

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q/A**

Amendment No. 1

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2023**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from to**

Commission File Number 0-16211

**DENTSPLY SIRONA Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

39-1434669  
(I.R.S. Employer  
Identification No.)

13320 Ballantyne Corporate Place, Charlotte, North Carolina  
(Address of principal executive offices)

28277-3607  
(Zip Code)

(844) 848-0137

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
<b>Common Stock, par value \$.01 per share</b>	<b>XRAY</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At April 25, 2023, DENTSPLY SIRONA Inc. had 212,477,811 shares of common stock outstanding.

## EXPLANATORY NOTE

Dentsply Sirona Inc. (“Dentsply Sirona” or the “Company”) is filing this Amendment No. 1 to the Quarterly Report on Form 10-Q (this “Form 10-Q/A”) for the quarter ended March 31, 2023, originally filed with the Securities and Exchange Commission (the “SEC”) on May 3, 2023 (the “Form 10-Q” or “Original Filing”), to make certain changes described below.

As previously disclosed in the Company’s Current Report on Form 8-K filed on August 2, 2023, subsequent to the issuance of the Company’s consolidated financial statements for the year ended December 31, 2022 which were included in the Company’s Annual Report on Form 10-K filed by the Company with the U.S. Securities and Exchange Commission on March 1, 2023 (the “2022 Form 10-K”) and subsequent to the filing of the Original Filing, the Company’s independent registered public accounting firm, PricewaterhouseCoopers LLP (“PwC”), conducted a routine internal quality review of its audit of the Company’s consolidated financial statements and internal control over financial reporting as of and for the year ended December 31, 2022. As a result of this review, PwC requested that the Company re-evaluate the conclusion on the assessment of a previously identified control deficiency related to segregation of duties specific to the creation of manual journal entries and compensating controls intended to mitigate a potential material impact to the consolidated financial statements as a result of such control deficiency. After extensive review, the Company and PwC have now determined that the control deficiency related to segregation of duties specific to the creation of manual journal entries rose to the level of a material weakness that existed as of December 31, 2022, which had not been remediated as of March 31, 2023. The Company previously identified and reported in its 2022 Form 10-K other material weaknesses as part of Management’s Report on Internal Control Over Financial Reporting for the year ended December 31, 2022.

To the knowledge of the Company’s principal executive officer and principal financial officer, the additional material weakness did not result in a material misstatement of the Company’s consolidated financial statements included in the 2022 Form 10-K or the Original Filing. Notwithstanding the newly identified material weakness referred to above, management, including our principal executive officer and principal financial officer, believes that the financial statements contained in the 2022 Form 10-K and in the Original Filing continue to fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company for all periods presented in accordance with generally accepted accounting principles in the United States.

Accordingly, the Company is filing this Form 10-Q/A solely for the purpose of amending and restating its disclosures on controls and procedures to reflect the additional material weakness.

### **Amendment to Form 10-Q**

In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the following Items of the Original Filing have been amended and restated and the complete text of those is set out in this Form 10-Q/A:

Part I - Item 4. Controls and Procedures

Part II - Item 6. Exhibits

Please note that the only changes to the Original Filing are those related to the matters described herein and only in the Items listed above. Except as described above, no changes have been made to the Original Filing, and this Form 10-Q/A does not modify, amend or update any of the other financial information or other information contained in the Original Filing. In addition, in accordance with SEC rules, this Form 10-Q/A includes updated certifications from our Chief Executive Officer and Chief Financial Officer as Exhibits 31.1, 31.2 and 32. Otherwise, the information contained in this Form 10-Q/A is as of the date of the Original Filing and does not reflect any information or events occurring after the date of the Original Filing.

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DENTSPLY SIRONA Inc.

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## **PART I – FINANCIAL INFORMATION**

### **Item 4 – Controls and Procedures**

#### Segregation of Duties for Manual Journal Entries

As described in the Explanatory Note to this Form 10-Q/A and the Company's Current Report on Form 8-K filed on August 2, 2023, subsequent to the filing of the Original Filing, management concluded that a previously identified control deficiency related to the segregation of duties specific to the creation of manual journal entries rose to the level of a material weakness in internal control over financial reporting that existed as of December 31, 2022, which had not been remediated as of March 31, 2023. To the knowledge of the Company's principal executive officer and principal financial officer, the additional internal control material weakness did not result in a material misstatement of the Company's consolidated financial statements included in the Original Filing.

#### Internal Investigation and Accounting Errors

As described in the Explanatory Note to the Form 10-K for the year ended December 31, 2021 as amended and filed on November 7, 2022 (the "2021 Form 10-K/A"), the Audit and Finance Committee, assisted by independent legal counsel and forensic accountants, commenced an internal investigation in March 2022 of allegations regarding certain financial reporting matters submitted by current and former employees of the Company, which was completed in the fourth quarter of 2022 (the "Investigation").

The findings of the Investigation are described in the Explanatory Note of the 2021 Form 10-K/A referenced above.

Distinct from the matters pertaining to the Investigation, and as a consequence of a separate but concurrent accounting review, management identified certain errors in the manner in which it recognized variable consideration related to certain incentive programs. During this review, it was also determined that the Company utilized incorrect accounting and assumptions in the determination of estimates related to its sales returns provisions, warranty reserve provisions, and variable consideration.

In connection with the Investigation and the subsequent accounting review in 2022, management reevaluated the effectiveness of the Company's internal control over financial reporting and identified control deficiencies related to these matters, which the Company concluded represented material weaknesses in the Company's internal control over financial reporting as of December 31, 2021 and which the Company has concluded remain unremediated as of March 31, 2023.

#### Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company has established disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2023, the end of the period covered by this report, and concluded the Company's disclosure controls and procedures are not effective due to the material weaknesses in internal control over financial reporting as described below under "Material Weaknesses in Internal Control Over Financial Reporting."

#### Material Weaknesses in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified the following material weaknesses in the Company's internal control over financial reporting, which continue to exist as of March 31, 2023:

- a. The Company did not design and maintain an effective internal control environment, as former management failed to set an appropriate tone at the top. Specifically, certain members of senior management, including the Company's former Chief Executive Officer and former Chief Financial Officer, engaged in conduct that was inconsistent with the Company's culture of compliance and Code of Ethics and Business Conduct.
- b. The Company did not maintain a sufficient complement of personnel with an appropriate level of knowledge about accounting for variable consideration related to customer incentive arrangements in a manner commensurate with our financial reporting requirements.

These material weaknesses contributed to the following additional material weakness:

- c. The Company did not design and maintain effective controls associated with approving, communicating, and accounting for incentive arrangements with customers, impacting the completeness and accuracy of revenues, including variable consideration.

These material weaknesses were also disclosed in our 2022 Form 10-K. Subsequent to the filing of the Original Filing, management identified the following additional material weakness in the Company's internal control over financial reporting, which continued to exist as of March 31, 2023:

- d. The Company did not design and maintain effective controls relating to the segregation of duties specific to the creation of manual journal entries.

Each of the above material weaknesses could result in a misstatement of substantially all of our account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

#### Remediation Plan and Status

While the material weaknesses previously disclosed have not yet been remediated as of March 31, 2023, management is devoting substantial resources to the ongoing implementation of remediation efforts to address the material weaknesses described herein, including the newly identified material weakness relating to segregation of duties, as well as other identified areas of risk. These remediation efforts, summarized below, which either have already been implemented or are continuing to be implemented, are intended to address both the identified material weaknesses and to enhance the Company's overall internal control over financial reporting and disclosure controls and procedures.

With oversight from the Audit and Finance Committee and input from the Board of Directors, management is continuing to enhance and implement changes in processes, systems, and controls to remediate the material weaknesses described in Management's Report on Internal Control Over Financial Reporting and to improve our internal control over financial reporting as noted below. Management and the Board of Directors, including the Audit and Finance Committee, are working to remediate the material weaknesses identified herein. Actions taken to date include:

- a. Appointment of a new Chief Executive Officer, a new Chief Financial Officer and a new Chief Accounting Officer;
- b. Termination of certain members of senior management as well as non-executive employees for violations of the Code of Ethics and Business Conduct;
- c. Reviewed and enhanced the Company's Code of Ethics and Business Conduct including to clarify responsibilities related to the Company's financial reporting and disclosures;
- d. Implementation of general training programs on revenue recognition for commercial and finance personnel;
- e. Established requirements and provided trainings for employees who have a role in negotiating, assessing, agreeing, and accounting for customer incentive arrangements with distributors;
- f. Implemented commercial contracting policies and provided training on new processes to individuals responsible for execution, oversight and review of customer incentive arrangements with customers; and
- g. Implemented written policies and procedures to provide governance and establish responsibility for oversight of incentive arrangements provided to customers in North America, including the appropriate delegation of authority for such approvals.

In addition to the remedial actions taken to date, the Company is taking, or plans to take, the following actions, among others, to remediate the material weaknesses identified herein:

- a. Provide incremental training to Company personnel on the updated Code of Ethics and Business Conduct;
- b. Implement written policies and procedures to provide governance and establish responsibility for oversight of incentive arrangements provided to customers in China, including the appropriate delegation of authority for such approvals;
- c. Formalize written policies and procedures to provide governance and establish responsibility for guidelines, documentation and oversight of product returns from customers when a contractual right to return exists in a customer agreement;
- d. Enhance processes to ensure all applicable terms and conditions for incentive-based programs and customer agreements are timely communicated to individuals responsible for accounting and financial reporting;
- e. Strengthen internal controls over the accounting for customer incentive arrangements, including implementing: (i) formal controls to continuously review and document the methodology and assumptions used in estimating variable based incentives and (ii) formal controls to ensure the accuracy of the estimated accrued liability analysis;
- f. Evaluate finance and commercial operations talent and address identified gaps; and
- g. Establish a recurring cadence for future training programs on revenue recognition for commercial and finance personnel.

In addition, the Company took the following remedial actions to improve disclosure controls and procedures:

- a. Enhanced existing Disclosure Committee responsibilities through adoption of a formal charter, which identifies members and sets forth the roles and responsibilities of the Disclosure Committee, among other requirements; and
- b. Implemented additional and enhanced existing sub-certifications and internal management representation letters, including providing training on the purpose of the sub-certification and the process for evaluating the representations.

In connection with the newly identified material weakness relating to segregation of duties, the Company is taking, or plans to take, the following remedial actions:

- a. Implement further segregation of duties in the performance of controls around manual journal entries, including restrictions to user access rights in our general ledger systems to post manual journal entries, to ensure that reviewers of manual journal entries do not also have the ability to create and post such entries;
- b. Modify existing processes to enhance use of approval workflows in our process to document, support and review manual journal entries; and
- c. Enhance the global policy on manual journal entries, including clarification of review and approval of authorization matrices, and training of requisite personnel.

Management developed a detailed plan and timetable for the implementation of the foregoing remediation efforts and continues to oversee the effective execution of the plan. In addition, under the direction of the Audit and Finance Committee, management will continue to identify and implement actions to improve the effectiveness of its disclosure controls and procedures and internal control over financial reporting, including plans to enhance its resources and training with respect to financial reporting and disclosure responsibilities and make necessary changes to policies and procedures to improve the overall effectiveness of such controls.

Management believes the foregoing efforts will effectively remediate the material weaknesses described above. As the Company continues to evaluate and improve its internal control over financial reporting and disclosure controls and procedures, management may determine to take additional measures to improve controls or determine to modify the remediation plan described above. The Company is working to remediate the material weaknesses as efficiently and effectively as possible with the goal of remediating each of the material weaknesses described above as soon as possible. Procedures to implement this remediation plan have to date required significant amounts of time, allocation of internal resources and external costs, and remaining remediation efforts will continue to place significant demands on financial and operational resources until this plan is completed.

As of the filing of this Form 10-Q/A, the material weaknesses described above have not been remediated. The material weaknesses described above cannot be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. Accordingly, management will continue to monitor and evaluate the effectiveness of our internal control over financial reporting in the activities affected by the material weaknesses described above.

#### Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 6 – Exhibits

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">31.1</a>	Section 302 Certification Statement Chief Executive Officer
<a href="#">31.2</a>	Section 302 Certification Statement Chief Financial Officer
<a href="#">32</a>	Section 906 Certification Statements
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)



Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DENTSPLY SIRONA Inc.**

/s/	<u>Simon D. Champion</u>	<u>August 7, 2023</u>
	Simon D. Champion	Date
	President and	
	Chief Executive Officer	
/s/	<u>Glenn G. Coleman</u>	<u>August 7, 2023</u>
	Glenn G. Coleman	Date
	Executive Vice President and	
	Chief Financial Officer	

Section 302 Certifications Statement

I, Simon D. Campion, certify that:

1. I have reviewed this Form 10-Q/A of DENTSPLY SIRONA Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2023

/s/ Simon D. Campion

Simon D. Campion  
President and  
Chief Executive Officer

Section 302 Certifications Statement

I, Glenn G. Coleman, certify that:

1. I have reviewed this Form 10-Q/A of DENTSPLY SIRONA Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2023

*/s/ Glenn G. Coleman*

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Glenn G. Coleman  
Executive Vice President and  
Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DENTSPLY SIRONA Inc. (the "Company") on Form 10-Q/A for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Simon D. Champion, Chief Executive Officer of the Company and Glenn G. Coleman, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge and belief:

1. The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of the date of the Report.

/s/ Simon D. Champion  
Simon D. Champion  
President and  
Chief Executive Officer

/s/ Glenn G. Coleman  
Glenn G. Coleman  
Executive Vice President and  
Chief Financial Officer

August 7, 2023