



First Quarter 2022 Earnings Conference Call

May 10, 2022



Forward-Looking Statements and Associated Risks

All statements in this presentation that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved. Such statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by or may, in the future, be amplified by, the novel coronavirus (“COVID-19”) pandemic and the impact of varying private and governmental responses that affect our customers, employees, vendors and the economies and communities where they operate. For a written description of these factors, see the section titled “Risk Factors” in Dentsply Sirona’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and any updating information in subsequent SEC filings including the Company’s Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2022. No assurance can be given that any expectation, belief, goal or plan set forth in any forward-looking statement can or will be achieved, and readers are cautioned not to place undue reliance on such statements which speak only as of the date they are made. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.

Non-GAAP Financial Metrics

In addition to results determined in accordance with U.S. generally accepted accounting principles (“US GAAP”) the Company provides certain measures in this presentation, described below, which are not calculated in accordance with US GAAP and therefore represent Non-GAAP measures. These Non-GAAP measures may differ from those used by other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP. These Non-GAAP measures are used by the Company to measure its performance and may differ from those used by other companies. Management believes that these Non-GAAP measures are helpful as they provide another measure of the results of operations, and are frequently used by investors and analysts to evaluate the Company’s performance exclusive of certain items that impact the comparability of results from period to period, and which may not be indicative of past or future performance of the Company. Please refer to pages 22 - 25 of this presentation for the definitions of the Non-GAAP measures and their reconciliation of the most directly comparable GAAP measure.

Note: Percentages are based on actual values and may not recalculate due to rounding.

What We Will Discuss Today

- Overview
- Preliminary First Quarter Financials
- Outlook
- Operating Update

A professional beekeeper manages four colonies on the roof of our Munich production site, home to 160,000 bees. During 2020, the colonies produced approximately 180kg of rooftop honey.

Overview

Key Messages

- As previously disclosed on April 19, preliminary Q1 financial results impacted by a weaker sales performance in the U.S., global supply chain challenges, and F/X headwinds
- Strong growth continues in Implants and SureSmile; key Byte metrics improved sequentially (sales, cases, and unique visitors)
- Updating outlook for COVID in China, F/X, supply shortages, and inflation
- Announced double-digit dividend raise and completed \$150M accelerated share repurchase program
- Continuing to invest for future growth despite challenging macro environment



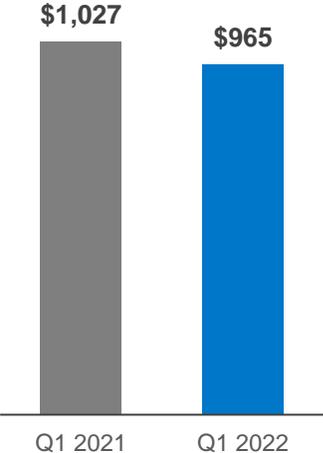
Preliminary First Quarter Results

	Q1 2022	Highlights
Net Sales	\$965M	<ul style="list-style-type: none"> Net sales impacted by F/X (primarily soft Euro) Additionally, organic sales decline driven by supply chain constraints, weaker U.S. performance, COVID in certain geographies, and a tough comparable (1Q21 COVID rebound and Byte) Low operating margin due to volume deleverage, inflation, and higher R&D investments Invested in innovation <ul style="list-style-type: none"> R&D at 4.6% of sales Deployed \$44M to capital investments Competitive return of cash to shareholders <ul style="list-style-type: none"> Completed \$150M ASR Increased quarterly dividend by 14%
Organic Sales Decline	(1.4%)	
Adjusted OI Margin	15.9% <i>(vs. 21.3% Q1 21)</i>	
Adjusted EPS	\$0.52 <i>(vs. \$0.72 Q1 21)</i>	
Operating Cash Flows	\$93M	

Preliminary First Quarter 2022 Financials

First Quarter 2022 Financial Summary

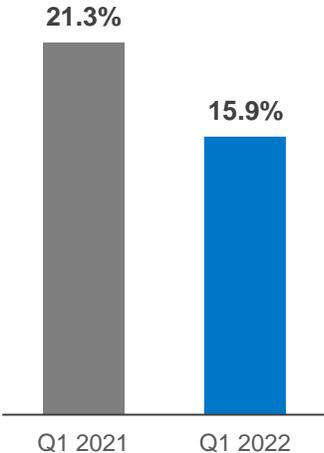
Revenue (\$M)



(1.4%) Organic Decline

- Supply chain disruptions
- Tough comparable vs. prior year
- U.S. performance
- COVID-related volume softness
- + Implants, Endo, and SureSmile

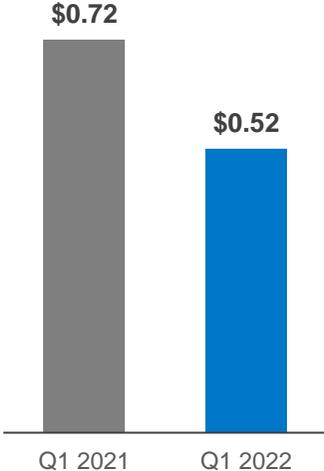
Adj. Operating Margin



(540) bps OI Margin YoY

- Gross margin contracted (280) bps to 56.7% due to volume deleverage and inflation
- SG&A as % of sales up 190 bps (SG&A spend was below PY)
- + R&D at 4.6% of sales; continue to invest in innovation

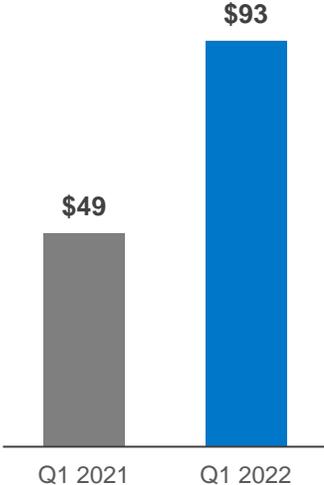
Adj. EPS



(27.5%) Adj. EPS Decline

- F/X translation impact: (\$0.06)
- + Adj. ETR down ~100 bps
- + Share count down ~(1%)

Operating Cash Flow (\$M)



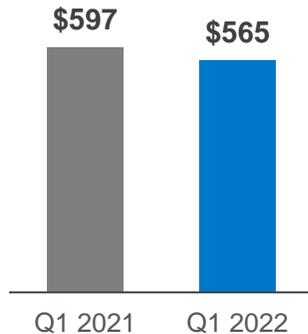
+90% Op. Cash Flow YoY

- + Increased Capex investments to \$44M vs. \$30M
- + Free cash flow growth vs. PY
- + Strong balance sheet: \$374M cash

First Quarter 2022 Segment Results

Technologies & Equipment

Net Sales (\$M)



Total Decline: (5.4%)

- F/X: (5.3%)
- Acquisitions: 0.4%

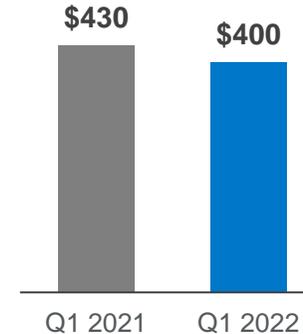
Organic Decline: (0.5%)

Sales decline driven by a weaker U.S. performance and supply chain constraints; partially offset by SureSmile and Implants growth

- **CAD/CAM (DD)** – decline driven by higher U.S. dealer inventories at the start of the quarter and Primemill allocation of spare parts; partially offset by Europe and RoW growth
- **Orthodontics (LSD)** – tough comparable at Byte, partially offset by SureSmile growth
- **Implants +HSD** – robust growth continues across all regions
- **Equipment & Instruments +LSD** – strong 3D Imaging growth despite significant supply shortages; backlog remains elevated
- **Healthcare +LSD**

Consumables

Net Sales (\$M)



Total Decline: (7.1%)

- F/X: (3.7%)
- Divestitures/Disc. Products: (0.7%)

Organic Decline: (2.7%)

Sales decline driven by weaker U.S. performance, soft China volumes (COVID shutdowns), supply chain constraints, and a tough comparable to the prior year; partially offset by price

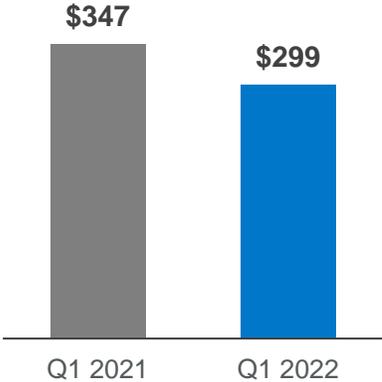
- **Endodontics & Restorative (LSD)** – Restorative Consumables decline due to higher U.S. dealer inventories at the start of the quarter, soft China volumes, and supply chain headwinds; partially offset by Endo growth
- **Other Consumables (MSD)**

*Note: growth commentary and trends represent organic growth vs. Q1 2021
LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits*

First Quarter 2022 Regional Results

U.S.

Net Sales (\$M)



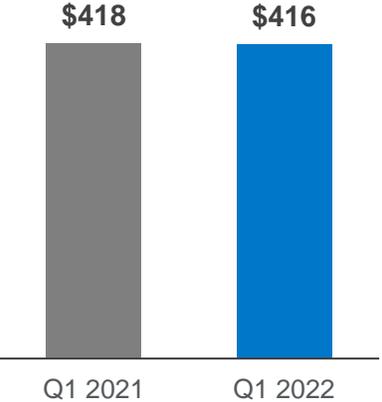
U.S. Net Sales – (31% of total)

Organic sales decline of (13.5%)

- Soft Consumables performance due to higher U.S. dealer inventories at the start of the quarter and a tough comparable to the prior year
- CAD/CAM sales decline driven by higher U.S. dealer inventories at the start of the quarter and Primemill allocation of spare parts
- Implants and Endo growth
- Tough comparable at Byte, partially offset by SureSmile growth

Europe

Net Sales (\$M)



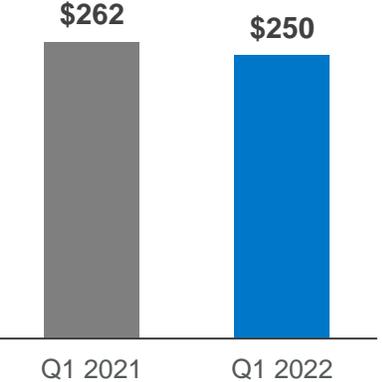
Europe Net Sales – (43% of total)

Organic sales growth of 7.0%

- Strong demand across T&E
- Consumables ~flat due to supply chain headwinds; strong backlog exiting quarter

Rest of World

Net Sales (\$M)



Rest of World Net Sales – (26% of total)

Organic sales growth of 1.4%

- Robust CAD/CAM and Implants growth
- Imaging volumes impacted by supply shortages
- Volumes impacted by COVID-shutdowns in China

2022 Outlook

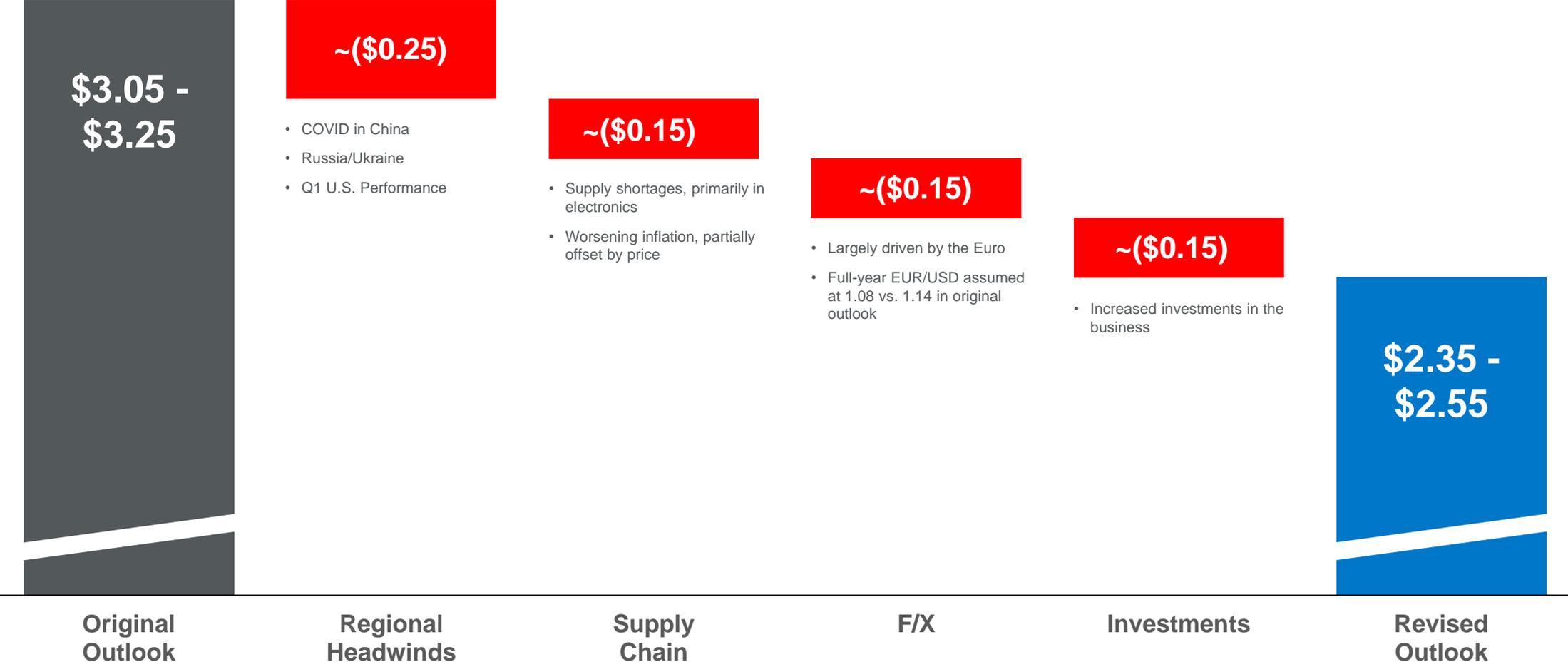
2022 Outlook

	Original Outlook	Revised Outlook	Comments
Organic Growth	4% - 5%	2% - 3%	Adjusting for macro headwinds
Reported Sales	\$4.3B - \$4.4B	\$4.1B - \$4.2B	Assumed EUR/USD at 1.08 (previously 1.14)
R&D Expenses	≥4% of Sales	≥4% of Sales	Funding business growth
Adjusted OI%	>21%	>17%	-
Interest & Other	~\$50M	50M - \$60M	-
Adjusted ETR	23% - 24%	22% - 23%	-
Diluted Share Count	~219M	~218M	Completed \$150M ASR
Adjusted EPS	\$3.05 - \$3.25	\$2.35 - \$2.55	-
Other Outlook Assumptions			
Capital Expenditures	~4% of Sales	~4% of Sales	Funding business growth
Cash Returned to Shareholders	≥50% of FCF	≥50% of FCF	Dividends and share repurchases

2022 Outlook – What’s Changed?

	Original Outlook	Revised Outlook
COVID in China	Minor Q1 Headwind	Full-Year Headwind
Russia/Ukraine	Impact Not Contemplated	Risk-Adjusted Sales Outlook
Supply Shortages	First-Half Headwind	Full-Year Headwind
Inflation	Continued Inflationary Pressures	Worsening Inflationary Pressures
F/X	1.14 EUR/USD	1.08 EUR/USD

Adjusted EPS Outlook Changes



Strategic Operating Update

Our Strategy

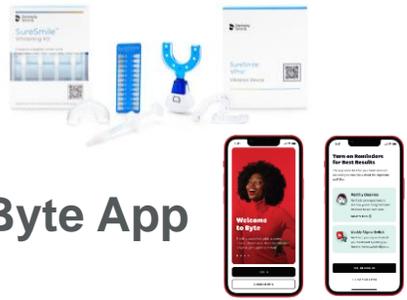
We develop superior, integrated workflows built on diagnostic excellence, easy-to-use treatment planning and essential products that improve outcomes for patients and dental professionals.



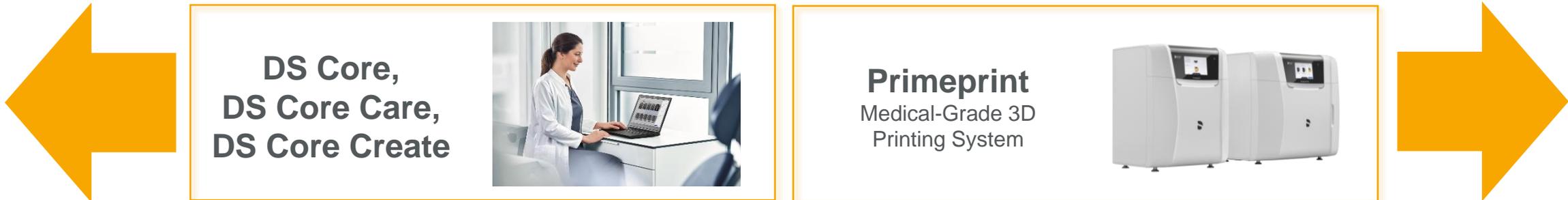
Accelerating the Pace of Innovation

Key Procedures

Recent Innovations

	Implants	Clear Aligners	Endo	Resto
Key Procedures	Implants Restage Digital Implant Company; PrimeTaper Launch	SureSmile Solutions SureSmile VPro, Whitening Kit, and Retainers	ProTaper Ultimate "The Trifecta"	Tessera Blocks CEREC CAD/CAM Blocks
Recent Innovations				

Digital Solutions



Pipeline for new products remains healthy; there is more to come

Summary

- Good momentum in strategic growth areas including Implants and Ortho
- Exiting a challenging quarter, we remain well-positioned in an attractive market to drive sustainable growth over the long-term
- Revised outlook to reflect macro challenges; expecting sequential improvement throughout 2022
- Delayed 10-Q filing due to ongoing investigation regarding certain financial reporting matters by the Audit Committee of our Board of Directors
- CEO and CFO searches are underway



Appendix

Preliminary First Quarter 2022 Financial Summary – Non-GAAP

In Millions of USD (except EPS)	Q1 22	Q1 21	% chg.
Net Sales	\$ 965	\$ 1,027	(6.1%)
<i>Organic Sales %</i>			(1.4%)
Gross Profit	547	611	(10.6%)
<i>Gross Profit %</i>	56.7%	59.5%	(280) bps
Total SG&A Expenses	349	352	(1.0%)
<i>SG&A %</i>	36.2%	34.3%	190 bps
Total R&D Expenses ¹	45	40	11.1%
<i>R&D %</i>	4.6%	3.9%	70 bps
Operating Income	153	219	(30.0%)
<i>Operating Income %</i>	15.9%	21.3%	(540) bps
Net Income	113	158	(28.2%)
Diluted EPS	0.52	0.72	(27.5%)

¹ Q1 2021 R&D includes \$3M of expenses which were previously classified as SG&A in Q1 2021

Trailing Nine Quarters (\$M)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
Net Sales	874	491	895	1,082	1,027	1,067	1,069	1,088	965
Adj. Operating Income	131	(42)	197	251	219	219	216	217	153
Adj. OI Margin %	15.0%	-8.6%	22.0%	23.2%	21.3%	20.5%	20.2%	20.0%	15.9%
<u>Cash Flow</u>									
OCF	(10)	175	207	263	49	214	172	222	93
Less: CapEx	26	13	21	27	30	36	35	41	44
FCF	(36)	162	186	236	19	178	137	181	49

*Cash flow related quarterly results may be rounded to tie to year-to-date statement of cash flows

Non-GAAP Financial Measures Definitions

Organic Sales

The Company defines "organic sales" as the reported net sales adjusted for: (1) net sales from acquired businesses recorded prior to the first anniversary of the acquisition, (2) net sales attributable to disposed businesses or discontinued product lines in both the current and prior year periods, and (3) the impact of foreign currency changes, which is calculated by translating current period net sales using the comparable prior period's currency exchange rates.

Adjusted Operating Income (Loss) and Margin

Adjusted operating income (loss) is computed by excluding the following items from operating income:

- (1) Business combination related costs and fair value adjustments. These adjustments include costs related to consummating and integrating acquired businesses, as well as net gains and losses related to the disposed businesses. In addition, this category includes the post-acquisition roll-off of fair value adjustments recorded related to business combinations, except for amortization expense of purchased intangible assets noted below. Although the Company is regularly engaged in activities to find and act on opportunities for strategic growth and enhancement of product offerings, the costs associated with these activities may vary significantly between periods based on the timing, size and complexity of acquisitions and as such may not be indicative of past and future performance of the Company.
- (2) Restructuring program related costs and other costs. These adjustments include costs related to the implementation of restructuring initiatives, including but not limited to, severance costs, facility closure costs, lease and contract termination costs, and related professional service costs associated with specific restructuring initiatives. Other costs include legal settlements, impairments of assets, and changes in accounting principle recorded within the period. The Company is continually seeking to take actions that could enhance its efficiency, consequently restructuring charges may recur but are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets, and as such may not be indicative of past and future performance of the Company.
- (3) Amortization of purchased intangible assets. This adjustment excludes the periodic amortization expense related to purchased intangible assets, which are recorded at fair value in purchase accounting. Although these costs contribute to revenue generation and will recur in future periods, their amounts are significantly impacted by the timing and size of acquisitions, and as such may not be indicative of the future performance of the Company.
- (4) Fair value and credit risk adjustments. These adjustments include the non-cash mark-to-market changes in fair value associated with pension assets and obligations and equity-method investments. Although these adjustments are recurring in nature, they are subject to significant fluctuations from period to period due to changes in the underlying assumptions and market conditions. The non-service component of pension expense is a recurring item, however it is subject to significant fluctuations from period to period due to changes in actuarial assumptions, interest rates, plan changes, settlements, curtailments, and other changes in facts and circumstances. As such, these items may not be indicative of past and future performance of the Company.

Adjusted operating margin is calculated by dividing adjusted operating income by net sales.

Adjusted Net Income (Loss)

Adjusted net income (loss) consists of the reported net income (loss) in accordance with US GAAP, adjusted to exclude the items identified above, the related income tax impacts, and discrete income tax adjustments such as: final settlement of income tax audits, discrete tax items resulting from the implementation of restructuring initiatives and the vesting and exercise of employee share-based compensation, any difference between the interim and annual effective tax rate, and adjustments relating to prior periods.

These adjustments are irregular in timing, and the variability in amounts may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

Adjusted Earnings (Loss) Per Diluted Share

Adjusted earnings (loss) (EPS) per diluted share is computed by dividing diluted adjusted earnings (losses) attributable to Dentsply Sirona shareholders by the diluted weighted average number of common shares outstanding.

Adjusted EBITDA

Adjusted EBITDA is computed by excluding interest, income tax expense, depreciation and amortization, as well as the adjustments described above for computing Adjusted Operating Income.

Reconciliation of Non-GAAP Financial Measures

Net Sales to Organic Sales Q1 22

(unaudited)

A reconciliation of reported net sales to organic sales by segment is as follows:

(in millions, except percentages)	Three Months Ended March 31, 2022			Q1 2022 Change			Three Months Ended March 31, 2021		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
Net sales	\$ 565	\$ 400	\$ 965	(5.4%)	(7.1%)	(6.1%)	\$ 597	\$ 430	\$ 1,027
Foreign exchange impact				(5.3%)	(3.7%)	(4.6%)			
Acquisitions				0.4%	—%	0.2%			
Divestitures and discontinued products				—%	(0.7%)	(0.3%)			
Organic sales				(0.5%)	(2.7%)	(1.4%)			

* Percentages are based on actual values and may not recalculate due to rounding.

A reconciliation of reported net sales to organic sales by geographic region is as follows:

(in millions, except percentages)	Three Months Ended March 31, 2022				Q1 2022 Change				Three Months Ended March 31, 2021			
	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total
Net sales	\$ 299	\$ 416	\$ 250	\$ 965	(13.7%)	(0.6%)	(4.6%)	(6.1%)	\$ 347	\$ 418	\$ 262	\$ 1,027
Foreign exchange impact					(0.4%)	(7.4%)	(5.8%)	(4.6%)				
Acquisitions					0.6%	—%	0.1%	0.2%				
Divestitures and discontinued products					(0.4%)	(0.2%)	(0.3%)	(0.3%)				
Organic sales					(13.5%)	7.0%	1.4%	(1.4%)				

* Percentages are based on actual values and may not recalculate due to rounding.

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q1 22

(unaudited)

For the three months ended March 31, 2022, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Three Months Ended March 31, 2022	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-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Three Months Ended March 31, 2022
GROSS PROFIT	\$ 515	32	—	—	—	—	—	\$ 32	\$ 547
% OF NET SALES	53.3%								56.7%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	374	(23)	(2)	—	—	—	—	(25)	349
% OF NET SALES	38.7%								36.2%
RESEARCH AND DEVELOPMENT EXPENSES	45	—	—	—	—	—	—	—	45
RESTRUCTURING AND OTHER COSTS	3	—	(3)	—	—	—	—	(3)	—
OPERATING INCOME	93	55	5	—	—	—	—	60	153
% OF NET SALES	9.7%								15.9%
OTHER INCOME AND EXPENSE	10	—	—	—	(2)	—	—	(2)	8
INCOME BEFORE INCOME TAXES	83	55	5	—	2	—	—	62	145
PROVISION FOR INCOME TAXES	18	—	—	—	—	16	(2)	14	32
% OF PRE-TAX INCOME	21.1%								21.9%
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 65							\$ 48	\$ 113
% OF NET SALES	6.8%								11.7%
EARNINGS PER SHARE - DILUTED	\$ 0.30							\$ 0.22	\$ 0.52

* Percentages are based on actual values and may not recalculate due to rounding.

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q1 21

(unaudited)

For the three months ended March 31, 2021, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Three Months Ended March 31, 2021	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-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Three Months Ended March 31, 2021
GROSS PROFIT	\$ 579	32	(1)	1	—	—	—	\$ 32	\$ 611
% OF NET SALES	56.4%								59.5%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	382	(24)	(1)	(5)	—	—	—	(30)	352
% OF NET SALES	37.2%								34.3%
RESEARCH AND DEVELOPMENT EXPENSES	40	—	—	—	—	—	—	—	40
RESTRUCTURING AND OTHER COSTS	3	—	(3)	—	—	—	—	(3)	—
OPERATING INCOME	154	56	3	6	—	—	—	65	219
% OF NET SALES	15.0%								21.3%
OTHER INCOME AND EXPENSE	5	—	—	13	(4)	—	—	9	14
INCOME BEFORE INCOME TAXES	149	56	3	(7)	4	—	—	56	205
PROVISION FOR INCOME TAXES	32	—	—	—	—	13	2	15	47
% OF PRE-TAX INCOME	21.5%								22.9%
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 117							\$ 41	\$ 158
% OF NET SALES	11.4%								15.4%
EARNINGS PER SHARE - DILUTED	\$ 0.53							\$ 0.19	\$ 0.72

* Percentages are based on actual values and may not recalculate due to rounding.

