



# Q4 Fiscal 2016 Earnings Conference Call

May 26, 2016



### **Cautionary Language Regarding Forward-Looking Statements**

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature and are subject to risks and uncertainties that are beyond the Company's ability to control. Any statements made in this presentation about the Company's future financial conditions, results of operations, expectations, plans, or prospects constitute forward-looking statements. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "projects," "should," "targets" and/or similar expressions. These forward-looking statements are based on the Company's current estimates and assumptions and, as such, involve uncertainty and risk. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those contemplated by the forward-looking statements because of a number of factors, including the factors described in Item 1A of the Company's most recent Annual Report on Form 10-K, which factors are incorporated herein by reference. Any forward-looking statement in this presentation speaks only as of the date in which it is made. Except to the extent required under the federal securities laws, the Company does not intend to update or revise the forward-looking statements.

### **Non-GAAP Financial Data**

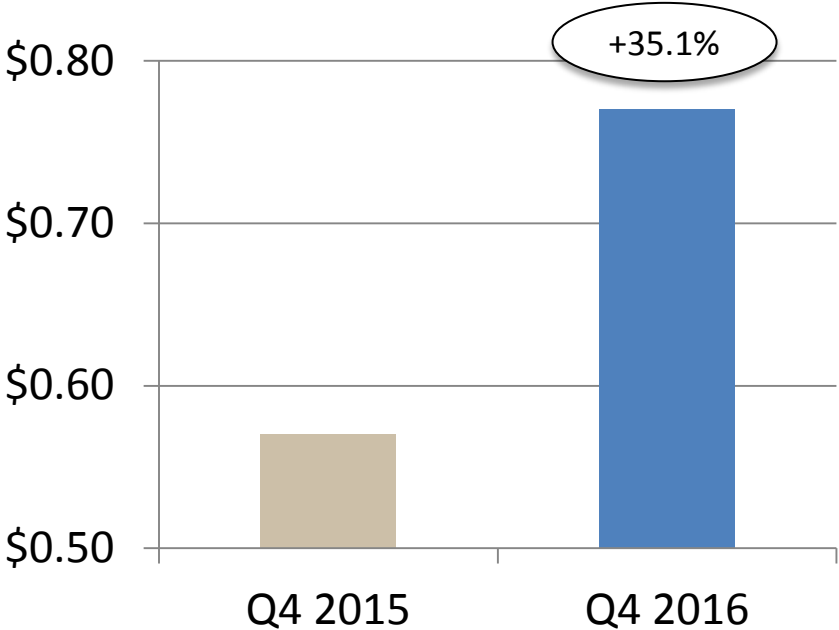
Note that this presentation references adjusted performance results. Management believes that these adjustments provide enhanced comparability to the historical results or a better representation of the current quarter performance. Adjusted results exclude the impact of one-time transaction related costs and integration expense, current and prior deal amortization, non-recurring IT initiative training costs and tax impacts of cash repatriation.

### **Discontinued Operations**

This presentation of results is adjusted to reflect the reclassification of Patterson Medical as a discontinued operation.

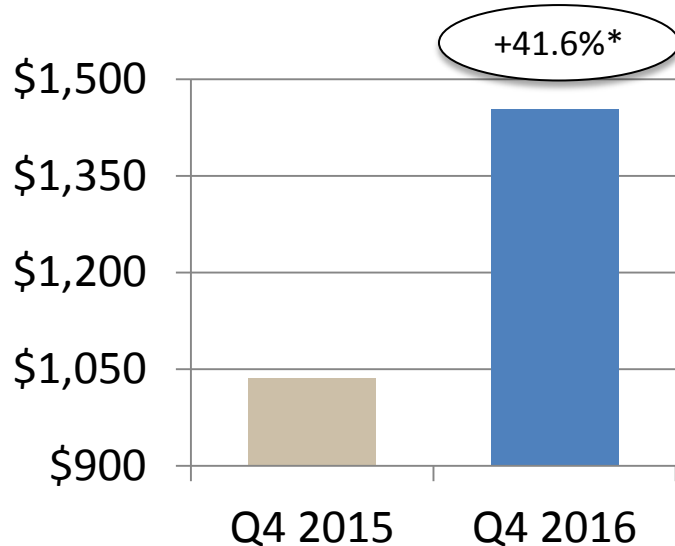
# Fourth Quarter Fiscal 2016 Performance Summary

## Adjusted Earnings Per Diluted Share From Continuing Operations



# Fourth Quarter Fiscal 2016 Performance Summary

## Consolidated Sales from Continuing Operations (in millions)



\* On a constant currency basis

## Gross Profit Margin from Continuing Operations (as % of Revenue)

Q4 2015 – 27.8 %

Q4 2016 – 25.0%

-280 bps

## Adjusted Operating Expenses from Continuing Operations (as % of Revenue)

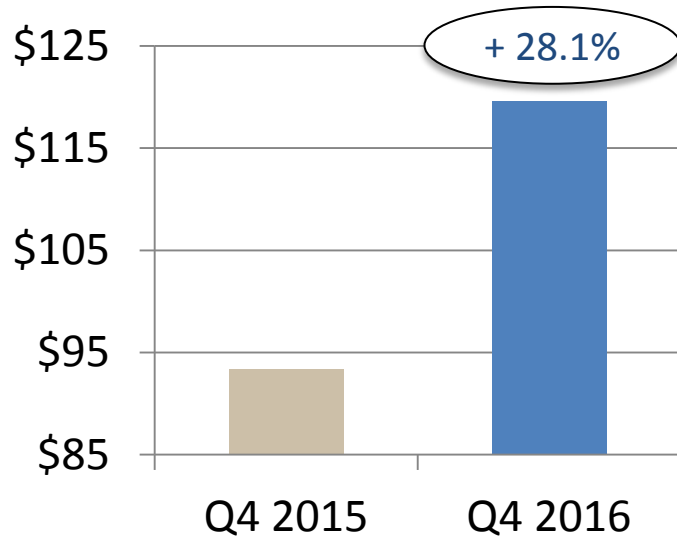
Q4 2015 – 18.8%

Q4 2016 – 16.8%

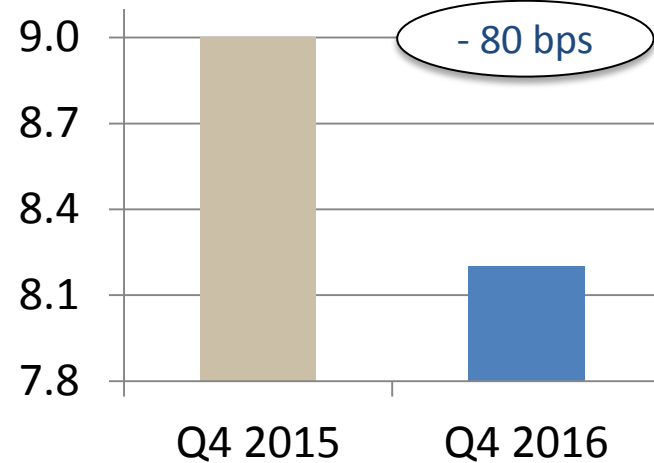
200 bps  
improvement

# Fourth Quarter Fiscal 2016 Performance Summary

**Adjusted Operating Profit  
from Continuing Operations  
(in millions)**



**Adjusted Operating Profit  
Margin from Continuing  
Operations (%)**



# Fourth Quarter Fiscal 2016 Performance Summary

(From continuing operations)	YTD Q4 2015 (in millions)	YTD Q4 2016 (in millions)
Operating Cash Flow	\$205	\$195
Cap Ex	61	79
Free Cash Flow*	\$144	\$116

**4.4 million shares of common stock, with a value of \$200 million, have been purchased fiscal year-to-date**

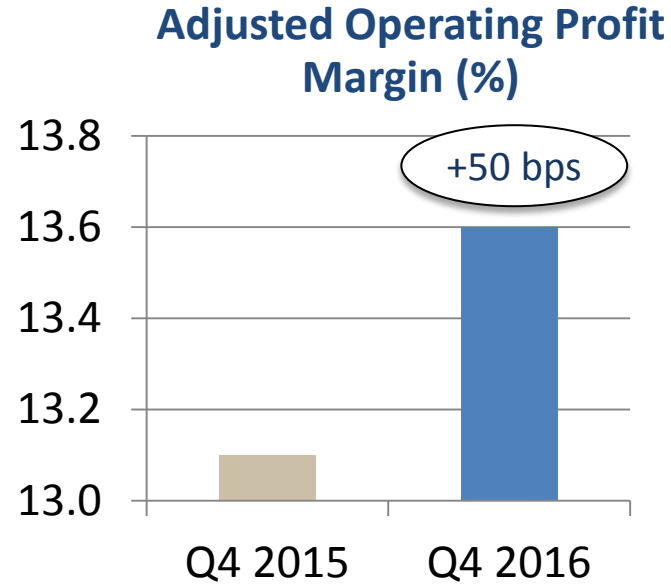
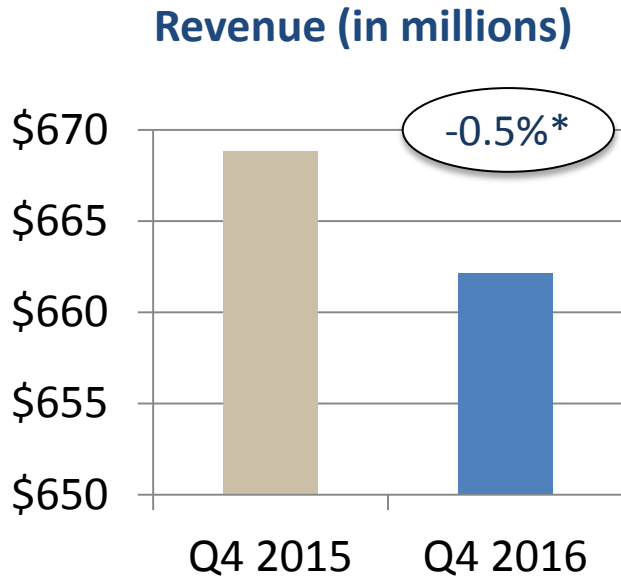
**Cash dividends of \$90.6 million were paid to shareholders in fiscal 2016.**

\*Free Cash Flow is defined as Operating Cash Flow less Cap Ex



# Fourth Quarter Fiscal 2016 Summary

## Patterson Dental Overview

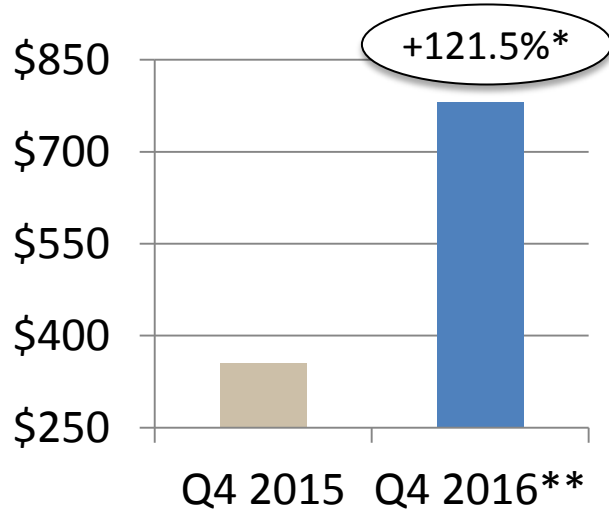


\* On a constant currency basis

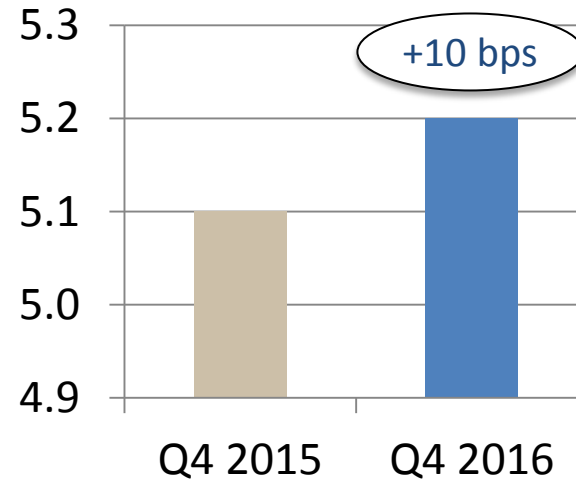
# Fourth Quarter Fiscal 2016 Summary

## Patterson Animal Health Overview

### Revenue (in millions)



### Adjusted Operating Profit Margin (%)



\* On a constant currency basis

\*\* Includes \$403.6 million from the Animal Health International, Inc. acquisition



# Fiscal 2017 Adjusted Guidance from Continuing Operations

EPS: \$2.60-\$2.70

## Guidance Assumptions

- Stable North American and international markets
- Excludes the impact of additional share repurchases
- Excludes new acquisitions
- Excludes one-time transaction-related costs, integration and business restructuring expenses and deal amortization
- Includes \$25 million step up in operating expense associated with the ERP implementation



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