



Covetrus Completes Separation from Former Parent Company

December 9, 2020

The Company Exits Final Transitional Services Agreement and Announces the Consolidation of its North American Commercial Organizations

PORTLAND, Maine--(BUSINESS WIRE)--Dec. 9, 2020-- Covetrus (Nasdaq: CVET), a global leader in animal-health technology and services, announced today that all 72 transitional services agreements with Henry Schein, Inc. (Nasdaq: HSIC), its former parent company, have now been exited. The final exit, which was completed ahead of schedule and less than two years following the completion of its spin-off, marks a significant milestone that will enable the Company to deliver greater coordination of its businesses as the Company moves towards the next stage of its three-year strategic plan.

Covetrus also announced a consolidation within its North American commercial organizations to drive increased strategic alignment between its customers and its full scope of products and capabilities. The new structure brings together Covetrus' North American commercial teams under unified leadership to maximize account management and support for its customers' businesses. This change also unlocks resources for Covetrus' Global Technology Solutions team to focus on executing on the Company's technology roadmap, including new software, e-commerce enhancements and bringing prescription management to new geographies in 2021 and beyond.

"I congratulate our team for their remarkable work to complete our separation, and our thanks to Henry Schein for their help throughout the process," said Covetrus president and CEO Ben Wolin. "Covetrus enters 2021 with momentum, greater alignment around our customers and focus on delivering the significant growth opportunities ahead. This increased technology investment and consolidation position us to win for, and on behalf of our customers."

The Company's new commercial structure also reduces duplications within the combined businesses, which impacted approximately 80 employees. "While it is always difficult when decisions impact members of our team, these actions will strengthen our customer relationships, enable new investments in our strategic growth initiatives and foster greater innovation within our industry," said Wolin.

Additionally, the Company announced that it has entered into an agreement to transfer its French distribution business, Hippocampe Caen S.A, to COVETO, a French cooperative, effective December 31, 2020. The transfer will modestly reduce the Company's previously disclosed severance obligations tied to its decision in October 2020 to exit that business. Covetrus continues to service the French market with practice management software and proprietary products.

About Covetrus

Covetrus is a global animal-health technology and services company dedicated to empowering veterinary practice partners to drive improved health and financial outcomes. We are bringing together products, services, and technology into a single platform that connects our customers to the solutions and insights they need to work best. Our passion for the well-being of animals and those who care for them drives us to advance the world of veterinary medicine. Covetrus is headquartered in Portland, Maine with approximately 6,000 employees serving over 100,000 customers around the globe. For more information about Covetrus visit <https://covetrus.com/>.

Forward-Looking Statements

This press release contains certain statements that are forward-looking within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to numerous risks and uncertainties, and actual results could differ materially from those anticipated due to a number of factors including, but not limited to, the ability to successfully coordinate its businesses and integrate its operations and employees; the ability to realize anticipated benefits from the strategic organizational structure changes; the potential impact of the organizational structure changes on relationships, including with employees and customers; the ability to retain key personnel; the ability to achieve performance targets; and those additional risks discussed under the heading "Risk Factors" in our Annual Report on Form 10-K filed on March 3, 2020, our Quarterly Report on Form 10-Q filed with the SEC on November 10, 2020, and in our other SEC filings. Our forward-looking statements are based on current beliefs and expectations of our management team and, except as required by law, we undertake no obligations to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this release, whether as a result of new information, future developments or otherwise. Investors are cautioned not to place undue reliance on these forward-looking statements.

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