments, and expanded third-party insurance coverage, partially offset by the effe
unemployment. In addition, the physician market continues to benefit from the s
diagnostic testing from acute care settings to alternate-care sites, particularly physic

According to the U.S. Census Bureau's International Database, between 2023 and 20
population is expected to grow by approximately 11%. Between 2023 and 2043, this
by approximately 21%. This compares with expected total U.S. population growth rat
between 2023 and 2033 and approximately 11% between 2023 and 2043.

According to the U.S. Census Bureau's International Database, in 2023 there are app
Americans aged 85 years or older, the segment of the population most in need of long
services. By the year 2050, that number is projected to nearly triple to approximately
The population aged 65 to 84 years is projected to increase by approximately 23% during the same p

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

Government

Our businesses are generally subject to numerous laws and regulations that could im
and failure to comply with such laws or regulations could have a material adverse effe
business.
See "Item 1. Business – Governmental Regulations" for a discussion of laws, regulations and go
that may affect our results of operations and financial condition.

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Results of Operations

Refer to Item 7: Management's Discussion and Analysis of Financial Condition and R
Our 2022 Annual Report on Form 10-K for management's discussion and analysis of f
of operations and results of operations for fiscal year 2022 compared to fiscal year 2021.

The following tables summarize the significant components of our operating results a

	Years Ended		
	December 30, 2023	December 31, 2022	Decer 20
Operating results:			
Net sales	$ 12,339	$ 12,647	$
Cost of sales	8,478	8,816	
Gross profit	3,861	3,831	
Operating expenses:			
Selling, general and administrative	2,956	2,771	
Depreciation and amortization	210	182	
Restructuring and integration costs	80	131	
Operating income	$ 615	$ 747	$
Other expense, net	$ (73)	$ (26)	$
Gain on sale of equity investment	-	-	
Net income	436	566	
Net income attributable to Henry Schein, Inc.	416	538	

	Years Ended		
	December 30, 2023	December 31, 2022	Decer 20
Cash flows:			
Net cash provided by operating activities	$ 500	$ 602	$
Net cash used in investing activities	(1,135)	(276)	
Net cash provided by (used in) financing activities	701	(315)	

Plans of Restructuring and Integration Costs

On August 1, 2022, we committed to a restructuring plan focused on funding the prio
plan, streamlining operations and other initiatives to increase efficiency. We revised
expectations and we have extended this initiative through the end of 2024. We are cur
making a determination of an estimate of the amount or range of amounts expected to
these activities, both with respect to each major type of cost associated therewith and
estimate of the amount or range of amounts that will result in future cash expenditur

During the years ended December 30, 2023, December 31, 2022, and December 25, 2
recorded restructuring costs of $80 million, $128 million, and $8 million, respectively. The res
costs for these primarily related to severance and employee-related costs, impairment of inta
amortization of right-of-use lease assets and fixed assets, other lease exit costs, and c
discussed below.

During the year ended December 30, 2023, in connection with our restructuring plan
an impairment of $12 million related to a planned disposal of a non-U.S. business
be completed in 2024. This impairment is included in the $80 million of restructuring
is expected to
discussed above.
During the year ended December 31, 2022, in connection with our restructuring plan
one of the
buildings at our corporate headquarters in Melville, New York, which resulted in an a
right-of-use lease asset of $34 million. We also initiated the disposal of a non-profitab
businesses and
recorded related costs of $49 million, which primarily consisted of impairment of inta
and goodwill
impairment, and severance and employee-related costs. These expenses ar
of restructuring
the $128 million
charges discussed above. The disposal was completed during the fir
2023.
On August 26, 2022, we acquired Midway Dental Supply. In connection with this acq
during the year
ended December 31, 2022, we recorded integration costs of $3 million related to one
costs, as well as
employee
restructuring charges of $9 million, which are included in the $128 m
discussed above.
charges

On November 20, 2019, we committed to a contemplated restructuring initiative inte
associated with the spin-off of our animal health business and to rationalize operation
mitigate stranded costs
efficiencies. These activities were originally expected to be completed by the end of 2
extended
the end of 2021 in light of the changes to the business environment brought on by the
pandemic. The activities under this prior initiative were completed in 2021.

2023 Compared to 2022

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

Net Sales

Net sales were as follows:

	2023	% of Total	2022	% of Total	Increase / $
Health care distribution[1]					
Dental	$ 7,539	61.1%	$ 7,473	59.1%	$ 66
Medical	3,994	32.4	4,451	35.2	(457)
Total health care distribution	11,533	93.5	11,924	94.3	(391)
Technology and value-added services[2]	806	6.5	723	5.7	83
Total	$ 12,339	100.0	$ 12,647	100.0	$ (308)

The components of our sales growth were as follows:

	Local Currency Growth/(Decline)				
	Local Internal Growth	Acquisition Growth	Extra Week Impact	Total Local Currency Growth/(Decline)	Foreign Exchange Impact
Health care distribution[1]					
Dental Merchandise	(1.6)%	4.2%	(1.0)%	1.6%	0.1%
Dental Equipment	(0.9)	1.1	(2.1)	(1.9)	-
Total Dental	(1.4)	3.4	(1.3)	0.7	0.2
Medical	(11.2)	2.2	(1.3)	(10.3)	-
Total Health Care Distribution	(5.1)	2.9	(1.2)	(3.4)	0.1
Technology and value-added services[2]	7.2	5.0	(0.8)	11.4	-
Total	(4.4)	3.1	(1.2)	(2.5)	0.1

(1) Consists of consumable products, dental specialty products (including implant, orthodontic and e
equipment), laboratory products, large equipment, equipment repair services, branded and gener
pharmaceuticals, vaccines, infection-control products, PPE products and vitamins.

(2) Consists of practice management software and other value-added products, which are distributed
practice consultancy, education, revenue cycle management and financial services on a non-recu
health care providers, services, software for practitioners, consulting and other services.

Global Sales

We report our results of operations on a 52 or 53 weeks per fiscal year basis ending o
Saturday of December. The year ended December 30, 2023, consisted of 52 weeks, and the year e
December 31, 2022, consisted of 53 weeks, resulting in an extra week of sales.

Global net sales for the year ended December 30, 2023 decreased 2.4%. The compon
percentage growth in the table above.

The 4.4% decrease in our internally generated local currency sales was primarily attr
decrease in sales of PPE products and COVID-19 test kits. For the nine months ended September 30, 2
estimate a decrease in local currency sales, excluding PPE products and COVID-19 test
3.5%. However, as a result of the adverse impact of the cybersecurity incident during the quarter ended
2023, our internally generated local currency sales, excluding sales of PPE products and COVID
basis were flat compared to the prior year.

In addition, we estimate that sales of PPE products and COVID-19 test kits were appr
$1,245 million for the years ended December 30, 2023 and December 31, 2022, respe

estimated decrease of $532 million or 42.7% versus the prior year, with the $532 mill
year representing 4.2% of global net sales for the year ended December 30, 2023.
decrease year-over-

Dental

Dental net sales for the year ended December 30, 2023 increased 0.9%. The compon
presented in the table above. Our decrease in internally generated local currency sa
primarily attributable to the negative impact of the cybersecurity incident. Our sales
internally generated local currency for dental equipment was also primarily attributable to the
cybersecurity incident.

We estimate that sales of PPE products were approximately $338 million and $448 m
December 30, 2023 and December 31, 2022, respectively, representing an estimated
$110 million net decrease year-over-year repres
for the year ended December 30, 2023. The decrease in sales of PPE products is prim
lower market demand during the cybersecurity incident. Our estimated internall
sales, excluding PPE products were flat compared to the prior year.

Medical

Medical net sales for the year ended December 30, 2023 decreased 10.3%. The comp
presented in the table above. The internally generated local currency decrease in me
primarily attributable to the impact of the cybersecurity incident that occurred during the four
December 30, 2023 and to lower sales of PPE products and COVID-19 test kits and ot
products.

We estimate that sales of PPE products and COVID-19 test kits were approximately $
for the year ended December 30, 2023 and December 31, 2022, respectively, repres
$422 million decrease versus the prior year, with the $422 million net decrease year-
of prescription labels for the year ended December 30, 2023. The decrease in sales of
to lower market prices of PPE, lower market demand of COVID-19 test kits, and loss
products during the cybersecurity incident. The estimated decrease in internally ge
currency sales, products and COVID-19 test kits was 2.2%.

Technology and value-added services

Technology and value-added services net sales for the year ended December 30, 202
11.4%. The
presented in the table above. During the year en
30, 2023, sales of practice management software growth remains strong as we contin
increased users. We also experienced increased demand for our revenue cycle ma
analytical products. The increase in sales during the year ended December 30, 2023
offset by the
in the fourth quarter of 2022, of a modestly profitable gover
value-added services businesses. This segment of our business was largely unaffecte
by the cybersecurity incident

Gross Profit

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

	2023	Gross Margin %	2022	Gross Margin %	Increase / ($
Health care distribution	$ 3,312	28.7%	$ 3,357	28.2%	$ (45)
Technology and value-added services	549	68.0	474	65.5	75
Total	$ 3,861	31.3	$ 3,831	30.3	$ 30

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

Within our health care distribution segment, gross profit margins may vary between
changes in the mix of products sold as well as changes in our customer mix. For exam
our corporate brand and certain specialty products achieve gross profit margins that are higher tha
margins of other products. With respect to customer mix, sales to our large-group custo
typically cross higher gross margins due to the higher volumes sold as opposed to the gross margi
offices and practices, who normally purchase lower volumes.

Health care distribution gross profit for the year ended December 30, 2023 decrease
period due to the decrease in sales resulting from the cybersecurity incident and a re
sales of PPE and COVID-19 test kits, partially offset by gross profit from acquisitions and
expansion as a result of a favorable impact of sales mix of higher-margin products.

Technology and value-added services gross profit increased as a result of a higher gr
generally driven by sales and gross profit from acquisitions, as well as an increase in gross ma
primarily due to increases in productivity.

Operating Expenses

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

	2023	% of Respective Net Sales	2022	% of Respective Net Sales	Increa $
Health care distribution	$ 2,842	24.6%	$ 2,738	23.0%	$ 104
Technology and value-added services	404	50.1	346	47.8	58
Total	$ 3,246	26.3%	$ 3,084	24.4%	$ 162

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

	Operating Costs	Restructuring and Integration Costs	Acquisitions	Tot
Health care distribution	$ 92	$ (55)	$ 67	$
Technology and value-added services	5	4	49	
Total	$ 97	$ (51)	$ 116	$

The increase in operating costs during the year ended December 30, 2023 includes in
payroll and payroll-related, convention and consulting expenses in both of our reportable se
increased expenses in our healthcare distribution segment. During the year ended
2023, our operating expenses were favorably impacted by the recognition of a remeasurement
million following the acquisition of a controlling interest of a previously held equity investment, and we
incurred by, an impairment of capitalized costs of $27 million and impairment of int
of $7 million in our health care distribution segment. During the year ended December 30, 20
million of direct costs, primarily professional fees, for the remediation of the cybersec
reimbursement. The restructuring and integration costs are primarily related to severance and employee-
accelerated amortization of right-of-use lease assets and fixed assets, and other lease exit costs.

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Other Expense, Net

Other expense, net was as follows:

	2023	2022	Variance $	
Interest income	$ 17	$ 8	$ 9	
Interest expense	(87)	(35)	(52)	(
Other, net	(3)	1	(4)	n
Other expense, net	$ (73)	$ (26)	$ (47)	(

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

Income Taxes

Our effective tax rate was 22.1% for the year ended December 30, 2023 compared to
prior year. The difference between our effective and federal statutory tax rates primar
state and foreign income taxes and interest expense.

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

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Liquidity and Capital Resources

Our principal capital requirements have included funding of acquisitions, purchases o non-controlling interests, repayments of debt principal, the funding of working capital needs, purcha assets and repurchases of common stock. Working capital requirements generally result from in special inventory forward buy-in opportunities and payment terms for receivables and payab Historically, sales have tended to be stronger during the second half of the year and special inventory forwar opportunities have been most prevalent just before the end of the year, and have caused our working ca 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, revol facilities and debt placements. Please see Note 13 – Debt for further information. Our ability to generate suffici operations is dependent on the continued demand of our customers for our products and access to products and services from our suppliers.

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

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

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

Our acquisition strategy is focused on investments in companies that add new custom geographic coverage, increase our footprint (whether entering a new country, such as emerging markets scale where we have already invested in businesses), and finally, those that enable us to access new p technologies. As part of our BOLD+1 Strategic Plan, including pursuing focused mergers and acquisit the year ended December 30, 2023 we have announced acquisitions of companies specializing in imp clear aligners, home care medical products delivered directly to patients, and dental practice transit

Net cash provided by operating activities was $500 million for the year ended Decem compared to net cash provided by operating activities of $602 million for the prior year. The net chan million was primarily attributable to lower cash net income. During the quarter ended December cybersecurity incident had several offsetting impacts to the operating cash flows from our working including a decrease in operating cash flows from accounts receivable due to delayed billings and limited collection efforts resulting from the impact of the cybersecurity incident, and an incr operating cash flows resulting from reduced inventory purchases.

Net cash used in investing activities was $1,135 million for the year ended December compared to net cash used in investing activities of $276 million for the prior year. The net change of was primarily attributable to increased payments for equity investments and business acquisitions, purchases of fixed assets resulting from our continued investment in our facilities and operations.

Net cash provided by financing activities was $701 million for the year ended Decem compared to net cash used in financing activities of $315 million for the prior year. The net change of was primarily due to increased net borrowings from debt to finance our investments, partially offse repurchases of common stock.

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

	December 30, 2023	Decem 202
Cash and cash equivalents	$ 171	$
Working capital[1]	1,805	
Debt:		
Bank credit lines	$ 264	$
Current maturities of long-term debt	150	
Long-term debt	1,937	
Total debt	$ 2,351	$
Leases:		
Current operating lease liabilities	$ 80	$
Non-current operating lease liabilities	310	

(1) Includes $284 million and $327 million of certain accounts receivable which serve as security for U. securitizations at December 30, 2023 and December 31, 2022, respectively.

Our cash and cash equivalents consist of bank balances and investments in money ma overnight 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 46.2 da from 41.9 days as of December 31, 2022 due to delays in billings leading to limited co the quarter ended December 30, 2023 as a result of the cybersecurity incident. During the years ended December 30, 2023 and December 31, 2022, we wrote off approximately $16 million and $10 million, respect against our trade receivable reserves. Our inventory turns from o 4.5 as of December 30, 2023 and 4.7 as of December 31, 2022. Our working capital accounts and fluctuate by current conditions.

Contractual obligations

The following table summarizes our contractual obligations related to fixed and varia finance lease obligations, including interest (assuming a weighted average interest ra as well as inventory purchase commitments and operating lease obligations as of December 30,

	Payments due by period				
	< 1 year	2 - 3 years	4 - 5 years	> 5 years	T
Contractual obligations:					
Long-term debt, including interest	$ 243	$ 1,097	$ 346	$ 783	$
Inventory purchase commitments	5	8	4	-	
Operating lease obligations	92	141	86	119	
Transition tax obligations	11	24	-	-	
Finance lease obligations, including interest	4	3	2	-	
Total	$ 355	$ 1,273	$ 438	$ 902	$

For information relating to our debt please see Note 13 – Debt.

Leases

We have operating and finance leases for corporate offices, office space, distribution and fulfillment facilities, retail stores, and equipment. Our leases have remaining terms of less than one year to approximately 15 years, which may include options to extend the leases for up to 15 years. As of December 30, 2023, the right-of-use assets related to operating leases were $325 million and our current and non-current lease liabilities were $80 million and $310 million, respectively. Please see Note 7 – Leases for further information.

Stock Repurchases

On February 8, 2023, our Board authorized the repurchase of up to an additional $40 billion of our common shares of stock.

From March 3, 2003 through December 30, 2023, we repurchased $4.7 billion, or 90 million shares, under our stock repurchase programs, with $265 million available as of December 30, 2023 for future common stock repurchases.

Redeemable Noncontrolling Interests

Some minority stockholders in certain of our consolidated subsidiaries have the right, at times, to require us to acquire their ownership interest in those entities. Accounting Standards Codification 480-10 is applicable to redeemable noncontrolling interests where we are or may be required to purchase all or a portion of a consolidated subsidiary from the noncontrolling interest holder under the terms of contractual agreements. As of December 30, 2023 and December 31, 2022, our balance of redeemable noncontrolling interests was $864 million and $576 million, respectively. Please see Note 19 – Redeemable Noncontrolling Interests for further information.

Unrecognized tax benefits

As more fully disclosed in Note 14 – Income Taxes of Notes to Consolidated Financial Statements, we reasonably estimate the timing of future cash flows related to our unrecognized tax benefits, including interest, of $115 million as of December 30, 2023.

Critical Accounting Estimates

Our accounting policies are more fully described in Note 1 – Basis of Presentation and Significant Accounting Policies of the consolidated financial statements. The preparation of consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. We base our estimates on historical experience, where available, industry and market trends, and on various other assumptions that are believed to be reasonable under the circumstances, the combined results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. However, by their nature, estimates, judgments and assumptions are subject to various risks and uncertainties. Therefore, reported results may differ from estimates, judgments and assumptions made and these differences may be material to our consolidated financial statements.

We believe that the following critical accounting estimates, which have been discussed with our Board, affect the significant estimates and judgments used in the preparation of our consolidated financial statements.

Inventories and Reserves

Inventories consist primarily of finished goods and are valued at the lower of cost or net realizable value determined by the first-in, first-out method for merchandise and actual cost for large items of furniture, equipment. In estimating carrying value of inventory, we consider many factors including

salability of the inventory by reviewing on-hand quantities, historical sales, forecasted economic trends. Certain of our products, specifically PPE and COVID-19 test kits, ha market and experienced changes in net realizable values due to volatility of pricing and changes in demand for these prod

Business Combinations

The estimated fair value of acquired identifiable intangible assets (i.e., customer rela lists, trademarks, product development and non-compete agreements) is based on cri assumptions derived from analysis of market conditions, including discount rates, pro (which are based on historical trends and assessment of financial projections), estima revenue growth rates projected cash flows. These assumptions are forward-looking and could be affected b and conditions. Please see Note 5 – Business Acquisitions and Divestitures for further discussion of our

Goodwill

Goodwill is subject to impairment analysis at least once annually as of the first day of quarter, or if an circumstances change that would more likely than not reduce a repor carrying value below value. We regard our reporting units to be our operating segments: our glob businesses, and technology and value-added services. Goodwill is allocated to such re purposes of preparing our impairment analyses, based on a specific identification bas

Application of the goodwill impairment test requires judgment, including the identific assignment of assets and liabilities that are considered shared services to the reporti determination of the fair value of each reporting unit. The fair value of each reportin applied by discounted cash flow methodology and confirming with a market approa inherent uncertainties, however, related to fair value models, the inputs and our judgments in The most significant inputs include estimation of detailed future cash flows based on expectations, and comparable companies to develop a weighted average cost of capita reporting unit.
On an annual basis, we prepare financial projections. These projections are based on our leadership and ultimately to our Board. Influences on this year's forecasted financial in the fair value: the impact of planned strategic initiatives, the continued integration o overall market conditions. The estimates used to calculate the fair value of a reportin acquisitions and from year to year based on operating results, market conditions, and other factors.

Our third-party valuation specialists provide inputs into our determination of the disc rate is dependent on a number of underlying assumptions, including the risk-free rate, tax ra premium, debt and pre-tax cost of debt.

Long-term growth rates are applied to our estimation of future cash flows. The long-t growth rates we expect to achieve beyond the years for which we have forecasted op considered also external benchmarks, and other data points which we believe are applicable industry and our global operations.

For the years ended December 30, 2023 and December 25, 2021, we believe the fair of its reporting exceeds the carrying values and thus we did not record any amount impairment. Based on our quantitative assessment for the year ended December 31, 2022, we rec of goodwill relating to the disposal of an unprofitable business for which estimated fa carrying value. As part of our analysis for the rest of the goodwill balance, we perfor sensitivity analysis on discount rates and long-term growth rate assumptions. The sensitivities did not re additional impairment charges.

Definite-Lived Intangible Assets

Annually or if we identify an impairment indicator, definite-lived intangible assets suc
agreements, trademarks, trade names, customer relationships and lists, and product
impairment indicators. If any impairment indicators exist, quantitative testing is perf
asset.
The quantitative impairment model is a two-step test under which we first calculate t
recoverability of the comparing the undiscounted projected cash flows associated with t
asset or asset estimated residual value, to the carrying amount. If the cash flows asso
group are less than the carrying value, we perform a fair value assessment of the ass
carrying amount is found to be greater than the fair value, we record an impairment
values of the fair value. In addition, in all cases of an impairment review, we re-eva
lives of the assets and modify them, as appropriate. Although we believe our judgme
assumptions used in estimating cash flows and determining fair value are reasonable
such judgments, estimates and/or assumptions could materially affect such impairme
results.

During the year ended December 30, 2023 we recorded $19 million of impairment ch
our health care distribution segment, the components of which were $7 million prima
and relationships attributable to lower than anticipated operating margins in certain
charge related to the planned exit of a business. These impairment charges were cal
the difference between the carrying values and the estimated fair values of the impaired intangible
estimate of future cash flows. Please see Note 15 – Plans of Restructuring and Integration and Ot
details.

During the year ended December 31, 2022 we recorded $49 million of impairment ch
our health care distribution segment, the components of which were a $15 million ch
the disposal of a business and a $34 million charge related to customer lists and relati
attrition rates being higher than expected in certain other health care distr
impairment charges were calculated as the differences between the carrying values a
the impaired intangible assets, using a discounted estimate of future cash flows. Plea
Restructuring and Integration and Ot for additional details.

During the year ended December 25, 2021, we recorded a $1 million impairment cha
charge to write-off within our health care distribution segment and a business within our techn
value-added services

Redeemable Noncontrolling Interests

Some minority stockholders in certain of our consolidated subsidiaries have the right
times, to require us to acquire their ownership interest in those entities at fair value. The redemption am
based on market transactions, expected future earnings and cash flows and, if such ea
cash flow, the value of the redeemable noncontrolling interests might be impaired. S
Presentation and Significant Accounting Policies and Note 19 – Redeemable Noncontrolling Inte
information.

Income Tax

When determining if the realization of a deferred tax asset is likely to assess the need
valuation allowance, estimates and judgement are required. We consider all available evidence, both posit
including estimated future taxable earnings, ongoing tax planning strategies, future reve
differing tax and historical operating results. Additionally, changes to tax laws and sta
impact our determination. Our intention is to evaluate the realizability of our defe
ASC Topic 740 prescribes the accounting for uncertainty in income taxes recognized
accordance with provisions contained within its guidance. This topic prescribes a rec
measurement attribute for the financial statement recognition and measurement of ta

be taken in a tax return. For those benefits to be recognized, a tax position must be m than not to be sustained upon examination by the taxing authorities. The amount recognized is mea largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate audit s the normal course of business, our tax returns are subject to examination by various taxing autho examinations may result in future tax and interest assessments by these taxing authorities for uncertain taken in respect of certain tax matters. Please see Note 14 – Income Taxes for further discussion.

The Financial Accounting Standards Board Staff Q&A, Topic 740 No. 5, Accounting fo Intangible Low-Taxed Income (“GILTI”), states that an entity can make an accounting policy election recognize deferred taxes for temporary differences expected to reverse as GILTI in future years or provi expense related to GILTI in the year the tax is incurred. We have elected to recognize the tax on GILT period expense in the period the tax is incurred.

Accounting Standards Update

For a discussion of accounting standards updates that have been adopted or will be a future, please see Note 1 – Basis of Presentation and Significant Accounting Policies included under Item 8.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks, interest rate risks as well as changes in foreign curr rates as measured against the U.S. dollar and each other, and changes to the credit markets. risks primarily by using foreign currency forward contracts and by maintaining count hedging activities provide only limited protection against currency exchange and cred factors that could influence the effectiveness of our hedging programs include currency markets and av instruments and liquidity of the credit markets. All foreign currency forward contrac are components of hedging programs and are entered into for the sole purpose of hedgin or anticipated exposure. We do not enter into such contracts for speculative purposes and our credit risks by diversifying our investments, maintaining a strong balance sheet and having multiple capital.

Foreign Currency

The value of certain foreign currencies compared to the U.S. dollar may affect our fin Fluctuations in exchange rates may positively or negatively affect our revenues, gross margins, oper earnings, all of which are expressed in U.S. dollars. Where we deem it prudent, we e hedging programs using primarily foreign currency forward contracts aimed at limiting the impact of fo exchange rate fluctuations on earnings. We purchase short-term (i.e., generally 18 months or less) f currency forward contracts to protect against currency exchange risks associated with intercompany lo subsidiaries and the payment of merchandise purchases to foreign suppliers. We do n translation of foreign currency profits into U.S. dollars, as we consider foreign currency translation accounting exposure, not an economic exposure. A hypothetical 5% change in the average value of the U.S 2023 compared to foreign currencies would have changed our 2023 reported Net income attributable to Schein, Inc. by approximately $5 million.

As of December 30, 2023, our forward foreign currency exchange agreements, which through November 2028, had a fair value of $(8) million as determined by quoted market prices. Include forward foreign currency exchange agreements, Henry Schein, Inc. had net investment designated EU forward contracts with notional values of approximately €300 million and reported fair values of $(7) mi increase in the value of the Euro to the USD from December 30, 2023 would decrease the fair value forward contracts by $18 million.

Total Return Swaps

On March 20, 2020, we entered into a total return swap for the purpose of economica qualified supplemental retirement plan and our deferred compensation plan obligatio

our unfunded non

At inception, the notional value of the investments in these plans was $43 million. At 2023, the
2023, the notional value of the investments in these plans was $96 million. At December 30, 20
For this swap we have
For this swap we have agreed to a fixed rate based on the Secured Overnight Financing Rate ("SOFR") of 5.33%
rate of 5.85%. For the years ended December 30, 2023, December 31, 2022, and Dec
recorded a gain/(loss), within selling, general and administrative expense, of approxi
2021 we recorded a gain/(loss), within selling, general and administrative expense, of approxi
million, $(17) million, and $12 million, respectively, net of transaction costs, related to this undesign
This swap is to be renewed on an annual basis and is expected to result in a neutral impa
expected to result in a neutral impact to our results of operations.

Credit Risk Monitoring

We limit our credit risk with respect to our cash equivalents, short-term investments
We monitor the credit worthiness of the financial institutions who are the counterpart
financial instruments. As a risk management policy, we limit the amount of credit exposure by
and utilizing investment grade counterparties.

Interest Rate Risk

As of December 30, 2023, we had variable interest rate exposure for certain of our re
facilities and our U.S. trade accounts receivable securitization.

Our revolving credit facility which we entered into on July 11, 2023 and expires on Ju
has a variable interest rate that is based on the SOFR plus a spread based on our leverage ratio at t
reporting quarter. As of December 30, 2023, there was $200 million outstanding und
facility. During the year ended December 30, 2023, the average outstanding balance
approximately $61 million. Based upon our average outstanding balances, for each hypothetical increase
points, interest expense thereunder would have increased by $0.2 million.

Our U.S. trade accounts receivable securitization, which we entered into on April 17,
expires on December 15, 2025, has a variable interest rate that is based upon the asset-backed c
paper rate. As of December 30, 2023, the commercial paper rate was 5.67% plus 0.75%, for a combine
6.42% and the balance under this securitization facility was $210 million. During the ye
December 30, 2023, the average outstanding balance was approximately $238 million. Based upon our av
outstanding balances, for each hypothetical increase of 25 basis points, our interest expense thereunder wo
millions.
increased by $1

On July 11, 2023, we entered into interest rate swap agreements to hedge the cash fl
variable rate $750 million term loan debt term loan facility, with three years maturity, effectively changing
our obligation to a fixed rate. Under the terms of the interest rate swap agreements,
we will receive variable interest rate payments based on the one-month Term SOFR rate and pay interest at a fixed rate. A
December 30, 2023, the fair value of the interest rate swap agreements was $741 million. This term loan
matures on July 11, 2026. At December 30, 2023, the interest on this Term Credit Agreement was 5.36% plus 1
0.71% and we have, however, we have a hedge in place (see Note 12 — Derivatives and Hedging Activities for additio
information) that ultimately creates an effective fixed rate of 5.79%.

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ITEM 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Henry Schein, Inc.
Melville, NY

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Henry Schein, I
December 30, 2023 and December 31, 2022, the related consolidated statements of i
comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the per
and the related notes (collectively referred to as the "consolidated financial stater
our opinion, the consolidated financial statements present fairly, in all material respects, the financia
the Company at December 30, 2023 and December 31, 2022, and the results of its operations and its
years in the period ended December 30, 2023, in conformity with accounting princip
United States of America.

We also have audited, in accordance with the standards of the Public Company Ac
(United States) ("PCAOB"), the Company's internal control over financial reporting
December 30, 2023, based on criteria established in Internal Control – Integrated Framework (2013) i
Sponsoring Organizations of the Treadway Commission ("COSO") and our report
February 28, 2024 expressed an adverse opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's man
responsible for expressing an opinion on the Company's consolidated financial statements based on
are a public accounting firm registered with the PCAOB and are required to be independent with
accordance with the U.S. federal securities laws and the applicable rules and regul
Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those stan
perform the audit to obtain reasonable assurance about whether the consolidated fi
statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatem
consolidated financial statements, whether due to error or fraud, and performing procedures that respond
included examining, on a test basis, evidence regarding the amounts and disclosure
consolidated financial statements. Our audits also included evaluating the accounting principles used and
significant estimates made by management, as well as evaluating the overall presentation of the consolidated finan
statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current pe
the consolidated financial statements that was communicated or required to be communicated to the
and that: (1) relates to accounts or disclosures that are material to the consolidated financial stat
(2) involved our especially challenging, subjective or complex judgments. The communication of the
critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a
whole, and we are not, by the critical audit matter below, providing a separate opinion on the
critical audit matter or on the accounts or disclosures to which it relates.

Business Acquisition

As described in Note 5 of the consolidated financial statements, the Company acqui
("Shield") in 2023. As a result of this acquisition, management was required to deter

identifiable assets acquired and liabilities assumed. In connection with the acquisit
the Company recorded $156 million of identifiable intangible assets related to customer relationshi

We identified management's judgements used to determine the revenue growth rate
determination of the fair value of the acquired customer relationships and lists in th
of Shield as a critical audit matter. The principal considerations for our determination were the sub
judgement required by management in formulating the revenue growth rates and assessing the appropriate
discount rates used in developing the fair values of the applicable acquired identifiable intangible assets. A
considerations especially subjective and challenging auditor judgement due to the nature
of acquired and the level of effort to address these matters, including the extent of specialized skill or knowled

The primary procedures we performed to address this critical audit matter included:

- Evaluating the reasonableness of the revenue growth rates used in the determ
fair values of the acquired customer relationships and lists in the acquisition of Shield by: (i)
historical performance of the acquired company using their audited financial statements
projections against industry metrics and peer-group companies.
- Utilizing personnel with specialized knowledge and skill in valuation to assis
information underlying the determination of the discount rate, and (ii) develop
estimates of discount rates and comparing those to the discount rate selected
with the determination of the fair value of the acquired customer relationships
Shield acquisition of

/ BDO USA, P.C.
s/
We have served as the Company's auditor since 1984.

New York, NY
February 28, 2024

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

	December 30, 2023	Decem 20
ASSETS		
Current assets:		
Cash and cash equivalents	$ 171	$
Accounts receivable, net of allowance for credit losses of $83 and $65 (1)	1,863	
Inventories, net	1,815	
Prepaid expenses and other	639	
Total current assets	4,488	
Property and equipment, net	498	
Operating lease right-of-use assets	325	
Goodwill	3,875	
Other intangibles, net	916	
Investments and other	471	
Total assets	$ 10,573	$
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,020	$
Bank credit lines	264	
Current maturities of long-term debt	150	
Operating lease liabilities	80	
Accrued expenses:		
Payroll and related	332	
Taxes	137	
Other	700	
Total current liabilities	2,683	
Long-term debt (1)	1,937	
Deferred income taxes	54	
Operating lease liabilities	310	
Other liabilities	436	
Total liabilities	5,420	
Redeemable noncontrolling interests	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, 129,247,765 outstanding on December 30, 2023 and 131,792,817 outstanding on December 31, 2022	1	
Additional paid-in capital	-	
Retained earnings	3,860	
Accumulated other comprehensive loss	(206)	
Total Henry Schein, Inc. stockholders' equity	3,655	
Noncontrolling interests	634	
Total stockholders' equity	4,289	
Total liabilities, redeemable noncontrolling interests and stockholders' equity	$ 10,573	$

(1) Amounts presented include balances held by our consolidated variable interest entity ("VIE"). At December 30, 2023, includes trade accounts receivable of $284 million and $327 million, respectively, and long-ter debt of $ million and $255 million, respectively. See Note 1 – Basis of Presentation and Significant Accounting Polic for further information.

See accompanying notes.

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

	Years Ended		
	December 30, 2023	December 31, 2022	Dece 2
Net sales	$ 12,339	$ 12,647	$
Cost of sales	8,478	8,816	
Gross profit	3,861	3,831	
Operating expenses:			
Selling, general and administrative	2,956	2,771	
Depreciation and amortization	210	182	
Restructuring and integration costs	80	131	
Operating income	615	747	
Other income (expense):			
Interest income	17	8	
Interest expense	(87)	(35)	
Other, net	(3)	1	
Income before taxes, equity in earnings of affiliates and noncontrolling interests	542	721	
Income taxes	(120)	(170)	
Equity in earnings of affiliates, net of tax	14	15	
Gain on sale of equity investment	-	-	
Net income	436	566	
Less: Net income attributable to noncontrolling interests	(20)	(28)	
Net income attributable to Henry Schein, Inc.	$ 416	$ 538	$
Earnings per share attributable to Henry Schein, Inc.:			
Basic	$ 3.18	$ 3.95	$
Diluted	$ 3.16	$ 3.91	$
Weighted-average common shares outstanding:			
Basic	130,618,990	136,064,221	14
Diluted	131,748,171	137,755,670	14

See accompanying notes.

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HENRY SCHEIN, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCO
(in millions)

	Years Ended		
	December 30, 2023	December 31, 2022	Dece 2
Net income	$ 436	$ 566	$
Other comprehensive income, net of tax:			
Foreign currency translation gain (loss)	53	(88)	
Unrealized gain (loss) from hedging activities	(18)	7	
Pension adjustment gain (loss)	(3)	12	
Other comprehensive income (loss), net of tax	32	(69)	
Comprehensive income	468	497	
Comprehensive income attributable to noncontrolling interests:			
Net income	(20)	(28)	
Foreign currency translation loss (gain)	(5)	7	
Comprehensive income attributable to noncontrolling interests	(25)	(21)	
Comprehensive income attributable to Henry Schein, Inc.	$ 443	$ 476	$

See accompanying notes.

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HENRY SCHEIN, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions, except share and per share data)

	Common Stock $.01 Par Value		Additional Paid-in	Retained	Accumulated Other Comprehensive	Noncontrolling
	Shares	Amount	Capital	Earnings	Income (Loss)	Interests
Balance, December 26, 2020	142,462,571	$ 1	$ -	$ 3,455	$ (108)	$ 636
Net income (excluding $23 attributable to Redeemable noncontrolling interests)	-	-	-	631	-	6
Foreign currency translation loss (excluding $6 loss of $ attributable to Redeemable noncontrolling interests)	-	-	-	-	(78)	-
Unrealized gain from hedging activities, net of tax of $3	-	-	-	-	9	-
Pension adjustment gain, including $2 tax of $	-	-	-	-	6	-
Distributions to noncontrolling shareholders	-	-	-	-	-	(11)
Change in fair value of redeemable securities	-	-	(160)	-	-	-
Noncontrolling interests and adjustments related to business acquisitions	-	-	-	-	-	7
Repurchase and retirement of common stock	(5,505,704)	-	(53)	(348)	-	-
Stock-based compensation expense	303,643	-	78	-	-	-
Shares withheld for payroll taxes	(114,952)	-	(9)	-	-	-
Transfer of charges in excess of capital	-	-	143	(143)	-	-
Balance, December 25, 2021	137,145,558	1	-	3,595	(171)	638
Net income (excluding $21 attributable to Redeemable noncontrolling interests)	-	-	-	538	-	7
Foreign currency translation loss (excluding $6 loss of $ attributable to Redeemable noncontrolling interests)	-	-	-	-	(81)	(1)
Unrealized gain from hedging activities, net of tax of $3	-	-	-	-	7	-
Pension adjustment gain, including $4 tax of $	-	-	-	-	12	-
Distributions to noncontrolling shareholders	-	-	-	-	-	(1)
Purchase of noncontrolling interests	-	-	-	-	-	(7)
Change in fair value of redeemable securities	-	-	4	-	-	-
Noncontrolling interests and adjustments related to business acquisitions	-	-	-	-	-	13
Repurchase and retirement of common stock	(6,111,676)	-	(65)	(420)	-	-
Stock issued upon exercise of stock options	35,792	-	2	-	-	-
Stock-based compensation expense	1,102,108	-	54	-	-	-
Shares withheld for payroll taxes	(376,034)	-	(32)	-	-	-
Settlement of stock-based compensation awards	(2,931)	-	2	-	-	-
Transfer of charges in excess of capital	-	-	35	(35)	-	-
Balance, December 31, 2022	131,792,817	1	-	3,678	(233)	649
Net income (excluding $6 attributable to Redeemable noncontrolling interests)	-	-	-	416	-	14
Foreign currency translation gain (excluding $5 gain of $ attributable to Redeemable noncontrolling interests)	-	-	-	-	48	-
Unrealized loss from hedging activities, including tax benefit of $7	-	-	-	-	(18)	-
Pension adjustment loss, including tax benefit of $0	-	-	-	-	(3)	-
Distributions to noncontrolling shareholders	-	-	-	-	-	(27)
Change in fair value of redeemable securities	-	-	11	-	-	-
Noncontrolling interests and adjustments related to business acquisitions	-	-	-	-	-	(2)
Repurchase and retirement of common stock	(3,214,136)	-	(33)	(219)	-	-
Stock issued upon exercise of stock options	21,068	-	1	-	-	-
Stock-based compensation expense	1,065,319	-	39	-	-	-
Shares withheld for payroll taxes	(416,605)	-	(34)	-	-	-
Settlement of stock-based compensation awards	(698)	-	1	-	-	-
Transfer of charges in excess of capital	-	-	15	(15)	-	-
Balance, December 30, 2023	129,247,765	$ 1	$ -	$ 3,860	$ (206)	$ 634

See accompanying notes.

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

	Years Ended	
	December 30, 2023	December 31, 2022
Cash flows from operating activities:		
Net income	$ 436	$ 566
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	248	212
Impairment charge on intangible assets	7	34
Impairment of capitalized software	27	-
Non-cash restructuring charges	27	93
Gain on sale of equity investment	-	-
Stock-based compensation expense	39	54
Provision for (benefits from) losses on trade and other accounts receivable	18	5
Benefit from deferred income taxes	(20)	(73)
Equity in earnings of affiliates	(14)	(15)
Distributions from equity affiliates	15	15
Changes in unrecognized tax benefits	10	12
Other	(3)	(20)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(327)	(7)
Inventories	231	(126)
Other current assets	(138)	(52)
Accounts payable and accrued expenses	(56)	(96)
Net cash provided by operating activities	500	602
Cash flows from investing activities:		
Purchases of property and equipment	(147)	(96)
Payments related to equity investments and business acquisitions, net of cash acquired	(955)	(158)
Proceeds from sale of equity investment	-	-
Proceeds from loan to affiliate	6	11
Settlements for net investment hedges	22	-
Capitalized software costs	(40)	(32)
Other	(21)	(1)
Net cash used in investing activities	(1,135)	(276)
Cash flows from financing activities:		
Net change in bank credit lines	153	48
Proceeds from issuance of long-term debt	1,368	270
Principal payments for long-term debt	(468)	(59)
Debt issuance costs	(3)	-
Proceeds from issuance of stock upon exercise of stock options	1	2
Payments for repurchases and retirement of common stock	(250)	(485)
Payments for taxes related to shares withheld for employee taxes	(34)	(32)
Distributions to noncontrolling shareholders	(47)	(21)
Acquisitions of noncontrolling interests in subsidiaries	(19)	(38)
Net cash provided by (used in) financing activities	701	(315)
Effect of exchange rate changes on cash and cash equivalents	(12)	(12)
Net change in cash and cash equivalents	54	(1)
Cash and cash equivalents, beginning of period	117	118
Cash and cash equivalents, end of period	$ 171	$ 117

See accompanying notes.

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

Note 1 – Basis of Presentation and Significant Accounting Policies

Nature of Operations

We distribute health care products and services primarily to office-based dental and medical practitioners, laboratories, physician practices, and ambulatory surgery centers, as well as government, health care clinics and alternate care clinics. We also provide software, technology and other value-added services to health care practitioners. Our dental businesses serve office-based dental practitioners, dental laboratories, dental group practices, dental schools, government and other institutions. Our medical businesses serve physician offices, ambulatory care sites, emergency medical technicians, dialysis centers, long-term care facilities, hospitals, government agencies, large enterprises, such as group practices and integrated delivery networks, and other providers.

We have operations or affiliates in the United States, Australia, Austria, Belgium, Brazil, Canada, Chile, China, the Czech Republic, France, Germany, Hong Kong SAR, Ireland, Israel, Italy, Japan, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Poland, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Arab Emirates and the United Kingdom.

Basis of Presentation

Our consolidated financial statements include the accounts of Henry Schein, Inc. and our subsidiaries. All intercompany accounts and transactions are eliminated in consolidation. Investments in unconsolidated affiliates for which we have the ability to influence the operating or financial decisions are accounted for using the equity method. Certain prior period amounts have been reclassified to conform to the current presentation. These reclassifications, individually and in the aggregate, did not have a material impact on our consolidated financial condition, results of operations or cash flows.

We consolidate the results of operations and financial position of a trade accounts receivable securitization Variable Interest Entity ("VIE") because we are its primary beneficiary. We have the power to direct the activities that most significantly affect its economic performance and have the obligation to absorb the majority of its losses or the benefits. For this VIE, the trade accounts receivable transferred to the VIE are pledged as collateral for the related debt. The VIE's creditors have recourse to us for losses on the trade accounts receivable transferred to the VIE. At December 30, 2023 and December 31, 2022, certain trade accounts receivable that we transferred to the VIE were $294 million and $327 million, respectively, and the liabilities of this VIE, which consist of borrowings from third-party creditors, were $210 million and $255 million, respectively. The creditors have recourse to us for losses on the

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to tra liability in an orderly transaction between market participants at the measurement date. The fair value hie distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best 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 liabili that are accessible at the measurement date.
- Level 2— Inputs other than quoted prices included within Level 1 that are observa for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets o 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.

See Note 10 – Fair Value Measurements for additional information.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the repo amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financia statements and the reported amounts of revenue and expenses during the reporting period. Actual results could from those estimates.

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

Fiscal Year

We report our results of operations and cash flows on a 52-53 weeks per fiscal year basis ending Saturday of December. The year ended December 30, 2023 consisted of 52 weeks, and the years end December 31, 2022 and December 25, 2021 consisted of 53 weeks and 52 weeks, respectively.

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or service amount that reflects the consideration that we expect to receive for those goods or services. To recognize rev we:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contrac
- recognize revenue when, or as, we satisfy a performance obligation.

We generate revenue from the sale of dental and medical consumable products, equi (Health care distribution); software products and services and other sources (Technology and value-a services). Provisions for discounts, rebates to customers, customer returns and other contra rev adjustments are included in the transaction price at contract inception by estimating the most likely amount ba upon historical data and estimates and are provided for in the period in which the related sales are recognized

Revenue derived from the sale of consumable products is recognized at the point in ti when control transfers to the customer. Such sales typically entail high-volume, low-dollar orders shipped usin third-party carriers. We believe that the shipment date is the most appropriate point in time indicating control has transferred

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to the customer. On the shipment date, we have no post-shipment obligations, legal t and risk and rewards of ownership transfer to the customer and we have an enforceable right to payment.

Revenue derived from the sale of equipment is recognized when control transfers to t customer. This occurs when the equipment is delivered. Such sales typically entail scheduled deliveries of l equipment primarily by equipment service technicians. Most equipment requires minimal installation, which typically completed at the time of delivery. Our product generally carries standard warranty terms provided by manufacturer, however, in instances where we provide warranty labor services, the warranty costs are accrued accordance with Accounting Standards Codification ("ASC") Topic 460 Guarantees. At December 30, 2023 and December 31, 2022, we had accrued approximately $12 million and $8 million, respectively, for warranty costs.

Revenue derived from the sale of software products is recognized when products are delivered to customers or made available electronically. Such software is generally installed by customers and does not require extensive training. Revenue derived from post-contract customer support for software, includin annual support and/or training, is generally recognized over time using time elapsed as the input method th depicts the transfer of control to the customer. Revenue derived from software sold on a Software-as-a-Serv basis is recognized ratably over the subscription period as control is transferred to the customer.

Revenue derived from other sources, including freight charges, equipment repairs an financial services, is recognized when the related product revenue is recognized or when the services are provided. We apply the practical expedient to treat shipping and handling activities performed after the custo as fulfillment activities, rather than a separate performance obligation in the contract.

Sales, value-add and other taxes we collect concurrent with revenue-producing activi are excluded from revenue.

Some of our revenue is derived from bundled arrangements that include multiple dist performance obligations, which are accounted for separately. When we sell software products together with re services (i.e., training and technical support), we allocate revenue to software by the residual method, using estimate of the standalone selling price to estimate the fair value of the undelivered elements. Bundled arrange that include elements that are not considered software consist primarily of equipment and the related insta service. We allocate revenue for such arrangements based on the relative selling prices of the goods or se If an observable selling price is not available (i.e., because we or others do not sell the goods or services separately), we use one of the following techniques to estimate the standalone selling price: adjusted market approa cost-plus approach or the residual method. There is no specific hierarchy for the use of these methods, but the estimated selling price reflects our best estimate of what the selling prices of each deliverable would be if it were sol regularly on a standalone basis taking into consideration the cost structure of our business, technical skill requ customer location and other market conditions.

See Note 3 – Revenue from Contracts with Customers for additional disclosures of disaggregate Note 4 – Segment and Geographic Data for disclosures of net sales by segment and geograph

Sales Returns

Sales returns are recognized as a reduction of revenue by the amount of expected ret and are recorded as a refund liability within accrued expenses-other within our consolidated balance sheets. We es the liability based on historical data for specific products, adjusted as necessary for new products. The allowance for returns is presented gross as a refund liability and we record an inventory asset (and corresponding adjustment to cost of sales) for any products that we expect to be returned and resaleable.

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

Cost of Sales

The primary components of cost of sales include the cost of the product (net of purchase discounts, supplier rebates) and inbound and outbound freight charges.

Costs related to purchasing, receiving, inspections, warehousing, internal inventory transfers and other costs of our distribution network are included in selling, general and administrative expenses along with other operating costs. Total distribution network costs were $105 million, $103 million and $89 million for the years ended December 30, 2023, December 31, 2022 and December 25, 2021, respectively.

Supplier Rebates

Supplier rebates are included as a reduction of cost of sales and are recognized over the period in which we earn the rebate. The terms of our supplier rebate programs vary by contract, but generally provide for increasing rebates based on either increased purchase or sales volumes. Estimating supplier rebate accruals include forecasted inventory purchases, sales, or supplier purchases.

Direct Shipping and Handling Costs

Freight and other direct shipping costs are included in cost of sales. Direct handling costs, which represent compensation costs of employees who pick, pack and otherwise prepare merchandise for shipment to customers are reflected in selling, general and administrative expenses. Direct handling costs were $93 million, $86 million and $83 million for the years ended December 30, 2023, December 31, 2022 and December 25, 2021, respectively.

Advertising and Promotional Costs

We expense advertising and promotional costs as incurred. Total advertising and promotional expenses were $487 million, $468 million and $418 million for the years ended December 30, 2023, December 31, 2022 and December 25, 2021, respectively.

Stock-Based Compensation Costs

We measure stock-based compensation at the grant date, based on the estimated fair value of the award, and recognize the cost (net of estimated forfeitures) as compensation expense on a straight-line basis over the requisite service period for time-based restricted stock units and on a graded vesting basis for performance-based restricted stock units and stock option awards. For awards, at each reporting date, we reassess whether achievement of the performance conditions is probable and accordingly adjust compensation expense when achievement of the performance conditions is probable. Our stock-based compensation expense is reflected in selling, general and administrative expenses.

Employment Benefit Plans and other Postretirement Benefit Plans

Some of our employees in our international markets participate in various noncontributory defined benefit plans. We recognize the funded status, measured as the difference between the fair value of plan assets and the projected benefit obligation. Each unfunded plan is recognized as a liability and each funded plan is recognized as either an asset or liability based on its funded status. We measure our plan assets and liabilities at the end of our fiscal year.

Net periodic pension costs and valuations are dependent on assumptions used by third-party actuaries. These assumptions include discount rates, expected return on plan assets, compensation levels, retirement rates, mortality rates, and other factors. We record the net pension cost in selling, general and administrative expenses within our consolidated statements of income.

Gains and losses that result from changes in actuarial assumptions or from actual experience that differ from assumptions are recognized in and then amortized from Accumulated other comprehensive income (loss).

Cash and Cash Equivalents

We consider all highly liquid short-term investments with an original maturity of three months or less to be cash equivalents. Due to the short-term maturity of such investments, the carrying amounts are a reasonable estimate of fair value. Outstanding checks in excess of funds on deposit of $52 million and $53 million, primarily related to payments for inventory, were classified as accounts payable as of December 30, 2023 and December 31, 2022.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generally recognized when health care distribution and technology and value-added services revenues are recognized. In accordance with the “expected credit loss” model, accounts receivable is reduced by a valuation allowance that reflects our best estimate of the amounts that we do not expect to collect. In addition to reviewing delinquent accounts receivable, we consider many factors in estimating our reserve, including types of customers and their credit worthiness, experience and historical data adjusted for current conditions and reasonable supportable forecasts.

We record allowances for credit losses based upon a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing rates, based upon the age of the receivable, the collection history associated with the geographic region that the receivable was recorded in, current economic trends, and reasonable supportable forecasts. We write off a receivable and charge it against its recorded allowance when we deem them uncollectible.

Our net accounts receivable balance was $1,863 million, $1,442 million, and $1,452 million at December 30, 2023, December 31, 2022, and December 25, 2021, respectively. Our allowance for credit losses was $83 million, $67 million, and $88 million as of December 30, 2023, December 31, 2022, December 25, 2021, and December 26, 2020, respectively. Additions to the allowance for the years ended December 30, 2023, December 31, 2022 and December 25, 2021 were $34 million, $8 million and $0 million, respectively. Deductions to the allowance for the years ended December 30, 2023, December 31, 2022 and December 25, 2021, were $16 million, $10 million and $21 million, respectively.

Contract Assets

Contract assets include amounts related to any conditional right to consideration for
completed but not billed. Contract assets are transferred to accounts receivable when
unconditional. The contract assets primarily relate to our bundled arrangements for
sale of equipment and consumables and sales of term software licenses. Current contract assets are include
prepaid expenses and other and non-current contract assets are included in investments and other with
sheets. Current and non-current contract asset balances as of December 30, 2023 an
December 31, 2022 were not material.

Contract Liabilities

December 25, 2021, the current and non-current contract liabilities were $[illegible] million. Du
year ended December 31, 2022, we recognized substantially all of the current contra
liability amounts that were previously deferred at December 25, 2021. Current contract liabilities at December 3
2023 included [illegible] from business acquisitions completed in 2023. Acquisition-related con
liability amounts at December 31, 2022 and December 25, 2021 were immaterial.

Contract liabilities are comprised of advance payments and upfront payments for serv
over time that are accounted for as deferred revenue amounts. Contract liabilities ar
transferred to revenue when the performance obligation has been satisfied. Current contract liabilities are include
accrued expenses: other and non-current contract liabilities are included in other liabilities within our

Inventories and Reserves

Inventories consist primarily of finished goods and are valued at the lower of cost or n
[illegible] first-in, first-out method for merchandise [illegible]
[illegible] million, respectively. [illegible] our policy for inventory
[illegible] we analyze the inventory, historical sales, forecas
seasonal trends. From time to time, we adjust our assumptions for anticipated chang
factors expected to affect the value of inventory.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation or
amortization. Depreciation is computed under the straight-line method over the estimated useful lives (See Note 6 – Property and Equ
for estimated useful lives). Amortization of leasehold improvements is computed using the straight-line method
over the lesser of the useful life of the assets or the remaining lease term.

Capitalized Software Development Costs

Capitalized internal-use software costs consist of costs to purchase and develop softw
solely to meet our internal needs and for cloud-based applications used to deliver our ser
we capitalize costs incurred during the application development stage and include such costs within prop
and equipment, net within our consolidated balance sheets. For software to be sold, leased, or marketed to exte
users, we capitalize software development costs when technological feasibility is reached and include suc
within investments and other within our consolidated balance sheets.

Leases

We determine if an arrangement contains a lease at inception. An arrangement conta… lease if it implicitly or explicitly identifies an asset to be used and conveys the right to control the use of the identified asset in exchange for consideration. As a lessee, we include operating leases in operating lease right-of… (“ROU”) assets, current operating lease liabilities, and non-current operating lease liabilities in our consolidat… balance sheets. Finance leases are included in property and equipment, current maturities of long-term debt, … long-term debt in our consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU asset… liabilities are recognized at the commencement date of the lease based on the present value of the lease payments o… lease term. As most of our leases do not provide an implicit interest rate, we generally use our incremental … based on the estimated rate of interest for fully collateralized and fully amortizing borrowings over … payments at commencement date to determine the present value of lease payments. … implicit rate when readily determinable. Our lease terms may include options to extend or terminate the leas… certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Expenses associated with operating leases and finance leases ar… selling, general and administrative and interest expense, respectively within our consolidated stateme… Leases with a term of 12 months or less are not capitalized.

We have lease agreements with lease and non-lease components, which are generally accounted for as a single lease component, except non-lease components for leases of vehicles, which are acco… separately. When a contract contains both lease and non-lease components, we allocate the transact… based on the relative standalone selling price.

Business Acquisitions

We account for business acquisitions under the acquisition method of accounting, un… acquired and liabilities assumed are recorded at their fair value at the acquisition date and our consolidated financial statements include the acquired businesses' results of operations from that date.

Some prior owners of acquired subsidiaries are eligible to receive additional purchas… cash consideration, or to recoup a portion of purchase price cash consideration if certain financial targets are met. We have accrued liabilities for the estimated fair value of additional purchase price consideration at the time of the acquisition, using the income approach, including a probability-weighted discounted cash flow method or an option pricing method, where applicable. Any adjustments to these accrual amounts are rec… in selling, general and administrative within our consolidated statements of income.

While we use our best estimates and assumptions to accurately value assets acquired … liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. … following the date of acquisition, or the measurement period, we may record adjustm… the assets acquired and liabilities assumed with the corresponding offset to goodwill within our consolidated balance sheets. At the end of the measurement period or final determination of the values of such assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in our consolidated statements of operations.

Goodwill

Any excess of acquisition consideration over the fair value of identifiable net assets acquired is recorded as goodwill. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized, such as technology, as well as the assembled workforce.

Goodwill represents, for acquired businesses, the excess of the purchase price over the fair value of identifiable net assets acquired, including the amount assigned to identifiable intangible assets. Goodwill is tested for impairment annually or more frequently if needed. Such impairment analyses for goodwill require a comparison of the fair value to the carrying value of reporting units. We regard our reporting units to be global dental, global medical, and technology and value-added services. Goodwill was allocated to such reporting units for the purposes of preparing our impairment analyses based on a specific identification basis.

Significant inputs include estimation of future cash flows based on budget expectations ... comparable companies to develop a weighted average cost of capital for each reporting unit.

For the year ended December 30, 2023 and December 25, 2021, the results of our goodwill impairment analysis ... impairments. For the year ended December 31, 2022 ... million of goodwill relating to the disposal of an unprofitable business whose estimated fair value ... The disposal of this business is part of our restructuring initiative as more fully discussed in Note 1 ... of Restructuring and Integration Costs.

For the years ended December 30, 2023 and December 31, 2022, we tested goodwill for impairment on the first day of the fourth quarter, using a quantitative analysis comparing the carrying value of our reporting units, including goodwill, to their estimated fair values using a discounted cash flow methodology. When the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. Conversely, when a reporting unit's carrying value exceeds its fair value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The fair value of each reporting unit is estimated using a discounted cash flow methodology. ... The judgments and assumptions are forward-looking and could be affected by future economic and market conditions.

Intangible Assets

Upon the consummation of our business acquisitions, the major classes of assets and liabilities ... include ... customer relationships and lists, trademarks and trade names, product development and non-compete agreements, inventory. The estimated fair value of identifiable intangible assets is determined ... derived from analysis of market conditions, including discount rates, ... projected revenue growth, historical trends and assessment of financial projections, ... projected customer attrition and ... the relief-from-royalty method ... these intangible assets using other ... methods.

Intangible assets, other than goodwill, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the expected undiscounted future cash flows derived from such asset or asset group.

Definite-lived intangible assets primarily consist of non-compete agreements, trademarks, trade names, customer lists, customer relationships and product development. For long-lived assets used in operations, impairment losses are only recorded if the asset's or asset group's carrying amount is not recoverable through its undiscounted future cash flows. We measure the impairment loss based on the difference between the carrying amount and the estimated fair value. When an impairment exists, the related assets are written down to fair value.

During the years ended December 30, 2023, December 31, 2022 and December 25, 2021, we recorded impairment charges, within the selling, general and administrative line of our consolidated statements of income, on intangible assets of $7 million, $4 million and $1 million, respectively, as more fully discussed in Note 8 – Goodwill and Other Intangibles, Net.

Income Taxes

We account for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than expected enactments of changes in tax laws or rates. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

We file a consolidated U.S. federal income tax return with our 80% or greater owned U.S. subsidiaries

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Redeemable Noncontrolling Interests

Some minority stockholders in certain of our consolidated subsidiaries have the right to require us to acquire their ownership interests in the respective entities at fair value. Their interests in these subsidiaries are classified outside permanent equity on our consolidated balance sheets and are carried at the estimated redemption amounts. The redemption amounts have been estimated based on expected future earnings and cash flows and, if such earnings and cash flows are not achieved, the value of the redeemable noncontrolling interests might be impacted.

Changes in the estimated redemption amounts of the noncontrolling interests subject to put options are reflected in each reporting period with a corresponding adjustment to Additional paid-in capital. Carrying amounts are subject to a "floor" amount that is equal to the fair value of the interests at the time they were originally recorded. The recorded value of the redeemable noncontrolling interests cannot go below the floor level. Adjustments to the carrying amount of noncontrolling interests to reflect a fair value redemption feature do not impact the calculation of earnings per share. Our net income is reduced by the portion of the subsidiaries' net income that is attributable to redeemable noncontrolling interests.

Noncontrolling Interests

Noncontrolling interest represents the ownership interests of certain minority owners in our consolidated subsidiaries. Our net income is reduced by the portion of the subsidiaries' net income that is attributable to noncontrolling interests.

Comprehensive Income

Comprehensive income includes certain gains and losses that, under accounting principles generally accepted in the United States, are excluded from net income as such amounts are recorded directly as adjustments to stockholders' equity. Our comprehensive income is primarily comprised of net income, foreign currency translation gain (loss), unrealized gain (loss) from hedging activities and unrealized pension adjustment gain.

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Risk Management and Derivative Financial Instruments

We use derivative instruments to minimize our exposure to fluctuations in foreign cur exchange rates, interest rates, and the returns on our unfunded non-qualified supplemental retirement plan ("SERP") and our deferred compensation plan ("DCP"). Our objective is to manage the impact that foreign currency exchange rate fluctuations could have on recognized asset and liability fair values, earnings and cash flows, as well as our net investments in foreign subsidiaries, the interest rate risk on variable rate debt, and the returns on our SERP and DCP. Our risk policy requires that derivative contracts used as hedges be effective at reducing the risk associated with the exposure being hedged and be designated hedges at inception of the contrac We do not enter into derivative instruments for speculative purposes. Our derivative instruments primaril include foreign currency forward agreements, total return swaps, and interest rate swaps.

For agreements not designated as hedges, changes in the value of the derivative, alo with the transaction gain or loss on the hedged item, are recorded in other, net, within our consolidated statemen of income.

Total return swaps are entered into for the purpose of economically hedging our SER DCP. These swaps are expected to be renewed on an annual basis. Changes in the fair values of these total return swaps are recorded in selling, general and administrative expenses within our consolidated statements of in and offset the changes in the fair values of our SERP and DCP liabilities.

Foreign currency forward agreements related to forecasted inventory purchase commitments with foreign suppliers, foreign currency denominated debt, and interest ra swaps related to variable rate debt are designated as cash flow hedges. For derivatives that are designated and qua as cash flow hedges, the changes in the fair value of the derivatives are recorded as a component of Accumula other comprehensive loss in stockholders' equity and subsequently reclassified into earnings in the peri during which the hedged transaction affects earnings. We classify the cash flows related to our hedging activit in the same category on our consolidated statements of cash flows as the cash flows related to the hedged item.

Foreign currency forward contracts related to our foreign currency net investments are designated as net investment hedges. For derivatives that are designated and qualify as net investment hedges, the changes in the fair value are recorded in the foreign currency translation gain (loss) component of Accumulated other comprehensive income in stockholders' equity until the net investment is sold o substantially liquidated.

Interest swap agreements are entered into for the purpose of hedging the cash flow o variable interest rate term loan.

Our foreign currency forward agreements related to foreign currency balance sheet exposure provide economic hedges but are not designated as hedges for accounting purposes.

Foreign Currency Translation and Transactions

The financial position and results of operations of our foreign subsidiaries are determined using local currencies as the functional currencies. Assets and liabilities of foreign subsidiaries are translated at the exchange rate in effect at each year-end. Income statement accounts are translated at the average rate of exch prevailing during the year. Translation adjustments arising from the use of differing exchange rates from period to period are included in Accumulated other comprehensive income in stockholders' equity. Gains and losses resulting from foreign currency transactions are included in earnings.

Accounting Pronouncements Adopted

During the year ended December 30, 2023, we adopted ASC Topic 848, "Reference Rate Reform" (T
Facilitation of the Effects of Reference Rate Reform on Financial Reporting" provides optional
and exceptions for applying GAAP to contracts, hedging relationships and other
transactions affected by the London Interbank Offered Rate or by another reference rate
expected to be discontinued because of reference rate reform. The adoption of Topic 848 did not have a material
financial statements.

jurisdictions to the extent the related amounts exceed a quantitative threshold. The A
also to be disaggregated based on their nature, which is determined by reference to
essential characteristics, such as the transaction or event that triggered the establish
of the activity with which the reconciling item is associated. The ASU eliminates the
disclosure information concerning unrecognized tax benefits having a reasonable possi
or significantly decreasing in the 12 months following the reporting date. This ASU is
beginning after December 15, 2024. Early adoption is permitted for annual financial
statements that have not yet been made available for issuance. This ASU should be applied on a prospec
basis, but retrospective application is permitted. We are currently evaluating the impact that A
2023-09 will have on our consolidated financial statements.

On December 26, 2021 we adopted Accounting Standards Update ("ASU") No. 2021
Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-0
an acquirer to recognize and measure contract assets and contract liabilities acquired
business combination in accordance with ASU No. 2014-09, "Revenue from Contracts with Customers" (Topi
At the acquisition date, an acquirer should account for the related revenue contracts in accordance wit
606 as if it had originated the contracts. To achieve this, an acquirer may assess how the acquiree a
Topic 606 to determine what to record for the acquired revenue contracts. Generally, this should result in an
acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how th
were recognized and measured in the acquiree's financial statements. Our adoption of ASU 2021-08 did
have a material impact on our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvem
Reportable Segments," which aims to improve financial reporting by requiring disclosure of increm
information on an annual and interim basis for all public entities to enable investors to develop m
decision-useful financial analyses. Currently, Topic 280 requires that a public entity disclose certain informat
about its reportable segments. For example, a public entity is required to report a measure of segment pr
that the chief operating decision maker uses to assess segment performance and make decisions about allocating resources.
Topic 280 also requires other specified segment items and amounts, such as depreciation, amortization, and deplet
expense, to be disclosed under certain circumstances. The amendments in this ASU do not change or remove
disclosure requirements or how a public entity identifies its operating segments, aggregates t
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
December 15, 2024. Early adoption is permitted. We do not expect that the requirements of ASU 2023-0
have a material impact on our consolidated financial statements.

On December 27, 2020 we adopted ASU No. 2019-12, "Income Taxes" (Topic 740): Simplifying t
for Income Taxes ("ASU 2019-12"). ASU 2019-12 simplifies the accounting for income ta
exceptions to the general principles in Topic 740. The amendments also improve con
simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing
ASU 2019-12 did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU
2023-09, "Improvements to Income Tax Disclosures," which requires public business entities
additional information in specified categories with respect to the reconciliation of the
statutory tax rate to the effective tax rate for federal, state, and foreign income taxes. It also requires greater de
about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a spec
threshold. In addition to new disclosures associated with the rate reconciliation, the ASU requires information
of income taxes paid (net of refunds received) to be disaggregated for federal, state, and foreign taxes and furt
disaggregated for specific

Note 2 – Cybersecurity Incident

In October 2023 Henry Schein experienced a cybersecurity incident that primarily af
the operations of our North American and European dental and medical distribution businesses. Henry Sch
One, our practice management software, revenue cycle management and patient relationship managem
solutions, and our manufacturing businesses were mostly unaffected. We reported the
incident to law enforcement authorities, restored affected systems and applications, our distribution operations re
and our ecommerce platform. Subsequently, on or about November 8, 2023, we determined th
threat actor obtained personal and sensitive information maintained on our systems belonging to certain th
parties and notified affected and potentially affected parties as appropriate. The scope o
impacted personal and sensitive data is still under investigation. On November 22, 2023, we experienced a disru
of our ecommerce platform and related applications, which has since been remediated. The incident
adversely impacted our fourth quarter and full year 2023.

During the year ended December 30, 2023, we incurred $11 million of expenses directly related to
cybersecurity incident, mostly consisting of professional fees. We maintain cybersecu
insurance coverage, subject to certain retentions and policy limitations. With respect to the October 2023 cybersecu
incident, we have a $60 million insurance policy, following a $5 million retention.

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Note 3 – Net Sales from Contracts with Customers

Net sales are recognized in accordance with policies disclosed in Note 1 – Basis of Presentation and Accounting Policies

Disaggregation of Net sales

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

	Year Ended December 30, 2023		
	North America	International	Glob
Net sales:			
Health care distribution			
Dental	$ 4,500	$ 3,039	$
Medical	3,897	97	
Total health care distribution	8,397	3,136	
Technology and value-added services	705	101	
Total net sales	$ 9,102	$ 3,237	$

	Year Ended December 31, 2022		
	North America	International	Glob
Net sales:			
Health care distribution			
Dental	$ 4,628	$ 2,845	$
Medical	4,375	76	
Total health care distribution	9,003	2,921	
Technology and value-added services	633	90	
Total net sales	$ 9,636	$ 3,011	$

	Year Ended December 25, 2021		
	North America	International	Glob
Net sales:			
Health care distribution			
Dental	$ 4,506	$ 3,038	$
Medical	4,107	103	
Total health care distribution	8,613	3,141	
Technology and value-added services	560	87	
Total net sales	$ 9,173	$ 3,228	$

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Note 4 – Segment and Geographic 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 global dental businesses serve office-based dental practitioners, dental laboratories, schools, institutions and other dental businesses. Our medical businesses serve physician offices, urgent care centers, ambulatory surgical centers, laboratories, dialysis centers, home health, federal and state governments and group practices such as integrated delivery networks, among other providers across a wide range of specialties. Our operating segments comprise dental and medical. Our 33 countries worldwide.

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

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

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

	Years Ended		
	December 30, 2023	December 31, 2022	Dece 25, 20
Net sales:			
Health care distribution[(1)]			
Dental	$ 7,539	$ 7,473	$
Medical	3,994	4,451	
Total health care distribution	11,533	11,924	
Technology and value-added services[(2)]	806	723	
Total	$ 12,339	$ 12,647	$

(1) Consists of consumable products, dental specialty products (including implant, orthodontic and equipment, laboratory products, large equipment, equipment repair services, branded and gener pharmaceuticals, diagnostic tests, infection-control products, PPE products and vitamins.

(2) Consists of practice management software and other value-added products, which are distributed primarily to health care providers, revenue cycle management and financial services on a non-recou basis, e-services, software, consulting and other services.

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	Years ended		
	December 30, 2023	December 31, 2022	Decem 25, 20
Operating Income:			
Health care distribution	$ 470	$ 619	$
Technology and value-added services	145	128	
Total	$ 615	$ 747	$
Income before taxes and equity in earnings of affiliates:			
Health care distribution	$ 396	$ 592	$
Technology and value-added services	146	129	
Total	$ 542	$ 721	$
Depreciation and Amortization:			
Health care distribution	$ 184	$ 160	$
Technology and value-added services	64	52	
Total	$ 248	$ 212	$
Interest Income:			
Health care distribution	$ 16	$ 7	$
Technology and value-added services	1	1	
Total	$ 17	$ 8	$
Interest Expense:			
Health care distribution	$ 87	$ 35	$
Technology and value-added services	-	-	
Total	$ 87	$ 35	$
Income Tax Expense:			
Health care distribution	$ 90	$ 141	$
Technology and value-added services	30	29	
Total	$ 120	$ 170	$
Equity in Earnings of Affiliates:			
Health care distribution	$ 14	$ 14	$
Technology and value-added services	-	1	
Total	$ 14	$ 15	$
Purchases of Property and Equipment:			
Health care distribution	$ 139	$ 86	$
Technology and value-added services	8	10	
Total	$ 147	$ 96	$

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	As of		
	December 30, 2023	December 31, 2022	Decem 25, 20
Total Assets:			
Health care distribution	$ 9,083	$ 7,287	$
Technology and value-added services	1,490	1,320	
Total	$ 10,573	$ 8,607	$

The following table presents information about our operations by geographic area as of and for the years ended December 30, 2023, December 31, 2022 and December 25, 2021. Net sales by geographic area are based on the geographic location of our subsidiaries. No country, except for the United States, generated consolidated net sales in excess of 10% of total consolidated net sales. There were no material amounts of sales or transfers among geographic areas and there were no material amounts of export sales.

	2023		2022		2021	
	Net Sales	Long-Lived Assets	Net Sales	Long-Lived Assets	Net Sales	Lon A
United States	$ 8,631	$ 3,434	$ 9,190	$ 2,891	$ 8,722	$
Other	3,708	2,180	3,457	1,256	3,679	
Consolidated total	$ 12,339	$ 5,614	$ 12,647	$ 4,147	$ 12,401	$

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Note 5 – Business Acquisitions and Divestiture

Our acquisition strategy is focused on investments in companies that add new custom and geographic footprint (whether entering a new country, such as emerging markets businesses), and finally, those that enable us to access new products and technologies

Acquisition of Shield Healthcare

On October 2, 2023 we acquired a 98% voting equity interest in Shield Healthcare, Inc. ("Shi homecare medical products delivered directly to patients in their homes. Based in Existing in Shield expands our delivering a diverse range of products, including items s as ostomy, enteral nutrition, advanced wound care, and diabetes supplies. Additionally, offers monitoring devices directly to patients in their homes.

The following table aggregates the preliminary estimated fair value, as of the date of acquisition, of assets acquired and liabilities assumed in the Shield acquisition:

	202
Acquisition consideration:	
Cash	$
Deferred consideration	
Redeemable noncontrolling interest	
Total consideration	$
Identifiable assets acquired and liabilities assumed:	
Current assets	$
Intangible assets	
Other noncurrent assets	
Current liabilities	
Deferred income taxes	
Other noncurrent liabilities	
Total identifiable net assets	
Goodwill	
Total net assets acquired	$

Goodwill is a result of expected synergies that are expected to originate from the acquisition as well as Shield's expected growth potential. The acquired goodwill is not deductible for tax purposes.

The following table summarizes the preliminary identifiable intangible assets acquire part of the acquisition of Shield:

	2023	Weighted Average Useful Lives (in years)
Customer relationships and lists	$ 156	12
Trademarks / Tradenames	10	5
Total	$ 166	

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The accounting for the acquisition of Shield has not been completed in several respec
including valuation assessments of accounts receivable, inventory, accrued liabilities
based taxes. To assist in the allocation of consideration, we engaged valuation specia
determine the fair value of intangible and tangible assets acquired and liabilities assumed. We will finalize the amounts
the information necessary to complete the analysis is obtained, but we expect to finalize
amounts as soon as possible but no later than one year from the acquisition date. The pro forma financial
presented below does not reflect the impact of the Shield acquisition during the year ended Decem
2023 as it was immaterial to our consolidated financial statements.

Acquisition of S.I.N. Implant System

On July 5, 2023, we acquired a 100% voting equity interest in S.I.N. Implant System ("S.I.N.
Paulo, S.I.N. manufactures a broad line of products to perform dental implant
procedures and is focused on the development and distribution of value-priced dental implants. S.I.N. recently expanded
distribution of its products into the United States and other international markets.

The following table aggregates the preliminary estimated fair value, as of the date of
acquisition, of assets acquired and liabilities assumed in the S.I.N., including measurement period adjustments
recorded through December 30, 2023:

	Preliminary Allocation as of September 30, 2023	Measurement Period Adjustments	Preli Alloc as Dec
Acquisition consideration:			
Cash	$ 326	$ 3	$
Total consideration	$ 326	$ 3	$
Identifiable assets acquired and liabilities assumed:			
Current assets	$ 75	$ (9)	$
Intangible assets	155	(68)	
Other noncurrent assets	33	13	
Current liabilities	(33)	-	
Long-term debt	(22)	-	
Deferred income taxes	(55)	20	
Other noncurrent liabilities	(27)	-	
Total identifiable net assets	126	(43)	
Goodwill	200	46	
Total net assets acquired	$ 326	$ 3	$

Goodwill is a result of expected synergies that are expected to originate from the
acquisition as well as S.I.N.'s expertise. The acquired goodwill is not deductible for tax purposes.
Adjustments recorded in the year ended December 30, 2023 were primarily a result o
finalization of net working capital adjustments and third party intangible valuations.

The following table summarizes the preliminary identifiable intangible assets acquire
S.I.N. as part of the acquisition of

(in millions, except share and per share data)

	2023	Weighted Average Useful Lives (in years)
Customer relationships and lists	$ 38	7
Trademarks / Tradenames	13	10
Product development	36	8
Total	$ 87	

The accounting for the acquisition of S.I.N. has not been completed in several respect
including valuation assessments of accounts receivable, inventory, accrued liabilities
based taxes. To assist in the allocation of consideration, we engaged valuation specia
determine the fair value of intangible and tangible assets acquired and liabilities assumed. We will finalize the amounts
the information necessary to complete the analysis is obtained and verified. We expect to finalize
amounts as soon as possible but no later than one year from the acquisition date. The pro forma financia
presented does not reflect the impact of the S.I.N. acquisition during the year ended Decemb
2023 was immaterial to our consolidated financial statements.

Acquisition of Biotech Dental

On April 5, 2023, we acquired a 57% voting equity interest in Biotech Dental ("Biotech Dent
provider of dental implants, which aligners, individualized prosthetics, and innovative
dental software based on artificial intelligence. Headquartered in France, Biotech Dental has several important solutions for dental practices and de
labs including Nemotec, a comprehensive integrated suite of planning and diagnostic software using open
architecture that creates a digital view of the patient, offering greater diagnostic acc
and improved patient experience. The integration of Biotech Dental's software with Henry Schein One's in
leading practice software solutions will help customers streamline their clinical as well a
administrative workflows.

The following table aggregates the preliminary estimated fair value, as of the date of
acquisition, of assets acquired and liabilities assumed in the Biotech Dental acquisition, including measuremen
period adjustments recorded through December 30, 2023:

	Preliminary Allocation as of July 1, 2023	Measurement Period Adjustments	Alloc as Dec
Acquisition consideration:			
Cash	$ 216	$ -	$
Fair value of contributed equity share in a controlled subsidiary	25	-	
Redeemable noncontrolling interests	182	-	
Total consideration	$ 423	$ -	$
Identifiable assets acquired and liabilities assumed:			
Current assets	$ 78	$ -	$
Intangible assets	119	28	
Other noncurrent assets	76	10	
Current liabilities	(50)	(9)	
Long-term debt	(90)	16	
Deferred income taxes	(38)	(7)	
Other noncurrent liabilities	(16)	(7)	
Total identifiable net assets	79	31	
Goodwill	344	(31)	
Total net assets acquired	$ 423	$ -	$

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Goodwill is a result of expected synergies that are expected to originate from the acquisition as well as the expected growth potential of the combined entities. The acquired goodwill is deductible for tax purposes. Adjustments recorded in the year ended December 30, 2023 were primarily a result of preliminary valuation and various other adjustments.

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

	2023	Weighted Average Useful Lives (in years)
Customer relationships and lists	$ 46	9
Trademarks / Tradenames	18	7
Product development	83	10
Total	$ 147	

The accounting for the acquisition of Biotech Dental has not been completed in several areas, including but not limited to assessments of accounts receivable, inventory, intangible assets, and non-deductible and income tax matters. To assist in the allocation of consideration, we engaged a valuation specialist to determine the fair value of intangible and tangible assets acquired and liabilities assumed. We will finalize the amounts recognized as the information necessary to complete the analysis is obtained, but no later than one year from the acquisition date. The impact to financials has not been presented because the impact of the Biotech Dental acquisition for the year ended December 30, 2023 was immaterial to our consolidated financial statements.

Other 2023 Acquisitions

During the year ended December 30, 2023, we acquired companies within the health technology and value-added services segments. Our acquired ownership interests in each company ranged between 51% to 10

The following table aggregates the preliminary estimated fair value, as of the date of acquisition, of assets acquired and liabilities assumed for these acquisitions during the year ended December 2023:

	202
Acquisition consideration:	
Cash	$
Deferred consideration	
Estimated fair value of contingent consideration payable	
Fair value of previously held equity method investment	
Redeemable noncontrolling interests	
Total consideration	$
Identifiable assets acquired and liabilities assumed:	
Current assets	$
Intangible assets	
Other noncurrent assets	
Current liabilities	
Deferred income taxes	
Long-term debt	
Other noncurrent liabilities	
Total identifiable net assets	
Goodwill	
Total net assets acquired	$

(in millions, except share and per share data)

Goodwill is a result of the expected synergies and cross-selling opportunities that the acquisitions are expected to provide for us, as well as the expected growth potential. Approximately half of the goodwill is deductible for tax purposes.

In connection with an acquisition of a controlling interest of an affiliate, we recognize a gain or loss on the measurement to fair value of our previously held equity investment. The fair value is based on Level 3 inputs, as defined in Note 10 - Fair Value Measurements.

The following table summarizes the preliminary identifiable intangible assets acquired during the year ended December 31, 2023 and their estimated useful lives as of the date of the acquisition:

	2023	Weighted Average Useful Lives (in years)
Customer relationships and lists	$ 79	9
Trademarks / Tradenames	8	5
Non-compete agreements	2	5
Product development	7	7
Patents	1	10
Other	19	2
Total	$ 116	

The pro forma financial information has not been presented because the impact of the acquisitions during the year was immaterial to our consolidated financial statements.

2022 Acquisitions

We completed several acquisitions during the year ended December 31, 2022, which increased our consolidated financial statements. Our acquired ownership interests ranged from 51% to 100%. Acquisitions in our health care distribution segment included companies that specialize in the distribution of dental products. Within our technology and value-added services segment, we acquired a company that automates and optimizes the workflows of dental office managers, practice administrators and dental business leaders across North America.

The following table aggregates the estimated fair value, as of the date of acquisition, of consideration paid for acquisitions during the year ended December 31, 2022. Approximately half of the goodwill recorded is deductible for tax purposes.

	2022
Acquisition consideration:	
Cash	$ 158
Deferred consideration	2
Fair value of previously held equity method investment	16
Redeemable noncontrolling interests	17
Total consideration	$ 193
Identifiable assets acquired and liabilities assumed:	
Current assets	$ 41
Intangible assets	96
Other noncurrent assets	13
Current liabilities	(29)
Deferred income taxes	(6)
Other noncurrent liabilities	(8)
Total identifiable net assets	107
Goodwill	86
Total net assets acquired	$ 193

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The following table summarizes the identifiable intangible assets acquired during the year ended December 31, 2022 and their estimated useful lives as of the date of the acquisition:

	2022	Estimated Useful Lives (in years)
Customer relationships and lists	$ 81	8-12
Trademarks / Tradenames	9	5
Non-compete agreements	3	2-5
Other	3	10
Total	$ 96	

2021 Acquisitions

We completed several acquisitions during the year ended December 25, 2021, which financial statements. Our acquired ownership interests ranged from between 51% to 100%. Approximately Acquisitions within our health care distribution segment included companies that specialize in the distribution and manufacturing of dental and medical products, a provider of home medical supplies, a provider of specialty packaging. Within our technology and value-added services segment, we acquired companies that focus on dental marketing and website solutions, practice transition services, revenue management, and cycle business intelligence software. Approximately half of the acquired goodwill is deductible for tax purposes.

The following table aggregates the estimated fair value, as of the date of acquisition, of consideration paid and net assets acquired for acquisitions during the year ended December 25, 2021:

	2021
Acquisition consideration:	
Cash	$ 579
Deferred consideration	11
Estimated fair value of contingent consideration receivable	(5)
Fair value of previously held equity method investment	8
Redeemable noncontrolling interests	181
Total consideration	$ 774
Identifiable assets acquired and liabilities assumed:	
Current assets	$ 195
Intangible assets	317
Other noncurrent assets	51
Current liabilities	(93)
Deferred income taxes	(26)
Other noncurrent liabilities	(46)
Total identifiable net assets	398
Goodwill	376
Total net assets acquired	$ 774

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The following table summarizes the identifiable intangible assets acquired during the year ended December 25, 2021 and their estimated useful lives as of the date of the acquisition:

	2021	Estimated Useful Lives (In years)
Customer relationships and lists	$ 220	3-12
Trademarks / Tradenames	58	5-12
Product development	19	5-10
Non-compete agreements	5	3-5
Other	15	18
Total	$ 317	

For the years ended December 30, 2023, December 31, 2022 and December 25, 2021 there were no material adjustments recorded in our financial statements relating to acquisitions for which the initial accounting was incomplete at the end of the prior periods. At December 25, 2021 we recorded an estimated contingent consideration liability of $5 million, which was subsequently increased by an additional $5 million during 2022, by crediting operations, based on delays in timing of government approval of a certain product.

During the years ended December 30, 2023, December 31, 2022 and December 25, 2021 we incurred $9 million, $7 million and $2 million in acquisition costs, which are included in "selling, general and administrative expenses" within our consolidated statements of income.

Divestiture

In the third quarter of 2021 we received contingent proceeds of $10 million from the 2019 sale of Hu-Friedy, resulting in the recognition of an after-tax gain of $7 million. During the fourth quarter of 2020 we received contingent proceeds of $3 million from the 2019 sale of Hu-Friedy, resulting in the recognition of an after-tax gain of $2 million. We do not expect to receive any additional proceeds from the sale of Hu-Friedy.

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Note 6 – Property and Equipment, Net

Property and equipment, including related estimated useful lives, consisted of the following as of:

	December 30, 2023	Decem 31, 20
Land	$ 21	$
Buildings and permanent improvements	166	
Leasehold improvements	103	
Machinery and warehouse equipment	243	
Furniture, fixtures and other	137	
Computer equipment and software	500	
	1,170	
Less accumulated depreciation and amortization	(672)	
Property and equipment, net	$ 498	$

	Estimated Useful Lives (in years)
Buildings and permanent improvements	40
Machinery and warehouse equipment	5-10
Furniture, fixtures and other	3-10
Computer equipment and software	3-10

Leasehold improvements are amortized on a straight-line basis over the lesser of the remaining life of the lease or the useful life of the asset.

Property and equipment related depreciation expense for the years ended December 30, 2023, December 31, 2022 and January 1, 2022 was $83 million, $83 million and $71 million, respectively. Please see Note 7 – Leases for finance lease amounts included in property and equipment, net within our consolidated balance sheets.

During the year ended December 30, 2023 we recorded an impairment of capitalized software costs of $27 million within our healthcare distribution segment.

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Note 7 – Leases

We have operating and finance leases for corporate offices, office space, distribution and retail facilities, vehicles and other equipment. Our leases have remaining terms of less than one year to 15 years, some of which may include options to extend the leases for up to 15 years. The components of lease expense were as follows:

	Years Ended		
	December 30, 2023	December 31, 2022	December 25, 2021
Operating lease cost:	$ 99	$ 132	$ 138
Variable lease cost	12	11	10
Short-term lease cost	10	7	7
Total operating lease cost[1]	121	150	155
Finance lease cost	5	3	3
Total lease cost	$ 126	$ 153	$ 158

(1) Total operating lease cost for the years ended December 30, 2023, December 31, 2022 and December 25, 2021 included $2 million, $3 million and $8 million, respectively, related to facility leases recorded in "Restructuring and integration costs" within our consolidated statements of income.

Further, for the years ended December 30, 2023, December 31, 2022 and December 25, 2021, we recognized operating lease right-of-use assets of $3 million, $5 million, and $0 million respectively, in exchange for operating lease liabilities, primarily related to facility leases recorded in "Restructuring and integration costs" within our consolidated statement of income.

Supplemental balance sheet information related to leases is as follows:

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	Years Ended December 30, 2023	December 31, 2022
Operating Leases:		
Operating lease right-of-use assets	$ 325	$
Current operating lease liabilities	80	
Non-current operating lease liabilities	310	
Total operating lease liabilities	$ 390	$
Finance Leases:		
Property and equipment, at cost	$ 18	$
Accumulated depreciation	(9)	
Property and equipment, net of accumulated depreciation	$ 9	$
Current maturities of long-term debt	$ 4	$
Long-term debt	4	
Total finance lease liabilities	$ 8	$
Weighted Average Remaining Lease Term in Years:		
Operating leases	6.6	
Finance leases	2.6	
Weighted Average Discount Rate:		
Operating leases	3.6%	
Finance leases	4.0%	

Supplemental cash flow information related to leases is as follows:

	Years Ended December 30, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 92	
Financing cash flows for finance leases	$ 5	$
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 124	$
Finance leases	4	

Maturities of lease liabilities are as follows:

	December 30, 2023 Operating Leases	Finance Leases
2024	$ 92	$
2025	77	
2026	64	
2027	48	
2028	38	
Thereafter	119	
Total future lease payments	438	
Less imputed interest	(48)	
Total	$ 390	$

As of December 30, 2023, we have additional operating leases that have not yet comm[illegible] with total lease payments of $[illegible] million for buildings and vehicles. These operating leases will commence [illegible] December 30, 2023, with lease terms of [illegible] year to 10 years

Certain of our facilities related to our acquisitions are leased from employees and mi[illegible] shareholders. These leases are classified as operating leases and have a remaining lease term ranging from [illegible] months to 14 ye[illegible] As of December 30, 2023, current and non-current liabilities associated with related par[illegible] operating leases were $[illegible] million and $23 million, respectively. At December 30, 2023 related party leases represented 6.3% and 7.[illegible] of total current and non-current operating lease liabilities, respectively. As of December [illegible] 2022, current and non-current liabilities associated with related party operating leases were $4 million and $14 million, respect[illegible] At December 31, 2022 related party leases represented 5.0% and 5.3% of the total current and non-cur[illegible] operating lease liabilities, respectively.

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Note 8 – Goodwill and Other Intangibles, Net

Changes in the carrying amounts of goodwill for the years ended December 30, 2023 and December 31, 2022 were as follows:

	Health Care Distribution	Technology and Value-Added Services	Tot
Balance as of December 25, 2021	$ 1,831	$ 1,023	$
Adjustments to goodwill:			
Acquisitions	86	(1)	
Impairment	(20)	-	
Foreign currency translation	(22)	(4)	
Balance as of December 31, 2022	1,875	1,018	
Adjustments to goodwill:			
Acquisitions	827	118	
Foreign currency translation	35	2	
Balance as of December 30, 2023	$ 2,737	$ 1,138	$

For the year ended December 31, 2022, we recorded a $20 million impairment of goodwill relating to the disposal of an unprofitable business whose estimated fair value was lower than its carrying value. This loss is part of our restructuring initiative as more fully discussed in Note 15, Plans of Restructuring and Integration Costs.

Other intangible assets consisted of the following:

	December 30, 2023			
	Cost	Accumulated Amortization	Net	Weighted Average Remaining Life (in years)
Customer relationships and lists	$ 984	$ (346)	$ 638	10
Trademarks / Tradenames	168	(69)	99	8
Product development	205	(62)	143	9
Non-compete agreements	21	(6)	15	5
Other	39	(18)	21	10
Total	$ 1,417	$ (501)	$ 916	

	December 31, 2022			
	Cost	Accumulated Amortization	Net	Weighted Average Remaining Life (in years)
Customer relationships and lists	$ 826	$ (387)	$ 439	10
Trademarks / Tradenames	125	(51)	74	8
Product development	90	(56)	34	9
Non-compete agreements	25	(6)	19	5
Other	31	(10)	21	17
Total	$ 1,097	$ (510)	$ 587	

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Trademarks, trade names, customer lists and customer relationships were established through business acquisitions and are amortized on a straight-line basis over their respective asset life. Non-compete agreements are primarily entered into in connection with acquisitions of businesses and are amortized on a straight-line basis over the respective non-compete period, which generally commences upon termination of employment or separation from us.

Amortization expense, excluding impairment charges, related to definite-lived intangible assets for the years ended December 30, 2023, December 31, 2022 and December 25, 2021 was $136 million, $134 million and $126 million, respectively.

During the year ended December 30, 2023 we recorded $19 million of impairment charges related to our health care distribution segment, the components of which were $6 million primarily related to customer attrition rates being higher than expected in certain other health care distribution businesses and $13 million related to the planned exit of a business. These impairment charges were calculated as the differences between the carrying values and the estimated fair values of the impaired intangible assets, using a discounted estimate of future cash flows. Please see Note 15 – Plans of Restructuring and Integration and Other Charges for additional details.

During the year ended December 31, 2022 we recorded $49 million of impairment charges related to our health care distribution segment, the components of which were $15 million related to the disposal of a business which was an unprofitable business and $34 million charge related to customer attrition rates being higher than expected in certain other health care distribution businesses. These impairment charges were calculated as the differences between the carrying values and the estimated fair values of the impaired intangible assets, using a discounted estimate of future cash flows. Please see Note 15 – Plans of Restructuring and Integration and Other Charges for additional details.

During the year ended December 25, 2021, we recorded a $12 million impairment charge related to a business within our health care distribution segment and a business within our technology and value-added services segment.

The above intangible asset impairment charges were recorded within selling, general and administrative expenses and restructuring and integration charges in our consolidated statement of income.

The annual amortization expense expected to be recorded for existing intangibles assets for the years ending in 2024 through 2028 is $138 million, $121 million, $109 million, $91 million and $57 million.

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Note 9 – Investments and Other

Investments and other consisted of the following:

	December 30, 2023	December 31, 20
Investments in unconsolidated affiliates	$ 180	$
Non-current deferred foreign, state and local income taxes	38	
Notes receivable [1]	44	
Capitalized costs for software to be sold, leased or marketed to external users	95	
Security deposits	4	
Acquisition-related indemnification	46	
Non-current pension assets	9	
Other long-term assets	55	
Total	$ 471	$

(1) Long-term notes receivable carry interest rates ranging from 3.0% to 10.0% and are due in varying installments through November 21, 2028.

Amortization expense, primarily related to capitalized costs for software to be sold, leased or marketed to external users, for the years ended December 30, 2023, December 31, 2022 and December 25, 2021 was $5 million, respectively, and is included in the selling, general and administrative line within our consolidated statements of income.

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Note 10 – Fair Value Measurements

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

Investments and notes receivable

There are no quoted market prices available for investments in unconsolidated affiliates and certain notes receivable. Carrying values approximate fair value for investments and notes receivable based on the interest rates in the applicable markets. Our estimate of fair value is 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 determined using Level 2 inputs within the fair value hierarchy, and as of December 30, 2023 and December 31, 2022 was $1,135 million and $1,149 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 instruments include foreign currency forward agreements, forecasted inventory purchases denominated in 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 our contract rate to a forward price of the underlying market rates, which are based on market rates for comparable transactions and 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.

The fair value of total return swaps is determined by valuing the underlying exchange traded funds at the swap pricing by industry providers as of the valuation date that are classified within Level 2 of the fair value hierarchy.

Redeemable noncontrolling interests

The values for redeemable noncontrolling interests are based on recent transactions in our stock and applied multiples of earnings that are classified within Level 3 of the fair value hierarchy. See Note 19 – Redeemable Noncontrolling Interests for additional information.

Assets measured on a non-recurring basis at fair value include intangibles. Inputs for measuring intangibles within the fair value hierarchy are classified as Level 3. See Note 1 – Basis of Presentation and Significant Accounting Policies and Note 8 – Goodwill and Other Intangible Assets for additional information.

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The following table presents our assets and liabilities that are measured and recogniz
value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2022 December

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

	December 31, 2022			
	Level 1	Level 2	Level 3	T
Assets:				
Derivative contracts designated as hedges	$ -	$ 23	$ -	$
Derivative contracts undesignated	-	4	-	
Total assets	$ -	$ 27	$ -	$
Liabilities:				
Derivative contracts designated as hedges	$ -	$ 1	$ -	$
Derivative contracts undesignated	-	3	-	
Total return swaps	-	3	-	
Total liabilities	$ -	$ 7	$ -	$
Redeemable noncontrolling interests	$ -	$ -	$ 576	$

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Note 11 – Concentrations of Risk

Certain financial instruments potentially subject us to concentrations of credit risk. T financial instruments consist primarily of cash equivalents, trade receivables, long-term investments, notes receivable and derivative instruments. In all cases, our maximum exposure to loss from credit risk equals the g fair value of the financial instruments. We routinely maintain cash balances at financial institutions in excess o insured amounts. We have not experienced any losses in such accounts and we manage this risk through maintaini cash deposits and other highly liquid investments in high quality financial institutions. We continuously asses need for reserves for such losses, which have been within our expectations. We do not require collateral or security to support financial instruments subject to credit risk, except for long-term notes receivable.

We limit credit risk with respect to our cash equivalents, short-term and long-term investments and derivative instruments, by monitoring the credit worthiness of the financial institutions who are counter-parties to such financial instruments. As a risk management policy, we limit the amount of credit exp by diversifying and utilizing investment grade counter-parties.

With respect to our trade receivables, credit risk is somewhat limited due to a relativ large customer base and its dispersion across different types of health care professionals and geographic areas. single customer accounted for more than 3% of our net sales in either of the years ended December 30, 2023 or Dec 31, 2022. With respect to our sources of supply, our top 10 health care distribution suppliers and our single largest supplier accounted for approximately 24% and 4%, respectively, of our aggregate purchases for the ye 30, 2023 and approximately 28% and 4%, respectively, of our aggregate purchases for the ye ended December 31, 2022.

Our long-term notes receivable primarily represent strategic financing arrangements certain affiliates. Generally, these notes are secured by certain assets of the counterparty; however, in cases our security is subordinate to the rights of other commercial financial institutions. While we have exposure to credit loss in the event of non-performance by these counter-parties, we conduct ongoing assessments their financial and operational performance.

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Note 12 – Derivatives and Hedging Activities

We are exposed to market risks and changes in foreign currency exchange rates agai
U.S. dollar and changes in the credit risk of the derivative counterparties. We attempt to
foreign currency risks and by maintaining counter-party credit limits. O
hedging activities provide against currency exchange and credit risks. Factors that coul
influencing the performance of the currency markets and availability of hedging instrume
markets. All foreign currency forward contracts that we enter are for the sole purpos
hedged existing exposure. We do not enter into foreign currency forward contra
speculative purposes. We manage credit risks by diversifying our counterparties, maintaining a stro
balance sheet and capital. Our derivative instruments primarily include foreign curr
forward contracts and interest rate swaps.

During 2019 we entered foreign currency forward contracts that we designated as ne
investment hedges to hedge a portion of our investment in certain euro-functional currency subsidiaries due to fluctu
changes in the U.S. dollar. Gains and losses related to these net investment hedges are recorded in accumulated
other comprehensive loss in our consolidated balance sheets. Amounts excluded from the assessment of he
effectiveness are recorded in interest expense within our consolidated statements of income. The aggregate not
value of these hedges, which matured on November 16, 2023, was approximately 2906 million. On Novem
2023 we entered into new foreign currency forward contracts to hedge a portion of o
operations which are designated as net investment hedges. The aggregate notional v
hedges, which matures on November 16, 2023, was approximately 2906 million. The aggregate noti
this net investment hedge, which matures on November 3, 2028, was approximately 306 million. During
ended December 30, 2023, December 31, 2022, and December 25, 2021, we recorded
$63 million, $8 million, and $1 million, respectively, within other comprehensive income
currency forward contracts. See Note 10 – Fair Value Measurements for additional information.

On March 20, 2020, we entered a total return swap to economically hedge our unfunded
our DCP. This swap will offset changes in our SERP and DCP liabilities. At the swap's
value of the investments in these plans was $43 million. At December 30, 2023, the notional va
investments in these plans was $96 million. At December 30, 2023, the financing blended rat
based on the Secured Overnight Financing Rate ("SOFR") plus 0.52%, for a combined rate 5.8
the years ended December 30, 2023, December 31, 2022, and December 25, 2021, w
recorded and administrative expenses in our consolidated statement of income, a gain,
of $10 million, and $2 million, respectively, net of transaction costs, related to this unfunded swap. See Note
Employee Benefit Plans for additional information.

On July 11, 2023, we entered into interest rate swap agreements to hedge the cash fl our variable rate debt term loan facility, with a $ million floating three years maturity, effectively changing the floating portion of the our obligation to a fixed rate. Under the terms of the interest rate swap agreements, receive variable interest payments based on the one-month Term SOFR rate and pay interest at a fixed rate. A December 30, 2023, the interest rate swap agreements notional value of $741 million. For the year ended December 2023 recorded, within accumulated other comprehensive loss within our consolidated bala million, related to the change in the fair value of these interest rate swap agreements, swap agreements are designated as cash flow hedges.

exchange risks associated with intercompany loans due from our international subsidiaries and the payment of merchandise purchases to our foreign suppliers. We do not hedge the translation of foreign currency profits into U.S. dollars, as we consider foreign currency translation to be an accounting exposur

Fluctuations in the value of certain foreign currencies as compared to the U.S. dollar positively or negatively affect our revenues, gross margins, operating expenses and retained earnings, all of dollars. Where we deem it prudent, we engage in hedging programs using primarily foreign currency forward contracts aimed at limiting the impact of foreign currency exchange rate fluctuations short-term (generally 18 months or less) foreign currency forward contracts to p against currency

Derivative amounts related to our hedging activities are recorded in prepaid expense expenses: other within our consolidated balance sheets.

The following table summarizes the terms and fair value of our outstanding derivati instruments as of December 30, 2023 and December 31, 2022:

	December 30, 2023			
	Notional Amount	Classification	Fair Value	Maturity Date
Derivatives used in cash flow hedges:				
Foreign currency forward contracts	$ 102	Accrued expenses, other	$ (1)	November 2024
Interest rate swaps	741	Accrued expenses, other	(10)	July 13, 2
Derivatives used in net investment hedges:				
Foreign currency forward contracts	352	Accrued expenses, other	(6)	November 2028
Undesignated hedging relationships:				
Total return swaps	96	Prepaid expenses and other	4	January 3 2024
Total	$ 1,291		$ (13)	

	December 31, 2022			
	Notional Amount	Classification	Fair Value	Maturity Date
Derivatives used in cash flow hedges:				
Foreign currency forward contracts	$ 123	Prepaid expenses and other	$ 2	December 2023
Derivatives used in net investment hedges:				
Foreign currency forward contracts	200	Prepaid expenses and other	20	November 2023
Undesignated hedging relationships:				
Total return swaps	78	Accrued expenses, other	(3)	January 4 2023
Total	$ 401		$ 19	

The following table summarizes the effect of cash flow hedges and net investment hedges on our consolidated statements of income for the years ended December 30, 2023, December 31, 2022 a December 25, 2021:

	Years Ended		
	December 30, 2023	December 31, 2022	Dece 25, 20
Derivatives used in cash flow hedges:			
Foreign currency forward contracts	$ (1)	$ -	$
Interest rate swaps	(7)	-	
Derivatives used in net investment hedges:			
Foreign currency forward contracts	(10)	7	
Total	$ (18)	$ 7	$

The amount of gains or losses reclassified from accumulated other comprehensive los income was not material for the years ended December 30, 2023, December 31, 2022, and December 25, 2021.

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Note 13 –
Debt

Bank Credit Lines

Bank credit lines consisted of the following:

	December 30, 2023	Decem 31, 20
Revolving credit agreement	$ 200	$
Other short-term bank credit lines	64	
Total	$ 264	$

Revolving Credit Agreement

On August 20, 2021, we entered into a $1 billion revolving credit agreement (the "Revolving Cre which was scheduled to mature on August 20, 2026. On July 11, 2023, we amended and restated th Credit Agreement to, among other things, extend the maturity date to July 11, 2028 and update the inte provisions to reflect the current market approach for a multicurrency revolving credit facility. The int rate on this revolving credit facility is based on Term Secured Overnight Financing Rate ("Term SOFR") plu spread based on the leverage ratio at the end of each financial reporting quarter. The Revolving Credit Agreement requires us to maintain certain maximum leverage ratios. Additionally, the Re Credit Agreement contains customary representations, warranties and affirmative covenants as well as subjective negative exceptions, (including materiality qualifiers), on liens, indebtedness, significant corporate change (including mergers), certain restrictive agreements. As of December 30, 2023 and Decem 31, 2022, we had $200 million and $0 million in borrowings, respectively under this revolving credit facility. Du December 30, 2023, the average outstanding balance under the Revolving Credit Agreement was approximately $461 million. As of December 30, 2023 and December 31, 2022, there were $10 million of $9 credit, respectively, provided to third parties under this Revolving Credit Agreement.

Other Short-Term Bank Credit Lines

As of December 30, 2023 and December 31, 2022, we had various other short-term b credit lines available to us with a maximum borrowing capacity of $368 million and $482 million, respectively December 30, 2023 and December 31, 2022, $64 million and $63 million, respectively, were outsta the year ended December 30, 2023, the average outstanding balances under our vari other short-term bank credit lines was approximately $115 million. At December 30, 2023 and December 31, 2022, borr short-term bank credit lines had weighted average interest rates of 6.0% and 0.1%, respectively.

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Long-term debt

Long-term debt consisted of the following:

	December 30, 2023	December 31, 2022
Private placement facilities	$ 1,074	$
U.S. trade accounts receivable securitization	210	
Term loan	741	
Various collateralized and uncollateralized loans payable with interest, in varying installments through 2030 at interest rates from 0.00% to 9.42% at December 30, 2023 and from 0.00% to 3.50% at December 31, 2022	54	
Finance lease obligations	8	
Total	2,087	
Less current maturities	(150)	
Total long-term debt	$ 1,937	$

As of December 30, 2023, the aggregate amounts of long-term debt, including finance lease obligations and net of debt issuance costs of $15 million, maturing in each of the next five years and thereafter are as follows:

2024	$ 150
2025	231
2026	721
2027	104
2028	179
Thereafter	702
Total	$ 2,087

Private Placement Facilities

Our private placement facilities include 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 through October 20, 2026. The facilities allow us to issue senior promissory notes at a fixed rate based on an agreed upon spread over applicable treasury notes at the time of issuance. The term will be selected by us and can range from 5 years 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, including working capital, capital expenditures, to refinance existing indebtedness, and/or to finance acquisitions. The agreements provide, among other things, that we maintain certain maximum leverage and minimum interest coverage ratios, and certain restrictions relating to subsidiary indebtedness, liens, affiliate transactions, disposal of assets and change of ownership. These facilities contain make-whole provisions in the event that we pay off the applicable notes prior to the applicable due dates.

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The components of our private placement facility borrowings, which have a weighted average interest rate of 3.65% as of December 30, 2023 are presented in the following table:

Date of Borrowing	Amount of Borrowing Outstanding	Borrowing Rate	Due Date
January 20, 2012	$ 50	3.45%	January 20, 2024
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	$ 1,074		

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 $450 million limit with two banks as agents, and expires on December 15, 2025.

As of December 30, 2023 and December 31, 2022, the borrowings outstanding under this facility were $312 million and $330 million, respectively. 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%. At December 31, 2022, the interest rate on borrowings under this facility was based on the asset-backed commercial paper rate of 4.58% plus 0.75%, for a combined rate of 5.33%.

If our accounts receivable collection pattern changes due to customers either paying more slowly 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.

On December 20, 2023 and February 23, 2024, we amended this facility to temporarily adjust certain covenant

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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 our leverage ratio for each financial reporting quarter. This term loan matures on July 11, 2026. We are required to make quarterly payments of $5 million from September 2023 through June 2026, with the remaining balance due on July 11, 2026. As payments of $94 million from September 2024 through June 2026, with the remaining balance due on July 11, 2026. As of December 30, 2023, borrowings outstanding under this term loan were $741 million. At December 30, 2023, the interest on this Term Credit Agreement was 5.36% plus 1.35% for a combined 6.71%. However, we have a hedge in place (see Note 12 – Derivatives and Hegding Activities for additional information) that creates an effective fixed rate of 5.79%. The Term Credit Agreement ultimately matures, among other things, requires us to maintain certain maximum leverage ratios. Additionally, the Term Credit Agreement contains customary representations, warranties and affirmative covenants as well as customary negative covenants, subject to certain exceptions, on liens, indebtedness, significant corporate changes (including mergers), dispositions and restrictive agreements.

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Note 14 – Income Taxes

Income before taxes and equity in earnings of affiliates was as follows:

	Years ended		
	December 30, 2023	December 31, 2022	Decem 25, 20
Domestic	$ 424	$ 506	$
Foreign	118	215	
Total	$ 542	$ 721	$

The provisions for income taxes were as follows:

	Years ended		
	December 30, 2023	December 31, 2022	Decem 25, 20
Current income tax expense:			
U.S. Federal	$ 72	$ 150	$
State and local	28	49	
Foreign	40	44	
Total current	140	243	
Deferred income tax expense (benefit):			
U.S. Federal	9	(48)	
State and local	(3)	(13)	
Foreign	(26)	(12)	
Total deferred	(20)	(73)	
Total provision	$ 120	$ 170	$

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The tax effects of temporary differences that give rise to our deferred income tax ass
(liability) were as follows:

	Years Ended	
	December 30, 2023	Decem 31, 20
Deferred income tax asset:		
Net operating losses	$ 90	$
Other carryforwards	34	
Inventory, premium coupon redemptions and accounts receivable valuation allowances	44	
Operating lease liability	80	
Other asset	66	
Total deferred income tax asset	314	
Valuation allowance for deferred tax assets (1)	(36)	
Net deferred income tax asset	278	
Deferred income tax liability		
Intangibles amortization	(219)	
Operating lease right-of-use asset	(65)	
Property and equipment	(10)	
Total deferred tax liability	(294)	
Net deferred income tax asset (liability)	$ (16)	$

(1) Primarily relates to operating losses, the benefits of which are uncertain. Any future reductions of s
valuation allowances will be reflected as a reduction of income tax expense.

The assessment of the amount of value assigned to our deferred tax assets under the judgmentapplicable accounting rules is required. We consider all available positive and negative evidence in evaluating the likelihood that we will be able to realize the benefit of our deferred tax assets in the future. Such evidence includes reversals of deferred tax liabilities and projected future taxable income. Since this evaluation requires consideration of events that may occur some years into the future, there is an element of judgment inv Realization of deferred tax assets is dependent on generating sufficient taxable income in future pe We believe it is more likely than not that future taxable income will be sufficient to allow us to recove and accordingly have assigned all of the value assigned to our deferred tax assets. However, if future events cause us to conclude t in the future that we will be unable to recover the value assigned to our deferred tax assets, we w a valuation allowance would be required to adjust our accordingly.

As of December 30, 2023, we had federal, state and foreign net operating loss carryforwards of approximately $37 million, $89 million and $317 million, respectively. The federal, state and foreign net operating loss carryforwards will begin to expire in various years from 2024 through 2043. The amo of federal, state and foreign net operating losses that can be carried-forward indefinitely are $37 million, $23 million and $94 m respectively.

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The tax provisions differ from the amount computed using the federal statutory incor
follows:

	Years ended		
	December 30, 2023	December 31, 2022	Decem 25, 20
Income tax provision at federal statutory rate	$ 114	$ 151	$
State income tax provision, net of federal income tax effect	15	20	
Foreign income tax provision	5	4	
Pass-through noncontrolling interest	(8)	(4)	
Valuation allowance	(3)	(2)	
Unrecognized tax benefits and audit settlements	9	11	
Interest expense related to loans	(13)	(12)	
Tax on global intangible low-taxed income ("GILTI")	7	6	
Other	(6)	(4)	
Total income tax provision	$ 120	$ 170	$

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For the year ended December 30, 2023 our effective tax rate was 22.1%, compared to 23.5% for the prior year period. In 2023, the difference between our effective tax rate and the federal statutory rate relates to state and foreign income taxes and interest expense. In 2022, the difference between our effective tax rate and the federal statutory rate was primarily due to state and foreign income taxes and interest expense. In 2021, our effective tax rate was 23.8%, the difference between our effective tax rate and the federal statutory rate was primarily due to state and foreign income taxes and interest expense.

On December 22, 2017, the U.S. government passed the Tax Cuts and Jobs Act, which required U.S. companies to pay a one-time transition tax on historical offshore earnings that have not been repatriated to the U.S. The transition tax is payable over eight years. Within our consolidated balance sheets, $11 million and $9 million of transition tax were included in “accrued taxes” for 2023 and 2022, respectively, and $24 million and $23 million were included in “other liabilities” for 2023 and 2022, respectively.

Due to the one-time transition tax and the imposition of the GILTI provisions, all previously unremitted earnings are subject to U.S. federal income tax, however there could be U.S. state and/or foreign withholding taxes upon distribution of such unremitted earnings. Determination of the amount of unrecognized deferred tax liability with respect to such earnings is not practicable.

All tax returns audited by the IRS are officially closed through 2019. The tax years subject to examination by the IRS include years 2020 and forward. In addition, limited positions reported in the 20 year are subject to IRS examination.

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

ASC Topic 740 prescribes the accounting for uncertainty in income taxes recognized in the financial statements and provides a comprehensive model within its guidance. This topic prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by the taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate audit settlement. In the normal course of business,

our tax returns are subject to examination by various taxing authorities. Such examinations may result in future assessments by these taxing authorities for uncertain tax positions taken in respect of certain tax matters.

The total amount of unrecognized tax benefits, which are included in “other liabilities” within our consolidated balance sheets as of December 30, 2023 and December 31, 2022, was $115 million and $98 million, respectively, of which $107 million and $89 million, respectively, would affect the effective tax rate if recognized. 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 consolidated statements of income.

The amount of tax interest expense included as a component of the provision for taxes on income was $ million, $ million and $4 million in 2023, 2022 and 2021, respectively. The total amount of accrued interest is included in other liabilities, and was $ million as of December 30, 2023 and $ million as of December 31, 2022. The amount of penalties accrued for during the periods presented were not material to our consolidated financial statements.

The following table provides a reconciliation of unrecognized tax benefits:

	December 30, 2023	December 31, 2022	December 25, 20
Balance, beginning of period	$ 82	$ 71	$
Additions based on current year tax positions	9	14	
Additions based on prior year tax positions	26	8	
Reductions based on prior year tax positions	(2)	-	
Reductions resulting from settlements with taxing authorities	(3)	(1)	
Reductions resulting from lapse in statutes of limitations	(14)	(10)	
Balance, end of period	$ 98	$ 82	$

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Note 15 – Plans of Restructuring and Integration Costs

On August 1, 2022, we committed to a restructuring plan focused on funding the prio
of the Board's strategic operations and other initiatives to increase efficiency. We revised
previously expected to have extended this initiative through the end of 2024. We are cur
make a good faith estimate of the amount or range of amounts expected to
these activities, both with respect to each major type of cost associated therewith and
total cost, or an estimate of the amount or range of amounts that will result in future cash expenditur

During the years ended December 30, 2023, December 31, 2022, and December 25, 2
we recorded costs of $80 million, $28 million, and $8 million, respectively. The restructuring c
periods primarily related to severance and employee-related costs, impairment of inta
amortization of right-of-use lease assets and fixed assets, other lease exit costs, and c
discussed below.

During the year ended December 30, 2023, in connection with our restructuring plan
recorded an asset impairment of $41 million related to a planned disposal of a non-U.S. business. The
be completed in 2024. This impairment is included in the $80 million of restructuring charges disc
above.

During the year ended December 31, 2022, in connection with our restructuring plan
vacated leased facilities at our corporate headquarters in Melville, New York, which resulted in an
right-of-use lease asset of $34 million. We also initiated the disposal of a non-profitable U.S.
recorded related costs of $49 million, which primarily consisted of impairment of intangible
inventory impairment, and severance and employee-related costs. These expenses are
included in the $128 million of restructuring charges discussed above. The disposal was completed during the fir
quarter of 2023.

On August 26, 2022, we acquired Midway Dental Supply. In connection with this
and during the year ended December 31, 2022, we recorded integration costs of $30 million related to one-time employe
costs, as well as restructuring charges of $9 million, which are included in the $128 million of restructu
discussed above.
charges

On November 20, 2019, we committed to a contemplated restructuring initiative inte
associated with the spin-off of our animal health business and to rationalize operation
provide expense. These activities were originally expected to be completed by the end of 2
but we extended it through the end of 2021 in light of the changes to the business environment brought on by the
COVID-19 pandemic. The restructuring activities under this prior initiative were completed in 2021.

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Restructuring and integration costs recorded during our 2023, 2022 and 2021 fiscal years consisted of the following:

	Year Ended December 30, 2023			
	Health Care Distribution		Technology and Value-A Services	
	Restructuring Costs	Integration Costs	Restructuring Costs	Integratio Costs
Severance and employee-related costs	$ 41	$ -	$ 5	$ -
Impairment and accelerated depreciation and amortization of right-of-use lease assets and other long-lived assets	13	-	2	-
Exit and other related costs	5	-	1	-
Loss on disposal of a business	13	-	-	-
Total restructuring and integration costs	$ 72	$ -	$ 8	$ -

	Year Ended December 31, 2022			
	Health Care Distribution		Technology and Value-A Services	
	Restructuring Costs	Integration Costs	Restructuring Costs	Integratio Costs
Severance and employee-related costs	$ 25	$ -	$ 4	$ -
Impairment and accelerated depreciation and amortization of right-of-use lease assets and other long-lived assets	47	-	-	-
Exit and other related costs	3	-	-	-
Loss on disposal of a business	49	-	-	-
Integration employee-related and other costs	-	3	-	-
Total restructuring and integration costs	$ 124	$ 3	$ 4	$ -

	Year Ended December 25, 2021			
	Health Care Distribution		Technology and Value-A Services	
	Restructuring Costs	Integration Costs	Restructuring Costs	Integratio Costs
Severance and employee-related costs	$ 6	$ -	$ 2	$ -
Total restructuring and integration costs	$ 6	$ -	$ 2	$ -

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The following table summarizes, by reportable segment, the activity related to the restructuring initiatives associated with our business for the year ended December 30, 2023. The remaining accrual balance as of December 30, 2023, which primarily relates to severance and employee-related expenses, is included within our consolidated balance sheets. Liabilities related to excess facilities are recorded within current and non-current operating lease liabilities within our condensed consolidated balance sheets.

	Health Care Distribution	Technology and Value-Added Services	T
Balance, December 25, 2021	$ 3	$ 1	$
Restructuring and integration costs	124	4	
Non-cash asset impairment and accelerated depreciation and amortization of right-of-use lease assets and other long-lived assets	(47)	-	
Non-cash impairment on disposal of a business	(46)	-	
Cash payments and other adjustments	(13)	(2)	
Balance, December 31, 2022	21	3	
Restructuring and integration costs	72	8	
Non-cash asset impairment and accelerated depreciation and amortization of right-of-use lease assets and other long-lived assets	(13)	(2)	
Non-cash impairment on disposal of a business	(12)	-	
Cash payments and other adjustments	(46)	(8)	
Balance, December 30, 2023	$ 22	$ 1	$

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Note 16 – Commitments and Contingencies

Purchase Commitments

In our health care distribution business, we sometimes enter into long-term purchase commitments to ensure the availability of products for distribution. Future minimum annual payments for invent purchase commitments as of December 30, 2023 were:

2024	$
2025	
2026	
2027	
2028	
Thereafter	
Total minimum inventory purchase commitment payments	$

Employment, Consulting and Non-Compete Agreements

We have employment, consulting and non-compete agreements that have varying bas aggregate annual payments for the years 2024 through 2028 and thereafter of approximately $21 million, $8 million, $1 million, $1 mil million, and $0 million, respectively. We also have lifetime consulting agreements that p compensation for current four hundred thousand dollars per year, with small scheduled increa every fifth year with the next increase in 2027. In addition, some agreements have provisions for additional incentives and compensation.

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subsidiary of Covetrus in 2019 and is no longer owned by Henry Schein. We are cooperating with the

Legal Proceedings

Henry Schein, Inc. has been named as a defendant in multiple opioid related lawsuits (currently less than one hundred and seventy-five (175); one or more of Henry Schein, Inc.'s subsidiaries is also named in a number of those cases), a defendant in Generally, the lawsuits allege that the manufacturers of prescription opioid drugs engaged in false advertising campaigns to expand the market for such drugs and their own market share and that the entities in the supply chain (including Henry Schein, Inc. and its subsidiaries) reaped financial rewards by refusing or otherwise failing to monitor appropriately and restrict the improper distribution of those drugs. These actions consist of some that have been consolidated within the MultiDistrict Litigation ("MDL") proceeding In Re National Prescription Opiate Litigation (MDL No. 2804; Case No. 17-md-2804) and are currently stayed, and others that remain 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. which has been set for a jury trial on August 12, 2024; and the action filed by Florida Health Sciences Center, Inc. et al. (25 other hospitals located throughout the State of Florida) in Florida state court, scheduled for a jury trial in September 2025. Of Henry Schein's 2023 net sales of approximately $12.3 billion, sales of opioids represented less than four-tenths of 1 percent. Opioids represent a negligible portion of our 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 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 Henry Schein received from Covetrus, Inc. ("Covetrus"). Butler was spun off into a separate company and became a

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 cybersecurity incident described above. On January 26, 2024, a second putative class action was filed against the Company based on the cybersecurity incident, also in the EDNY, Case No. 24-cv-... (the "Depperschmidt Action"). On February 12, 2024, the Depperschmidt Action was voluntarily dismissed without prejudice. On February 16, 2024, an amended complaint was filed in the Cruz-Bermudez Action, adding the plaintiff 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 identifying and personal health information was compromised by the incident. Plaintiffs generally seek to hold the Company liable for alleged actions and/or omissions by the Company in connection with the incident and allegedly deceptive public statements regarding privacy and data protection. Plaintiffs assert common law and statutory claims seeking monetary damages, injunctive relief, costs, and attorneys' fees, and other related relief. The case remains pending. 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, product liability claims, employment matters, commercial disputes, governmental inquiries and investigations (which may in some cases involve our entering into settlement arrangements or consent decrees), and other matters arising out of the ordinary course of our business. While the results of any legal proceeding cannot be predicted with certainty, in our opinion none of these other pending matters are currently anticipated to have a material adverse effect on our consolidated financial position, liquidity or results of operations.

As of December 30, 2023, we had accrued our best estimate of potential losses relating to claims that were probable to result in liability and for which we were able to reasonably estimate a loss. This accrued amount, as well as related 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 factors, including probable recoveries from third parties.

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Note 17 – Stock-Based Compensation

Stock-based awards are provided to certain employees under our 2020 Stock Incentive Plan and to non-employee directors 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 (the "Compensation Committee"). Historically, equity-based awards to our employees have been granted solely in the form of time-based and performance-based restricted stock units ("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 solely in the form of time-based and performance-based RSUs. Our non-employee directors receive equity-based awards solely in the form of time-based RSUs.

As of December 30, 2023, there were 70,942,657 shares authorized and 6,773,234 shares available to be granted under the 2020 Stock Incentive Plan and 2,075,000 shares authorized and 393,309 shares available to be granted under the 2023 Non-Employee Director Stock Incentive Plan.

RSUs are stock-based awards granted to recipients with specified vesting provisions. In the case of RSUs, common stock is delivered on or following satisfaction of vesting conditions. We issue RSUs to employees that vest (i) solely based on the recipient's continued service over time, primarily with four-year cliff vesting, and (ii) based on achieving specified performance measurements and the recipient's continued service over time, primarily with three-year cliff vesting. RSUs granted to our non-employee directors primarily cliff vest within 12-months. 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 upon our 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 awards under the Plans. With respect to the performance-based RSUs granted under our 2020 Stock Incentive Plan, such performance measurement adjustments relate to significant events, including, without limitation, acquisitions, divestitures, new business ventures, certain capital transactions (including share repurchases), differences in budgeted average outstanding shares (other than those resulting from capital transactions referred to above), restructuring costs, if any, certain litigation settlements or payments, if any, changes in accounting principles or in applicable laws or regulations, changes in income tax rates in certain markets, foreign exchange fluctuations, the financial impact either positive or negative, of the difference in projected 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 plan year), 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 performance targets. The ultimate number of shares delivered to recipients and the related compensation cost recognized as expense is based on our actual performance metrics as defined under the 2020 Stock Incentive Plan.

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Stock options are awards that allow the recipient to purchase shares of our common s
price vesting at a fixed after vesting at the time of grant. Stock options were granted at an exercise price equal
date of grant. Stock options issued in 2021 and 2022 vest one-third per year based on
service, subject to the terms and conditions of the 2020 Stock Incentive Plan, and fully
vested and have a contractual term of 10 years from the grant date, subject to earlier termin
term acceleration upon certain events. Compensation expense for stock options is
recognized using a graded vesting method over the vesting period. We estimate grant date fair value of stock options using the Black-Sc
Valuation model.
During the year ended December 30, 2023, we did not grant any stock options.

In addition to equity-based awards granted in fiscal 2021 under the long-term incenti
program, the Compensation Committee granted a Special Pandemic Recognition Award under the 2020 Stock Inc
Plan to recipients of RSUs under the 2018 long-term incentive program. The payout u
the performance-based restricted stock units granted under the fiscal 2018 long-term incentive program (the
LTIP”) was negatively impacted by the global COVID-19 pandemic. Given the significance of the impact of t
pandemic on our 2020 EPS goal under such equity awards and the contributions made by our employee
(including those who
Awards to Recipients of were employed by the
the grant date of the Special Pandemic Recognition Award. These time-based RSUs
vest 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date, based on
continued service and subject to the terms and conditions of the 2020 Stock Incentiv
and were recorded as compensation expense using a graded vesting method. The combination of the payout based on a
performance of the 2018 LTIP and the one-time Special Pandemic Recognition Award
granted in 2021 was 75% of each recipient’s original number of performance-based restri
in 2018 if the recipient satisfied the stock vesting schedule commencing on the grant date

Our consolidated statements of income reflect pre-tax share-based compensation expense
of $ million and $ million for the years ended December 30, 2023, December 31, 2022 and
December 25, 2021.
Total unrecognized compensation cost related to unvested awards as of December 30, 2023
was $ million, which is expected to be recognized over a weighted-average period of approximately 2.6 years.

The weighted-average grant date fair value of stock-based awards granted was $, $ and $ per
during the years ended December 30, 2023, December 31, 2022 and December 25, 2021,

Certain stock-based compensation is required to be settled in cash. During the year e
December 30, 2023, we recorded a liability of $ million for stock-based compensation to be settled in cash.

We record deferred income tax assets for awards that will result in future income tax
amount of compensation cost recognized and our statutory tax rate in the jurisdiction
deduction. We will receive a
deduction when

Our consolidated statements of cash flows present our stock-based compensation exp
as a reconciliation between net income and net cash provided by operating activities for all p
presented. There were
no cash benefits associated with tax deductions in excess of recognized compensation
the years ended December 30, 2023, December 31, 2022 and December 25, 2021.

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The following weighted-average assumptions were used in determining the most rece
using the Black-Scholes valuation model:

	2022	2021
Expected dividend yield	-%	-%
Expected stock price volatility	27.8%	27.1%
Risk-free interest rate	3.62%	1.33%
Expected life of options (in years)	6.00	6.00

We have not declared cash dividends on our stock in the past and we do not anticipat
declare cash dividends. The expected stock price volatility is based on implied volatili
from traded options on our stock and other factors. The risk-free interest ra
based on the U.S. Treasury yield curve in effect at the time of grant that most closely aligns to the expe
life of options. The life of the options was determined using the simplified method for
estimating the expected term as permitted under Staff Accounting Bulletin Topic 14.

The following table summarizes the stock option activity for the year ended
December 30, 2023:

	Stock Options			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Ag In V
Outstanding at beginning of year	1,117,574	$ 71.38		
Granted	-	-		
Exercised	(23,498)	62.74		
Forfeited	(15,617)	79.04		
Outstanding at end of year	1,078,459	$ 71.46	7.6	$
Options exercisable at end of year	573,459	$ 68.43		

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Ag In V
Vested or expected to vest	503,497	$ 74.95	7.7	$

The following tables summarize the activity of our unvested RSUs for the year
ended December 30, 2023:

	Time-Based Restricted Stock Units			Performance-Based Rest 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
Outstanding at beginning of period	1,756,044	$ 66.59		520,916	$ 60.23
Granted	426,021	77.50		381,571	81.00
Vested	(433,973)	61.96		(631,458)	60.65
Forfeited	(92,699)	72.37		(62,287)	77.45
Outstanding at end of period	1,655,393	$ 70.34	$ 75.71	208,742	$ 78.02

The total intrinsic value per share of RSUs that vested was $78.74, $73.99 and $76.85 during the years ended December 30, 2023, December 31, 2022 and December 25, 2021, respectively.

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Note 18 – Employee Benefit Plans

Defined benefit plans

Certain of our employees in our international markets participate in various noncontributory defined benefit plans. These plans are designed to provide pension benefits to covered employees in accordance with local regulations. The net unfunded liability for these plans are recorded in accrued expenses and other liabilities within our consolidated balance sheets. The following table presents the changes in projected benefit obligations, and the funded status of our defined benefit pension plans:

	Years Ended	
	December 30, 2023	December 31, 2022
Obligation and funded status:		
Change in benefit obligation		
Projected benefit obligation, beginning of period	$ 108	$ 128
Service costs	3	3
Interest cost	3	1
Past service cost	1	-
Actuarial gain (loss)	6	(19)
Benefits paid (1)	-	(1)
Participant contributions	1	1
Settlements	(3)	(1)
Effect of foreign currency translation	6	(4)
Projected benefit obligation, end of period	$ 125	$ 108
Change in plan assets		
Fair value of plan assets at beginning of period	$ 73	$ 75
Actual return on plan assets	4	(3)
Employer contributions	2	2
Plan participant contributions	1	1
Expected return on plan assets	1	1
Benefit received (1)	2	-
Settlements	(2)	(1)
Effect of foreign currency translation	5	(2)
Fair value of plan assets at end of period	$ 86	$ 73
Unfunded status at end of period	$ 39	$ 35

(1) Includes regular benefit payments and amounts transferred in by new participants.

The majority of our defined benefit plans are unfunded, with the exception of one plan in the United Kingdom, where the amount of assets exceeds the projected benefit obligation by approximately $7 million and $5 million as of December 30, 2023 and December 31, 2022, respectively.

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

The following table provides the amounts recognized in our consolidated balance she
for our defined benefit pension plans:

	Years Ended	
	December 30, 2023	December 31, 2022
Non-current assets	$ 27	$ 25
Current liabilities	(1)	(1)
Non-current liabilities	(65)	(59)
Accumulated other comprehensive loss, pre-tax	8	4

The following table provides the components of net periodic pension cost for our defined benefit plans:

	Years Ended		
	December 30, 2023	December 31, 2022	Decembe 25, 2021
Service cost	$ 3	$ 3	$
Interest cost	3	1	
Expected return on plan assets	(3)	(1)	
Employee contributions	(1)	-	
Amortization of prior service credit	-	1	
Recognized net actuarial loss	-	-	
Settlements	-	-	
Net periodic pension cost	$ 2	$ 4	$

The following tables present the weighted-average actuarial assumptions used to determine benefit obligations and net periodic pension cost for the periods presented:

	Years Ended	
Pension Benefit Obligation	**December 30, 2023**	**Decembe 2022**
Weighted average discount rate	2.71 %	1

	Years Ended		
Net Periodic Pension Cost	**December 30, 2023**	**December 31, 2022**	**Decembe 2021**
Discount rate-pension benefit	1.50 %	1.25 %	0
Expected return on plan assets	0.51 %	0.81 %	0
Rate of compensation increase	1.64 %	1.68 %	1
Pension increase rate	0.80 %	0.61 %	0

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

The following table presents the estimated pension benefit payments that are payable
Plan's pension plans as of December 30, 2023:

Year	
2024	$ 7
2025	6
2026	7
2027	7
2028	8
2029 to 2033	44
Total	$ 79

401(k) Plans

We offer qualified 401(k) plans to substantially all domestic full-time employees. As
determined by our Board, these plans generally do not exceed
their base compensation, subject to applicable legal limits. Matching contributions a
made in cash and are
Henry Schein Stock Fund. Forfeitures attributable to participants whose employmen
fully vested prior to becoming
and to offs
administrative expenses of

Assets of the 401(k) and other defined contribution plans are held in self-directed acc
choice from various investment fund options. Matching contributions related to thes
plans charged to operations
and $38 million, respectively. Within our consolidated statements of income,
and $0 million, is included in selling, general and administrative, and
included in cost of goods sold for the years ended December 30, 2023, December 31,
and December 25,

Supplemental Executive Retirement Plan

We offer an unfunded, non-qualified SERP to eligible employees. This plan generally
officers and certain employees after they have reached the maximum IRS allowed pr
401(k) contribution. Our contributions to this plan are equal to the 401(k) employee-elected contrib
percentage applied to the portion of the year in which such employees are not eligib
make contributions to the 401(k) plan. The amounts charged to operations during the year
ended December 30, 2023, December 31, 2022, and December 25, 2021 amounted to $ million, $ million and $ million, respec
charges are included in selling, general and administrative within our The consolidated Pl
statements of income. for additional information.

Deferred Compensation Plan

During 2011, we began to offer DCP to a select group of management or highly
Company and certain of its subsidiaries. This plan allows for the elective deferral of base
salary, bonus and/or commission compensation by eligible employees. The amounts (credited)/charged to
operations during 30, 2023, December 31, 2022 and December 25, 2021 were $ million, ($
million and $ million, respectively. The charges are included in selling, general and
consolidated statements of income. Note 12 – Derivatives and Hedging Activities for addition
information.

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

Note 19 – Redeemable Noncontrolling Interests

Some minority stockholders in certain of our subsidiaries have the right, at certain ti
their ownership interest in those entities at fair value. ASC Topic 480-10 is applicabl
where we may be required to purchase all or a portion of the outstanding inter
from the noncontrolling interest holder under the terms of a put option contained in
components of the change in the redeemable noncontrolling interests for the years en
December 30, 2023, December 31, 2022, and December 25, 2021, are presented in the following table:

	December 30, 2023	December 31, 2022	Dece 25, 2
Balance, beginning of period	$ 576	$ 613	$
Decrease in redeemable noncontrolling interests due to acquisitions of noncontrolling interests in subsidiaries	(19)	(31)	
Increase in redeemable noncontrolling interests due to business acquisitions	326	4	
Net income attributable to redeemable noncontrolling interests	6	21	
Distributions declared, net of capital contributions	(19)	(21)	
Effect of foreign currency translation gain (loss) attributable to redeemable noncontrolling interests	5	(6)	
Change in fair value of redeemable securities	(11)	(4)	
Balance, end of period	$ 864	$ 576	$

Note 20 – Comprehensive Income

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

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

	December 30, 2023	December 31, 2022	Dece 25, 2
Attributable to redeemable noncontrolling interests:			
Foreign currency translation adjustment	$ (32)	$ (37)	$
Attributable to noncontrolling interests:			
Foreign currency translation adjustment	$ (1)	$ (1)	$
Attributable to Henry Schein, Inc.:			
Foreign currency translation adjustment	$ (188)	$ (236)	$
Unrealized gain (loss) from hedging activities	(13)	5	
Pension adjustment loss	(5)	(2)	
Accumulated other comprehensive loss	$ (206)	$ (233)	$
Total Accumulated other comprehensive loss	$ (239)	$ (271)	$

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

The following table summarizes the components of comprehensive income, net of applicable taxes as follows:

	December 30, 2023	December 31, 2022	Dece 25, 2
Net income	$ 436	$ 566	$
Foreign currency translation gain (loss)	53	(88)	
Tax effect	-	-	
Foreign currency translation gain (loss)	53	(88)	
Unrealized gain (loss) from hedging activities	(25)	10	
Tax effect	7	(3)	
Unrealized gain (loss) from hedging activities	(18)	7	
Pension adjustment gain (loss)	(3)	16	
Tax effect	-	(4)	
Pension adjustment gain (loss)	(3)	12	
Comprehensive income	$ 468	$ 497	$

Our financial statements are denominated in U.S. Dollars. Fluctuations in the value o
foreign currencies relative to the U.S. Dollar may have a significant impact on our comprehensive inco
The foreign currency translation gain (loss) during the years ended December 30, 2023, December 31, 202
December 25, 2021 was primarily due to changes in foreign currency exchange rates of the Euro, Brazilian Re
British Pound, Swiss Franc and Canadian Dollar.

The hedging gain (loss) during the years ended December 30, 2023 , December 31, 2
and December 25, 2021 was primarily due to net investment hedge. See Note 11 – Derivatives and Hedging Activities for further information.

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

	December 30, 2023	December 31, 2022	Dece 25, 20
Comprehensive income attributable to Henry Schein, Inc.	$ 443	$ 476	$
Comprehensive income attributable to noncontrolling interests	14	6	
Comprehensive income attributable to Redeemable noncontrolling interests	11	15	
Comprehensive income	$ 468	$ 497	$

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

Note 21 – Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Henry Sc
average number of common shares outstanding for the period. Our diluted earnings
shares is computed similarly, except that it reflects the effect of common shares issual
exercise of stock options using the treasury stock method in periods in which they ha
dilutive effect.

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

	Years Ended		
	December 30, 2023	December 31, 2022	Dece 25, 2
Basic	130,618,990	136,064,221	140
Effect of dilutive securities:			
Stock options and restricted stock units	1,129,181	1,691,449	1
Diluted	131,748,171	137,755,670	141

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

	Years Ended		
	December 30, 2023	December 31, 2022	Dece 25, 2
Stock options	424,695	342,716	
Restricted stock units	15,040	19,466	
Total anti-dilutive securities excluded from earnings per share computation	439,735	362,182	

Note 22 – Supplemental Cash Flow Information

Cash paid for interest and income taxes was:

	Years ended		
	December 30, 2023	December 31, 2022	Decem 25, 20
Interest	$ 84	$ 47	$
Income taxes	218	265	

For the years ended December 30, 2023, December 31, 2022 and December 25, 2021
million and $3 million of non-cash net unrealized gains (losses) related to hedging
activities, respectively. For additional information related to our total ret
interest rate swap agreements.

Note 12 – Derivatives and Hedging Activities

There was approximately $43 million of debt assumed as part of the acquisitions for the ye
2023. Debt assumed during the year ended December 30, 2023 primarily relates to t
acquisitions of Biotech

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

Note 23 – Related Party Transactions

In connection with the formation of Henry Schein One, LLC, our joint venture with In
Brands, on July 1, 2018, we entered into a ten-year royalty agreement with Internet Brands whe
Internet Brands approximately $31 million annually for the use of their intellectual property.
ended December 30, 2023, December 31, 2022 and December 25, 2021, we recorded
$31 million, respectively, in connection with costs related to this royalty agreement and A
December 30, 2023 and December 31, 2022, Henry Schein One, LLC had a net payable balance to Internet Br
of $1 million, respectively, comprised of amounts related to results of operations and the ro
agreements. The net payable are recorded within accrued expenses: other, respectively
balance sheets.

We have interests in entities that we account for under the equity accounting method.
business, during the years ended December 30, 2023, December 31, 2022 and Decem
25, 2021, we recorded $46 million, $48 million, and $48 million respectively, to such entities. During the yea
30, 2023, December 31, 2022 and December 25, 2021, we purchased $10 million, $11 million and $15 millio
respectively, from such entities. At December 30, 2023 and December 31, 2022, we
had $36 million and $36 million, respectively, due from our equity affiliates, and $5 million and $6 million, respectively
equity affiliates.

Certain of our facilities related to our acquisitions are leased from employees and mi
shareholders. Please see Note 7 – Leases for further information.

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ITEM 9. Changes in and Disagreements with Accountants on Accounting and Disclosure

None.

ITEM 9A. Controls and 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 annual report as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on our evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of December 30, 2023 to ensure that 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 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

During the quarter ended December 30, 2023, we acquired a 90% voting equity interest in Shield, a supplier of medical products headquartered in California. The full integration of this acquisition, as well as previously reported acquisitions of S.I.N and Biotech Dental, extended beyond year-end. As permitted by SEC staff guidance, we excluded Shield, Biotech Dental, and S.I.N., which together represent less than 1.5% of our consolidated net sales, from our annual assessment of internal control over financial reporting as of December 30, 2023. We are permitted to exclude these acquisitions from our annual assessment for newly acquired businesses.

Post-acquisition integration related activities for other dental and medical businesses acquired during the U.S., Europe, Brazil, Australia, and China were included in our annual assessment of internal control over financial reporting as of December 30, 2023. These acquisitions, the majority of which have separate financial accounting systems, have been included in our consolidated financial statements since the dates of acquisition.

Finally, we continued systems implementation activities in the U.S. for two of our dental businesses.

The combination of acquisitions (including Shield, S.I.N., and Biotech Dental), continued integration and systems implementation activities undertaken during the quarter and carried over from prior periods considered in the aggregate, represents a material change in our internal control over financial reporting.

During the quarter, all acquisitions, continued acquisition integrations and systems implementation activities necessary and appropriate change-management controls that are considered in our quarterly assessment of control over financial reporting.

In October 2023, we experienced a cybersecurity incident that primarily affected the information technology systems of our North American and European dental and medical distribution businesses. Once we became aware of the incident, as part of the Company's incident response plan, we took precautionary actions to contain the incident, including shutting down connectivity to networks and key business, operating and financial accounting systems globally. In addition, we notified and potentially affected third parties and all relevant law enforcement authorities, and engaged external cybersecurity experts to support our assessment of the cyber-incident's impact, contain and remediate the affected systems and applications. We also notified law enforcement authorities, customers, suppliers and investors, informing them of both the incident and management's plan to mitigate its impact on its daily operations and data maintained on the Company's systems.

Subsequently, on or about November 8, 2023, we determined that the threat actor ob
information maintained on our systems belonging to certain third parties and since th
personal and sensitive
have notified affected parties and potentially affected parties as appropriate. The scope of persona
data impacted is
still under investigation.

On November 22, 2023, we experienced a related disruption to our ecommerce platfo
which has since been remediated.

In order to mitigate the impact of this disruption on our systems and on our ability to
customers, alternative processes and controls were temporarily implemented.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal co
as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system i
provide reasonable assurance to our management and Board regarding the preparation and f
financial statements published
in accordance with GAAP. Under the supervision and with the participation of our manage
including our principal executive officer and principal financial officer, we conducted an evaluation of the eff
our internal control over financial reporting based on the framework in Internal Control-Integrate
(2013), issued by the Committee of Sponsoring Organizations, or the COSO Framewor
under the COSO Framework, our management concluded that our internal control ov
effective as of December 30, 2023.

The effectiveness of our internal control over financial reporting as of December 30, 2
audited by BDO USA, P.C., an independent registered public accounting firm, and the
independently
is included
herein. The evaluation of internal controls involves judgment. Our external auditor h
that the Company has a material weakness resulting from the aggregation of certain control d
the application related to logical and user access management and segregation of duties
Company agreed that
Other than the material weakness that our external auditor has identified, all of which eith
being addressed or
have been addressed. The Company's management has considered the control deficiencie
auditor and believes that, individually and in aggregate, they do not result in a mater
A material
weakness is a deficiency, or a combination of deficiencies, in internal control over fin
there is a reasonable possibility that a material misstatement of the company's financ
reporting, such that
will not be prevented or detected on a timely basis.

Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can provide only reaso
about the objectives of the internal control system are met. Because of the inherent lim
any internal evaluation
system, no evaluation of controls can provide absolute assurance that all control issue
will be detected.
have been detected within a company

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Henry Schein, Inc.
Melville, NY

Opinion on Internal Control over Financial Reporting

We have audited Henry Schein, Inc.'s (the "Company's") internal control over financ
as of December 30, 2023, based on criteria established in Internal Control – Integrated Framework (2
by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In o
Company did, in all material respects, effective internal control over financial report
based on the COSO criteria.

We do not express an opinion or any other form of assurance on management's s
regarding actions taken by the Company after the date of management's assessment

We also have audited, in accordance with the standards of the Public Company Ac
(United States) ("PCAOB"), the consolidated balance sheets of the Company as of
December 30, 2023 and December 31, 2022, the related consolidated statements of income, comprehe
stockholders' equity, and cash flows for each of the three years in the period ended
2023, and the notes (collectively referred to as "the financial statements") and our repor
February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal contro
for its assessment of the effectiveness of internal control over financial reporting, in
accompanying "Item 9A, Management's Report on Internal Control over Financial Reporting". Our r
is to express an opinion on the Company's internal control over financial reporting based on our audi
We are a public accounting firm registered with the PCAOB and are required to be independent with respect to
in accordance with U.S. federal securities laws and the applicable rules and regulations of the
Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance wit
standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable ass
whether effective internal control over financial reporting was maintained in all material respects. Our
included obtaining an understanding of internal control over financial reporting, assessing the risk that a m
exists, testing and evaluating the design and operating effectiveness of internal control bas
assessed risk, and performing such other procedures as we considered necessary in
circumstances. We believe that our audit provides a reasonable basis for our opinion.

A material weakness is a deficiency, or a combination of deficiencies, in internal con
such that there is a reasonable possibility that a material misstatement of the Co
consolidated financial statements will not be prevented or detected on a timely ba
following material weakness that has not been identified as a material weakness in m
assessment: The Company's assessment of the effectiveness in internal control over financial reporting is related to logical ac
segregation of duties, at the application control level, in certain information techno
environments. There is a reasonable possibility that a material misstatement of the C
consolidated financial statements with respect to these matters would not have bee
timely basis. This material weakness was considered in determining the nature, timi
of audit tests applied in our audit of the 2023 consolidated financial statements, and this report do
our report dated February 28, 2024, on those consolidated financial statements.

As indicated in the accompanying "Item 9A, Management's Report on Internal Contr
management's assessment of and conclusion on the effectiveness of internal control
include the internal controls of Shield Healthcare, Inc., S.I.N. Implant System, and

acquired during the year ended December 30, 2023, and are included in the conso
balance sheet of the Company as of December 30, 2023, and the related consolidated statements of inco
comprehensive income, changes in stockholders' equity, and cash flows for the year then ended. Shield Hea
System, Implant System, and Biotech Dental, together represent less than 1.5% of total net sales for
ended December 30, 2023. Management did not assess the effectiveness of internal control over financial
Shield Health Implant System, or Biotech Dental because of the timing of the acquisit
during the year ended December 30, 2023. Our audit of internal control over financ
also include an evaluation of the internal control over financial reporting of S
Health Implant System, or Biotech Dental.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to pro
regarding the reliability of financial reporting and the preparation of financial stater
external purposes in accordance with generally accepted accounting principles. A company's internal con
includes those policies and procedures that (1) pertain to the maintenance of recor
reasonably detail, accurately and fairly reflect the transactions and dispositions of the assets of the co
provide reasonable assurance that transactions are recorded as necessary to permit preparation of finan
statements in accordance with generally accepted accounting principles, and that receipts and expenditures o
are being made only in accordance with authorizations of management and directors of the company
provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition,
disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting m
prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods
are subject to the risk that controls may become inadequate because of changes in conditions, or that the deg
compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.
New York, NY
February 28, 2024

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ITEM 9B. Other Information

Not applicable.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspection

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Information required by this item regarding our directors and executive officers and c
hereby incorporated by reference to the Section entitled “Election of Directors,” with
first paragraph of the Section entitled “Corporate Governance - Board of Directors M
Audit Committee,” with respect to corporate governance, in each case in our definitiv
Statement to be filed pursuant to Regulation 14A and to the Section entitled “Information about our E
Officers” in Part I of this report, with respect to executive officers.

There have been no changes to the procedures by which stockholders may recommen
our Board since the disclosure of such procedures, which appeared in our definitive 2023 Proxy S
pursuant to Regulation 14A on April 11, 2023.

Information required by this item concerning compliance with Section 16(a) of the Se
Exchange Act of 1934 is hereby incorporated by reference to the Section entitled “Delinquent Section
Reporting” in our 2024 Proxy Statement to be filed pursuant to Regulation 14A, to the extent
disclosure is described.

We have adopted a Code of Ethics that applies to our Chief Executive Officer, Chief F
Accounting Officer, Chief Financial Officer and Controller. We make available free of charge through our Int
www.henryschein.com, under the “About Henry Schein--Corporate Governance Highli
Ethics Code.” We intend to disclose on our Web site any amendment to, or waiver of, a prov
Code of Ethics.

ITEM 11. Executive Compensation

The information required by this item is hereby incorporated by reference to the Sect
Discussion and Analysis,” “Compensation Committee Report” (which information sha
furnished in this Annual Report on Form 10-K), “Executive and Director Compensation” and “Com
Committee Interlocks and Insider Participation” in our definitive 2024 Proxy Statement to be file
Regulation 14A.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We maintain several stock incentive plans for the benefit of certain officers, directors, employees and others. All of these plans have been approved by our stockholders. Descriptions of these plans appear in our consolidated financial statements. The following table summarizes information relating to these plans as of December 30, 2023:

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options and Rights	Weighted- Average Exercise Price of Outstanding Options	Number of Shares Available for Future Issuance
Plans Approved by Stockholders	-	$ -	7
Plans Not Approved by Stockholders	-	-	
Total	-	$ -	7

The other information required by this item is hereby incorporated by reference to the section entitled "Security Ownership of Certain Beneficial Owners and Management" in our definitive 2024 Proxy Statement to be filed pursuant to Regulation 14A.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is hereby incorporated by reference to the Section entitled "Certain Relationships and Related Transactions" and "Corporate Governance – Board of Directors and Committees – Independent Directors" in our definitive 2024 Proxy Statement to be filed pursuant to Regulation 14A.

ITEM 14. Principal Accounting Fees and Services

The information required by this item is hereby incorporated by reference to the Section entitled "Registered Public Accounting Firm Fees and Pre-Approval Policies and Procedures" in our 2024 Proxy Statement to be filed pursuant to Regulation 14A.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

(a) List of Documents Filed as a Part of This Report:

1. Financial Statements:
   Our Consolidated Financial Statements filed as a part of this report are listed on Page 62.

2. Index to Exhibits:
   See exhibits listed under Item 15(b) below.

(b) Exhibits

3.1	Second Amended and Restated Certificate of Incorporation of Henry Schein (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K 1, 2018.)
3.2	Fourth Amended and Restated By-Laws of Henry Schein, Inc., effective Mar (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K March 24, 2023.)
4.1	Third Amended and Restated Multicurrency Master Note Purchase Agreem October 20, 2021, by and among us, Metropolitan Life Insurance Company, Investment Management, LLC and each MetLife affiliate which becomes pa (Incorporated by reference to Exhibit 4.4 to our Current Report on Form 8-K October 21, 2021.)
4.2	Third Amended and Restated Master Note Facility, dated as of October 20, among us, NYL Investors LLC and each New York Life affiliate which becon thereto. (Incorporated by reference to Exhibit 4.3 to our Current Report on on October 21, 2021.)
4.3	Third Amended and Restated Multicurrency Private Shelf Agreement, dated 20, 2021, by and among us, PGIM, Inc. and each Prudential affiliate which thereto. (Incorporated by reference to Exhibit 4.2 to our Current Report on on October 21, 2021.)
4.4	Multicurrency Private Shelf Agreement, dated as of October 20, 2021, by ar AIG Asset Management (U.S.), LLC and each AIG affiliate which becomes pa (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K October 21, 2021.)
4.5	Description of Securities. (Incorporated by reference to Exhibit 4.5 to our A on Form 10-K for the fiscal year ended December 25, 2021 filed on Februar
10.1	Henry Schein, Inc. 2013 Stock Incentive Plan, as amended and restated effe May 14, 2013. (Incorporated by reference to Exhibit 10.2 to our Current Report filed on May 16, 2013.)**
10.2	Form of 2019 Restricted Stock Unit Agreement for performance-based restr awards pursuant to the Henry Schein, Inc. 2013 Stock Incentive Plan (as an restated effective as of May 14, 2013). (Incorporated by reference to Exhibi Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2019 7, 2019.)**
10.3	Form of 2019 Restricted Stock Unit Agreement for time-based restricted sto awards pursuant to the Henry Schein, Inc. 2013 Stock Incentive Plan (as amended effective as of May 14, 2013). (Incorporated by reference to Exhibit 10.1 to Report on Form 10-Q for the fiscal quarter ended March 30, 2019 filed on M
10.4	Henry Schein, Inc. 2020 Stock Incentive Plan, as amended and restated effe May 21, 2020. (Incorporated by reference to Exhibit 10.1 to our Current Report filed on May 26, 2020.)**

10.5	Form of 2021 Stock Option Agreement pursuant to the Henry Schein, Inc. 2 Incentive Plan (as amended and restated effective as of May 21, 2020). (Inc reference to Exhibit 10.1 to our Current Report on Form 8-K filed on March
10.6	Form of 2022 Restricted Stock Unit Agreement for time-based restricted sto awards pursuant to the Henry Schein, Inc. 2020 Stock Incentive Plan (as amended effective as of May 21, 2020). (Incorporated by reference to Exhibit 10.1 to Report on Form 10-Q for the fiscal quarter ended March 26, 2022 filed on M
10.7	Form of 2022 Restricted Stock Unit Agreement for performance-based restr awards pursuant to the Henry Schein, Inc. 2020 Stock Incentive Plan (as an restated effective as of May 21, 2020). (Incorporated by reference to Exhibi Quarterly Report on Form 10-Q for the fiscal quarter ended March 26, 2022 3, 2022.)**
10.8	Henry Schein, Inc. 2015 Non-Employee Director Stock Incentive Plan. (Inco reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the fisca June 27, 2015 filed on July 29, 2015.)**
10.9	Form of 2018 Restricted Stock Unit Agreement for time-based restricted sto awards pursuant to the Henry Schein, Inc. 2015 Non-Employee Director Stock Ince amended and restated effective as of June 22, 2015). (Incorporated by refer 10.6 to our Quarterly Report on Form 10-Q for the fiscal quarter ended Mar filed on May 8, 2018.)**
10.10	Henry Schein, Inc. 2023 Non-Employee Director Stock Incentive Plan, as amended and restated effective as of May 23, 2023. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on May 25, 2023
10.11	Henry Schein, Inc. Supplemental Executive Retirement Plan, amended and effective as of January 1, 2014. (Incorporated by reference to Exhibit 10.1 t Report on Form 10-Q for the fiscal quarter ended September 28, 2013 filed 5, 2013.)**
10.12	Amendment Number One to the Henry Schein, Inc. Supplemental Executive Plan, amended and restated effective as of January 1, 2014. (Incorporated Exhibit 10.18 to our Annual Report on Form 10-K for the fiscal year ended D 2019 filed on February 20, 2020.)**
10.13	Amendment Number Two to the Henry Schein, Inc. Supplemental Executive Plan, amended and restated effective as of January 1, 2014. (Incorporated b Exhibit 10.3 to our Quarterly Report on Form 10-Q for the fiscal quarter end 2020 filed on May 5, 2020.)**
10.14	Amendment Number Three to the Henry Schein, Inc. Supplemental Executi Plan, amended and restated effective as of January 1, 2014. (Incorporated b Exhibit 10.2 to our Quarterly Report on Form 10-Q for the fiscal quarter end 26, 2020 filed on November 2, 2020.)**
10.15	Amendment Number Four to the Henry Schein, Inc. Supplemental Executiv Plan, amended and restated effective as of January 1, 2014. (Incorporated b Exhibit 10.1 to our Current Report on Form 8-K filed on December 18, 2023

10.16	Henry Schein, Inc. 2004 Employee Stock Purchase Plan, effective as of May (Incorporated by reference to Exhibit D to our definitive 2004 Proxy Statem Schedule 14A, filed on April 27, 2004.)**
10.17	Henry Schein, Inc. 2023 Non-Employee Director Stock Incentive Plan, amer restated effective as of May 23, 2023. (Incorporated by reference to Exhibit Current Report on Form 8-K filed on May 25, 2023.)**
10.18	Henry Schein, Inc. Deferred Compensation Plan, as amended and restated e November 14, 2023. (Incorporated by reference to Exhibit 10.1 to our Curre Form 8-K filed on November 16, 2023.)**
10.19	Henry Schein Management Team Performance Incentive Plan and Plan Sum effective as of January 1, 2014. (Incorporated by reference to Exhibit 10.7 t Report on Form 10-Q for the fiscal quarter ended March 29, 2014 filed on M
10.20	Amended and Restated Employment Agreement dated as of November 28, 2 between Henry Schein, Inc. and Stanley M. Bergman. (Incorporated by refe Exhibit 10.1 to our Current Report on Form 8-K filed on November 29, 2022
10.21	Letter Agreement dated November 11, 2021 between Henry Schein, Inc. an (Incorporated by reference to Exhibit 10.27 to our Annual Report on Form 1 fiscal year ended December 31, 2022 filed on February 21, 2023.)**
10.22	Agreement dated November 11, 2021 between Henry Schein, Inc. and Brad (Incorporated by reference to Exhibit 10.28 to our Annual Report on Form 1 fiscal year ended December 31, 2022 filed on February 21, 2023.)**
10.23	Special Incentive Plan dated May 24, 2021 between Henry Schein, Inc. and (Incorporated by reference to Exhibit 10.29 to our Annual Report on Form 1 fiscal year ended December 31, 2022 filed on February 21, 2023.)**
10.24	Form of Amended and Restated Change in Control Agreement dated Decem between us and certain executive officers who are a party thereto (James B Michael S. Ettinger, and Mark Mlotek, respectively). (Incorporated by refer 10.15 to our Annual Report on Form 10-K for the fiscal year ended Decemb filed on February 24, 2009.)**
10.25	Form of Amendment to Amended and Restated Change in Control Agreemer January 1, 2012 between us and certain executive officers who are a party t Breslawski, Michael S. Ettinger, and Mark Mlotek, respectively). (Incorpora reference to Exhibit 10.1 to our Current Report on Form 8-K filed on Januar
10.26	Form of Change in Control Agreement between us and certain executive off party thereto (Walter Siegel). (Incorporated by reference to Exhibit 10.3 to Report on Form 10-Q for the fiscal quarter ended March 30, 2019 filed on M
10.27	Henry Schein, Inc. Executive Change in Control Plan, effective as of May 2, us and certain executive officers who are a party thereto (Ronald N. South, and Lorelei McGlynn). (Incorporated by reference to Exhibit 10.3 to our Qua on Form 10-Q for the fiscal quarter ended March 26, 2022 filed on May 3, 2

10.28	Form of Indemnification Agreement between us and certain directors and e officers who are a party thereto (Mohamed Ali, Deborah Derby, Carole T. Fa Herring, Kurt P. Kuehn, Philip A. Laskawy, Anne H. Margulies, Steven Palad Raphael, Scott P. Serota, Bradley T. Sheares, Ph.D., Reed V. Tuckson, M.D., Stanley M. Bergman, James P. Breslawski, Brad Connett, Michael S. Ettinge McGlynn, Mark E. Mlotek, Walter Siegel and Ronald N. South, respectively) (Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form fiscal quarter ended September 26, 2015 filed on November 4, 2015.)**
10.29	Second Amended and Restated Revolving Credit Agreement, dated as of Jul among us, the several lenders parties thereto, and JPMorgan Chase Bank, N administrative agent, U.S. Bank National Association, as syndication agent, N.A., Bank of America, N.A., UniCredit Bank, A.G., the Bank of New York Me Bank, N.V. and HSBC Bank USA, N.A., as co-documentation agents. (Incorp reference to Exhibit 10.2 to our Current Report on Form 8-K filed on July 1
10.30	Term Loan Credit Agreement, dated as of July 11, 2023, among us, the seve parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as syndication agent, and TD Bank, N.A., Bank of America, N.A. and UniCredit Bank, A.G., as co-documentation agen (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8 filed on July 13, 2023.)
10.31	Receivables Purchase Agreement, dated as of April 17, 2013, by and among servicer, HSFR, Inc., as seller, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as a various purchaser groups from time to time party thereto. (Incorporated by Exhibit 10.1 to our Current Report on Form 8-K filed on April 19, 2013.)
10.32	Amendment No. 1 dated as of September 22, 2014 to the Receivables Purch Agreement, dated as of April 17, 2013, by and among us, as servicer, HSFR The Bank of Tokyo-Mitsubishi UFJ, LTD., New York Branch, as agent and th purchaser groups from time to time party thereto. (Incorporated by referen 10.2 to our Current Report on Form 8-K filed on September 26, 2014.)
10.33	Amendment No. 2 dated as of April 17, 2015 to Receivables Purchase Agree as of April 17, 2013, by and among us, as performance guarantor, HSFR, Inc., Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as agent and the var purchaser groups party thereto. (Incorporated by reference to Exhibit 10.1 Report on Form 10-Q for the fiscal quarter ended June 25, 2016 filed on Aug
10.34	Amendment No. 3 dated as of June 1, 2016 to Receivables Purchase Agreem of April 17, 2013, by and among us, as performance guarantor, HSFR, Inc., Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as agent and the var purchaser groups party thereto. (Incorporated by reference to Exhibit 10.2 Report on Form 10-Q for the fiscal quarter ended June 25, 2016 filed on Aug
10.35	Amendment No. 4 dated as of July 6, 2017 to Receivables Purchase Agreem of April 17, 2013, by and among us, as performance guarantor, HSFR, Inc., Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as agent and the var purchaser groups party thereto. (Incorporated by reference to Exhibit 10.1 Report on Form 10-Q for the fiscal quarter ended September 30, 2017 filed 6, 2017.)

10.36	Amendment No. 5 dated as of May 13, 2019 to Receivables Purchase Agree of April 17, 2013, by and among us, as performance guarantor, HSFR, Inc., Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as agent and the var purchaser groups party thereto. (Incorporated by reference to Exhibit 10.1 Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2019 filed on Aug
10.37	Limited Waiver dated as of May 22, 2020 to Receivables Purchase Agreeme April 17, 2013, by and among us, as servicer, HSFR, Inc., as seller, lender, a various purchaser groups from time to time party thereto, as amended. (Inc reference to Exhibit 10.7 to our Quarterly Report on Form 10-Q for the fisca June 27, 2020 filed on August 4, 2020.)
10.38	Amendment No. 6 dated as of June 22, 2020 to the Receivables Purchase Ag dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as sell agent and the various purchaser groups from time to time party thereto. (In reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 2
10.39	Amendment No. 7 dated as of October 20, 2021 to Receivables Purchase Ag dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as seller, len and the various purchaser groups from time to time party thereto. (Incorpo reference to Exhibit 10.1 to our Current Report on Form 8-K filed on Octob
10.40	Amendment No. 8 dated as of December 15, 2022 to Receivables Purchase dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as sell agent and the various purchaser groups from time to time party thereto. (In reference to Exhibit 10.45 to our Annual Report on Form 10-K for the fiscal December 31, 2022 filed on February 21, 2023.)
10.41	Omnibus Amendment No. 1, dated July 22, 2013, to Receivables Purchase A dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as sell of Tokyo-Mitsubishi UFJ, Ltd., as agent, and the various purchaser groups f time party thereto and Receivables Sales Agreement, dated as of April 17, 2 among us, certain of our wholly-owned subsidiaries and HSFR, Inc., as buyer. (Incorporated by reference to Exhibit 10.5 to our Quarterly Report o for the fiscal quarter ended June 29, 2013 filed on August 6, 2013.)
10.42	Omnibus Amendment No. 2, dated April 21, 2014, to Receivables Purchase dated as of April 17, 2013, as amended, by and among us, as servicer, HSFR seller, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as agent, and the various pu groups from time to time party thereto and Receivables Sales Agreement, d April 17, 2013, by and among us, certain of our wholly-owned subsidiaries and HS buyer. (Incorporated by reference to Exhibit 10.8 to our Quarterly Report o for the fiscal quarter ended March 29, 2014 filed on May 6, 2014.)
10.43	Receivables Sale Agreement, dated as of April 17, 2013, by and among us, c wholly-owned subsidiaries and HSFR, Inc., as buyer. (Incorporated by refer Exhibit 10.2 to our Current Report on Form 8-K filed on April 19, 2013.)
21.1	List of our Subsidiaries.+
23.1	Consent of BDO USA, P.C.+
31.1	Certification of our Chief Executive Officer pursuant to Section 302 of the S Act of 2002.+

31.2	Certification of our Chief Financial Officer pursuant to Section 302 of the S Act of 2002.+
32.1	Certification of our Chief Executive Officer and Chief Financial Officer purs Section 906 of the Sarbanes-Oxley Act of 2002.+
97.1	Henry Schein, Inc. Dodd-Frank Clawback Policy, effective as of December 1
99.1	Limited Waiver dated November 10, 2023 to the Multicurrency Private She dated as of October 20, 2021, by and among us, AIG Asset Management (U. each AIG affiliate which becomes party thereto.+
99.2	Limited Waiver dated November 10, 2023 to the Third Amended and Restat Multicurrency Master Note Purchase Agreement, dated as of October 20, 2 among us, Metropolitan Life Insurance Company, MetLife Investment Mana and each MetLife affiliate which becomes party thereto.+
99.3	Limited Waiver dated November 10, 2023 to the Third Amended and Restat Note Facility, dated as of October 20, 2021, by and among us, NYL Investor each New York Life affiliate which becomes party thereto.+
99.4	Limited Waiver dated November 10, 2023 to the Third Amended and Restat Multicurrency Private Shelf Agreement, dated as of October 20, 2021, by ar PGIM, Inc. and each Prudential affiliate which becomes party thereto.+
99.5	Limited Waiver dated as of November 10, 2023 to the Receivables Purchase dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as sell agent and the various purchaser groups from time to time party thereto, as
99.6	Limited Waiver dated as of November 10, 2023 to the Second Amended and Revolving Credit Agreement, dated as of July11, 2023, among us, the sever time to time party thereto, and JPMorgan Chase Bank, N.A., as administrati the other parties from time to time party thereto.+
99.7	Limited Waiver dated as of November 10, 2023 to the Term Loan Credit Ag as of July 11, 2023, among us, the several lenders from time to time party t JPMorgan Chase Bank, N.A., as administrative agent, and the other parties time party thereto.+
99.8	Amendment No. 9 dated as of December 20, 2023 to Receivables Purchase dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as sell agent and the various purchaser groups from time to time party thereto.+
99.9	Amendment No. 10 dated as of February 23, 2024 to Receivables Purchase dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as sel agent and the various purchaser groups from time to time party thereto.+
101.INS	Inline XBRL Instance Document - the instance document does not appear in Interactive Data File because its XBRL tags are embedded within the Inline 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 Annual Report on Form 10-K for the December 30, 2023, formatted in Inline XBRL (included within Exhibit 101 attachments).+

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\+ Filed or furnished herewith.

** Indicates management contract or compensatory plan or agreement.

Certain identified information has been excluded from the exhibit because it is both that the registrant treats as private or confidential.
and is the type

ITEM 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act o
Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authe

Henry Schein, Inc.

By: /s/ STANLEY M. BERGMAN
Stanley M. Bergman
Chairman and Chief Executive Officer
February 28, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has
following persons on behalf of the Registrant and in the capacities and on the dates i

Signature	Capacity	Dat
/s/ STANLEY M. BERGMAN Stanley M. Bergman	Chairman, Chief Executive Officer and Director (principal executive officer)	February
/s/ RONALD N. SOUTH Ronald N. South	Senior Vice President, Chief Financial Officer (principal financial and accounting officer)	February
/s/ JAMES P. BRESLAWSKI James P. Breslawski	Vice Chairman, President and Director	February
/s/ MARK E. MLOTEK Mark E. Mlotek	Executive Vice President, Chief Strategic Officer and Director	February
/s/ MOHAMAD ALI Mohamad Ali	Director	February
/s/ DEBORAH DERBY Deborah Derby	Director	February
/s/ CAROLE T. FAIG Carole T. Faig	Director	February
/s/ JOSEPH L. HERRING Joseph L. Herring	Director	February
/s/ KURT P. KUEHN Kurt P. Kuehn	Director	February
/s/ PHILIP A. LASKAWY Philip A. Laskawy	Director	February
/s/ ANNE H. MARGULIES Anne H. Margulies	Director	February
/s/ STEVEN PALADINO Steven Paladino	Director	February
/s/ CAROL RAPHAEL Carol Raphael	Director	February
/s/ SCOTT SEROTA Scott Serota	Director	February
/s/ BRADLEY T. SHEARES, PH.D. Bradley T. Sheares, Ph.D.	Director	February
/s/ REED V. TUCKSON, M.D., FACP Reed V. Tuckson, M.D., FACP	Director	February