



Fourth Quarter 2022 Earnings and 2023 Outlook

February 28, 2023



Forward-Looking Statements and Associated Risks

This Presentation contains statements that do not directly and exclusively relate to historical facts which constitute forward-looking statements, including, statements and projections concerning, among other things, the expected timing, benefits and costs associated with the Company's restructuring plan described in this Presentation. The Company's forward-looking statements represent current expectations and beliefs and involve risks and uncertainties. Actual results may differ significantly from those projected or suggested in any forward-looking statements and no assurance can be given that the results described in such forward-looking statements will be achieved. Investors are cautioned not to place undue reliance on such forward-looking statements which speak only as of the date they are made. The forward-looking statements are subject to numerous assumptions, risks and 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. 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 charges; the effect of changes to the Company's distribution channels for its products and the failure of significant distributors of the Company to effectively manage their inventories; the Company's ability to control costs and failure to realize expected benefits of cost reduction and restructuring efforts and the Company's failure to anticipate and appropriately adapt to changes or trends within the rapidly changing dental industry. 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 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. Investors 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, including any amendments thereto, and any updating 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 the 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 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. 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. Management believes that these Non-GAAP measures are helpful as they provide another measure of the results of operations used by investors and analysts to evaluate the Company's performance exclusive of certain items which impact the comparability of results from period to period and may not be indicative of past or future performance of the Company. Please refer to the appendix of this presentation for the definitions of the Non-GAAP measures.

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

What We Will Cover Today

- Overview
- Q4 and 2022 Financials
- 2023 Outlook
- Strategic Update

Featured is Dr. Nicole Cheek, National Dental Association (NDA) President-elect, at a Dallas community outreach event aimed at encouraging interest in Dentistry in Black communities. As part of its ongoing focus on fostering diversity and inclusion within the dental industry, Dentsply Sirona has strengthened its collaboration with the NDA in the U.S. by rejoining the Corporate Round Table at a Platinum-level partnership agreement; this was spearheaded by Dentsply Sirona's BOLD employee resource group (ERG). The NDA is a non-profit organization that promotes oral health equity among people of color by harnessing the collective power of its members, advocating for the needs of and mentoring dental students of color, and raising the profile of the profession in local communities.



Overview

Key Messages

- Exceeded high-end of prior outlook across key financial metrics in 2022
- Macro environment to remain challenging in 2023; expected Q1 performance to build momentum for the full year
- Announced restructuring plan to position Dentsply Sirona for improved future performance
- Committed to necessary shifts in organization, operating model, and cadence



The proposed changes are subject to co-determination processes with employee representative groups in countries where required

New Operating Model

Organizational change plan includes:

- A reduction in the global workforce of approximately 8% - 10%
- Implementation of five global business units reporting to one leader
- Commencing central functions and infrastructure optimization
- Elevating the Quality and Regulatory function
- Simplification of management structure
- Delivering cost savings to fund critical growth investments in 2023 and beyond

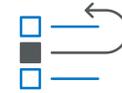
Transformation to:



Enhance Tone at the Top



Strengthen collaboration across the organization with clear alignments across the global business units, the Regions and the Innovation and Support teams



Drive focused innovation across the new global business unit structure



Better serve customers through sales, service and innovation



Enhance productivity by designing teams that have the right scale and scope of oversight



Improve decision-making by introducing and standardizing processes across the organization

The proposed changes are subject to co-determination processes with employee representative groups in countries where required. In conjunction with this newly announced restructuring plan, the Company expects that management will begin utilizing a new reporting structure for its business units in mid 2023 which will result in a change in reportable segments.

Restructuring Plan

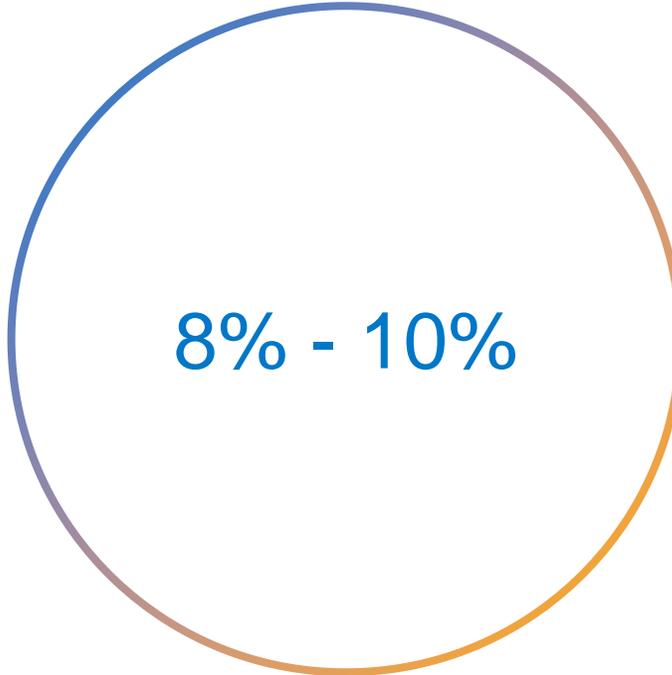
Estimated Annual Run-Rate Savings



Cost of Restructuring Program



Estimated Reduction in Global Workforce



The proposed changes are subject to co-determination processes with employee representative groups in countries where required

Fourth Quarter and Full Year 2022 Financials

Fourth Quarter 2022 Financial Summary

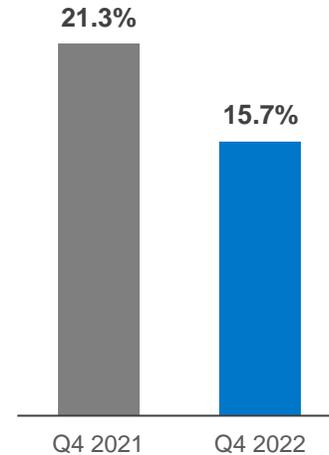
Revenue (\$M)



(10.9%) Reported Sales Decline, (2.6%) Organic Decline

- + Continued Aligners growth
- + Rest of World CAD/CAM demand
- + Lower U.S. dealer CAD/CAM inventory levels
- F/X headwinds
- Lower Implants volume; China shutdowns and VBP

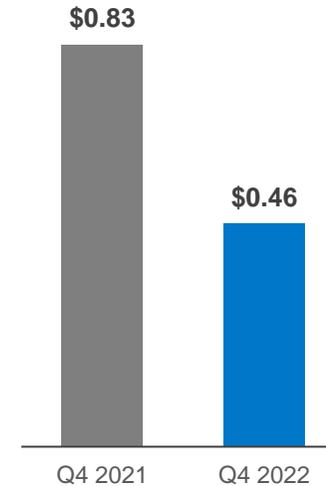
Adj. Operating Margin



(560) bps OI Margin YoY

- Continued inflation and F/X headwinds
- Gross margin decreased (160) bps to 56.2%
- SG&A as % of sales up 400 bps

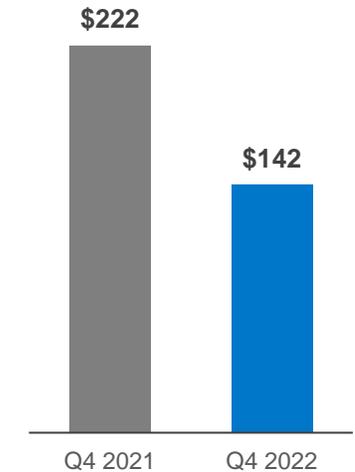
Adj. EPS



(44.4%) Adj. EPS Decline

- + Share count: +\$0.01
- F/X translation: (\$0.10)
- Other income and expense: (\$0.10)
- Performance and inflation: (\$0.18)

Operating Cash Flow (\$M)



(36.0%) Op. Cash Flow YoY

- + Adj. free cash flow conversion of 110% vs. 100% in Q4 2021
- + Capex investments at \$32M
- + Strong balance sheet: \$365M cash
- Lower operating cash flow driven by lower earnings

Fourth Quarter 2022 Segment Results

Technologies & Equipment

Net Sales (\$M)

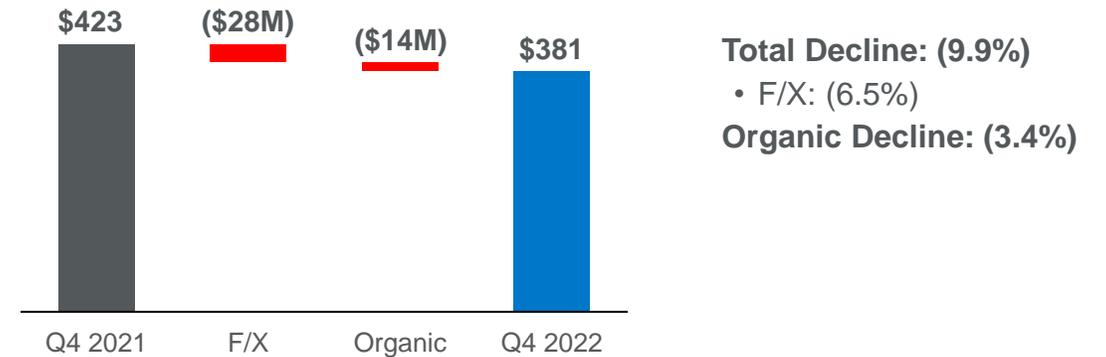


Organic sales decline driven by soft Implants volumes, partially offset by strong Aligners growth

- **Orthodontics up +DD** – strong growth in both SureSmile and Byte
- **CAD/CAM up +LSD** – growth driven by APAC demand (ex-China), partially offset by a tough comparable in the U.S.
- **Equipment & Instruments down (LSD)** – softened demand in China and continued supply shortage
- **Healthcare down (HSD)** – up LSD excluding a one-time pricing matter in Italy
- **Implants down (DD)** – lower China volumes (COVID shutdowns and VBP) and slowing demand in the U.S. and Europe

Consumables

Net Sales (\$M)



Organic sales decline driven by soft volumes in China

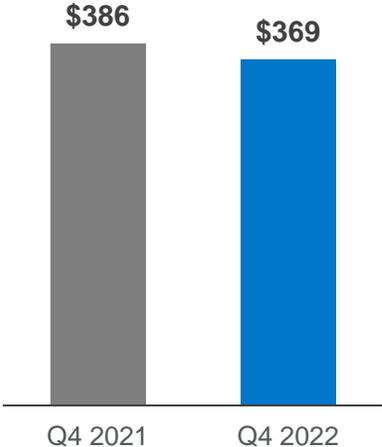
- **Endodontics & Restorative down (LSD)** – soft Endo volumes in China (COVID shutdowns), partially offset by demand for Restorative Consumables
- **Other Consumables down (HSD)** – Lab volume declines, partially offset by demand for Preventive Consumables

Note: growth commentary and trends represent organic growth vs. Q4 2021
 LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits

Fourth Quarter 2022 Regional Results

U.S.

Down
(1.7%)
Organic

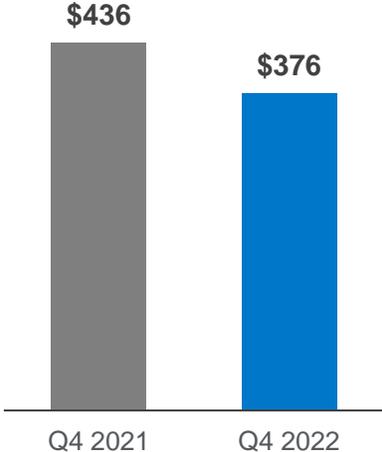


U.S. Net Sales – (38% of total)

- + Strong Aligners growth
- + Dealer inventory down year-over-year and sequentially
- Tough comparable for CAD/CAM
- Lower Implants volume
- Softer volumes for Lab Consumables

Europe

Down
(3.2%)
Organic

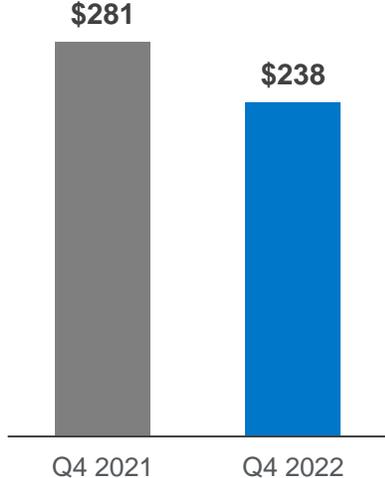


Europe Net Sales – (38% of total)

- + Strong growth in Endo and Restorative Consumables
- + SureSmile growth due to continued expansion in the region
- Softer Implants demand
- Supply shortages and softer retail demand leading to equipment headwinds (Imaging, Treatment Centers, and CAD/CAM)

Rest of World

Down
(3.0%)
Organic

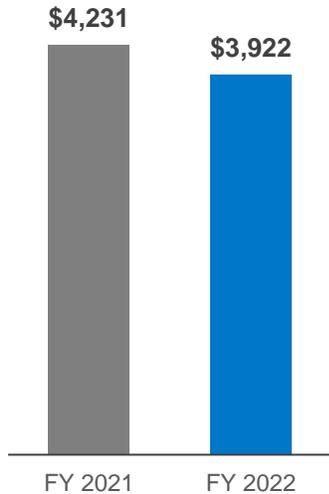


Rest of World Net Sales – (24% of total)

- + Organic sales up double-digits excluding China
- + Strong CAD/CAM growth
- Volumes impacted by COVID shutdowns and VBP in China

Full Year 2022 Financial Summary

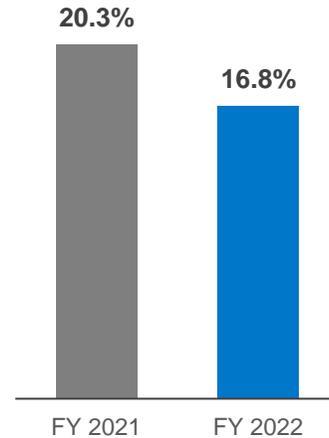
Revenue (\$M)



(7.3%) Reported Sales Decline, (0.5%) Organic Decline

- + Europe growth
- + Aligners, Imaging, and Treatment Centers demand
- Significant F/X headwinds
- U.S. underperformance

Adj. Operating Margin



(350) bps OI Margin YoY

- + R&D as % of sales up 40 bps to 4.4%
- Inflation and F/X headwinds
- Gross margin decreased (100) bps to 57.5%
- SG&A as % of sales up 220 bps (total SG&A spend was below PY)
- Adjusted EBITDA margin of 19.4%

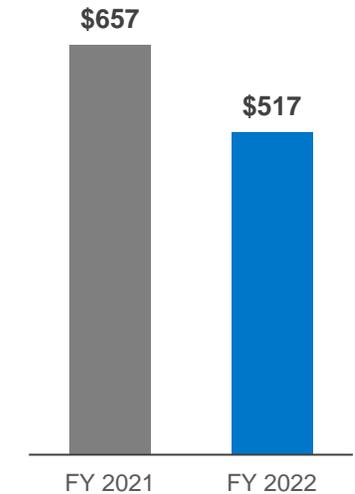
Adj. EPS



(25.7%) Adj. EPS Decline

- + Share count and tax rate: +\$0.06
- Other income and expense: (\$0.06)
- Performance and inflation: (\$0.39)
- F/X translation: (\$0.34)

Operating Cash Flow (\$M)



(21.2%) Op. Cash Flow YoY

- + Adj. free cash flow conversion of 81%
- + Capex investments at \$149M, 3.8% of sales
- + Strong balance sheet: \$365M cash
- Lower operating cash flow driven by lower earnings and inventory

2023 Outlook

2023 Outlook

-1% to +2%

Organic Sales

\$3.85B - \$3.95B

Net Sales

Drivers:

- + Aligners and Implants growth
- + CAD/CAM returns to growth
- + China sales ~flat
- Softer demand due to macro uncertainties

>18%

Adjusted EBITDA Margin

- + Restructuring savings
- Growth investments
- Inflation outpacing price increases

\$1.80 - \$2.00

Adjusted EPS

- + Top-line growth at midpoint
- + Restructuring savings, partially offset by growth investments
- Higher interest expense

≥50% FCF

Annual Returned to Shareholders

- + Double-digit dividend increase
- + Opportunistic share repurchases

The proposed changes are subject to co-determination processes with employee representative groups in countries where required

2023 Adjusted EPS Outlook

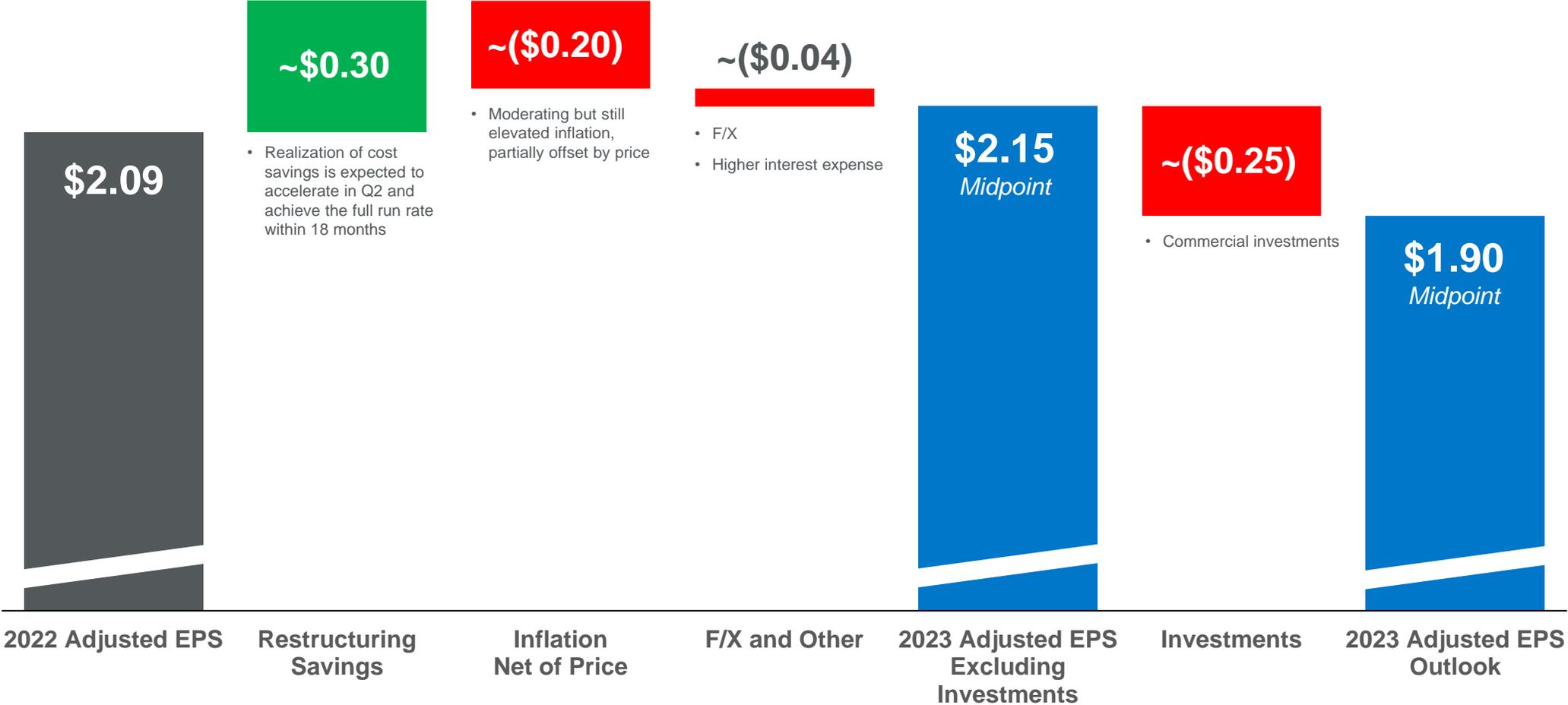


Chart above represents the Adjusted EPS change from 2022 to the mid-point of the 2023 outlook. The proposed changes are subject to co-determination processes with employee representative groups in countries where required.

2023 Risks and Opportunities

Opportunities

- Elective procedures show greater resiliency
- Backorder and lead times improvement
- Faster China recovery
- Adoption of recent innovations
- Faster return on commercial investments

Risks

- Worsening recessionary pressures, inflation, and F/X
- Continued supply chain constraints
- Slower China recovery
- Geopolitical tensions
- Timing of restructuring savings

Balanced Risks and Opportunities

Q1 2023 Outlook

Q1 Outlook

~1%

Organic Growth

>15%

Adjusted EBITDA Margin

Commentary

- Slight organic growth due to continued global demand for aligners and expected growth in the U.S., partially offset by continued headwinds in China
- Based on current rates, expecting F/X to be a ~\$40M headwind to net sales
- Adjusted EBITDA margins expected to trough in Q1 – investments started in Q4 2022; restructuring savings to accelerate in Q2 2023

Building Momentum in Q1; Providing Confidence in the Full Year

Deploying Capital to Deliver Shareholder Value

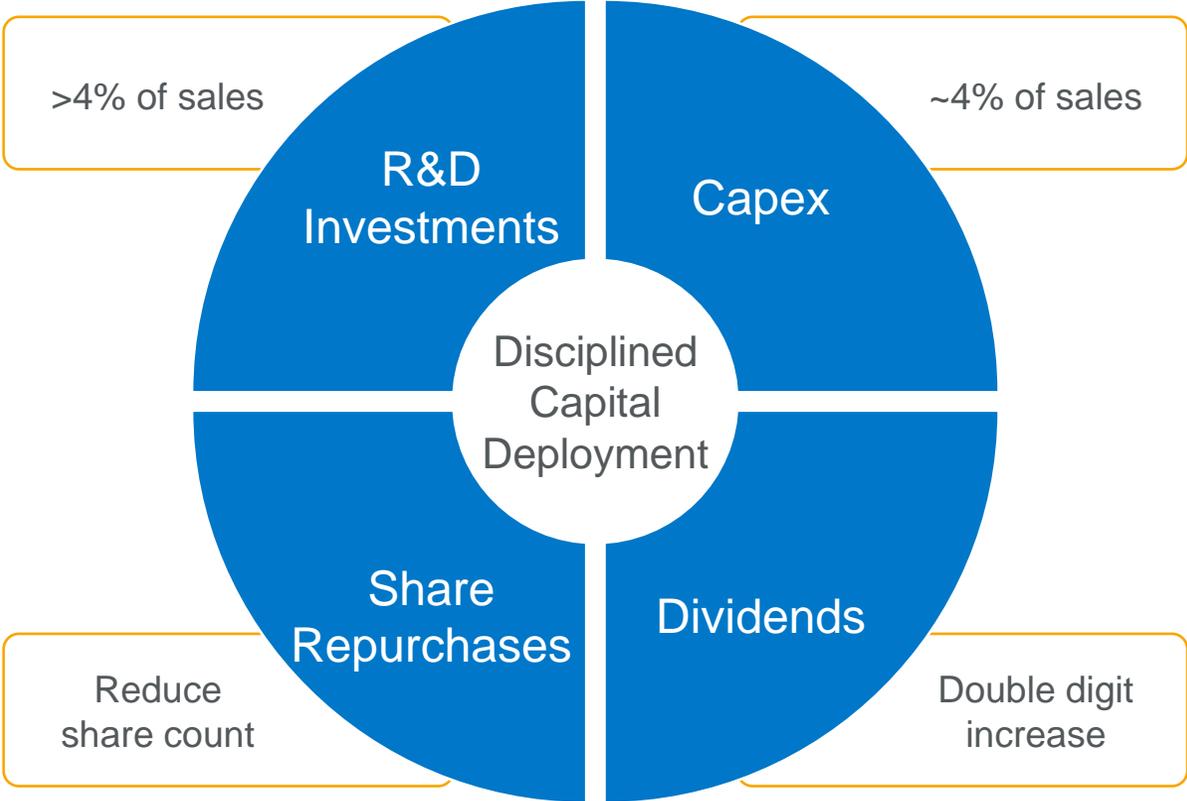
Optimizing Cash Flows; Maintaining Balance Sheet

Targeting long-term free cash flow conversion of 100%

- Improving financial performance
- Improving working capital
- Simplifying the organization and ERP infrastructure

Capital deployment strategy is anchored on maintaining a healthy balance sheet

- Targeting leverage less than 2.5X
- Maintaining investment grade credit rating



Strategic Update

Our Strategy

Transforming dentistry by digitalizing dental workflows,
by driving product and service innovation,
and delivering an exceptional customer and patient experience
through an engaged and diverse workforce



Focused Strategic Objectives for 2023 and Beyond



The proposed changes are subject to co-determination processes with employee representative groups in countries where required

Transforming Dentsply Sirona

Organizational Structure

- Implementation of five global business units
- Enables company to connect segments and geographies; reallocate capital through the company as needed and improve the customer experience

Winning Portfolio

- Undertaking a review to simplify the product portfolio and develop a winning portfolio
- Focused on a simple, secure and connected workflow experience that dental clinic and lab customers trust for better treatment journeys and patient outcomes
- Expected benefits of portfolio simplification include improvement in plant and network efficiencies to unlock further long-term margin expansion opportunities

Strategic Investments

- Cost savings from restructuring will fund critical growth investments in 2023 and beyond
- Investing in the global commercial organization, information technology, and compliance; enabling the Company to enhance and sustain profitability, accelerate enterprise digitalization, and win in aligners and implants

The proposed changes are subject to co-determination processes with employee representative groups in countries where required

Summary

- Ended a challenging year on a positive note by exceeding our prior outlook commitments in the fourth quarter
- 2023 will be a transition year as the restructuring plan is put into action against a challenging external environment
- Taking decisive action to execute on transformation, which is key to achieving the five strategic objectives and delivering meaningful earnings improvement by the end of 2025, with a target of \$3.00 adjusted EPS in 2026
- Confident that the collective experience of the leadership team coupled with the support of the Board will set the Company up well as it embarks on the transformation journey



The proposed changes are subject to co-determination processes with employee representative groups in countries where required

Appendix

Strengthening Our Portfolio Through Leading Innovation

DS Core
Cloud solution for dentistry



Primescan Connect
Laptop-based version of Primescan



Primeprint Solution
Medical-grade 3D printing system



EV Implant System
Premium Implants: harmonized, simplified, digital



SureSmile Solutions
Enhanced offering with addition of VPro, whitening kit, and retainers



SmartLite Pro EndoActivator
Irrigation solution for root canal procedures



Axano Treatment Center
Combining smart design with efficient workflows



Future Product Launches Focused on Higher Growth Categories

Additional 2023 Inputs

	2022	2023E	Comments
R&D	\$173M 4.4% of Sales	>4% of Sales	Accelerating innovation – vital to business growth
Other Income and Expense	\$72M	~\$80M	Higher interest expenses
Adjusted ETR	22.7%	22% - 23%	In-line with 2022
Diluted Share Count	215.9M	~Flat	Optionality to repurchase shares (\$740M authorization remaining)
Capital Expenditures	\$149M 3.8% of Sales	~4% of Sales	Focused capital investments
Depreciation	\$119M	~\$130M	Accelerating innovation – vital to business growth

Fourth Quarter 2022 Financial Summary – Non-GAAP

In Millions of USD (except EPS)	Q4 2022	Q4 2021	% chg.
Net Sales	\$ 983	\$ 1,103	(10.9%)
<i>Organic Sales %</i>			(2.6%)
Gross Profit	552	638	(13.5%)
<i>Gross Profit %</i>	56.2%	57.8%	(160) bps
Total SG&A Expenses	355	354	0.3%
<i>SG&A %</i>	36.1%	32.1%	400 bps
Total R&D Expenses	43	49	(13.1%)
<i>R&D %</i>	4.4%	4.5%	(10) bps
Operating Income	154	235	(34.4%)
<i>Operating Income %</i>	15.7%	21.3%	(560) bps
EBITDA	170	273	(37.3%)
<i>EBITDA %</i>	17.4%	24.7%	(730) bps
Net Income	99	181	(45.3%)
Diluted EPS	0.46	0.83	(44.4%)

Full Year 2022 Financial Summary – Non-GAAP

In Millions of USD (except EPS)	FY 2022	FY 2021	% chg.
Net Sales	\$ 3,922	\$ 4,231	(7.3%)
<i>Organic Sales %</i>			(0.5%)
Gross Profit	2,256	2,475	(8.8%)
<i>Gross Profit %</i>	57.5%	58.5%	(100) bps
Total SG&A Expenses	1,426	1,446	(1.4%)
<i>SG&A %</i>	36.4%	34.2%	220 bps
Total R&D Expenses	173	171	1.0%
<i>R&D %</i>	4.4%	4.0%	40 bps
Operating Income	657	858	(23.4%)
<i>Operating Income %</i>	16.8%	20.3%	(350) bps
EBITDA	761	978	(22.1%)
<i>EBITDA %</i>	19.4%	23.1%	(370) bps
Net Income	452	621	(27.2%)
Diluted EPS	2.09	2.82	(25.7%)

Trailing Nine Quarters (\$M)

	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Net Sales	1,076	1,026	1,062	1,040	1,103	969	1,023	947	983
Adj. Operating Income	246	215	219	189	235	158	207	139	154
Adj. OI Margin %	22.8%	21.0%	20.6%	18.2%	21.3%	16.3%	20.2%	14.7%	15.7%
Adjusted EBITDA	284	243	247	215	273	190	235	166	170
Adj. EBITDA Margin %	26.4%	23.9%	23.1%	20.6%	24.7%	19.6%	22.9%	17.5%	17.4%
<u>Cash Flow</u>									
OCF	264	49	214	172	222	93	173	109	142
Less: CapEx	26	30	36	35	41	44	41	32	32
FCF	238	19	178	137	181	49	132	77	110

*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 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.

Adjusted Free Cash Flow Conversion

The Company defines adjusted free cash flow as net cash provided by operating activities minus capital expenditures during the same period, and adjusted free cash flow conversion is defined as that number divided by adjusted net income (loss). Management believes that this Non-GAAP measure is important for use in evaluating the Company's financial performance as it measures our ability to efficiently generate cash from our business operations relative to earnings. It should be considered in addition to, rather than as a substitute for, net income as a measure of our performance or net cash provided by operating activities as a measure of our liquidity.

Reconciliation of Non-GAAP Financial Measures

Net Sales to Organic Sales by Geographic Region

(unaudited)

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

(in millions, except percentages)	Three Months Ended December 31, 2022				Q4 2022 Change				Three Months Ended December 31, 2021			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	\$ 369	\$ 376	\$ 238	\$ 983	(3.9%)	(14.1%)	(15.7%)	(10.9%)	\$ 386	\$ 436	\$ 281	\$ 1,103
Foreign exchange impact					(2.2%)	(10.9%)	(12.7%)	(8.3%)				
Organic sales					(1.7%)	(3.2%)	(3.0%)	(2.6%)				

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

(in millions, except percentages)	Year Ended December 31, 2022				2022 Change				Year Ended December 31, 2021			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	\$ 1,392	\$ 1,559	\$ 971	\$ 3,922	(5.9%)	(6.9%)	(9.8%)	(7.3%)	\$ 1,480	\$ 1,675	\$ 1,076	\$ 4,231
Foreign exchange impact					(1.4%)	(9.8%)	(9.6%)	(6.8%)				
Acquisitions					0.2%	—%	—%	0.1%				
Divestitures and discontinued products					(0.1%)	(0.1%)	(0.1%)	(0.1%)				
Organic sales					(4.6%)	3.0%	(0.1%)	(0.5%)				

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

Reconciliation of Non-GAAP Financial Measures

Net Sales to Organic Sales by Segment

(unaudited)

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

(in millions, except percentages)	Three Months Ended December 31, 2022			Q4 2022 Change			Three Months Ended December 31, 2021		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
Net sales	\$ 602	\$ 381	\$ 983	(11.6%)	(9.9%)	(10.9%)	\$ 680	\$ 423	\$ 1,103
Foreign exchange impact				(9.4%)	(6.5%)	(8.3%)			
Organic sales				(2.2%)	(3.4%)	(2.6%)			

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

(in millions, except percentages)	Year Ended December 31, 2022			2022 Change			Year Ended December 31, 2021		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
Net sales	\$ 2,318	\$ 1,604	\$ 3,922	(7.4%)	(7.1%)	(7.3%)	\$ 2,504	\$ 1,727	\$ 4,231
Foreign exchange impact				(7.9%)	(5.2%)	(6.8%)			
Acquisitions				0.1%	—%	0.1%			
Divestitures and discontinued products				—%	(0.2%)	(0.1%)			
Organic sales				0.4%	(1.7%)	(0.5%)			

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

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q4 22

(unaudited)

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

	GAAP							ADJUSTED NON-GAAP	
	Three Months Ended December 31, 2022	Amortization of Purchased Intangible Assets	Impairment Related Costs 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	Three Months Ended December 31, 2022
(in millions, except per share amounts and percentages)									
NET SALES	\$ 983	—	—	—	—	—	—	\$ —	\$ 983
GROSS PROFIT	517	29	6	—	—	—	—	35	552
% OF NET SALES	52.6%								56.2%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	402	(21)	(23)	(3)	—	—	—	(47)	355
% OF NET SALES	40.9%								36.1%
RESEARCH AND DEVELOPMENT EXPENSES	43	—	—	—	—	—	—	—	43
INTANGIBLE ASSET IMPAIRMENT AND OTHER COSTS	7	—	(7)	—	—	—	—	(7)	—
OPERATING INCOME	65	50	36	3	—	—	—	89	154
% OF NET SALES	6.6%								15.7%
OTHER INCOME AND EXPENSE	57	—	—	(3)	(23)	—	—	(26)	31
INCOME BEFORE INCOME TAXES	8	50	36	6	23	—	—	115	123
PROVISION FOR INCOME TAXES	23	—	—	—	—	23	(22)	1	24
% OF PRE-TAX INCOME	278.7%								19.7%
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—	—	—	—	—	—	—	—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (15)	—	—	—	—	—	—	\$ 114	\$ 99
% OF NET SALES	(1.6)%								10.1 %
EARNINGS PER SHARE - DILUTED	\$ (0.07)	—	—	—	—	—	—	\$ 0.53	\$ 0.46
Shares used in calculating diluted US GAAP net loss per share								\$ 215.1	
Shares used in calculating diluted non-US GAAP net income per share								\$ 215.5	

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

(a) Other Costs includes \$16 million in costs related to the internal investigation comprised of \$12 million in professional service fees, and \$4 million in turnover and other employee related SG&A expenses.

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q4 21

(unaudited)

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

	GAAP							ADJUSTED NON-GAAP	
	Three Months Ended December 31, 2021	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	Three Months Ended December 31, 2021
(in millions, except per share amounts and percentages)									
NET SALES	\$ 1,103	—	—	—	—			\$ —	\$ 1,103
GROSS PROFIT	604	33	—	1	—			34	638
% OF NET SALES	54.7%								57.8%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	377	(23)	—	—	—			(23)	354
% OF NET SALES	33.3%								32.1%
RESEARCH AND DEVELOPMENT EXPENSES	49	—	—	—	—			—	49
INTANGIBLE ASSET IMPAIRMENT AND OTHER COSTS	6	—	(6)	—	—			(6)	—
OPERATING INCOME	172	56	6	1	—			63	235
% OF NET SALES	15.6%								21.3%
OTHER INCOME AND EXPENSE	16	—	—	1	(14)			(13)	3
INCOME BEFORE INCOME TAXES	156	56	6	—	14			76	232
PROVISION FOR INCOME TAXES	37					19	(5)	14	51
% OF PRE-TAX INCOME	23.7%								21.8%
LESS: NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 119							\$ 62	\$ 181
% OF NET SALES	10.8%								16.4%
EARNINGS PER SHARE - DILUTED	\$ 0.54							\$ 0.29	\$ 0.83

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

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 22

(unaudited)

For the year ended December 31, 2022, a reconciliation of select items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

	GAAP							ADJUSTED NON-GAAP	
	Twelve Months Ended December 31, 2022	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	Twelve Months Ended December 31, 2022
(in millions, except per share amounts and percentages)									
NET SALES	\$ 3,922	—	—	—	—	—	—	\$ —	\$ 3,922
GROSS PROFIT	2,127	121	7	1	—	—	—	129	2,256
% OF NET SALES	54.2%								57.5%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,589	(88)	(70)	(5)	—	—	—	(163)	1,426
% OF NET SALES	40.5%								36.4%
RESEARCH AND DEVELOPMENT EXPENSES	174	—	(1)	—	—	—	—	(1)	173
GOODWILL IMPAIRMENT	1,187	—	(1,187)	—	—	—	—	(1,187)	—
INTANGIBLE ASSET IMPAIRMENT AND OTHER COSTS	114	—	(114)	—	—	—	—	(114)	—
OPERATING (LOSS) INCOME	(937)	209	1,379	6	—	—	—	1,594	657
% OF NET SALES	(23.9%)								16.8%
OTHER INCOME AND EXPENSE	118	—	—	(3)	(43)	—	—	(46)	72
(LOSS) INCOME BEFORE INCOME TAXES	(1,055)	209	1,379	9	43	—	—	1,640	585
(BENEFIT) PROVISION FOR INCOME TAXES	(105)	—	—	—	—	271	(33)	238	133
% OF PRE-TAX INCOME	9.9%								22.7%
LESS: NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—	—	—	—	—	—	—	—	—
NET (LOSS) INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (950)	—	—	—	—	—	—	\$ 1,402	\$ 452
% OF NET SALES	(24.2%)								11.5 %
(LOSS) EARNINGS PER SHARE - DILUTED	\$ (4.41)	—	—	—	—	—	—	\$ 6.50	\$ 2.09

Shares used in calculating diluted US GAAP net loss per share

215.5

Shares used in calculating diluted non-US GAAP net income per share

215.9

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

(a) Other Costs includes \$61 million in costs related to the internal investigation comprised of \$31 million in professional service fees, and \$30 million in turnover and other employee related SG&A expenses.

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 21

(unaudited)

For the year ended December 31, 2021, a reconciliation of select items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

	GAAP						ADJUSTED NON-GAAP		
	Twelve Months Ended December 31, 2021	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	Twelve Months Ended December 31, 2021
(in millions, except per share amounts and percentages)									
NET SALES	\$ 4,231	—	—	—	—			\$ —	\$ 4,231
GROSS PROFIT	2,347	131	(6)	3	—			128	2,475
% OF NET SALES	55.5%								58.5%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,551	(91)	(3)	(11)	—			(105)	1,446
% OF NET SALES	36.6%								34.2%
RESEARCH AND DEVELOPMENT EXPENSES	171	—	—	—	—			—	171
INTANGIBLE ASSET IMPAIRMENT AND OTHER COSTS	17	—	(17)	—	—			(17)	—
OPERATING INCOME	608	222	14	14	—			250	858
% OF NET SALES	14.4%								20.3%
OTHER INCOME AND EXPENSE	63	—	—	11	(21)			(10)	53
INCOME BEFORE INCOME TAXES	545	222	14	3	21			260	805
PROVISION FOR INCOME TAXES	134					65	(15)	50	184
% OF PRE-TAX INCOME	24.6%								22.9%
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 411							\$ 210	\$ 621
% OF NET SALES	9.7%								14.7%
EARNINGS PER SHARE - DILUTED	\$ 1.87							\$ 0.95	\$ 2.82

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

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

A reconciliation of as reported GAAP net income to Adjusted EBITDA for the three ended December 31, 2022 and 2021 is as follows:

(in millions)	2022	2021
GAAP net (loss) income	\$ (15)	\$ 119
Interest expense, net	19	12
Income tax expense	23	37
Depreciation ⁽¹⁾	28	29
Amortization of purchased intangible assets	50	56
Impairment related costs and other costs	36	6
Business combination related costs and fair value adjustments	6	—
Fair value and credit risk adjustments	23	14
Adjusted EBITDA	\$ 170	\$ 273

(1) Excludes those depreciation related amounts which were included as part of the business combination related adjustments below.

A reconciliation of as reported GAAP net income to Adjusted EBITDA for the year ended December 31, 2022 and 2021 is as follows:

(in millions)	2022	2021
GAAP net (loss) income	\$ (950)	\$ 411
Interest expense, net	60	55
Income tax expense	(105)	134
Depreciation ⁽¹⁾	116	118
Amortization of purchased intangible assets	209	222
Impairment related costs and other costs	1,379	14
Business combination related costs and fair value adjustments	9	3
Fair value and credit risk adjustments	43	21
Adjusted EBITDA	\$ 761	\$ 978

(1) Excludes those depreciation related amounts which were included as part of the business combination related adjustments below.

Reconciliation of Non-GAAP Financial Measures

Adjusted Free Cash Flow Conversion

A reconciliation of adjusted free cash flow conversion for the three months ended December 31, 2022 and 2021 is as follows:

(in millions, except percentages)	2022	2021
Net cash provided by operating activities	\$ 142	\$ 222
Capital Expenditures	(32)	(41)
Adjusted free cash flow	110	181
Adjusted net income	\$ 99	\$ 181
Adjusted free cash flow conversion	110%	100%

A reconciliation of adjusted free cash flow conversion for the year ended December 31, 2022 and 2021 is as follows:

(in millions, except percentages)	2022	2021
Net cash provided by operating activities	\$ 517	\$ 657
Capital Expenditures	(149)	(142)
Adjusted free cash flow	368	515
Adjusted net income	\$ 452	\$ 621
Adjusted free cash flow conversion	81%	83%

