



## Third Quarter 2022 Earnings Conference Call

November 14, 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 Amendment No. 1 to the 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 periods ending March 31, 2022 and June 30, 2022, respectively. 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 24-27 and 32-34 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
- Third Quarter Financials
- Outlook
- Strategic Update



Meet Angga, one of the 731 children with clefts who gained access to cleft care through Dentsply Sirona's donations. Together with Smile Train, the world's largest cleft organization, we are transforming people's lives.

# Overview

# Leadership Announcements



## Simon Campion, Chief Executive Officer

- Most recently served as Executive Vice President of the Medical Segment at Becton, Dickinson and Company (BD); has previously held several leadership roles at BD and C. R. Bard
- 25 years in the medical device industry
- High-integrity, transformational leader, with a record of world-class operational expertise; has generated sustainable growth through R&D, organic investments, international expansion, and M&A



## Glenn Coleman, Chief Financial Officer

- Most recently served as Chief Operating Officer of Integra Lifesciences Holdings Corporation (Integra); previously held role of CFO at Integra
- 30 years of financial management expertise, including 8 years at PricewaterhouseCoopers LLP (PwC); CPA for more than 30 years
- Track record of driving value creation and sustainable growth
- Has overseen financial and operational functions across several geographies and industries, including healthcare

# Key Messages

- Successful DS World 2022 – launched innovative digital solutions including Primescan Connect
- Q3 results impacted by significant foreign currency headwinds, global supply chain challenges, and softer volumes in the U.S. and China
- Despite challenges, the business delivered continued growth in Europe, double-digit growth in Clear Aligners, and growth in Imaging
- Working with urgency to improve organizational performance



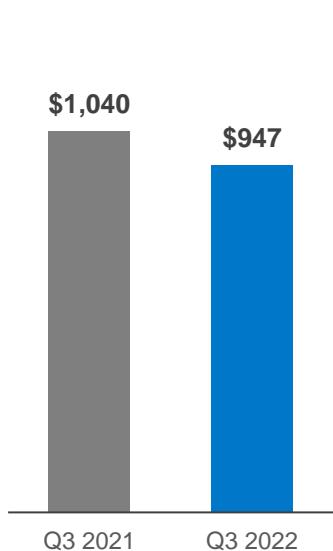
# Third Quarter 2022 Financials

# Third Quarter Results

	GAAP	Adjusted	Highlights
<b>Net Sales</b>	\$947M	\$947M	<ul style="list-style-type: none"> <li>Net sales impacted by F/X (primarily Euro)</li> </ul>
<b>Reported &amp; Organic Sales Decline</b>	(8.9%) <i>Reported</i>	(0.7%) <i>Organic</i>	<ul style="list-style-type: none"> <li>Organic sales decline driven by soft volumes in the U.S., COVID shutdowns in China, and a tough comparable for CAD/CAM</li> </ul>
<b>Operating Margin</b>	(128.5%) <i>(vs. 12.8% Q3 2021)</i>	14.7% <i>(vs. 18.2% Q3 2021)</i>	<ul style="list-style-type: none"> <li>Lower adjusted operating margin due to F/X, inflation, volume deleverage, and higher R&amp;D investments as a % of sales</li> <li>GAAP results reflect goodwill &amp; intangibles impairment charge</li> </ul>
<b>EPS</b>	(\$5.01) <i>(vs. \$0.38 Q3 2021)</i>	\$0.41 <i>(vs. \$0.60 Q3 2021)</i>	<ul style="list-style-type: none"> <li>Adjusted EPS decline driven by top-line, margin, and tax rate headwinds, partially offset by a lower share count</li> <li>GAAP results reflect goodwill &amp; intangibles impairment charge</li> </ul>
<b>Operating Cash Flows</b>	\$109M	\$109M	<ul style="list-style-type: none"> <li>\$228M cash returned to shareholders in the first nine months through share repurchases and dividends</li> </ul>

# Third Quarter 2022 Financial Summary

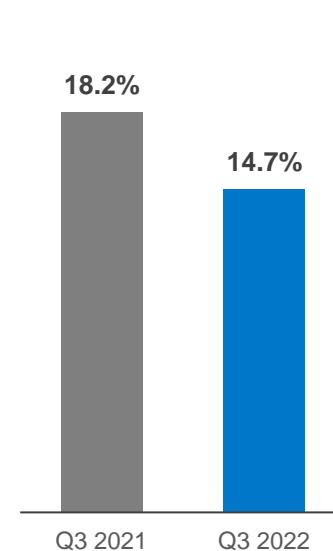
Revenue (\$M)



## (8.9%) Reported Sales Decline, (0.7%) Organic Decline

- Significant F/X headwinds
- Underperformance in U.S. and China
- + Strength in Clear Aligners and Imaging
- + Continued growth in Europe

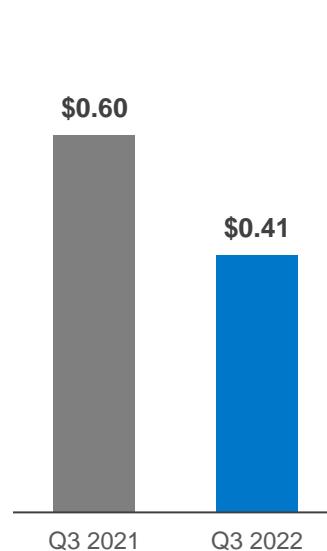
Adj. Operating Margin



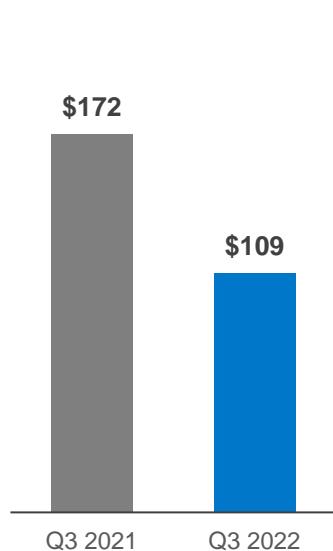
## (350) bps OI Margin YoY

- Inflation and F/X headwinds
- Gross margin decreased (100) bps to 56.9%
- SG&A as % of sales up 210 bps (total SG&A spend was below PY)
- R&D as % of sales up 50 bps to 4.2%

Adj. EPS



Operating Cash Flow (\$M)



## (36.6%) Op. Cash Flow YoY

- Lower operating cash flow driven by lower earnings and higher inventory
- + Capex investments at \$32M
- + Adj. free cash flow conversion<sup>1</sup> of 88%
- + Strong balance sheet: \$418M cash

<sup>1</sup> Adjusted free cash flow conversion is defined as the ratio of adjusted net income to free cash flow

# Third Quarter 2022 Segment Results

## Technologies & Equipment

### Net Sales (\$M)



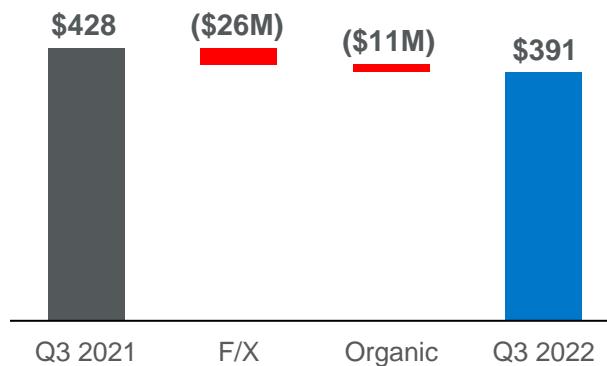
Total Decline: (9.0%)  
• F/X: (9.6%)  
Organic Growth: 0.6%

Organic sales growth driven by strong Clear Aligners demand, partially offset by tough comparable for CAD/CAM

- Orthodontics up **+DD** – double-digit growth at both SureSmile and Byte
- Equipment & Instruments up **+LSD** – robust Imaging demand across all regions despite continued supply shortages
- Healthcare up **+LSD**
- Implants ~flat – growth in the U.S. and Europe, offset by soft China volumes (COVID shutdowns)
- CAD/CAM down **(HSD)** – tough comparable in the U.S., partially offset by growth in Europe

## Consumables

### Net Sales (\$M)



Total Decline: (8.7%)  
• F/X: (6.2%)  
Organic Decline: (2.5%)

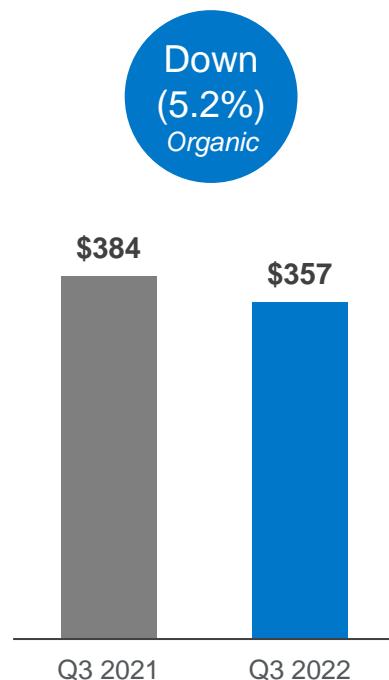
Organic sales decline driven by softer volumes in the U.S. and China

- Endodontics & Restorative down **(MSD)** – soft volumes in the U.S. and China, partially offset by demand for new products
- Other Consumables ~flat

Note: growth commentary and trends represent organic growth vs. Q3 2021  
LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits

# Third Quarter 2022 Regional Results

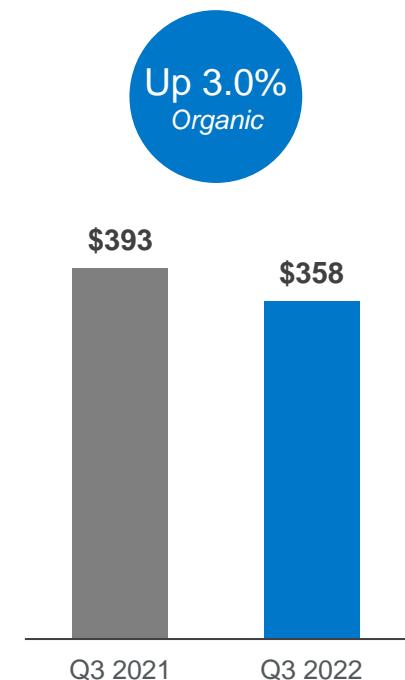
## U.S.



### U.S. Net Sales – (38% of total)

- Tough comparable for CAD/CAM
- Softer volumes across Consumables
- Continued SureSmile demand; Byte returned to growth
- Imaging growth despite continued supply shortages

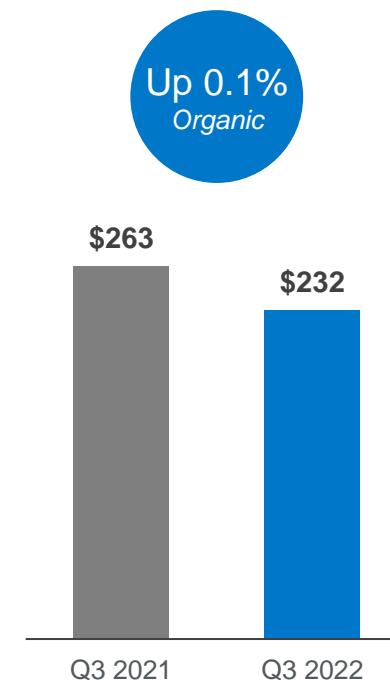
## Europe



### Europe Net Sales – (38% of total)

- Strong demand across T&E, particularly in Equipment & Instruments
- SureSmile continues to expand across the region
- Strong Imaging volumes despite continued supply shortages
- Strong demand for Endo Consumables

## Rest of World



### Rest of World Net Sales – (24% of total)

- Strong growth in Restorative and Preventive Consumables
- Increased Imaging volumes despite continued supply shortages
- Volumes impacted by COVID shutdowns and VBP in China

# 2022 Full Year Outlook

# 2022 Full Year Outlook

	Prior Outlook	Revised Outlook	Comments
<b>Organic Growth</b>	2% - 3%	~(2%)	<b>Adjusting for macro headwinds and second-half performance</b>
Reported Sales	\$4.1B - \$4.2B	\$3.85B - \$3.88B	Stronger USD vs. EUR and other currencies
R&D Expenses	≥4% of Sales	>4% of Sales	Funding business growth
<b>Adjusted OI%</b>	>17%	>15%	-
Interest & Other	\$50M - \$60M	~\$60M	Higher interest expense
Adjusted ETR	22% - 23%	23% - 24%	Geographic mix and one-time discrete tax items
Diluted Share Count	~218M	~216M	Timing and lower dilution
<b>Adjusted EPS</b>	<b>\$2.35 - \$2.55</b>	<b>\$1.90 - \$2.00</b>	-
<b>Other Outlook Assumptions</b>			
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

# Adjusted EPS Outlook Changes



Chart above represents the change of the mid-point from the prior outlook to the mid-point of the current outlook

# 2022 Outlook – What's Changed?

	Prior Outlook	Revised Outlook
F/X	1.08 EUR/USD	1.05 EUR/USD; Additional Headwind From Other Currencies
U.S. Performance	Soft First-Half Performance	Soft Full-Year Performance
China	Full-Year COVID Headwind	COVID Headwind Remains; Earlier VBP <sup>1</sup> Headwind
Inflation	Worsening Inflationary Pressures	No Change
Supply Shortages	Full-Year Headwind	No Change

<sup>1</sup> VBP = Volume Based Procurement

# Strategic 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.



# A New Inflection Point

## Tone at the Top

- Operating with the utmost levels of integrity
- Need to act with urgency and discipline
- Providing transparency and disclosure
- Creating and fostering a culture of “speaking up”, compliance, and accountability

## Winning Portfolio

- Portfolio assessment underway
- Optimizing the portfolio to facilitate simplification and increased profitability

## Organizational Review

- Re-establishing and prioritizing investment in certain regions and functions to improve performance
- Comprehensive analysis underway to create a more efficient organization
- Driving a collaborative culture that is enterprise and solution-oriented

## Best-in-Class Execution

- Instilling a culture of discipline around continuous improvement
- Bringing in capabilities with new leadership
- Implementing an end-to-end new product development process
- Building on the operating models that were implemented by interim leadership

# Recent Innovation Featured at DS World 2022

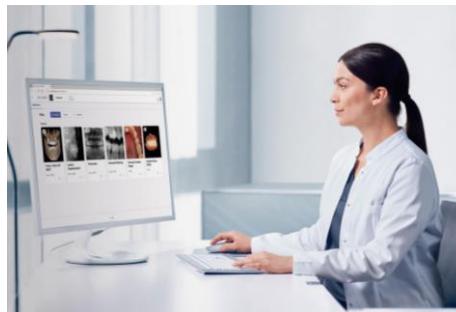
## Primescan Connect



A laptop-based version of Primescan, Dentsply Sirona's easy to use, fast and accurate intraoral scanner

An easy starting point for digital dentistry - it includes all the benefits of Primescan at a more accessible price

## DS Core



DS Core connects digital dental hardware and software through one platform, helping to improve efficiency and effectiveness in dental practice

Introduced Primescan Connect Solution - packages DS Core and DS Core Care to enhance the Primescan Connect experience

## Primeprint Solution



Primeprint Solution is a highly automated, end-to-end, medical grade 3D printing system for dentists and dental technicians who want to expand their treatment or service offerings

The high level of automation helps reduce handling times, allows for delegation, and enables a high level of productivity

# Summary

- Broad portfolio in attractive markets provide optimism for a strong future
- Updated outlook for recent performance and changes in the macro environment, including significant F/X headwinds
- With the internal investigation complete, we move forward with urgency and focus on improving execution discipline
- Operating actions we are taking now will position Dentsply Sirona for consistent and sustainable performance



# Appendix

# Third Quarter 2022 Financial Summary – Non-GAAP

In Millions of USD (except EPS)	Q3 2022	Q3 2021	% chg.
<b>Net Sales</b>	\$ 947	\$ 1,040	(8.9%)
<i>Organic Sales %</i>			(0.7%)
Gross Profit	539	602	(10.4%)
<i>Gross Profit %</i>	56.9%	57.9%	(100) bps
Total SG&A Expenses	361	374	(3.6%)
<i>SG&amp;A %</i>	38.1%	36.0%	210 bps
Total R&D Expenses	39	39	3.2%
<i>R&amp;D %</i>	4.2%	3.7%	50 bps
Operating Income	139	189	(26.6%)
<i>Operating Income %</i>	14.7%	18.2%	(350) bps
<b>Net Income</b>	<b>88</b>	<b>132</b>	(33.2%)
<b>Diluted EPS</b>	<b>0.41</b>	<b>0.60</b>	(31.5%)

# Trailing Nine Quarters (\$M)

	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Net Sales	883	1,076	1,026	1,062	1,040	1,103	969	1,023	947
Adj. Operating Income	187	246	215	219	189	235	158	207	139
Adj. OI Margin %	21.2%	22.8%	21.0%	20.6%	18.2%	21.3%	16.3%	20.2%	14.7%
<u>Cash Flow</u>									
OCF	200	260	49	214	172	222	93	173	109
Less: CapEx	21	26	30	36	35	41	44	41	32
FCF	179	234	19	178	137	181	49	132	77

\*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 foreign 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) Impairment related charges and other costs. These adjustments include charges related to goodwill and intangible asset impairments. Other costs 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. 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 as such may not be indicative of past and future performance of the Company. Other costs also include legal settlements, executive separation costs, and changes in accounting principle recorded within the period. Beginning in the second quarter of 2022, this category includes costs related to the recent internal investigation and associated remediation activities which primarily include legal, accounting and other professional service fees, as well as turnover and other employee-related costs.
- (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 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 Q3 22 (unaudited)

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

(in millions, except percentages)	Three Months Ended September 30, 2022			Q3 2022 Change			Three Months Ended September 30, 2021		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
<b>Net sales</b>	\$ 556	\$ 391	\$ 947	(9.0%)	(8.7%)	(8.9%)	\$ 612	\$ 428	\$ 1,040
Foreign exchange impact				(9.6%)	(8.2%)	(8.2%)			
<b>Organic sales</b>				0.6%	(2.5%)	(0.7%)			

\* 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 September 30, 2022				Q3 2022 Change				Three Months Ended September 30, 2021			
	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total
<b>Net sales</b>	\$ 357	\$ 358	\$ 232	\$ 947	(7.2%)	(8.8%)	(11.6%)	(8.9%)	\$ 384	\$ 393	\$ 263	\$ 1,040
Foreign exchange impact					(2.0%)	(11.8%)	(11.7%)	(8.2%)				
<b>Organic sales</b>					(5.2%)	3.0%	0.1%	(0.7%)				

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

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Q3 22 (unaudited)

For the three months ended September 30, 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	Amortization of Purchased Intangible Assets	Impairment Related Charges and Other Costs (a)	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	ADJUSTED NON-GAAP
	Three Months Ended September 30, 2022								Three Months Ended September 30, 2022
NET SALES	\$ 947	—	—	—	—	—	—	\$ —	\$ 947
GROSS PROFIT	\$ 508	30	—	1	—	—	—	\$ 31	\$ 539
% OF NET SALES	53.7%								56.9%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	401	(21)	(18)	(1)	—	—	—	(40)	361
% OF NET SALES	42.4%								38.1%
RESEARCH AND DEVELOPMENT EXPENSES	41	—	(2)	—	—	—	—	(2)	39
GOODWILL IMPAIRMENT	1,187	—	(1,187)	—	—	—	—	(1,187)	—
INTANGIBLE ASSET IMPAIRMENT AND OTHER COSTS	97	—	(97)	—	—	—	—	(97)	—
OPERATING INCOME	(1,218)	51	1,304	2	—	—	—	1,357	139
% OF NET SALES	(125.4%)								14.7%
OTHER INCOME AND EXPENSE	23	—	—	—	(6)	—	—	(6)	17
INCOME BEFORE INCOME TAXES	(1,241)	51	1,304	2	6	—	—	1,363	122
PROVISION FOR INCOME TAXES	(164)	—	—	—	—	210	(12)	198	34
% OF PRE-TAX INCOME	13.3%								27.7%
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (1,077)							\$ 1,165	\$ 88
% OF NET SALES	(110.9%)								9.3%
EARNINGS PER SHARE - DILUTED	\$ (5.01)							\$ 5.42	\$ 0.41
Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share									214.9
Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share									215.2

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

(a) Other Costs includes \$20 million in costs related to the internal investigation comprised of \$13 million in professional service fees, and \$7 million in turnover and other employee-related SG&A expenses.

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Q3 21 (unaudited)

For the three months ended September 30, 2021, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

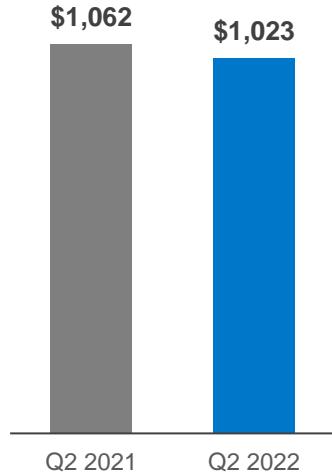
(in millions, except per share amounts and percentages)	GAAP	Three Months Ended September 30, 2021	Amortization of Purchased Intangible Assets	Impairment Related Charges and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	ADJUSTED NON-GAAP
NET SALES	\$ 1,040	—	—	—	—	—	—	—	\$ —	\$ 1,040
GROSS PROFIT	\$ 569	33	1	(1)	—	—	—	—	\$ 33	\$ 602
% OF NET SALES	54.7%									57.9%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	395	(23)	4	(2)	—	—	—	—	(21)	374
% OF NET SALES	37.9%									36.0%
RESEARCH AND DEVELOPMENT EXPENSES	39	—	—	—	—	—	—	—	—	39
GOODWILL IMPAIRMENT	—	—	—	—	—	—	—	—	—	—
INTANGIBLE ASSET IMPAIRMENT AND OTHER COSTS	3	—	(3)	—	—	—	—	—	(3)	—
OPERATING INCOME	132	56	—	1	—	—	—	—	57	189
% OF NET SALES	12.8%									18.2%
OTHER INCOME AND EXPENSE	19	—	—	1	(3)	—	—	—	(2)	17
INCOME BEFORE INCOME TAXES	113	56	—	—	3	—	—	—	59	172
PROVISION FOR INCOME TAXES	29	—	—	—	—	16	(5)	11	40	
% OF PRE-TAX INCOME	25.8%									23.4%
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—									—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 84							\$ 48	\$ 132	
% OF NET SALES	8.1%									12.6%
EARNINGS PER SHARE - DILUTED	\$ 0.38							\$ 0.22	\$ 0.60	

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

# Second Quarter 2022 Supplementary Slides

# Second Quarter 2022 Financial Summary

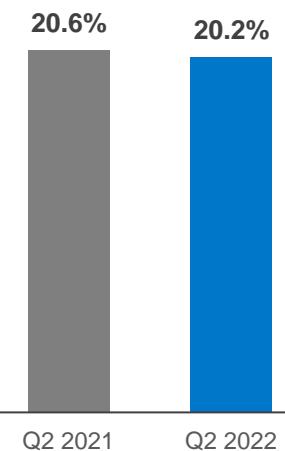
Revenue (\$M)



**(3.7%) Reported Sales Decline,  
2.3% Organic Growth**

- + CAD/CAM, Imaging, and SureSmile
- + Continued growth in Europe
- F/X
- Supply chain disruptions

Adj. Operating Margin



**(40) bps OI Margin YoY**

- Gross margin increased 100 bps to 59.8%; gross margin contracted (80) bps excluding the impact of capitalized manufacturing variances
- SG&A as % of sales up 110 bps (total SG&A spend was in-line with PY)
- R&D as % of sales up 40 bps to 4.4%

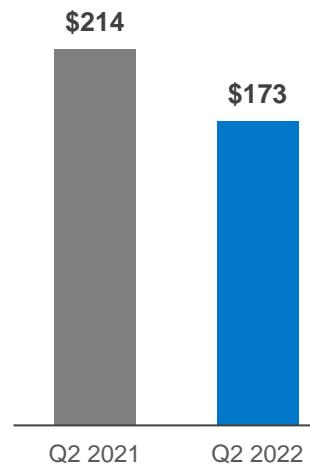
Adj. EPS



**~Flat Adj. EPS YoY**

- F/X translation impact: (\$0.06)
- + Adj. ETR down (170) bps
- + Share count down ~(2%)

Operating Cash Flow (\$M)



**(19.2%) Op. Cash Flow YoY**

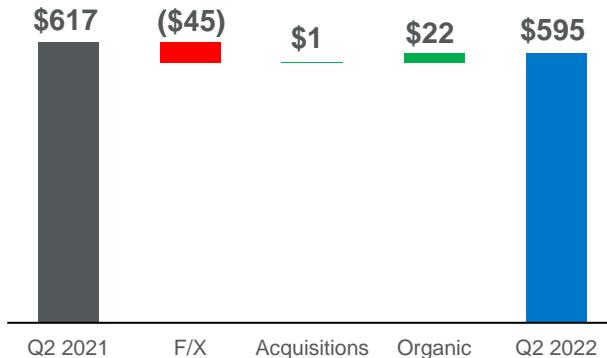
- + Increased Capex investments to \$41M vs. \$36M
- + Adj. free cash flow conversion<sup>1</sup> of 89%
- + Strong balance sheet: \$362M cash

<sup>1</sup> Adjusted free cash flow conversion is defined as the ratio of adjusted net income to free cash flow

# Second Quarter 2022 Segment Results

## Technologies & Equipment

### Net Sales (\$M)



**Total Decline: (3.6%)**

- F/X: (7.3%)
- Acquisitions: 0.2%

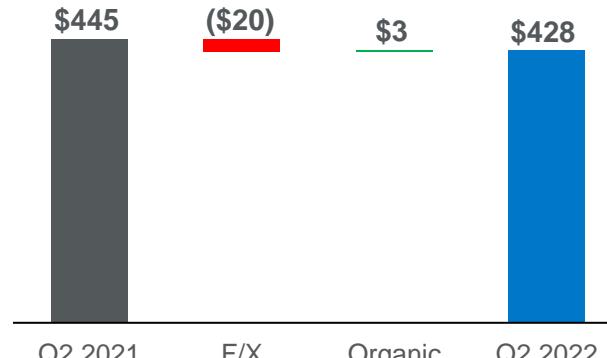
**Organic Growth: 3.5%**

**Organic growth driven by CAD/CAM, Imaging, and SureSmile; partially offset by supply chain constraints and a weaker U.S. performance**

- Healthcare up **+HSD**
- CAD/CAM up **+DD** – strong demand in Europe and RoW; partially offset by higher U.S. dealer inventories at the start of the quarter
- **Equipment & Instruments up +LSD** – robust 3D imaging demand despite significant supply shortages; strong demand for Treatment Centers
- **Implants up +LSD** – growth in Europe, partially offset by soft China volumes
- **Orthodontics down (HSD)** – tough comparable at Byte, partially offset by SureSmile

## Consumables

### Net Sales (\$M)



**Total Decline: (3.8%)**

- F/X: (4.4%)

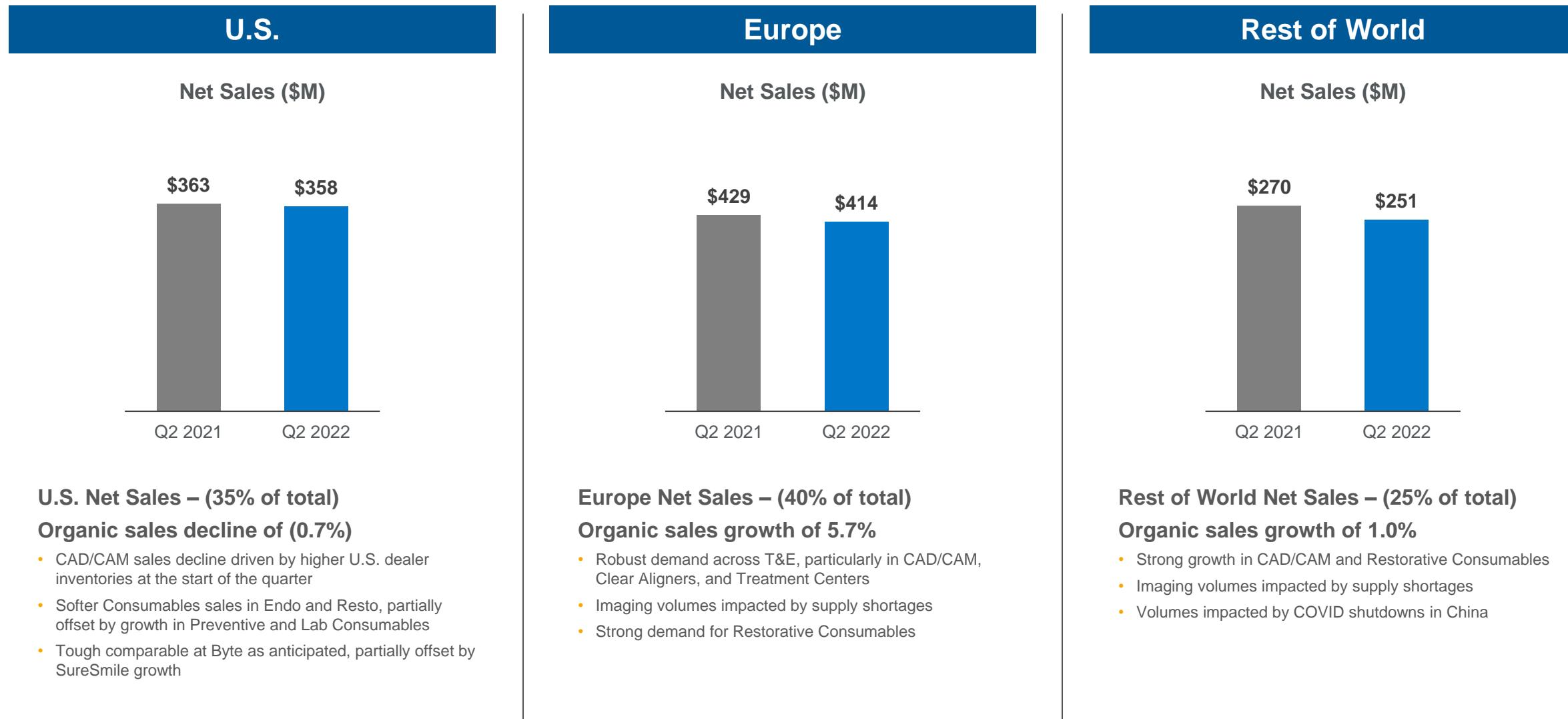
**Organic Growth: 0.6%**

**Organic growth driven by growth in Restorative and Preventive Consumables; partially offset by soft China volumes**

- **Other Consumables up +LSD**
- **Endodontics & Restorative ~flat** – growth driven by price adjustments and demand for new products, offset by soft China volumes (COVID shutdowns)

Note: growth commentary and trends represent organic growth vs. Q2 2021  
 LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits

# Second Quarter 2022 Regional Results



# Reconciliation of Non-GAAP Financial Measures

## Net Sales to Organic Sales Q2 22

(unaudited)

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

(in millions, except percentages)	Three Months Ended June 30, 2022			Q2 2022 Change			Three Months Ended June 30, 2021		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
<b>Net sales</b>	\$ 595	\$ 428	\$ 1,023	(3.6%)	(3.8%)	(3.7%)	\$ 617	\$ 445	\$ 1,062
Foreign exchange impact				(7.3%)	(4.4%)	(6.1%)			
Acquisitions				0.2%	—%	0.1%			
<b>Organic sales</b>				<b>3.5%</b>	<b>0.6%</b>	<b>2.3%</b>			

\* 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 June 30, 2022				Q2 2022 Change				Three Months Ended June 30, 2021			
	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total
<b>Net sales</b>	\$ 358	\$ 414	\$ 251	\$ 1,023	(1.3%)	(3.6%)	(7.1%)	(3.7%)	\$ 363	\$ 429	\$ 270	\$ 1,062
Foreign exchange impact					(0.8%)	(9.3%)	(8.1%)	(6.1%)				
Acquisitions					0.2%	—%	—%	0.1%				
<b>Organic sales</b>					<b>(0.7%)</b>	<b>5.7%</b>	<b>1.0%</b>	<b>2.3%</b>				

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

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Q2 22 (unaudited)

For the three months ended June 30, 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 June 30, 2022	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs (a)	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 June 30, 2022
GROSS PROFIT	\$ 581	31	—	—	—	—	—	\$ 31	\$ 612
% OF NET SALES	56.7 %								59.8 %
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	410	(22)	(27)	(1)	—	—	—	(50)	360
% OF NET SALES	40.0 %								35.2 %
RESEARCH AND DEVELOPMENT EXPENSES	45	—	—	—	—	—	—	—	45
RESTRUCTURING AND OTHER COSTS	7	—	(7)	—	—	—	—	(7)	—
OPERATING INCOME	119	53	34	1	—	—	—	88	207
% OF NET SALES	11.6 %								20.2 %
OTHER INCOME AND EXPENSE	28	—	—	—	(12)	—	—	(12)	16
INCOME BEFORE INCOME TAXES	91	53	34	1	12	—	—	100	191
PROVISION FOR INCOME TAXES	18	—	—	—	—	21	3	24	42
% OF PRE-TAX INCOME	19.3 %								22.2 %
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 73							\$ 76	\$ 149
% OF NET SALES	7.1 %								14.5 %
EARNINGS PER SHARE - DILUTED	\$ 0.34							\$ 0.35	\$ 0.69

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

(a) Other Costs includes \$25 million in expenses related to the internal investigation comprised of \$6 million in professional service fees and \$19 million in turnover and other employee-related SG&A expenses.

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Q2 21 (unaudited)

For the three months ended June 30, 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 June 30, 2021	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Three Months Ended June 30, 2021
NET SALES	\$ 1,062	—	—	—	—	—	—	\$ —	\$ 1,062
GROSS PROFIT	595	32	(5)	1	—	—	—	29	624
% OF NET SALES	56.1%								58.8%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	393	(23)	(5)	(3)	—	—	—	(31)	363
% OF NET SALES	37.1%								34.1%
RESEARCH AND DEVELOPMENT EXPENSES	43	—	—	—	—	—	—	—	43
RESTRUCTURING AND OTHER COSTS	5	—	(5)	—	—	—	—	(5)	—
OPERATING INCOME	154	56	5	4	—	—	—	65	218
% OF NET SALES	14.5%								20.6%
OTHER INCOME AND EXPENSE	23	—	—	(3)	(3)	—	—	(6)	18
INCOME BEFORE INCOME TAXES	130	56	5	8	3	—	—	71	200
PROVISION FOR INCOME TAXES	35	—	—	—	—	16	(3)	13	48
% OF PRE-TAX INCOME	26.6%								23.9%
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 96						\$ 58	\$ 153	
% OF NET SALES	9.0%								14.4%
EARNINGS PER SHARE - DILUTED	\$ 0.43						\$ 0.26	\$ 0.69	

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

