

4th Quarter 2016

Supplemental Information

February 14, 2017



Safe Harbor

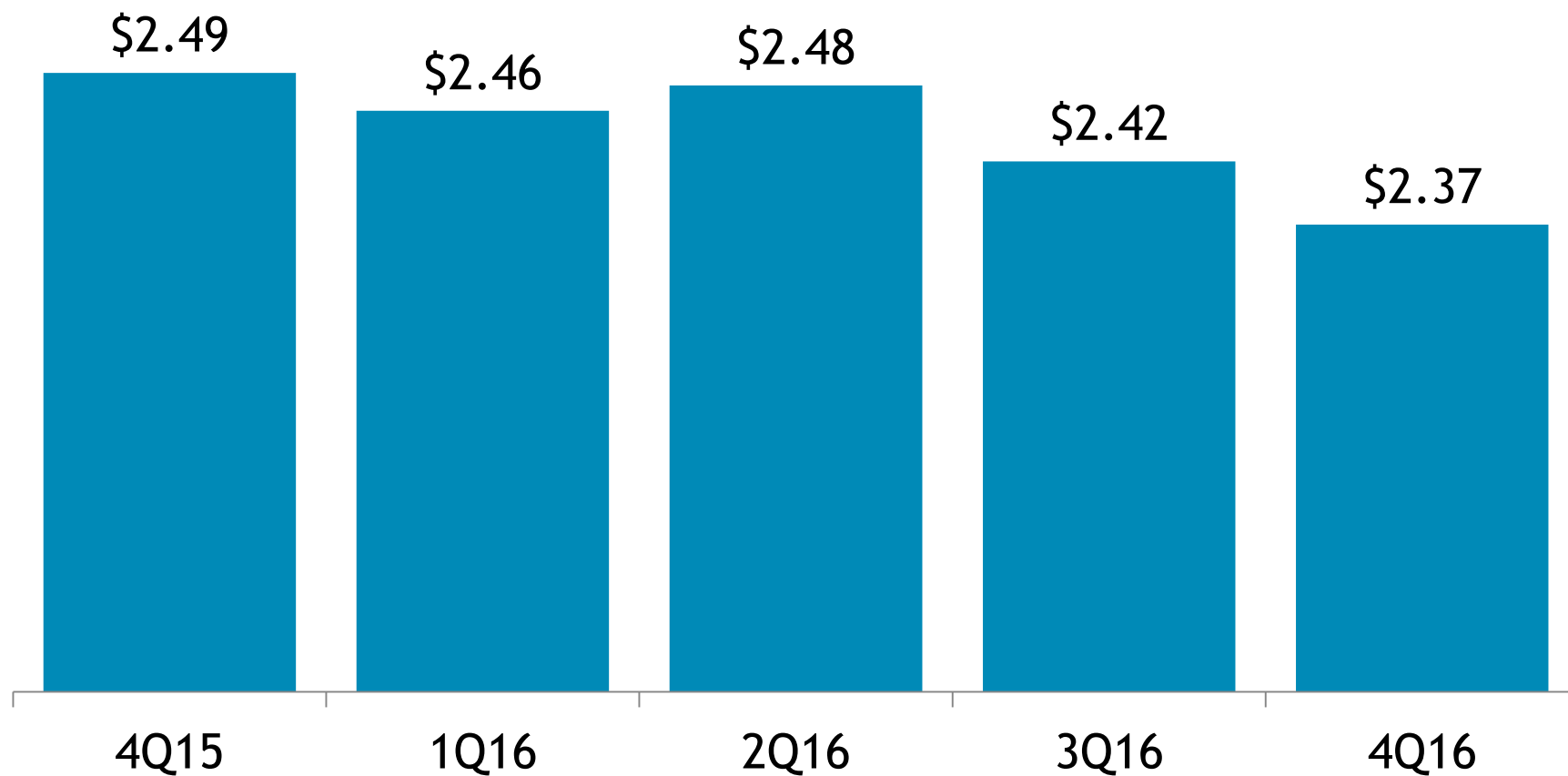
This presentation is intended to be disclosure through methods reasonably designed to provide broad, non-exclusionary distribution to the public in compliance with the Securities and Exchange Commission's Fair Disclosure Regulation. This presentation may contain certain "forward-looking" statements which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from those projected or contemplated in the forward-looking statements. Investors should refer to our annual report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission ("SEC") and subsequent quarterly reports on Form 10-Q and current reports on Form 8-K filed with or furnished to the SEC, for a discussion of certain known risk factors that could cause our actual results to differ materially from our current estimates. These filings are available at www.owensminor.com. Given these risks and uncertainties, we can give no assurances that any forward-looking statements will, in fact, transpire and, therefore, caution investors not to place undue reliance on them. We specifically disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.



Quarterly Financial Slides

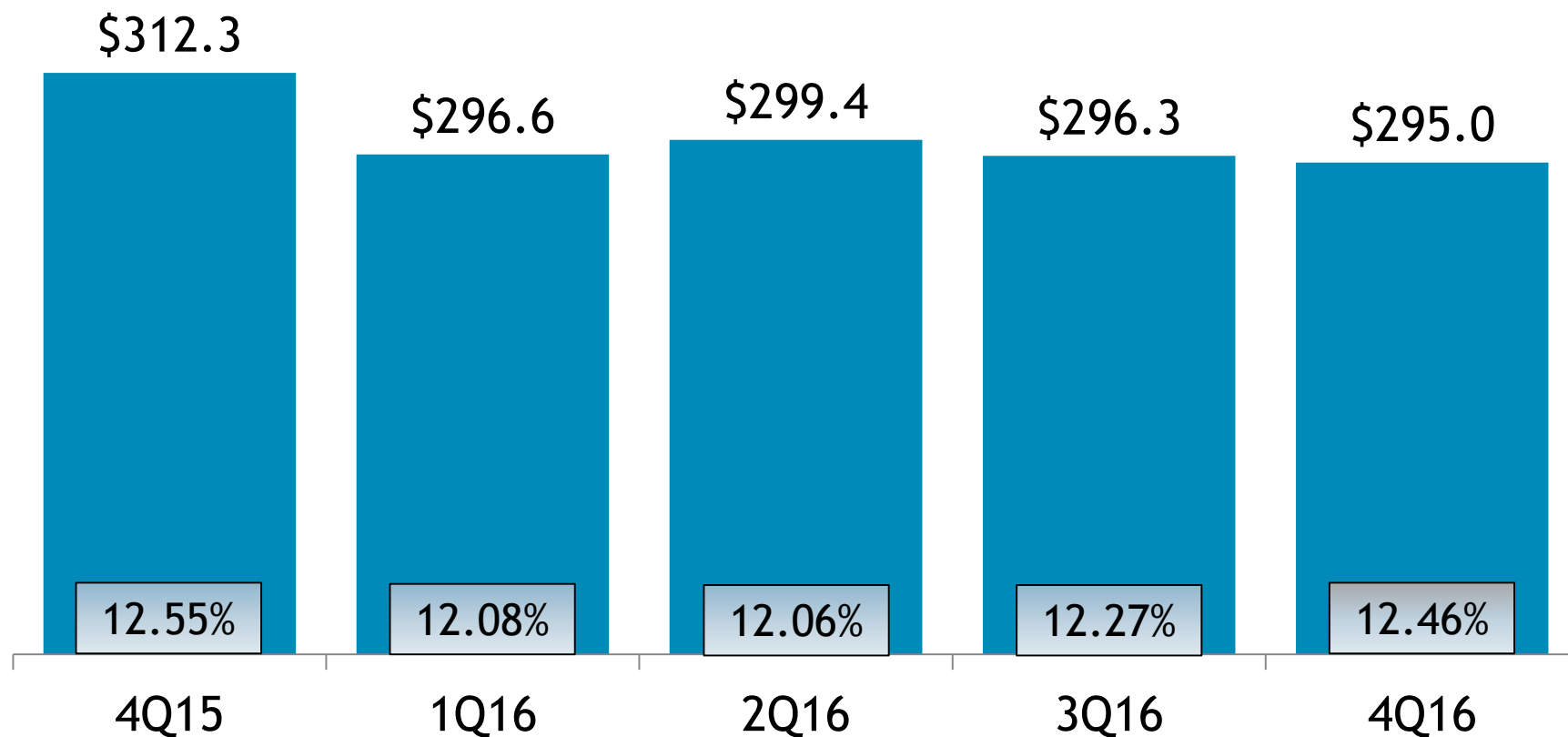
Consolidated Revenue

\$ in billions



Consolidated Gross Margin

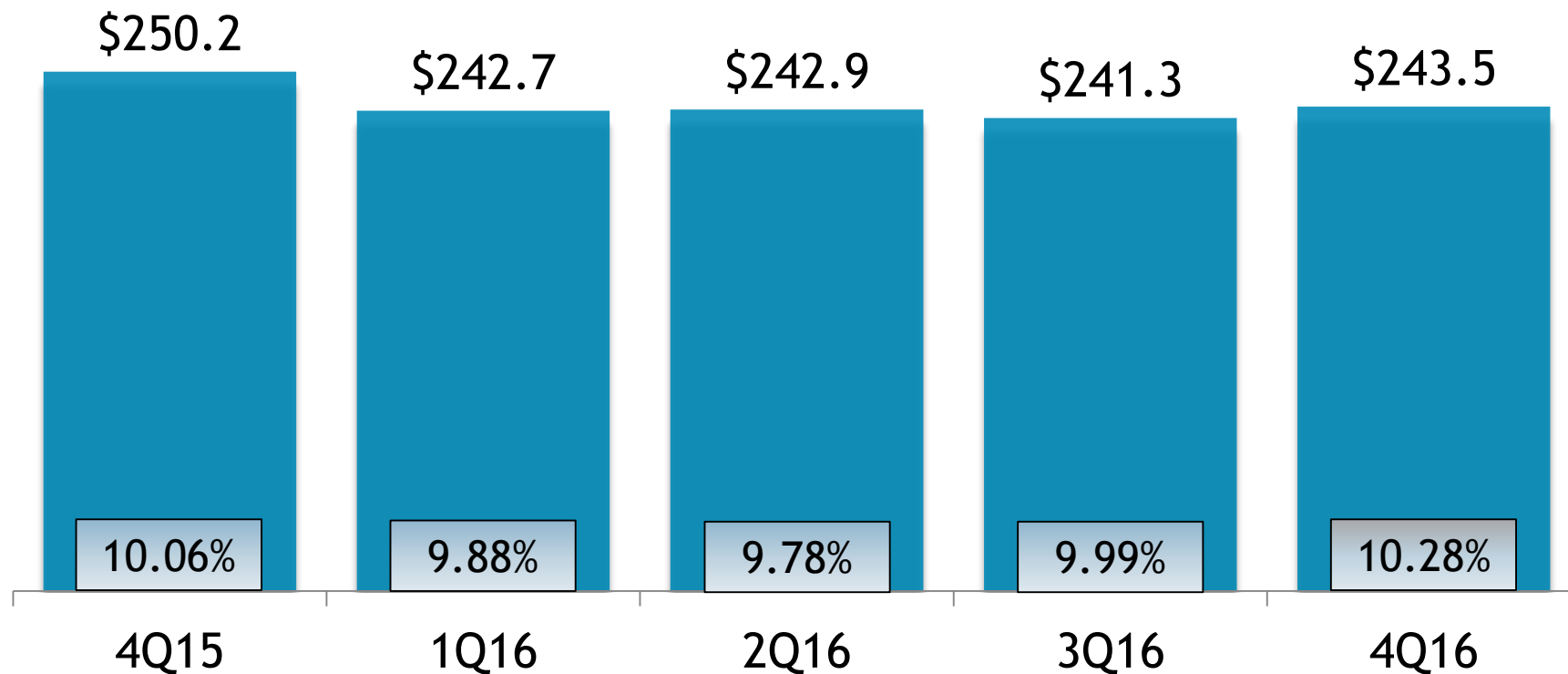
\$ in millions



Note: percentages represent gross margin as a % of revenue

Consolidated DS&A Expenses

\$ in millions

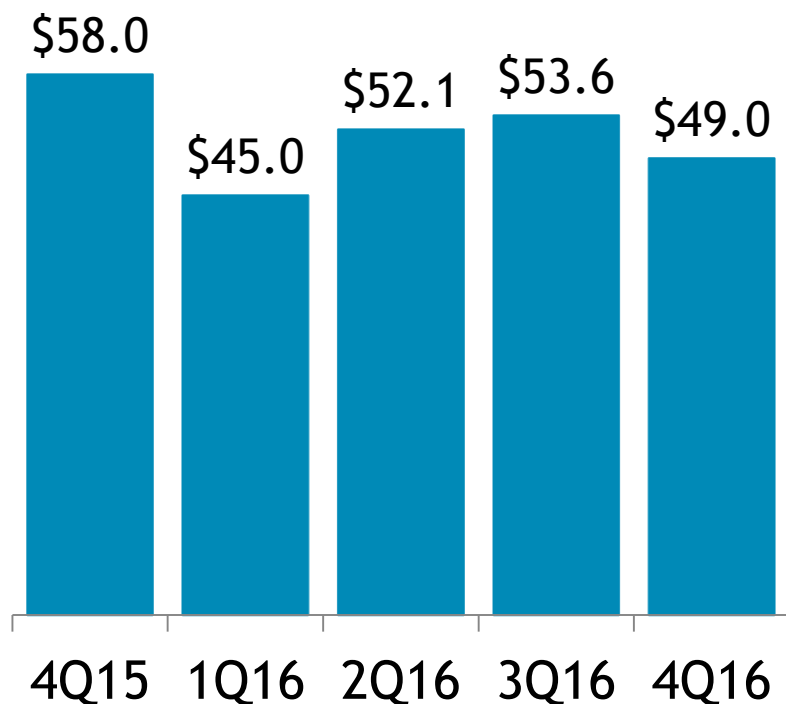


Note: Distribution, Selling & Administrative expenses (DS&A); percentages represent DS&A as a % of revenue

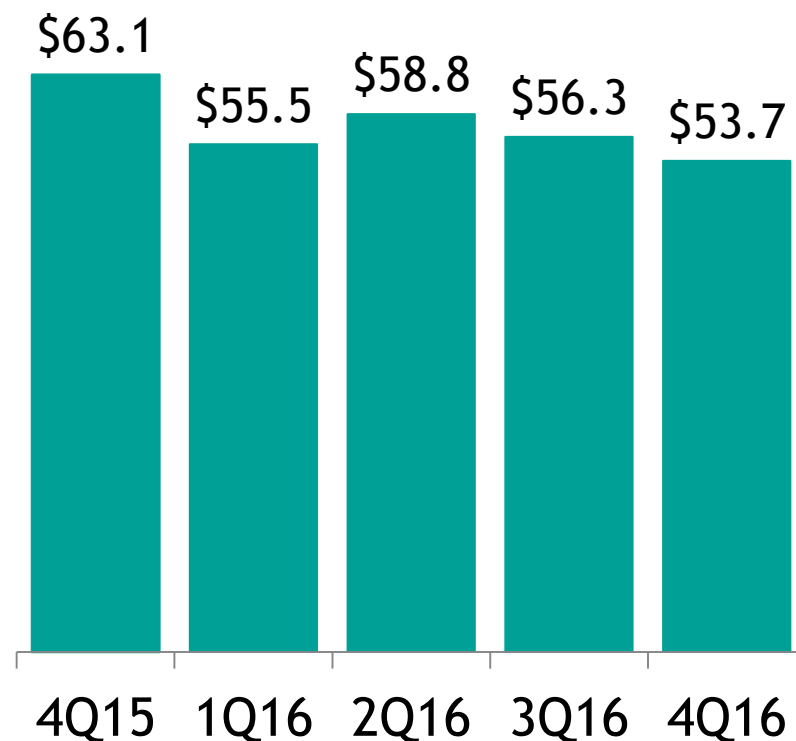
Consolidated Operating Earnings

\$ in millions

GAAP



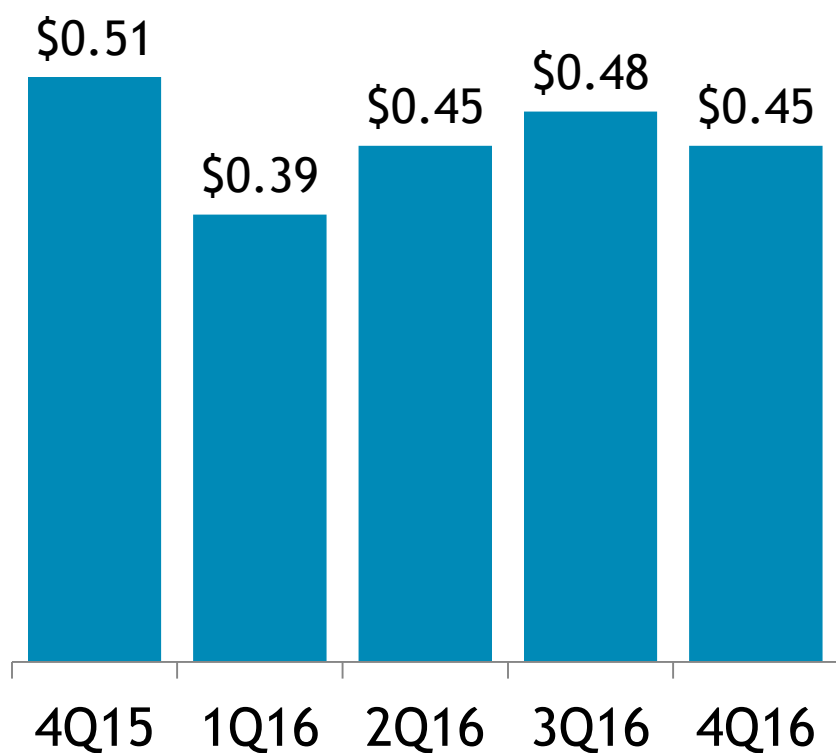
Adjusted (Non-GAAP*)



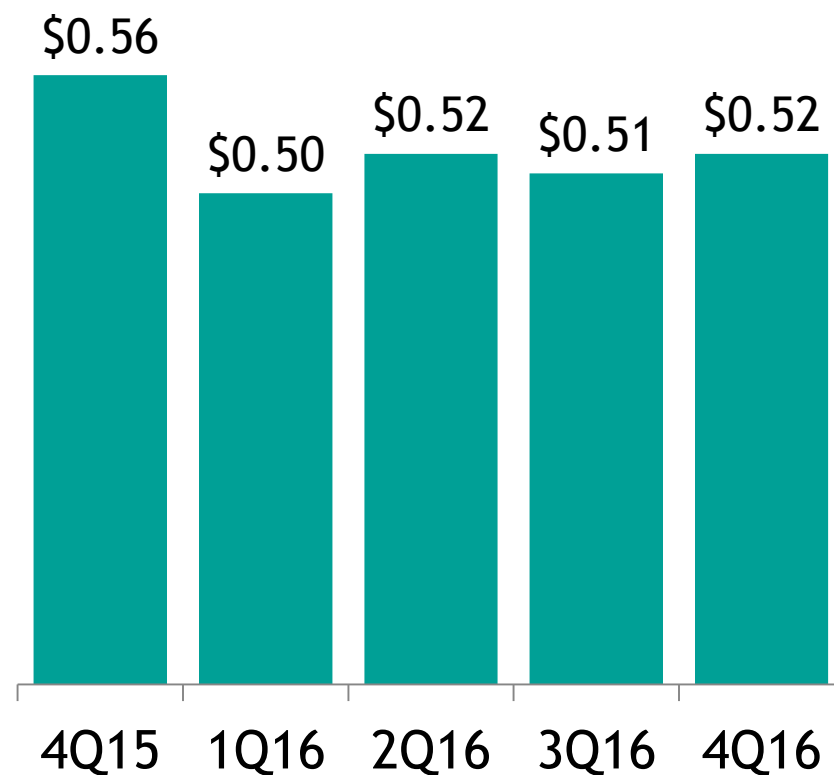
* See reconciliation to reported U.S. GAAP measures on the GAAP Reconciliation slide

Net Income per Diluted Share

GAAP



Adjusted (Non-GAAP*)



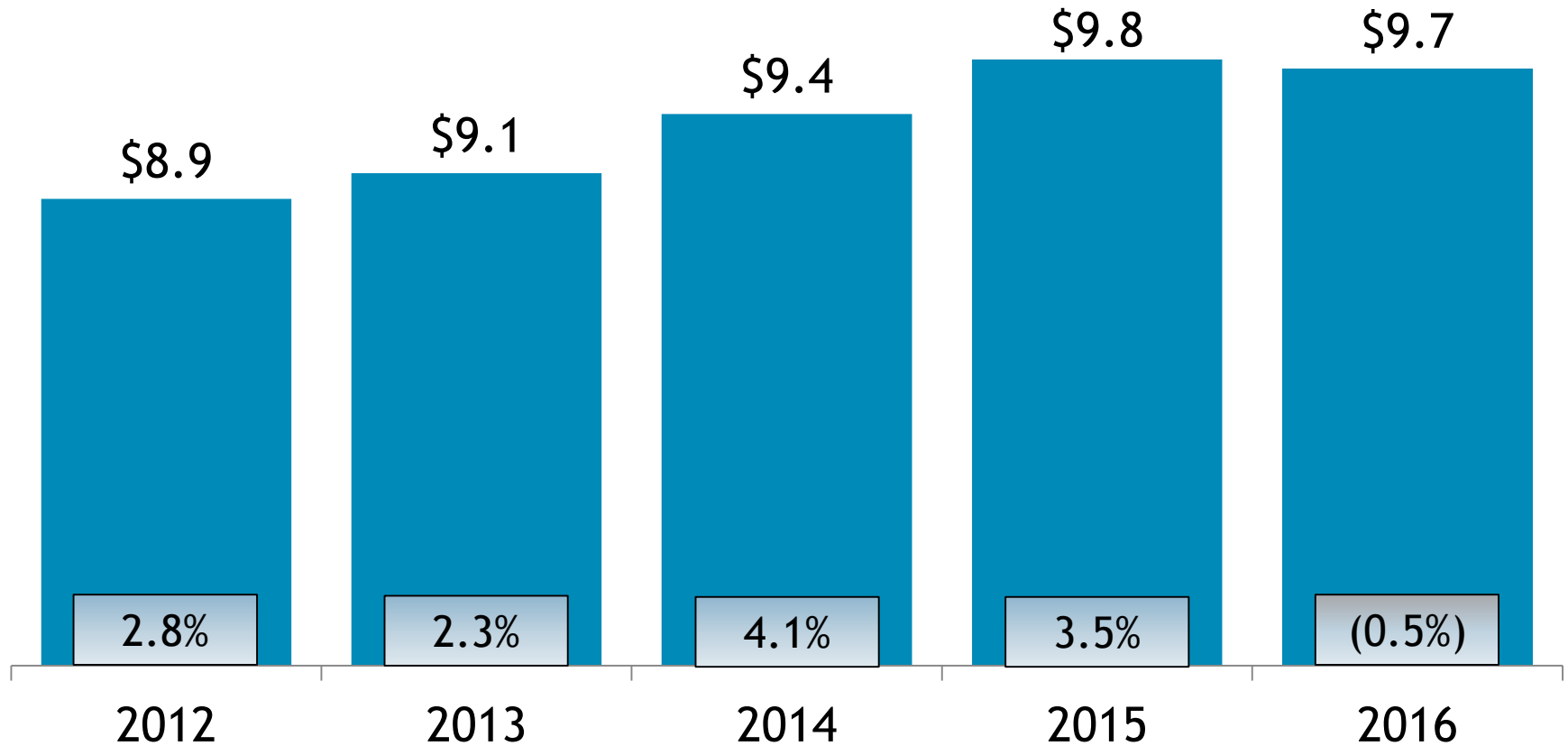
* See reconciliation to reported U.S. GAAP measures on the GAAP Reconciliation slide



Five-Year Financial Slides

Revenue

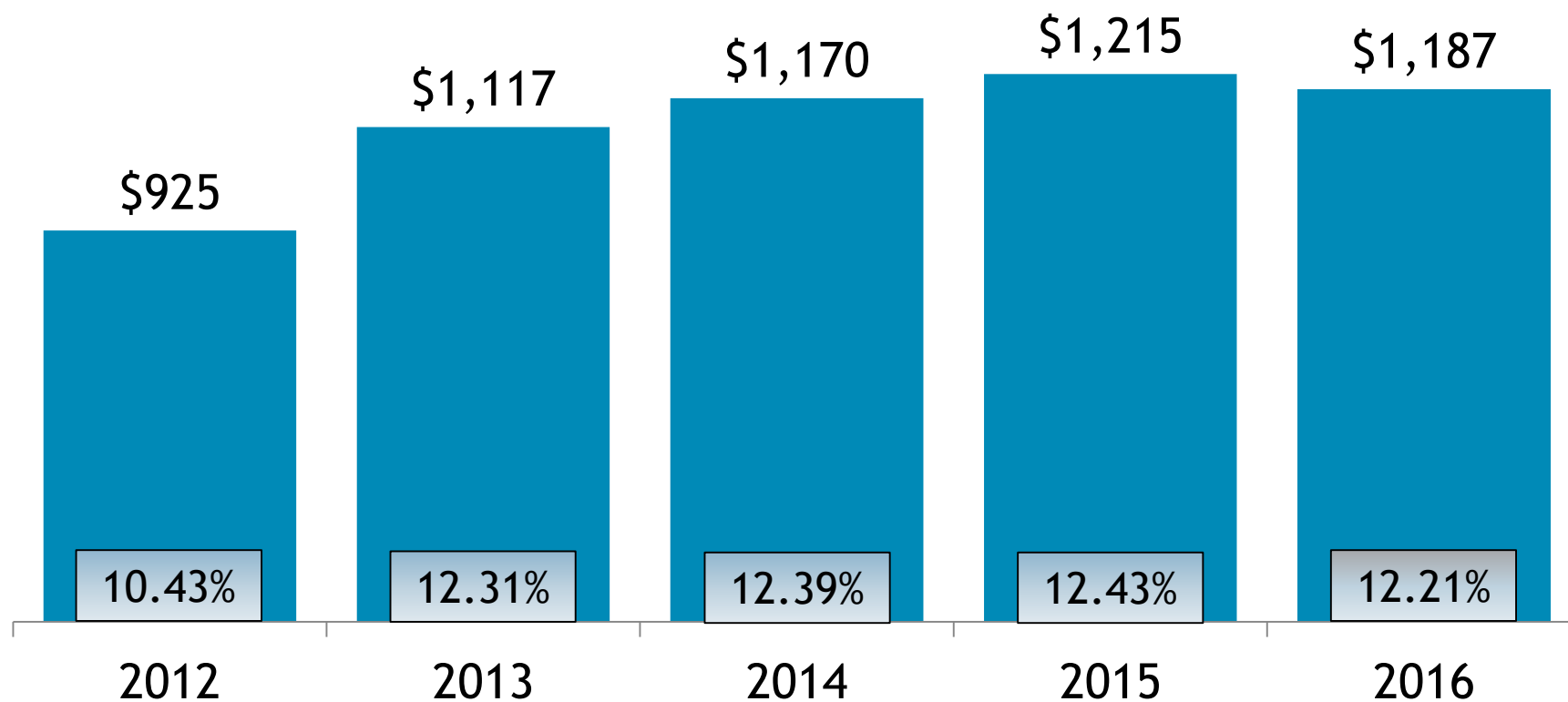
\$ in billions



Note: percentages represent annual revenue growth

Gross Margin

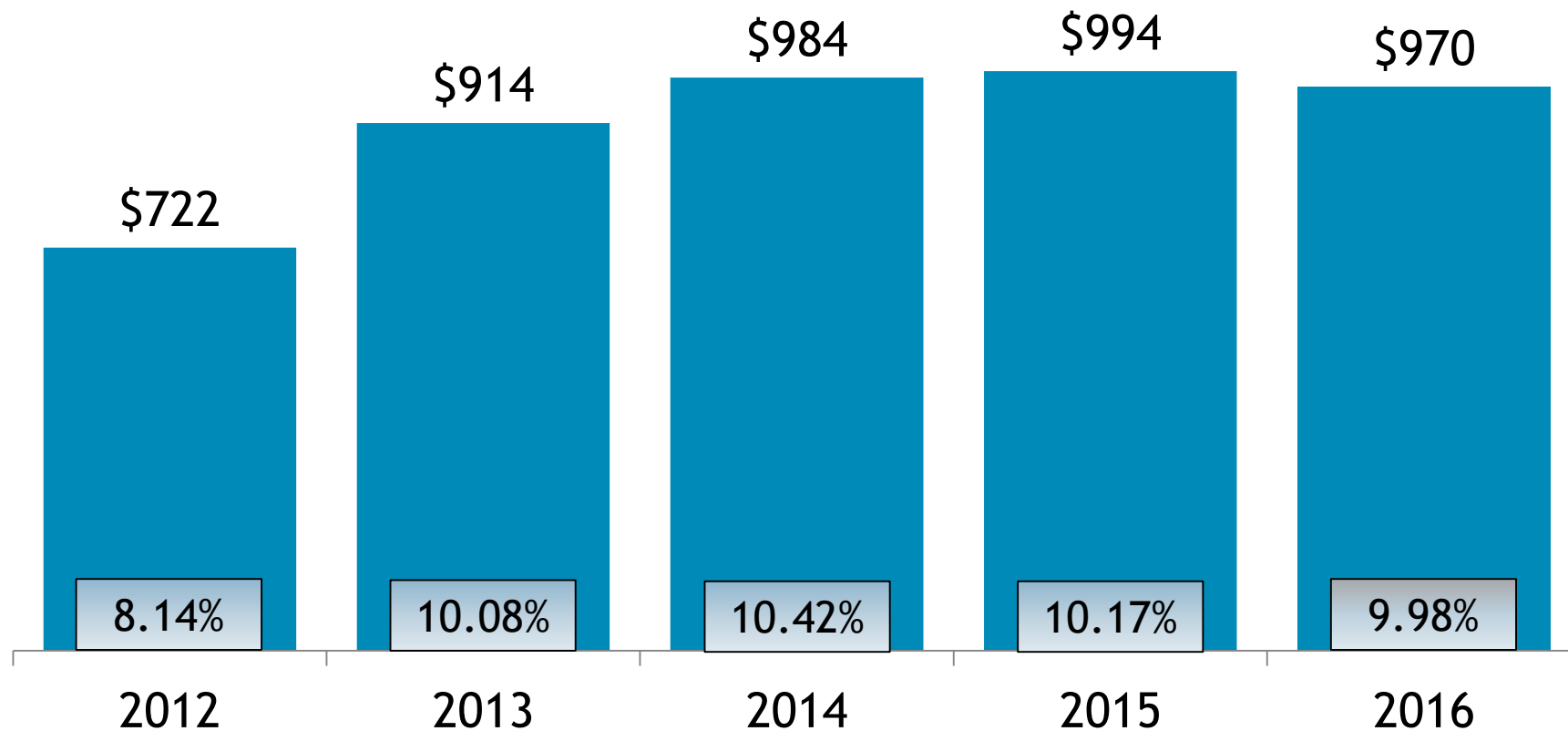
\$ in millions



Note: percentages represent gross margin as a % of revenue

DS&A Expenses

\$ in millions

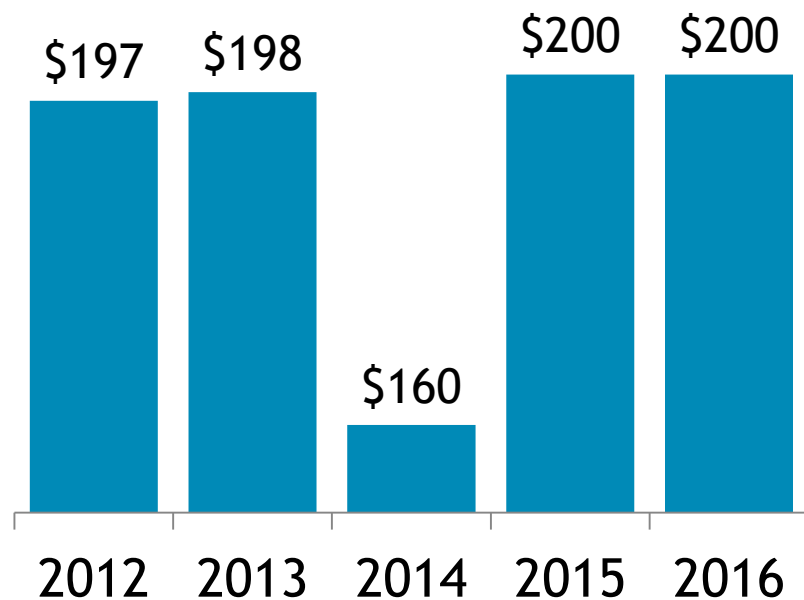


Note: percentages represent Distribution, Selling & Administrative expenses (DS&A) as a % of revenue

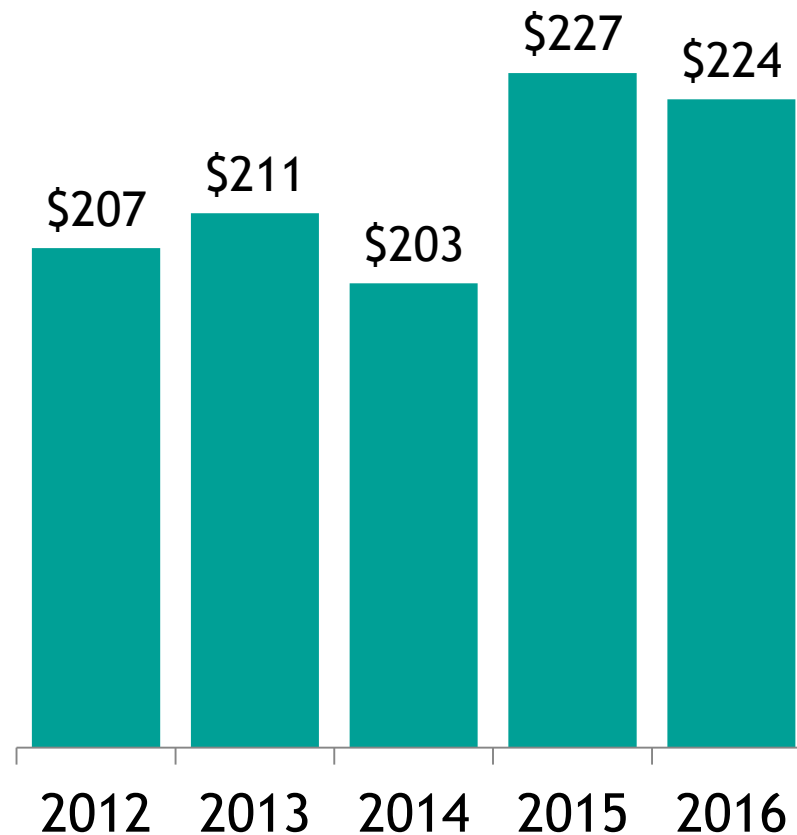
Consolidated Operating Earnings

\$ in millions

GAAP

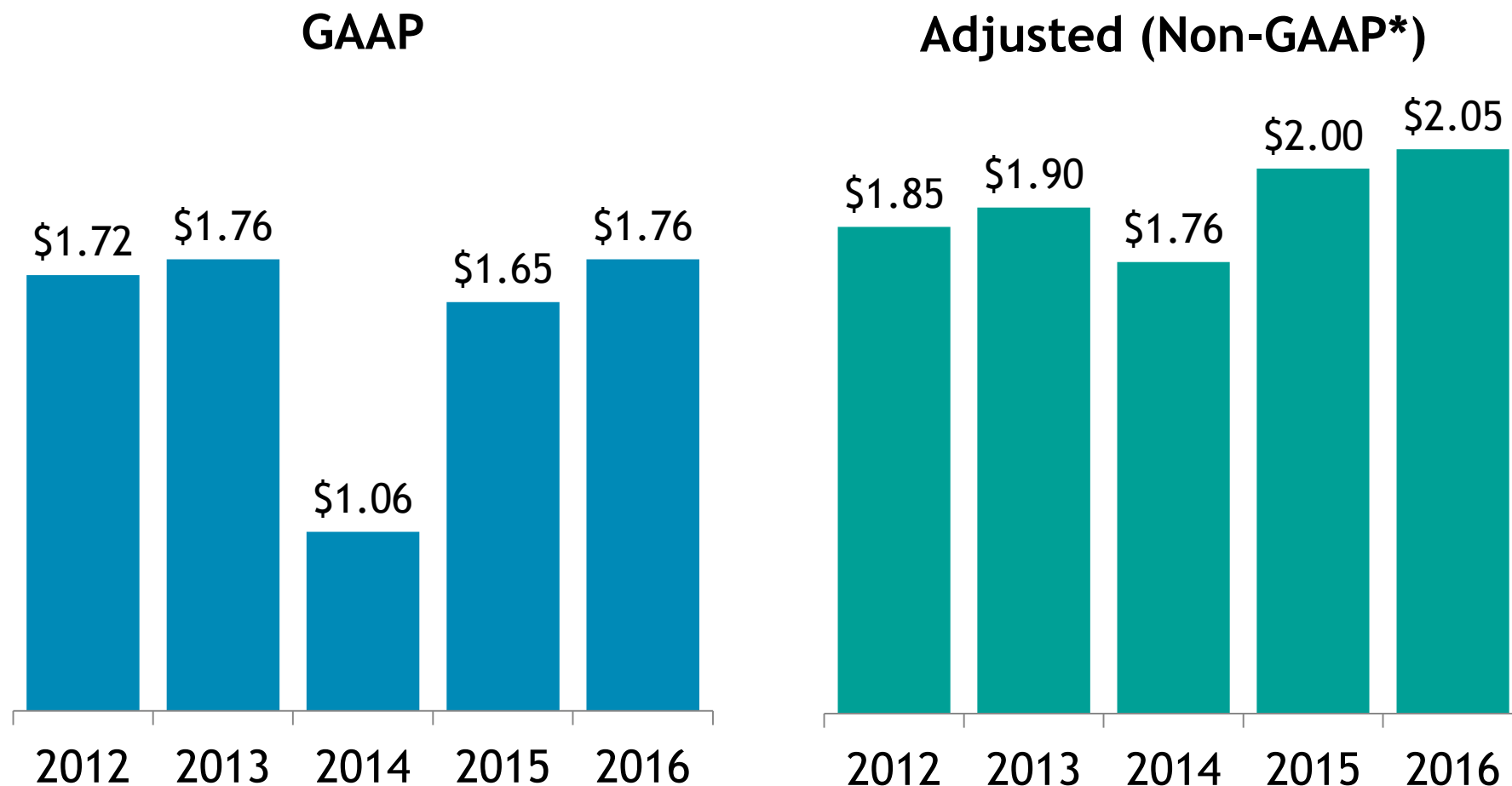


Adjusted (Non-GAAP*)



* See reconciliation to reported U.S. GAAP measures on the GAAP Reconciliation slide

Net Income per Diluted Share



* See reconciliation to reported U.S. GAAP measures on the GAAP Reconciliation slide



Supplemental Information

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GAAP Reconciliation

The company has provided certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). In general, these measures exclude items and charges that (i) management does not believe reflect our core business and relate more to strategic, multi-year corporate activities; or (ii) relate to activities or actions that may have occurred over multiple or in prior periods without predictable trends. Management uses these non-GAAP financial measures internally to evaluate our performance, evaluate the balance sheet, engage in financial and operational planning and determine incentive compensation.

Management provides these non-GAAP financial measures to investors as supplemental metrics to assist readers in assessing the effects of items and events on our financial and operating results and in comparing our performance to that of our competitors. However, the non-GAAP financial measure used by us may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

The non-GAAP financial measures disclosed by us should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP. Reconciliations to those financial statements should be carefully evaluated.

GAAP Reconciliation

In thousands, except per share amounts

Three Months Ended,	2015		2016							
	December 31		March 31		June 30		September 30		December 31	
		% of revenue		% of revenue		% of revenue		% of revenue		% of revenue
Operating earnings, as reported (GAAP)	\$57,953	2.33%	\$44,970	1.83%	\$52,054	2.10%	\$53,568	2.22%	\$49,008	2.07%
Acquisition-related and exit and realignment charges	6,647	0.27%	10,483	0.43%	6,752	0.27%	2,739	0.11%	4,701	0.20%
Other	(1,500)	-0.06%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Operating earnings, adjusted (Non-GAAP)	<u>\$63,100</u>	<u>2.54%</u>	<u>\$55,453</u>	<u>2.26%</u>	<u>\$58,806</u>	<u>2.37%</u>	<u>\$56,307</u>	<u>2.33%</u>	<u>\$53,709</u>	<u>2.27%</u>
Net income, as reported (GAAP)	\$32,068		\$24,135		\$27,716		\$29,831		\$27,105	
Acquisition-related and exit and realignment charges	6,647		10,483		6,752		2,739		4,701	
Other	(1,500)		-		-		-		-	
Income tax expense (benefit)	(2,086)		(3,354)		(2,245)		(1,015)		(222)	
Net income, adjusted (Non-GAAP)	<u>\$35,129</u>		<u>\$31,264</u>		<u>\$32,223</u>		<u>\$31,555</u>		<u>\$31,584</u>	
Net income per diluted common share, as reported (GAAP)	\$0.51		\$0.39		\$0.45		\$0.48		\$0.45	
Acquisition-related and exit and realignment charges	0.07		0.11		0.07		0.03		0.07	
Other	(0.02)		-		-		-		-	
Net income per diluted common share, adjusted (Non-GAAP)	<u>\$0.56</u>		<u>\$0.50</u>		<u>\$0.52</u>		<u>\$0.51</u>		<u>\$0.52</u>	

GAAP Reconciliation, continued

In thousands, except per share amounts

Year Ended December 31,	2012		2013		2014		2015		2016	
		% of revenue		% of revenue		% of revenue		% of revenue		% of revenue
Operating earnings, as reported (GAAP)	\$196,753	2.22%	\$198,083	2.18%	\$159,536	1.69%	\$200,359	2.05%	\$199,599	2.05%
Acquisition-related and exit and realignment charges	10,164	0.11%	12,444	0.14%	42,801	0.17%	28,404	0.29%	24,675	0.25%
Fair value adjustments related to purchase accounting	-	0.00%	-	0.00%	(3,706)	-0.04%	-	0.00%	-	0.00%
Other	-	0.00%	-	0.00%	3,907	0.04%	(1,500)	-0.02%	-	0.00%
Operating earnings, adjusted (Non-GAAP)	<u>\$206,917</u>	<u>2.33%</u>	<u>\$210,527</u>	<u>2.32%</u>	<u>\$202,538</u>	<u>2.15%</u>	<u>\$227,263</u>	<u>2.33%</u>	<u>\$224,274</u>	<u>2.31%</u>
Net income, as reported (GAAP)	\$109,003		\$110,882		\$66,503		\$103,409		\$108,787	
Acquisition-related and exit and realignment charges	10,164		12,444		42,801		28,404		24,675	
Fair value adjustments related to purchase accounting	-		-		(3,706)		-		-	
Other	-		-		3,907		(1,500)		-	
Loss on early retirement of debt	-		-		14,890		-		-	
Income tax expense (benefit)	<u>(1,964)</u>		<u>(3,588)</u>		<u>(14,294)</u>		<u>(5,003)</u>		<u>(6,835)</u>	
Net income, adjusted (Non-GAAP)	<u>\$117,203</u>		<u>\$119,738</u>		<u>\$110,101</u>		<u>\$125,310</u>		<u>\$126,627</u>	
Net income per diluted common share, as reported (GAAP)	\$1.72		\$1.76		\$1.06		\$1.65		\$1.76	
Acquisition-related and exit and realignment charges	0.13		0.14		0.56		0.37		0.29	
Fair value adjustments related to purchase accounting	-		-		(0.07)		-		-	
Other	-		-		0.06		(0.02)		-	
Loss on early retirement of debt	-		-		0.14		-		-	
Net income per diluted common share, adjusted (Non-GAAP)	<u>\$1.85</u>		<u>\$1.90</u>		<u>\$1.75</u>		<u>\$2.00</u>		<u>\$2.05</u>	

Sales Days per Quarter

	<u>2014</u>	<u>2015</u>	<u>2016</u>
1st Quarter	63	63	64
2nd Quarter	64	64	64
3rd Quarter	64	64	64
4th Quarter	<u>63</u>	<u>63</u>	<u>62</u>
Totals	254	254	254