

Dentsply Sirona First Quarter 2019

May 3, 2019

THE DENTAL
SOLUTIONS
COMPANY™

 Dentsply
Sirona

Forward-Looking Statements and Associated Risks

Information the Company has included or incorporated by reference in this presentation, and information which may be contained in other filings with the U.S. Securities and Exchange Commission ("SEC") as well as press releases or other public statements, contains or may contain forward-looking statements. These forward-looking statements include, among other things, statements about the Company's plans, objectives, expectations (financial or otherwise) or intentions.

The Company's forward-looking statements involve risks and uncertainties. Actual results may differ significantly from those projected or suggested in any forward-looking statements. The Company does not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Any number of factors could cause the Company's actual results to differ materially from those contemplated by any forward-looking statements, including, but not limited to, the risks associated with the following:

- the Company's ability to remain profitable in a very competitive marketplace, which depends upon the Company's ability to differentiate its products and services from those of competitors
- the Company's failure to realize assumptions and projections which may result in the need to record additional impairment charge
- the effect of changes to the Company's distribution channels for its products and the failure of significant distributors to effectively manage their inventories or purchase required minimum quantities of products
- the Company's ability to control costs and failure to realize expected benefits of cost reduction and restructuring efforts
- the effect of changes in the Company's management and personnel
- the Company's failure to anticipate and appropriately adapt to changes or trends within the rapidly changing dental industry
- changes in applicable laws, rules or regulations, or their interpretation or enforcement, or the enactment of new laws, rules or regulations, which apply to the Company's business practices (past, present or future) or require the Company to spend significant resources for compliance
- the Company's failure to execute on, or other issues arising under, certain key client contracts
- a significant failure or disruption in service within the Company's operations or the operations of key distributors
- the Company's failure to successfully integrate the business operations or achieve the anticipated benefits from any acquired businesses
- results in pending and future litigation, investigations or other proceedings which could subject the Company to significant monetary damages or penalties and/or require us to change our business practices, or the costs incurred in connection with such proceedings
- the Company's failure to attract and retain talented employees, or to manage succession and retention for its Chief Executive Officer or other key executives
- the impact of the Company's debt service obligations on the availability of funds for other business purposes, the terms of and required compliance with covenants relating to the Company's indebtedness and its access to the credit markets in general
- general economic conditions
- other risks described from time to time in the Company's filings with the SEC

You should carefully consider these and other relevant factors, including those risk factors in Part I, Item 1A, ("Risk Factors") in the Company's most recent Form 10-K and any other information included or incorporated by reference in this presentation, and information which may be contained in the Company's other filings with the SEC, when reviewing any forward-looking statement. The Company notes these factors for investors as permitted under the Private Securities Litigation Reform Act of 1995. Investors should understand it is impossible to predict or identify all such factors or risks. As such, you should not consider either foregoing lists, or the risks identified in the Company's SEC filings, to be a complete discussion of all potential risks or uncertainties.

Non-GAAP Financial Measures

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share ("adjusted EPS"). The Company discloses adjusted net income attributable to Dentsply Sirona International to allow investors to evaluate the performance of the Company's operations exclusive of certain items that impact the comparability of results from period to period and may not be indicative of past or future performance of the normal operations of the Company and certain large non-cash charges related to purchased intangible assets. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

Adjusted net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted net income and adjusted EPS and the performance of the Company is measured on this basis along with other performance metrics.

The adjusted net income attributable to Dentsply Sirona consists of net income attributable to Dentsply Sirona adjusted to exclude the net of tax impact of the following:

(1) Business combination related costs. These adjustments include costs related to integrating and consummating recently acquired businesses and costs, gains and losses related to the disposal of businesses or product lines. These items are irregular in timing and as such may not be indicative of past and future performance of the Company and are therefore excluded to allow investors to better understand underlying operating trends.

(2) Restructuring, restructuring program related costs and other costs. These adjustments include costs related to the implementation of restructuring initiatives as well as certain other costs. These costs can include, but are not limited to, severance costs, facility closure costs, lease and contract termination costs, related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives, as well as, legal settlements and impairment of assets. These items are irregular in timing, amount and impact to the Company's financial performance. As such, these items may not be indicative of past and future performance of the Company and are therefore excluded for the purpose of understanding underlying operating trends.

(3) Amortization of purchased intangible assets. This adjustment excludes the periodic amortization expense related to purchased intangible assets. Beginning in 2011, the Company began recording large non-cash charges related to the values attributed to purchased intangible assets. As such, amortization expense has been excluded from adjusted net income attributed to Dentsply Sirona to allow investors to evaluate and understand operating trends excluding these large non-cash charges.

(4) Credit risk and fair value adjustments. These adjustments include both the cost and income impacts of adjustments in certain assets and liabilities including the Company's pension obligations, that are recorded through net income which are due solely to the changes in fair value and credit risk. These items can be variable and driven more by market conditions than the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

(5) Certain fair value adjustments related to an unconsolidated affiliated company. This adjustment represents the fair value adjustment of the unconsolidated affiliated company's convertible debt instrument held by the Company. The affiliate is accounted for under the equity method of accounting. The fair value adjustment is driven by open market pricing of the affiliate's equity instruments, which has a high degree of variability and may not be indicative of the operating performance of the affiliate or the Company.

(6) Income tax related adjustments. These adjustments include both income tax expenses and income tax benefits that are representative of income tax adjustments mostly related to prior periods, as well as the final settlement of income tax audits, and discrete tax items resulting from the implementation of restructuring initiatives. These adjustments are irregular in timing and amount and may significantly impact the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

Adjusted earnings per diluted common share is calculated by dividing adjusted net income attributable to Dentsply Sirona by diluted weighted-average common shares outstanding. Adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share are considered measures not calculated in accordance with US GAAP, and therefore are non-US GAAP measures. These non-US GAAP measures may differ from other companies. Income tax related adjustments may include the impact to adjust the interim effective income tax rate to the expected annual effective tax rate. The non-US GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

The Company defines "constant currency sales growth" as the increase or decrease in net sales from period to period excluding precious metal content and the impact of changes in foreign currency exchange rates. This impact is calculated by comparing current-period revenues to prior-period revenues, with both periods converted at the U.S. dollar to local currency average foreign exchange rate for each month of the prior period, for the currencies in which the Company does business.

The Company defines "internal sales growth" as constant currency sales growth excluding the impacts of net acquisitions and divestitures, merger accounting impacts and discontinued products.

Management also believes that the presentation of net sales, excluding precious metal content, provides useful information to investors because a portion of Dentsply Sirona's net sales is comprised of sales of precious metals generated through sales of the Company's precious metal dental alloy products, which are used by third parties to construct crown and bridge materials. Due to the fluctuations of precious metal prices and because the cost of the precious metal content of the Company's sales is largely passed through to customers and has minimal effect on earnings, Dentsply Sirona reports net sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. The Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal dental alloy sale prices are typically adjusted when the prices of underlying precious metals change.

First Quarter 2019 – Agenda



Introduction	John Sweeney	VP IR
Overview	Don Casey	CEO
Financials & Outlook	Nick Alexos	EVP & CFO
Operating Update	Don Casey	CEO
Q & A		

Overview



Don Casey
Chief Executive Officer

1Q19 – Summary Performance

1Q19 Revenue (ex. PM)	1Q19 Internal Revenue Growth	1Q19 Adj. EPS
\$935M <i>(-1.1% YOY, with a -4.7% Currency Impact)</i>	3.9%	\$0.49 <i>(up 9% YOY)</i>

1Q19 Adj. OI Margin	1Q19 Cash Flow From Operations
15.6% <i>(up 110 bps YOY)</i>	\$29.3 Million

Financials & Outlook



Nick Alexos
EVP & Chief Financial Officer

1Q19 – Consumables Segment

(45% of Total Revenue)



- 1Q19 revenue of \$414M, down 4.9% YoY
- Currency negatively impacted revenue by 4.3%
- 1Q19 internal revenue decline of (0.6%)
- Internal revenue decline driven by one less selling day (estimated 1.5% impact)
- Consumable OI margins of 25.5%, down 80 bps vs prior year due to higher supply chain costs vs. prior year.

1Q19 - Technologies & Equipment Segment

(55% of Total Revenue)



- 1Q19 revenue (ex. PM) of \$521M, up 2.1% YOY
- Currency reduced revenue by 5.1%. 1Q19 internal growth of 7.9%
- All four T&E product categories: Equipment and Instruments, Digital, Implants and Healthcare showed positive internal growth
- Wellspect business up high-single digits
- Operating income margins 13.8%, up 40bps YoY on higher volume and portfolio shaping initiatives.

1Q19 – Regional Revenue (ex. PM) Performance



U.S. Revenue – (33% of total)

- Revenue increased 7.4%
- Acquisitions/disc. products increased revenue by 1.1%
- Internal revenue growth of 6.4%



Europe Revenue – (42% of total)

- Revenue declined (7.3%)
- Acquisitions/disc. products reduced revenue by (0.5%)
- Foreign exchange reduced revenue by (6.7%)
- Internal revenue decline of (0.1%)



Rest of World Revenue (25% of total)

- Revenue declined (0.7%)
- Acquisitions/disc. products reduced revenue by (1.8%)
- Foreign exchange reduced revenues by (7.0%)
- Internal growth of 8.1%

1Q19 – Financial Summary – Non-GAAP

In Millions of USD	Q1 2019 Actual	Q1 2018 Actual	% Change	Q1 2019 FX Adjusted	FX Neutral % Change
3rd Party Sales ex PM	\$ 935.0	\$ 945.8	-1.1%	\$ 982.8	3.9%
Gross Profit	540.1	548.2	-1.5%	568.0	3.6%
Gross Profit % ex PM	57.8%	58.0%	-19 bps	57.8%	-16 bps
Total Expenses	394.6	410.6	-3.9%	411.6	0.2%
SG&A % ex PM	42.2%	43.4%	-121 bps	41.9%	-153 bps
Operating Income	145.5	137.6	5.8%	156.4	13.7%
Operating Margin % ex PM	15.6%	14.5%	101 bps	15.9%	136 bps
Other (Income)/Expense	1.0	7.1	-85.2%	1.5	-79.0%
Net Income	\$ 109.8	\$ 102.7	6.9%	\$ 118.1	15.0%
Non-GAAP EPS	\$ 0.49	\$ 0.45	9.2%	\$ 0.53	17.5%

1Q19 - Free Cash Flow

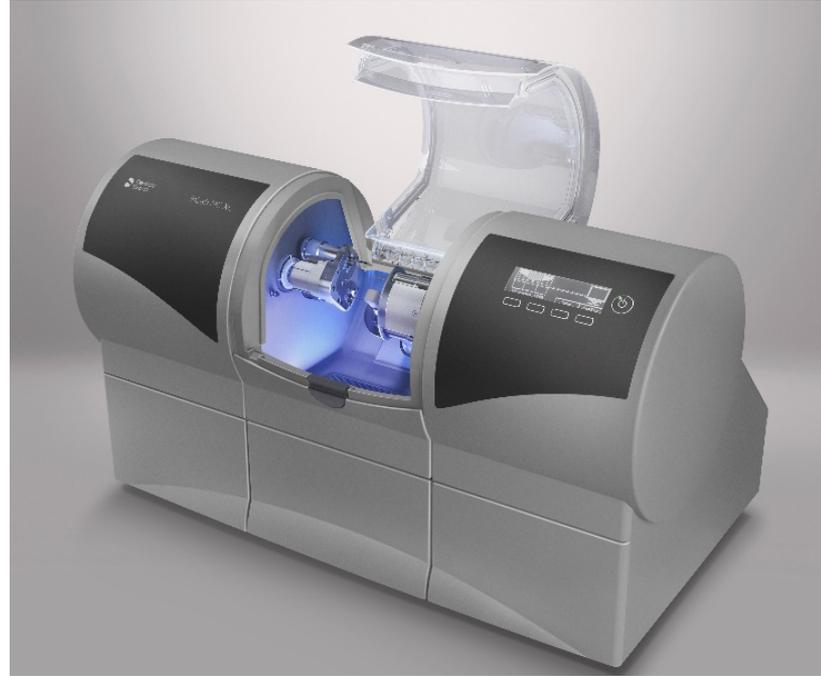
	1Q19	1Q18	% Δ
Cash Flow From Operations	\$29.3	\$55.1	(47%)
Capital Expenditures	33.9	35.8	(5%)
Free Cash Flow	(\$4.6)	\$19.3	



Reiterate FY19 Guidance

	2019 Initial Guidance	2019 Updated Guidance
Revenue	\$3.95 - \$4.05B	\$3.95 - \$4.05B
Internal Revenue Growth	4% - 5%	4% - 5%
OI Margin	17.0%-18.0%	17.0%-18.0%
EPS	\$2.25-\$2.40	\$2.30-\$2.40

Operating Update



Don Casey
Chief Executive Officer

Our Strategy & Vision

Take advantage of the unique global breadth and depth of Dentsply Sirona to create more meaningful solutions for dentists built around innovative products and differentiated clinical education.

**Grow
Revenues**

**Improve
Margins**

**Simplify the
Organization**

Grow Revenues

- **New products**
- **Clinical education**
- **Expand in growing markets**
- **Improve sales force effectiveness**

International Dental Show – New Products



**Grow
Revenues**

IDS New Product Launch - Primescan



**Grow
Revenues**

Additional IDS New Product Launches

SureSmile



Surefil one



MAILLEFER
TruNatomy™

Grow
Revenues

2018 Clinical Education Update

Program Types

Product Training

2,848

Hands-on

3,936

On-Demand

389

Train the Trainer

132

Webinar

102

Live Lectures

4,409

TOTAL

11,816

**Grow
Revenues**

Improving Salesforce Effectiveness

One Customer & One Country Approach:

- Consolidated country sales and marketing leadership
- Customer segmentation
- Common database / insights / CRM approach
- Analytically driven Salesforce alignment and call planning
- One integrated approach to marketing and service

**Grow
Revenues**

Continue to Expand in Growing Markets

Our recent experience shows that focused support can deliver strong growth in developing markets



China –

Growing high single digits

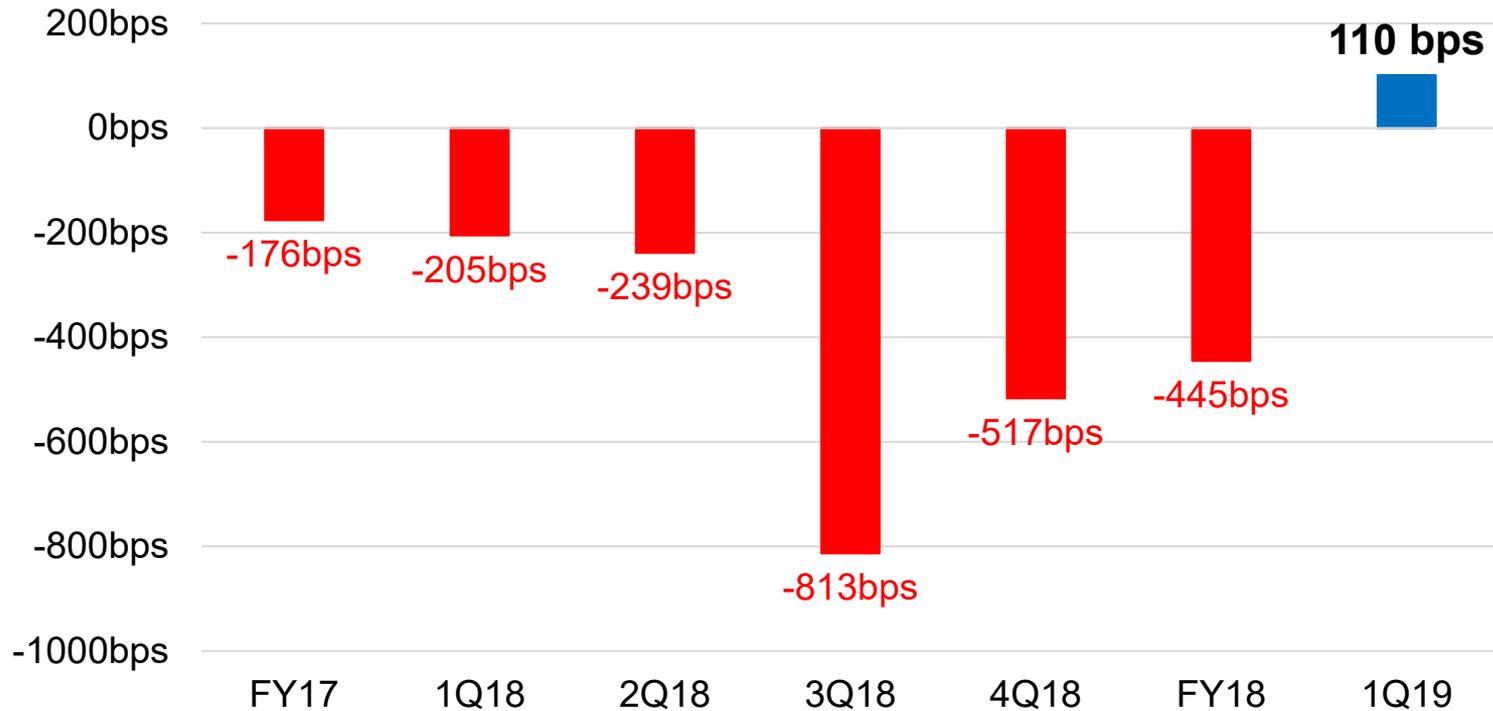


Latin America –

Growing high single digits

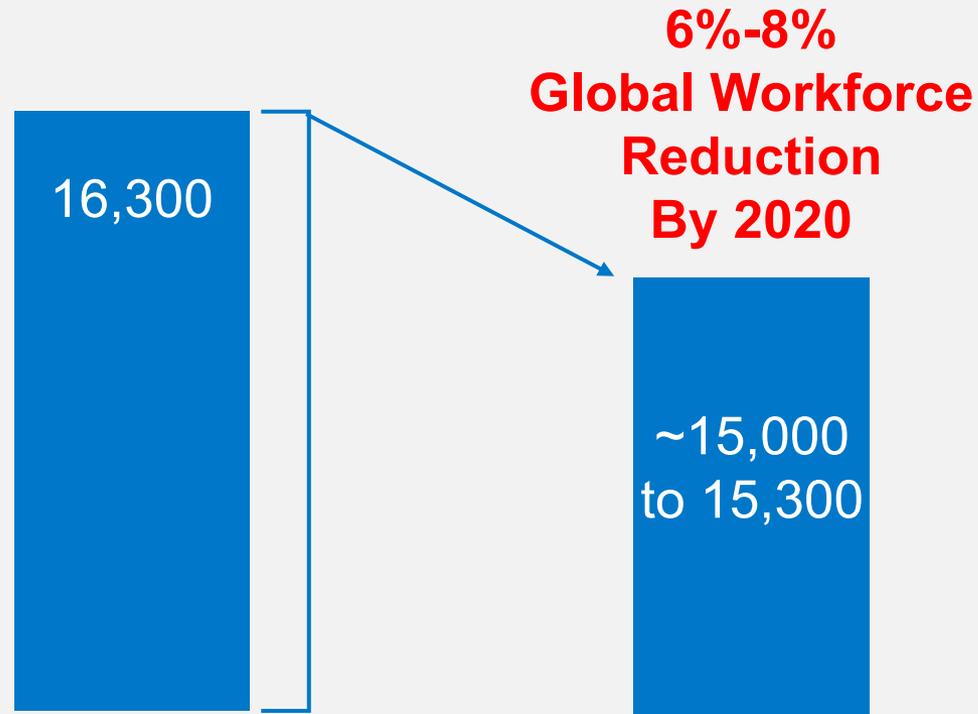
**Grow
Revenues**

Adj. Operating Income Margin Expansion / (Compression)



**Improve
Margins**

Headcount Reduction Update



Improve
Margins

Portfolio Shaping Update

Evaluating several portfolio management opportunities



- Non-profitable businesses
- Underperforming
- Non-core businesses

Simplify the Organization

- FONA
- SICAT
- Surgical & Respiratory portion of Wellspect
- 1-800 Dentist

Organizational Structure

- **SBU Consolidation**
- **RCO Consolidation**
- **R&D Portfolio Optimization**
- **Supply Chain Separation**

**Simplify the
Organization**

Dentsply Sirona Financial Targets

Item	Target	Commentary
Revenue Growth	~3-4%	<ul style="list-style-type: none"> Consumables growth steady at ~2-3% T&E returning to growth in 2019 & 4%+ thereafter New product introductions Investing in global scale and faster growing regions Overall growth at or above dental market
EBIT Margin	20% by the end of 2020 & 22% by the end of 2022	<ul style="list-style-type: none"> Restructuring to save \$200-225M by 2021 Portfolio shaping Continuing plans for margin expansion after 2020
EPS Growth	Double Digit	<ul style="list-style-type: none"> Accelerated EPS growth in the near-term as cost savings are realized
Net Debt to EBITDA	Investment Grade	<ul style="list-style-type: none"> Utilize balance sheet to enhance EPS growth



Appendix

Non US GAAP Reconciliation – Revenues

(in millions, except percentages)	Three Months Ended March 31, 2019				Q1 2019 Growth				Three Months Ended March 31, 2018			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	\$ 313.4	\$ 395.8	\$ 237.0	\$ 946.2	7.4%	-7.0%	-0.8%	-1.0%	\$ 291.8	\$ 425.5	\$ 238.8	\$ 956.1
Less: precious metal content of sales	1.5	8.9	0.8	11.2					1.3	8.1	0.9	10.3
Net sales, excluding precious metal content	311.9	386.9	236.2	935.0	7.4%	-7.3%	-0.7%	-1.1%	290.5	417.4	237.9	945.8
Foreign exchange impact					-0.1%	-6.7%	-7.0%	-4.7%				
Constant currency growth					7.5%	-0.6%	6.3%	3.6%				
Acquisitions					1.5%	0.1%	0.4%	0.6%				
Discontinued products					-0.4%	-0.6%	-2.2%	-0.9%				
Internal sales growth					6.4%	-0.1%	8.1%	3.9%				

(in millions, except percentages)	Three Months Ended March 31, 2019			Q1 2019 Growth			Three Months Ended March 31, 2018		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
Net sales	\$ 520.8	\$ 425.4	\$ 946.2	2.1%	-4.6%	-1.0%	\$ 510.1	\$ 446.0	\$ 956.1
Less: precious metal content of sales	-	11.2	11.2				-	10.3	10.3
Net sales, excluding precious metal content	520.8	414.2	935.0	2.1%	-4.9%	-1.1%	510.1	435.7	945.8
Foreign exchange impact				-5.1%	-4.3%	-4.7%			
Constant currency growth				7.2%	-0.6%	3.6%			
Acquisitions				1.0%	0.0%	0.6%			
Discontinued products				-1.7%	0.0%	-0.9%			
Internal sales growth				7.9%	-0.6%	3.9%			

Non US GAAP Reconciliation – Consolidated Statements of Income

	US GAAP							NON-US GAAP	
	Three Months Ended March 31, 2019	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Credit Risk and Fair Value Adjustments	Tax Impact of Non-US GAAP Adjustments	Income Tax Related Adjustments	Total Non-US GAAP Adjustments	Three Months Ended March 31, 2019
NET SALES	\$ 946.2	-	-	-	-	-	-	\$ -	\$ 946.2
NET SALES-excluding precious metals	935.0	-	-	-	-	-	-	-	935.0
GROSS PROFIT	499.7	29.2	9.6	-	1.6	-	-	40.4	540.1
% OF NET SALES-excluding precious metals	53.4%								57.8%
SG&A EXPENSES	431.9	(19.0)	(17.8)	-	(0.5)	-	-	(37.3)	394.6
% OF NET SALES-excluding precious metals	46.2%								42.2%
RESTRUCTURING AND OTHER COSTS	20.5	-	(20.5)	-	-	-	-	(20.5)	-
INCOME FROM OPERATIONS	47.3	48.2	47.9	-	2.1	-	-	98.2	145.5
% OF NET SALES-excluding precious metals	5.1%								15.6%
NET INTEREST AND OTHER EXPENSE	(6.5)	-	9.0	(1.3)	(0.2)	-	-	7.5	1.0
PRE-TAX INCOME	53.8	48.2	38.9	1.3	2.3	-	-	90.7	144.5
INCOME TAXES	14.6	-	-	-	-	22.6	(2.5)	20.1	34.7
% OF PRE-TAX INCOME	27.1%								24.0%
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-							-	-
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 39.2							\$ 70.6	\$ 109.8
% OF NET SALES-excluding precious metals	4.2%								11.7%
EARNINGS PER SHARE - DILUTED	\$ 0.17							\$ 0.32	\$ 0.49

Non US GAAP Reconciliation – Consolidated Statements of Income

	US GAAP							NON-GAAP	
	Three Months Ended March 31, 2018	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Credit Risk and Fair Value Adjustments	Tax Impact of Non-US GAAP Adjustments	Income Tax Related Adjustments	Total Non-US GAAP Adjustments	Three Months Ended March 31, 2018
NET SALES	\$ 956.1	-	-	-	-	-	-	\$ -	\$ 956.1
NET SALES-excluding precious metals	945.8	-	-	-	-	-	-	-	945.8
GROSS PROFIT	514.1	29.9	-	2.7	1.5	-	-	34.1	548.2
% OF NET SALES-excluding precious metals	54.4%							-	58.0%
SG&A EXPENSES	435.2	(20.1)	-	(3.0)	(1.5)	-	-	(24.6)	410.6
% OF NET SALES-excluding precious metals	46.0%							-	43.4%
RESTRUCTURING AND OTHER COSTS	10.2	-	-	(10.2)	-	-	-	(10.2)	-
INCOME FROM OPERATIONS	68.7	50.0	-	15.9	3.0	-	-	68.9	137.6
% OF NET SALES-excluding precious metals	7.3%								14.5%
NET INTEREST AND OTHER EXPENSE	(26.1)	-	44.1	-	(0.2)	-	-	33.2	7.1
PRE-TAX INCOME	94.8	50.0	(44.1)	15.9	3.2	-	-	35.7	130.5
INCOME TAXES	13.7	-	-	-	-	22.9	(8.7)	14.2	27.9
% OF PRE-TAX INCOME	14.5%								21.4%
LESS: NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(0.1)							-	(0.1)
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 81.2							\$ 21.5	\$ 102.7
% OF NET SALES-excluding precious metals	8.6%								10.9%
EARNINGS PER SHARE - DILUTED	\$ 0.35							\$ 0.10	\$ 0.45

