# Second Quarter 2019 Results

August 13, 2019

# Safe Harbor Provision

This presentation 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, and that involve risks and uncertainties, including statements about our future financial and operating results, including 2019 guidance, plans, objectives, strategy, expenses, projected value capture, expectations, intentions, trends in our business, integration and transition and separation timeline expectations, expected practices on our platform, our liquidity, product development and improvements, and other matters. We may, in some cases use terms such as "predicts," "believes," "potential," "continue," "anticipates," "estimates," "expects," "plans," "intends," "may," "could," "might," "likely," "will," "should" or other words that convey uncertainty of the future events or outcomes to identify these forward-looking statements. Such statements are subject to numerous risks and uncertainties, including but not limited to, risks associated with the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction that created Covetrus; the potential impact of the consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; changes in our market; the impact of Brexit; and those additional risks and factors discussed in our 10-K Filing on March 29, 2019, our 10-Q Filing for the quarter ended June 30, 2019, including those discussed under the heading "Risk Factors," 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.

# Non-GAAP Reconciliation

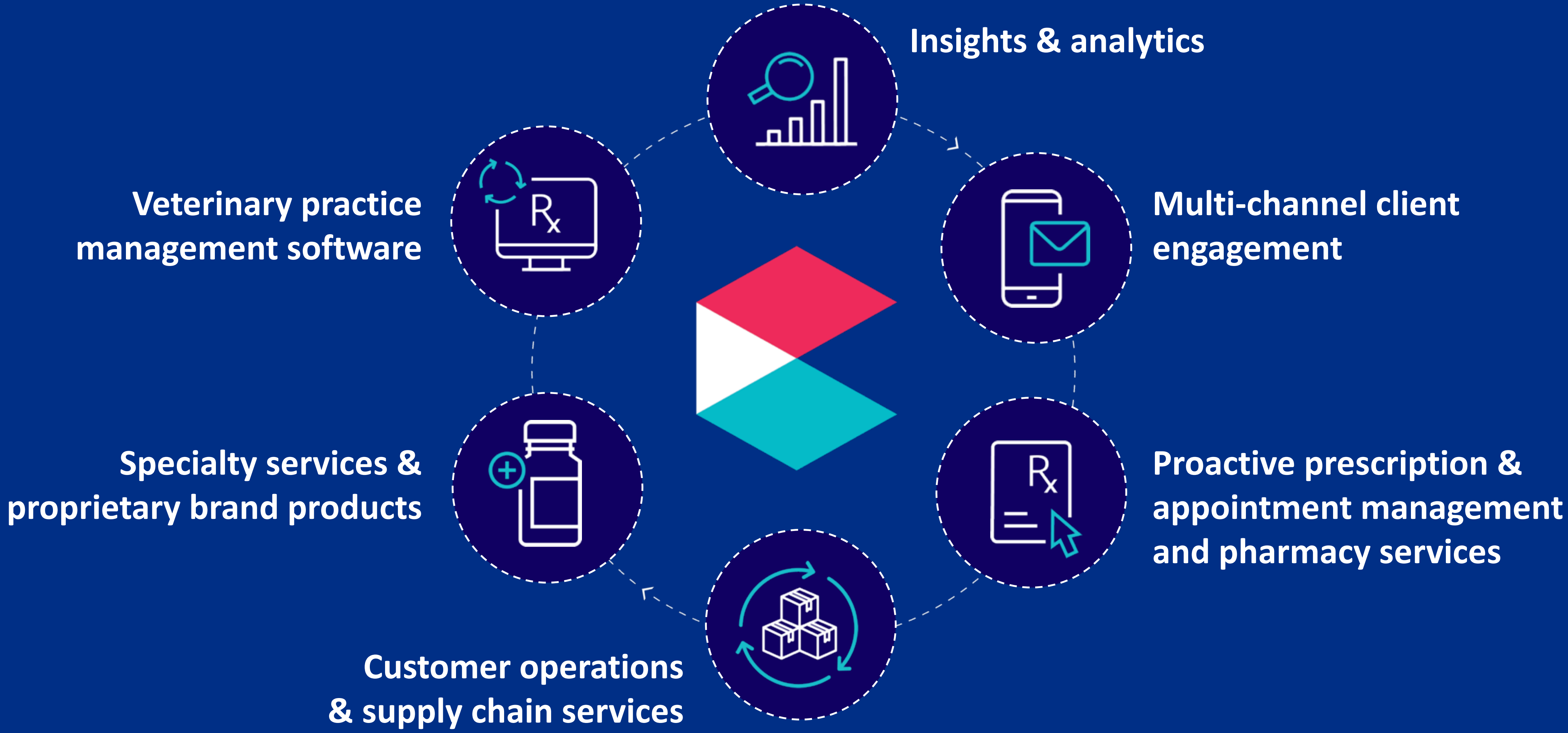
This presentation includes certain non-GAAP financial measures, including pro forma net sales, pro forma net sales growth, pro forma organic net sales growth, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income, net leverage and free cash flow. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Our management team believes these non-GAAP financial measures provide useful supplemental information to investors regarding our financial condition, cash flow and results of operations as they provide another measure of our profitability and ability to service our debt, and are considered important measures by financial analysts.

There are limitations to the use of the non-GAAP financial measures presented in this presentation. Because not all companies calculate non-U.S. GAAP financial information identically (or at all), the presentations included herein may not be comparable to other similarly titled measures used by other companies. Further, these measures should not be considered substitutes for the information contained in the historical financial information of the Company prepared in accordance with GAAP.

The Company has provided guidance for 2019 pro forma organic net sales growth and adjusted EBITDA on a non-GAAP basis herein. A reconciliation to the Company's projected 2019 adjusted EBITDA to GAAP net income is not provided because share-based compensation expense, restructuring costs and transaction costs, each a reconciling items between such GAAP and non-GAAP financial measure, are not available without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact, and the periods in which the non-GAAP adjustments may be recognized. The Company's 2019 net income prepared on a GAAP basis will include the impact of such items as share-based compensation expense, restructuring costs and transaction costs, among others. Management does not believe that these items are representative of the Company's underlying business performance. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Please refer to the slide labeled "GAAP to Non-GAAP adjustments" on Slide 12 and "2Q19 Financial Snapshot and Net Income (Loss) to Non-GAAP Adjusted EBITDA and Adjusted Net Income Reconciliation" on Slide 13 of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

# We are the platform for veterinary medicine



# Second quarter 2019 observations

## Executing Against Transformation Plan

- Exited 11 TSAs to-date, remain on track to exit the remaining by the end of 2020
- Coordinated North America commercial and global supply chain organizations
- Accelerated certain infrastructure investments to strengthen our overall value proposition and TSA exit strategy, creating a delay in our transformation timeline

## Platform Gaining Momentum

- Prescription management platform enrollments up nearly 20% vs. the first quarter of 2019; we ended Q2 with more than 8,700 practices on the platform
- Delivered new signature enhancements in PIMS, driving an increase in # of clients at the end of Q2
- Cloud-based solutions now represent 8.2% of our global PIMS installed base
- Combined VFC and PIMS as a % of pro forma net sales now at more than 9% in 2Q19 vs. 7% in 2Q18

## Value Capture Remains On Track

- Signed new shipping contract; more than $25 million in projected savings from multi-year agreement
- 46% y/y and 22% sequential prescription management platform sales growth, including 16% same-store sales growth in Q2; initiated therapies up 57% year-over-year as engagement ramps
- Run-rate of $4 million in value capture achieved in Q2, on track with our projected run-rate targets

## Near-Term Supply Chain Challenges

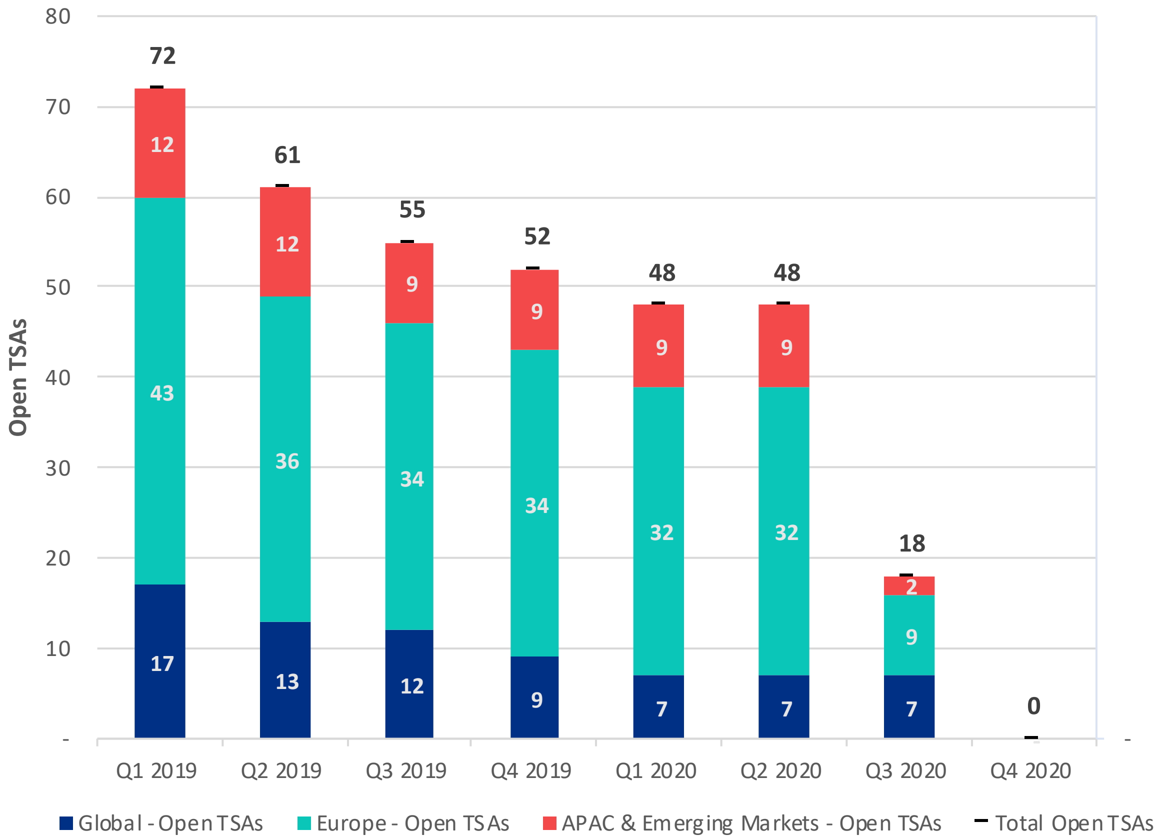
- U.S. end-market weakness driven by decelerating growth in patient visits and declining market sales growth of products purchased through distribution and re-sold by veterinarians to their clients
- Brexit-related dynamics in the U.K. offset positive performance in Europe and APAC & EM

# Executing against separation and transformation plan

## Laying foundation for long-term success

- Exited 11 TSAs since transaction close, on track for another 9 exits during the second half of 2019
- Accelerated certain infrastructure investments to strengthen our overall value proposition and TSA exit strategy, impacting the timing of expenses
- Started the roll-out of a global CRM and BI tools to deliver "one face" to customers and enhance the effectiveness of our commercial operations
- North American sales team is now fully aligned and trained on prescription management and specialty
- Work towards the launch of our prescription management platform internationally progressing as planned

**TSA separation timeline; on track with planned exits**



# Significant progress on building our platform

## Increase practices on our prescription management platform

- Nearly 20% sequential growth in number of enrollments in Q2
- Ended Q2 with more than 8,700 practices versus 8,000 at the end of Q1
- Reiterate guidance for more than 3,000 North America enrollments in 2019 and to end the year with more than 10,000 practices

## Accelerate prescription management enrollment to activation rate

- More than 40% growth in the number of activations sequentially, faster than sequential enrollment growth during the quarter

## Increase engagement and dollar value per practice

- Initiated therapies increased 57% y/y in Q2 vs. 50% y/y in Q1
- 16% same-store sales growth in our 2017 and older cohort
- 2019 practices enrolled by our expanded account management team have **50% higher sales** in their first 90 days on the prescription management platform vs. historical cohorts

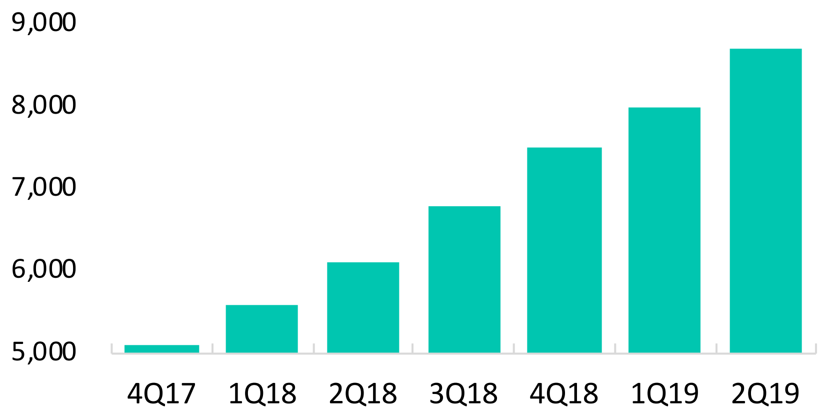
## Accelerate cloud-based PIMS adoption

- 20% year-over-year growth in net additions in Q2, now 8.2% of base

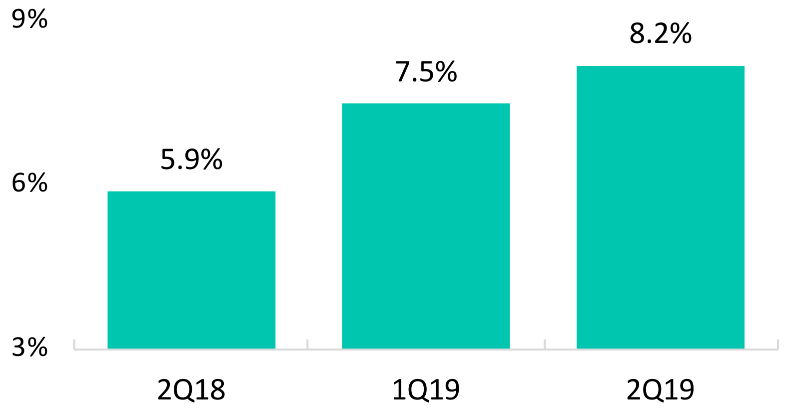
## Strengthen core technology of our leading installed base

- Launched enhancements to drive better workflow, improve service and deepen integration with prescription and inventory management

**Practices on our prescription management platform**




**Increasing mix of cloud PIMS as a % of install base**

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# "Advancing Together" is resonating in the market

## Southeast Practice

- One of our first prescription management platform enrollments following the combined National Sales Meeting in early March
- **More than $60,000 in sales since launching** the platform
- Staff has embraced proactive prescriptions, PIMS write-back critical to their success
- Positive experience has resulted in increased in-clinic share of wallet

## Midwest Practice

- Early Q2 prescription management platform enrollment; combined training and support plan
- Displaced competitor online pharmacy service (4-years)
- **Averaging $10,000 in sales per month** on the prescription management platform since launch
- Prior service had less than $5,000 in sales for the entire 2018

## Texas Practice

- Late Q1 prescription management platform enrollment
- "Eye opening" experience for the staff, who had been facing pressure from increased third-party faxes
- **More than than $25,000 in sales in the first quarter** with the platform
- In-clinic sales have increased year-over-year during this same time period, reversing recent trend

**2019 accounts that have a full quarter of sales on our prescription management platform and were signed up by our expanded account management team generated 50% higher sales in their first 90 days vs. our historical cohorts**

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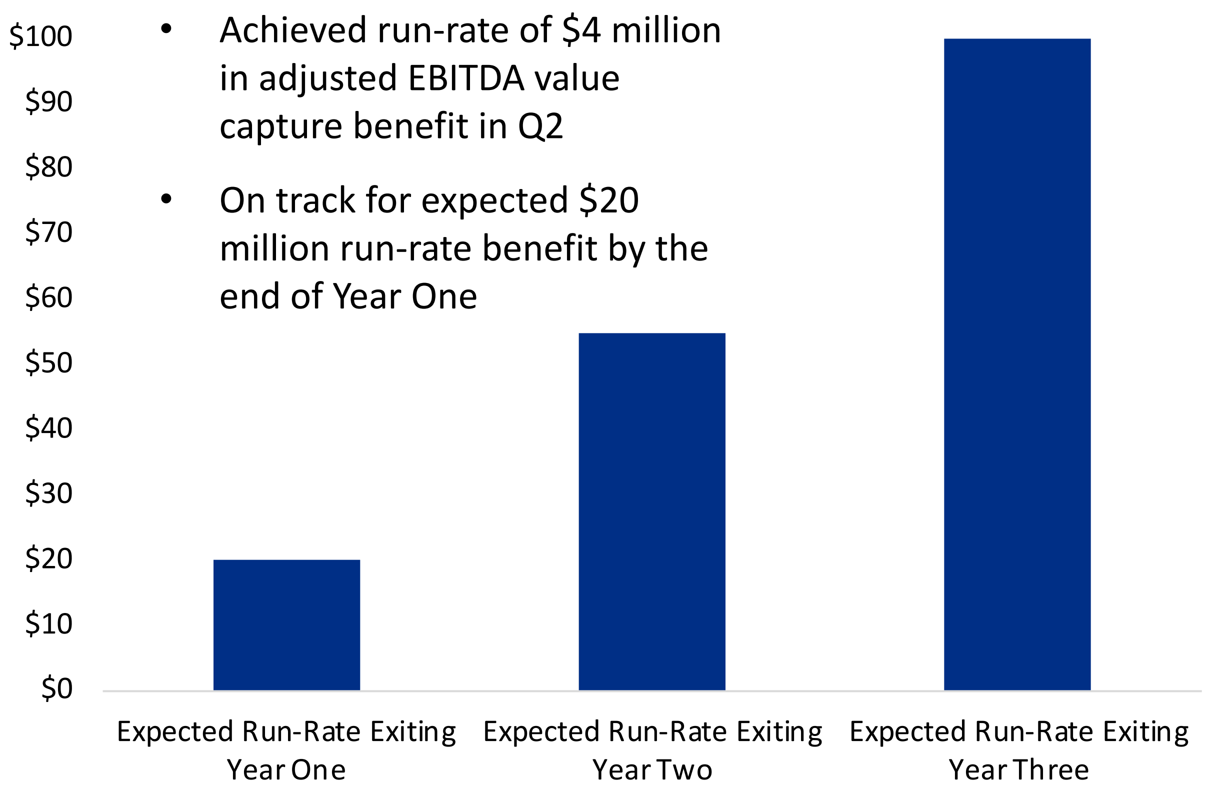
# Transforming delivery and realizing value capture opportunities

- **Procurement initiatives delivering anticipated purchasing savings**
- **Strong YTD enrollments set to drive sales and adjusted EBITDA**
- **Shipping savings tied to new contract to begin in Q3**
- **Coordinated supply chain programs now underway globally**
- **Optimization of our global logistics network on track**

**Anticipated Value Capture Realization Timeline**




* Dollars in millions

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# Market weakness in North America

### Evolving marketplace in North America

- Slowing number of visits to veterinary clinics
- Decelerating market sales growth of products purchased through distribution and re-sold by veterinarians to their clients
- Growing presence of alternative channels

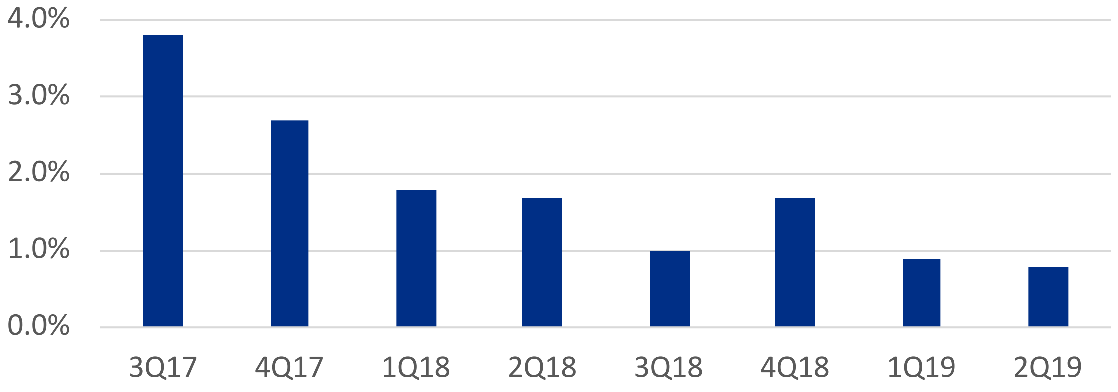
### Our go-to-market strategy is working

- Enrollments and engagement initiatives tied to our platform tracking well
- Helping veterinarians respond to market changes

### Integrated supply chain value proposition is of greater value as channel continues to evolve

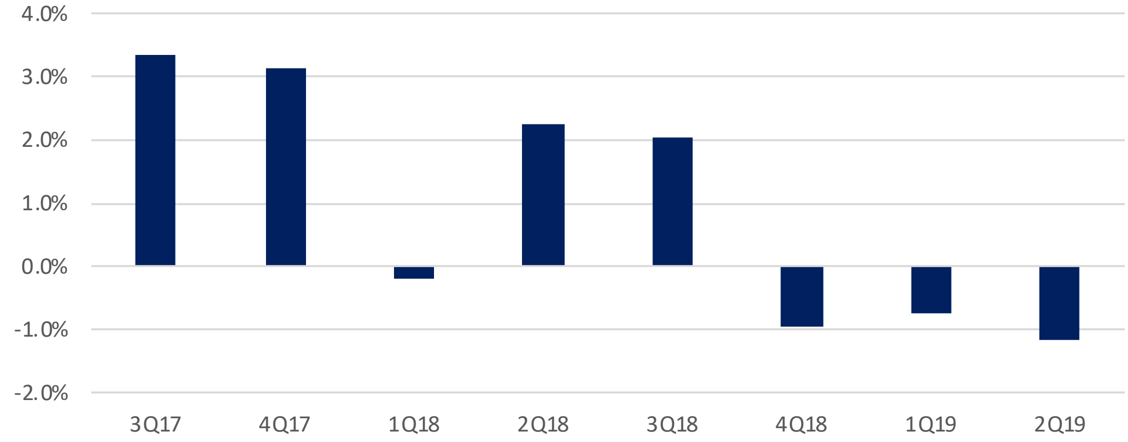
- Recent all-in corporate group wins
- Accelerating rate of platform adoption

**Estimated U.S. Patient Visit Growth Y/Y**




***Source:*** *Vetstreet*
***Practice Sample****: 4,717 practices | Results are based on companion animal data*

**Estimated U.S. Veterinary Practice Sales Growth Y/Y of Products Purchased Through Distribution and Re-sold by Veterinarians**




***Source:*** *Vetstreet*
***Practice Sample****: 4,717 practices | Results are based on companion animal data*

# 2Q19 GAAP Income Statement, as reported

## Reported Results

- In accordance with U.S. generally accepted accounting principles or GAAP
- Prior year includes allocations for direct and indirect costs as derived from the consolidated financial statements of Henry Schein
- 2019 based on direct costs associated with standalone operations after merger was completed
- Prior year excludes Vets First Choice

| | Three Months Ended June 30, | |
|---|---|---|
| **$ in millions, except per share data** | **2019** | **2018** |
| Net sales | $ 1,009 | $ 1,005 |
| Cost of sales | 809 | 822 |
| Gross profit | 200 | 183 |
| Operating expenses: | | |
| Selling, general and administrative | 205 | 139 |
| Restructuring costs | - | 6 |
| Operating income (loss) | (5) | 38 |
| Other income (expense): | | |
| Interest income | 2 | 1 |
| Interest expense | (15) | (1) |
| Other, net | 13 | - |
| Income (loss) before taxes and equity in earnings of affiliates | (5) | 38 |
| Income tax expense | (5) | (8) |
| Equity in earnings of affiliates | - | 1 |
| Net income (loss) | (10) | 31 |
| Less: net loss attributable to redeemable non-controlling interests | - | (2) |
| Net income (loss) attributable to Covetrus | $ (10) | $ 29 |
| | | |
| Earnings (loss) per share attributable to Covetrus, Inc.: | | |
| Basic | $ (0.09) | $ 0.40 |
| Diluted | $ (0.09) | $ 0.40 |
| | | |
| Weighted-average common shares outstanding: | | |
| Basic | 112 | 71 |
| Diluted | 112 | 72 |

# GAAP to Non-GAAP adjustments

## Non-GAAP Pro Forma Organic Net Sales Growth Adjustments

- Includes Vets First Choice in both periods for the full quarter
- Organic net sales growth is normalized for
  - Foreign exchanges rates
  - Net sales adjustments for manufacturer switches from direct to agency sales in the United States
  - Merger and acquisition (M&A) activity

## Non-GAAP Pro Forma Adjusted EBITDA and Adjusted Net Income Adjustments

- Pro forma results include a full period of the Animal Health business of Henry Schein and Vets First Choice and assess the capital structure and goodwill impact as if the spin-off and merger had occurred at the beginning of the period.
- Exclude share-based compensation and costs directly associated with the spin-off and merger, the ongoing integration process, and other special items outlined in our GAAP to non-GAAP reconciliation.
- Prior year adjusted results include allocations for direct costs and indirect costs which were attributed to the Animal Health business of Henry Schein, whereas 2019 is adjusted to reflect the costs associated with our standalone operations.
- Current year adjusted results exclude certain costs associated with infrastructure investments, but includes recurring costs (annual licenses, maintenance costs, managed services, headcount) associated with the investments.
- Adjusted net income also excludes amortization of acquired intangible assets tied to the merger, changes in fair value of legacy Vets First Choice warrants and utilizes a normalized statutory tax rate for both periods.

# 2Q19 Financial Snapshot and Net Income (Loss) to Non-GAAP Adjusted EBITDA and Adjusted Net Income Reconciliation

## 2Q19 Highlights

- More than $1 billion in quarterly net sales
- Pro forma organic net sales declined 1%, including a -3% impact from a North American customer loss and an APAC manufacturer loss
- Gross margin of 19.8% vs. 19.4% pro forma in prior year, driven by increased mix of sales from our higher margin technology platform
- Operating expenses include impact from infrastructure investments; $2 million of recurring expenses included in adjusted EBITDA
- Adjusted EBITDA of $53 million improved sequentially but missed internal forecasts on net sales shortfall and overhead ramp-up

| | Q2 2019 |
|---|---|
| | **Covetrus** |
| **Net income (loss) attributable to Covetrus, Inc.** | ($10) |
| Plus: Depreciation and Amortization | $41 |
| Plus: Interest, net | $14 |
| Plus: Taxes | $5 |
| **EBITDA** | **$50** |
| Plus: Share-Based Compensation | $10 |
| Plus: IT Infrastructure | $2 |
| Plus: Formation of CVET | $6 |
| Plus: Other income items | ($15) |
| **Adjusted EBITDA** | **$53** |
| Depreciation and amortization | ($41) |
| Amortization of acquired intangibles | $22 |
| Interest expense, net | ($14) |
| **Adjusted earnings before taxes** | $20 |
| Income tax (expense) benefit Adjusted | ($6) |
| **Adjusted net income attributable to Covetrus** | **$14** |

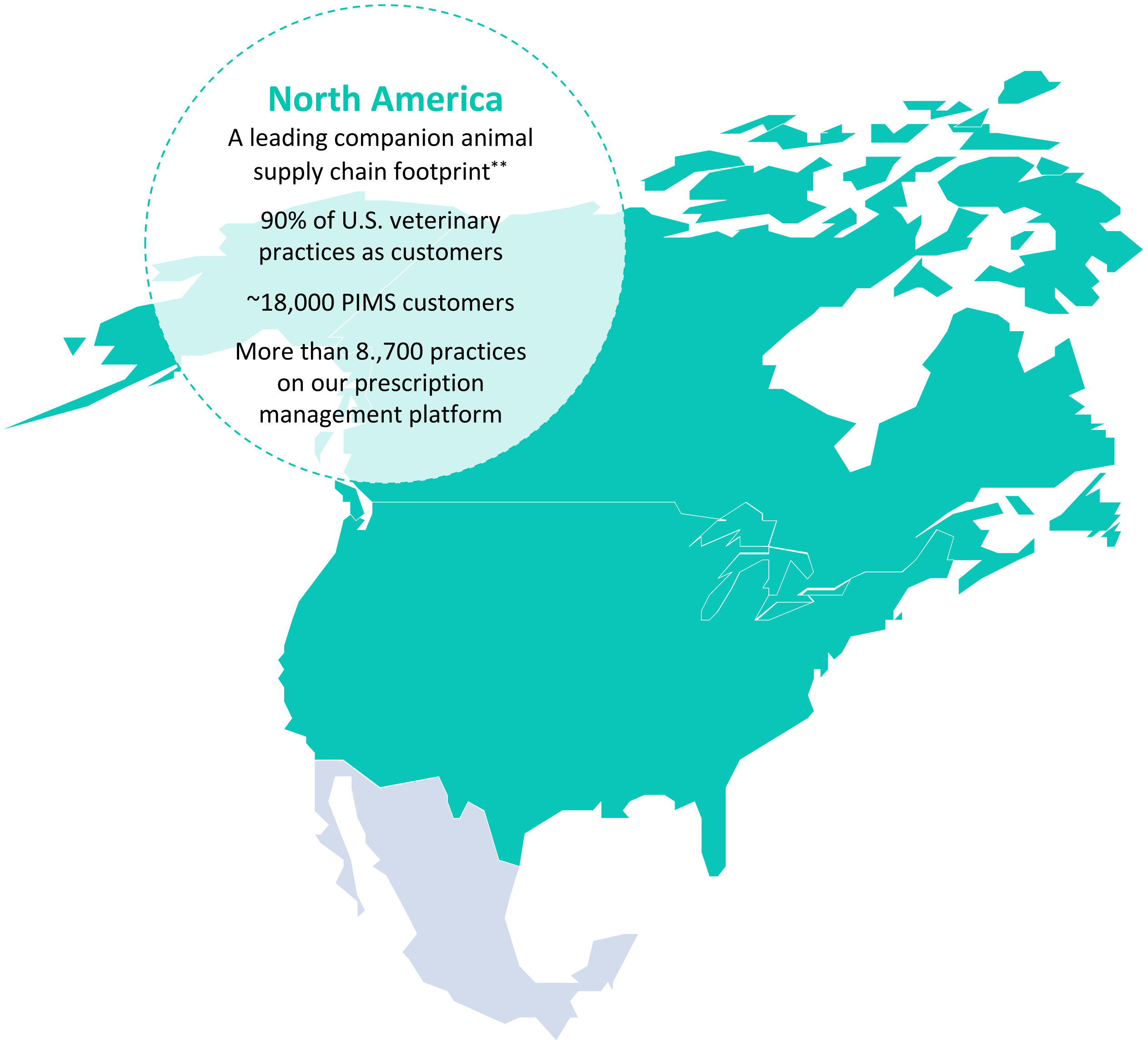
# Tough comps, market weakness impact North America in Q2

## Net sales of $552 million, non-GAAP pro forma organic net sales relatively flat in Q2

- Difficult year-over-year comparison and impacted by previously announced customer loss (-3% impact)
- According to aggregated market data, product purchased through distribution and sold out of veterinarian in-clinic channel declined by 1.2% in Q2 vs. -0.7% in Q1 and +2.3% in the prior year

## Prescription management platform sales remain robust

- Platform net sales* increased 46% y/y and more than 22% sequentially in Q2 off of Q1 record levels
- 16% "same-store" cohort net sales growth
- Auto-ship net sales growth of approximately 70% y/y




*Excludes direct specialty businesses
** Covetrus management estimates

# Brexit-disruption in the U.K. impacted Europe in Q2

### Net sales of $370 million, non-GAAP pro forma organic net sales decline of 1%

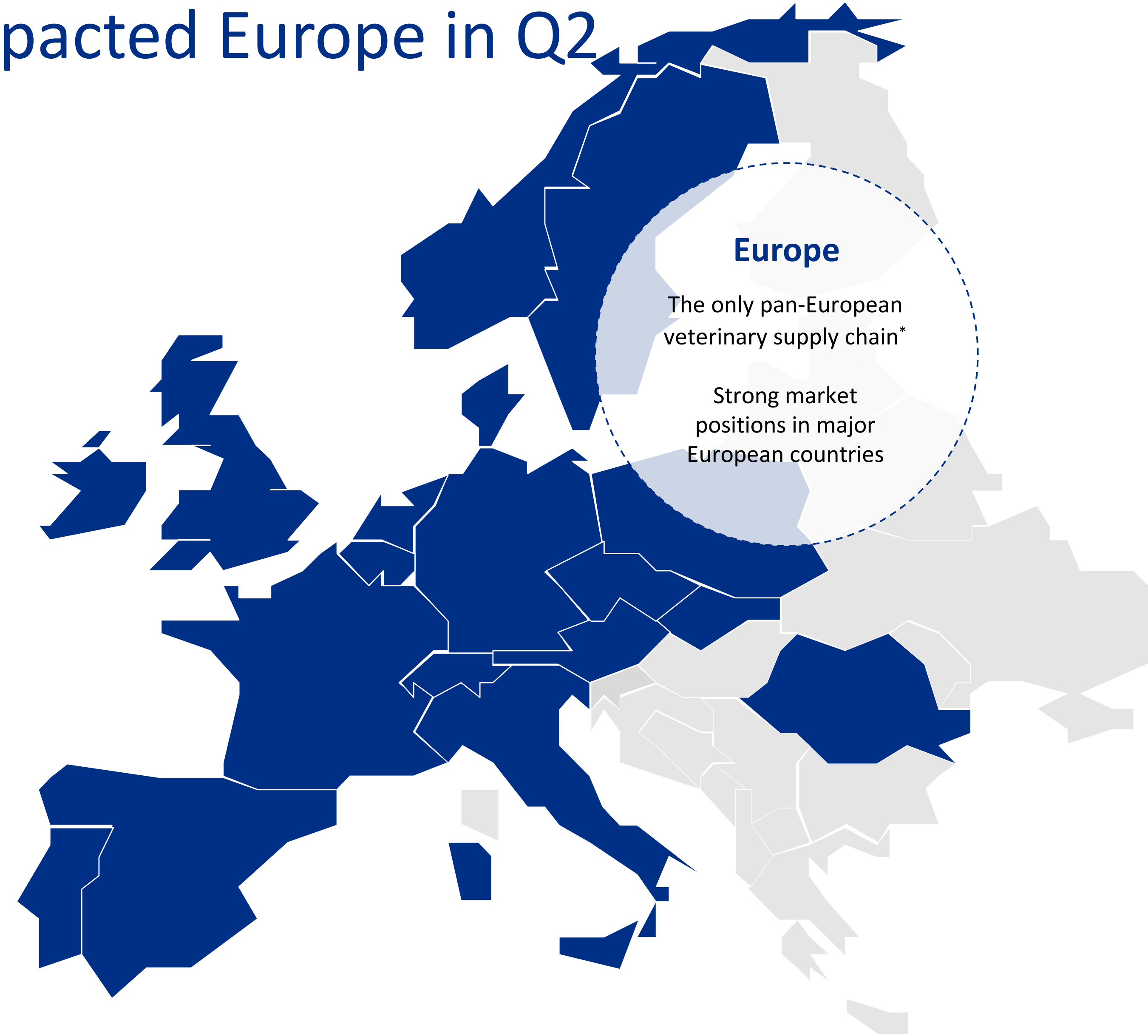
- Softer performance in the U.K. (-4% y/y in 2Q19) tied to a more severe wind down of pre-Brexit inventory by our customers
- Healthy organic growth in Ireland, Belgium and the Czech Republic

### Positive momentum with corporate groups expected to benefit 2H19 results

- Signed a multi-year contract with the one of the largest corporate groups in Europe
- Pan-European footprint is a clear differentiator

### Specialty businesses continue to gain traction within our supply chain operations

- scil diagnostic instrument placements increased 22% sequentially in Q2 vs. Q1
- Proprietary brand portfolio growing faster than overall supply chain business ex-items




* Source: Covetrus management estimates

# Underlying results in APAC & Emerging Markets continue to perform well

## Net sales of $90 million, non-GAAP pro forma organic net sales decline of 1%

- Results include a 8% negative impact from a previously announced loss of a manufacturer relationship in the fourth quarter of 2018
- 2Q19 organic sales performance year-over-year improved vs. 1Q19 as we successfully offset this impact by securing new customer relationships
- Brazil continues to grow nicely

## Technology strategy continues to enhance our overall value proposition in the market

- 23% organic software growth in APAC, driven by increased coordination of supply chain and technology platform

## Achieved early benefits of new exclusive manufacturer relationship in New Zealand

- Expected to serve as a further growth driver to our business in the second half of 2019

# Infrastructure investments now underway

## Increased visibility into the previously disclosed approximately $100 million infrastructure investments tied to TSA exits and the standardizing of core functions

- In Q2, certain infrastructure investments accelerated relative to the timing of our original thinking as a result of our TSA exit planning for Europe and Australia and other standardization initiatives.

- Our results include $4 million of operating expenses from these infrastructure investments, $2 million of which was recurring, and minimal capital expenditures during the quarter.

- These recorded expenses were not previously contemplated in our operating expense forecast and adjusted EBITDA outlook and were instead included within the estimated $100 million in overall infrastructure investments outlined at Capital Markets Day.

- We expect to spend approximately $40 million of the total infrastructure investment amount in 2019. This includes $10-$15 million in recurring operating expenses that will **now be included** in our presentation of adjusted EBITDA on a go-forward basis.

- Total capital expenditures, including these identified infrastructure investments, are projected to be approximately $50-$60 million in 2019.

# Revised 2019 financial guidance

We now forecast 2019 non-GAAP pro forma adjusted EBITDA of **at least $200 million** vs. in the $235 to $250 million range previously. Our revised guidance incorporates: (1) a lower market growth rate in North America, (2) Brexit-disruption in the U.K., (3) $10-15 million in recurring operating expenses associated with our infrastructure investments, which are now **included** in our presentation of adjusted EBITDA, and (4) certain duplicative overhead costs as we accelerate our efforts to exit from our transition service agreements.

| | 2019 | Revised 2H19 Comments |
|---|---|---|
| Non-GAAP Pro Forma Organic Net Sales Growth* | Low single-digits (vs. 3% to 5% previously) | • Tempered market growth outlook for North America based on Q2 experience, Brexit-disruption for the U.K.<br>• Continued robust prescription management growth tied to recent enrollments and engagement initiatives<br>• Proprietary brands continue to gain broad adoption |
| Non-GAAP Pro Forma Adjusted EBITDA** | At least $200 million (vs. $235 to $250 million previously)*** | • Gross profit dollar impact from reduced top-line outlook<br>• Now including $10-15 million in infrastructure investments<br>• Duplicative overhead costs as we accelerate TSA exits<br>• Improved profitability in prescription management and benefits from value capture realization and specialty growth |

* Pro forma organic net sales growth includes Vets First Choice in both periods, excludes the impact of foreign exchange fluctuations, M&A, and normalizes for net sales adjustments for manufacturer switches from direct to agency sales in the United States.

** Adjustment to GAAP financials include: certain transaction costs, carve-out of operating expenses, amortization of intangible assets, share-based compensation, restructuring, certain infrastructure investment costs and other special items as detailed in our second quarter earnings press release and in this presentation.

*** A reconciliation to the Company's projected 2019 adjusted EBITDA to GAAP net income is not provided because share-based compensation expense, restructuring costs and transaction costs, each a reconciling items between such GAAP and non-GAAP financial measure, are not available without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact, and the periods in which the non-GAAP adjustments may be recognized.

# Remain focused on long-term adjusted EBITDA growth acceleration and deleveraging as we progress through transformation plan

### Drive platform growth

- On track to deliver more than 3,000 prescription management practice enrollments in 2019
- Continued momentum in practice management software, including our cloud PIMS strategy

### Leverage platform with corporate groups and manufacturers

- Secured and expanded relationships with several strategic accounts in Q2
- Coordinated our manufacturer conversations globally, platform value proposition resonating in the market

### Expand platform into large OUS installed base

- Early stages of customer penetration and driving prescription management and practice management software into our sizable supply chain customer base outside the United States (OUS)

### Enhance technology platform to strengthen leadership position

- Deliver signature enhancements and drive tighter coordination of our platform capabilities

### Continue to drive adoption of higher margin products globally

- Driving specialty and proprietary products to enhance margins and care delivery

# 2Q19 Results Presentation

August 13, 2019

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# Supplemental Slides

# GAAP Net Sales Reconciliation to Pro Forma Net Sales (Non-GAAP)

| $ in millions | Three months ended June 30, 2019 | Six months ended June 30, 2019 | | |
|---|---|---|---|---|
| | Covetrus | Covetrus | Historical Vets First Choice * | Non-GAAP Pro Forma Combined |
| **Net Sales** | **$1,009** | **$1,950** | **$24** | **$1,974** |
| North America | $552 | $1,049 | $24 | $1,073 |
| Europe | $370 | $731 | $0 | $731 |
| APAC & Emerging Markets | $90 | $176 | $0 | $176 |
| Eliminations | ($3) | ($6) | $0 | ($6) |

| $ in millions | Three months ended June 30, 2018 | | | Six months ended June 30, 2018 | | |
|---|---|---|---|---|---|---|
| | Covetrus | Historical Vets First Choice | Non-GAAP Pro Forma Combined | Covetrus | Historical Vets First Choice | Non-GAAP Pro Forma Combined |
| **Net Sales** | **$1,005** | **$51** | **$1,056** | **$1,952** | **$96** | **$2,048** |
| North America | $520 | $51 | $571 | $1,001 | $96 | $1,097 |
| Europe | $390 | $0 | $390 | $761 | $0 | $761 |
| APAC & Emerging Markets | $98 | $0 | $98 | $196 | $0 | $196 |
| Eliminations | ($3) | $0 | ($3) | ($6) | $0 | ($6) |

* Historical Vets First Choice for the six months ended June 30, 2019 reflects Vets First Choice prior to the merger close (January 1 through February 7, 2019; for the three months ended June 30, 2019, Covetrus results include a full quarter of Vets First Choice results.

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# GAAP Net Sales Reconciliation to Pro Forma Organic Net Sales Growth (Non-GAAP)

**Covetrus Pro Forma Sales Summary for the Three Months Ended June 30, 2019 vs. June 30, 2018**

| **Non-GAAP Proforma Organic Net Sales Growth<br>$ in millions** | 2019<br>Covetrus | 2018<br>Non-GAAP Pro Forma Combined | Non GAAP Pro Forma Y/Y Growth | % Change from FX | Switch from Direct to Agency Sales Model | % Change from Mergers and Acquisitions | Non-GAAP Pro Forma Organic Net Sales Growth |
|---|---|---|---|---|---|---|---|
| **Net Sales** | **$1,009** | **$1,056** | **-4%** | **-3%** | **-2%** | **1%** | **-1%** |
| North America | $552 | $571 | -3% | 0% | -3% | 0% | 0% |
| Europe | $370 | $390 | -5% | -6% | 0% | 2% | -1% |
| APAC & Emerging Markets | $90 | $98 | -8% | -7% | 0% | 0% | -1% |
| Eliminations | ($3) | ($3) | 0% | 0% | 0% | 0% | 0% |

**Covetrus Pro Forma Sales Summary for the Six Months Ended June 30, 2019 vs. June 30, 2018**

| **Non-GAAP Proforma Organic Net Sales Growth<br>$ in millions** | 2019<br>Non-GAAP Pro Forma Combined | 2018<br>Non-GAAP Pro Forma Combined | Non GAAP Pro Forma Y/Y Growth | % Change from FX | Switch from Direct to Agency Sales Model | % Change from Mergers and Acquisitions | Non-GAAP Pro Forma Organic Net Sales Growth |
|---|---|---|---|---|---|---|---|
| **Net Sales** | **$1,974** | **$2,048** | **-4%** | **-3%** | **-2%** | **0%** | **1%** |
| North America | $1,073 | $1,097 | -2% | 0% | -3% | 0% | 1% |
| Europe | $725 | $755 | -4% | -7% | 0% | 1% | 2% |
| APAC & Emerging Markets | $176 | $196 | -10% | -8% | 0% | 0% | -2% |
| Eliminations | ($6) | ($6) | 0% | 0% | 0% | 0% | 0% |

# Reconciliation of 2Q19 and 1H19 Net Income (Loss) to Non-GAAP Pro Forma Adjusted EBITDA and Non-GAAP Adjusted Net Income

| | Three Months Ended June 30, 2019 | Six Months Ended June 30, 2019 | | | | |
|---|---|---|---|---|---|---|
| | Covetrus | Covetrus | Vets First Choice (Jan. 1 to Feb. 7) | Spin-Off and Other Pro Forma Adjustments | Purchase Price and Related Pro Forma Adjustments | Pro Forma Covetrus |
| **Net income (loss) attributable to Covetrus, Inc.** | ($10) | ($23) | ($9) | ($2) | $1 | ($33) |
| Plus: Depreciation and Amortization | $41 | $71 | $2 | | $9 | $82 |
| Plus: Interest, net | $14 | $25 | $1 | $3 | | $29 |
| Plus: Taxes | $5 | $1 | | ($1) | | $0 |
| **EBITDA** | **$50** | **$74** | **($6)** | **$0** | **$10** | **$78** |
| Plus: Share-Based Compensation | $10 | $25 | | | ($5) | $20 |
| Plus: Carve-out Operating Expense | $0 | $5 | | | | $5 |
| Plus: IT Infrastructure | $2 | $2 | | | | $2 |
| Plus: Formation of CVET | $6 | $15 | $6 | | ($6) | $15 |
| Plus: Other income items | ($15) | ($15) | ($2) | | $1 | ($16) |
| **Adjusted EBITDA** | **$53** | **$106** | **($2)** | **$0** | **$0** | **$104** |
| Depreciation and amortization | ($41) | | | | | ($82) |
| Amortization of acquired intangibles | $22 | | | | | $44 |
| Interest expense, net | ($14) | | | | | ($29) |
| **Adjusted earnings before taxes** | $20 | | | | | $37 |
| Income tax (expense) benefit Adjusted | ($6) | | | | | ($10) |
| **Adjusted net income attributable to Covetrus** | **$14** | | | | | **$27** |