



## J.P. Morgan Healthcare Conference

January 12, 2022



# Forward-Looking Statements and Associated Risks

All statements in this presentation that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved. Such statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by or may, in the future, be amplified by, the novel coronavirus (“COVID-19”) pandemic and the impact of varying private and governmental responses that affect our customers, employees, vendors and the economies and communities where they operate. For a written description of these factors, see the section titled “Risk Factors” in Dentsply Sirona’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any updating information in subsequent SEC filings including the Company’s Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2021. 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 press release 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 press release, 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. The Company discloses these measures to allow investors to evaluate the performance of the Company’s operations exclusive of certain items that impact the comparability of results from period to period and which may not be indicative of past or future performance of the normal operations of the Company. The Company believes that this information is helpful in understanding underlying operating results including net sales, operating income, and net income.

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

# What We Will Discuss Today

- Industry and Company Fundamentals
- Our Progress
- Going Forward

*Dentsply Sirona manufacturing site in Ballaigues, Switzerland has achieved and maintained the MINERGIE® label for low-energy consumption buildings and the highest possible use of renewable energy since 2016*

# Fundamentals

# Fundamentals of the Dental Market Remain Strong

## Oral health is an essential part of overall health

- Estimated that oral diseases affect 3.5 billion people worldwide<sup>1</sup>
- World Health Organization declared oral health a global priority in May 2021

## Pandemic demonstrated the resiliency of Dental

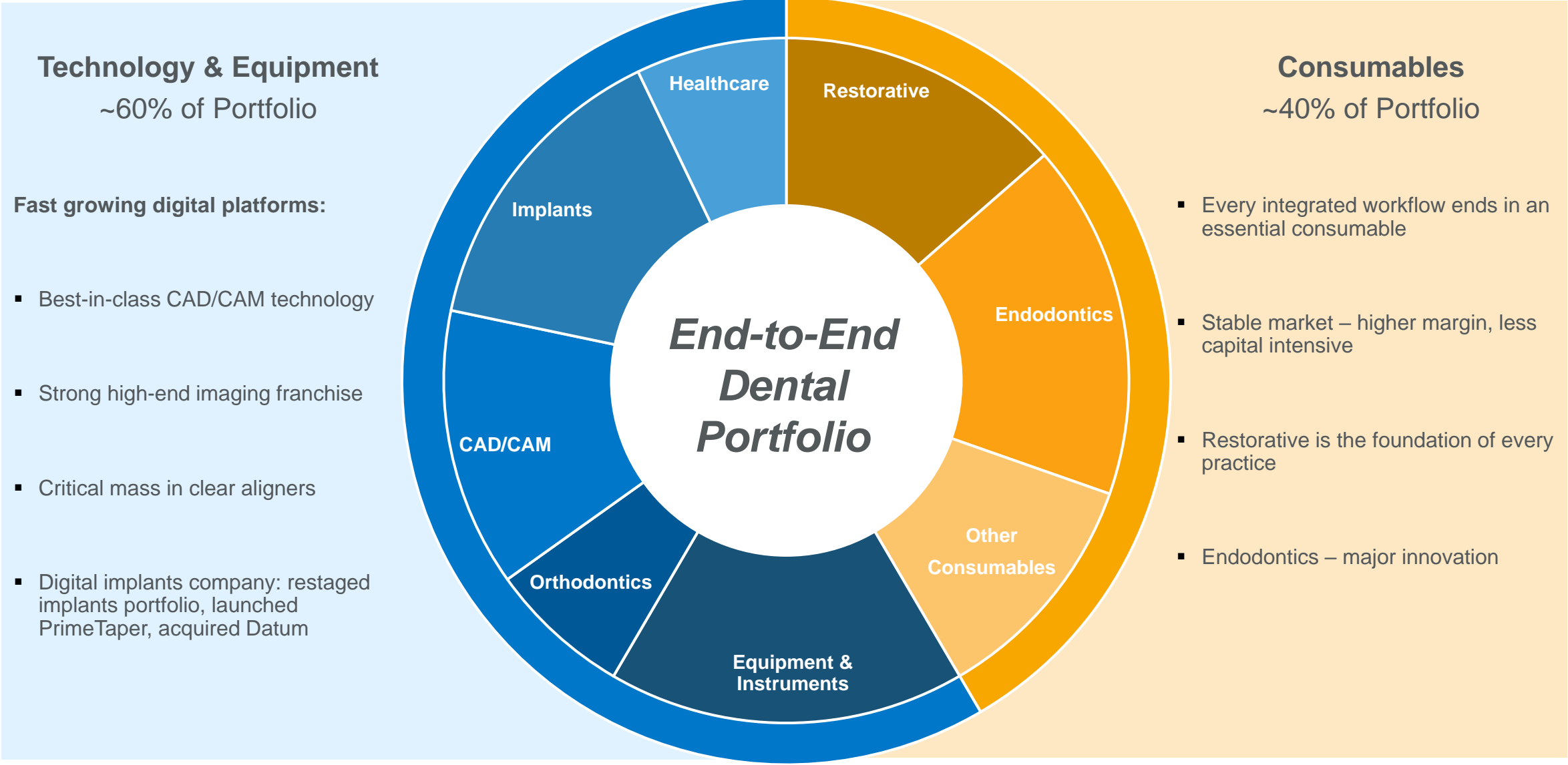
- Recovery outpaced expectations
- Practices quickly adjusted to new protocols
- Dental staff shortages highlighted the need for practices to invest in digital technologies

## Strong market tailwinds

- Demographics
- Globalization
- Growing demand for aesthetics
- Adoption of digital technologies

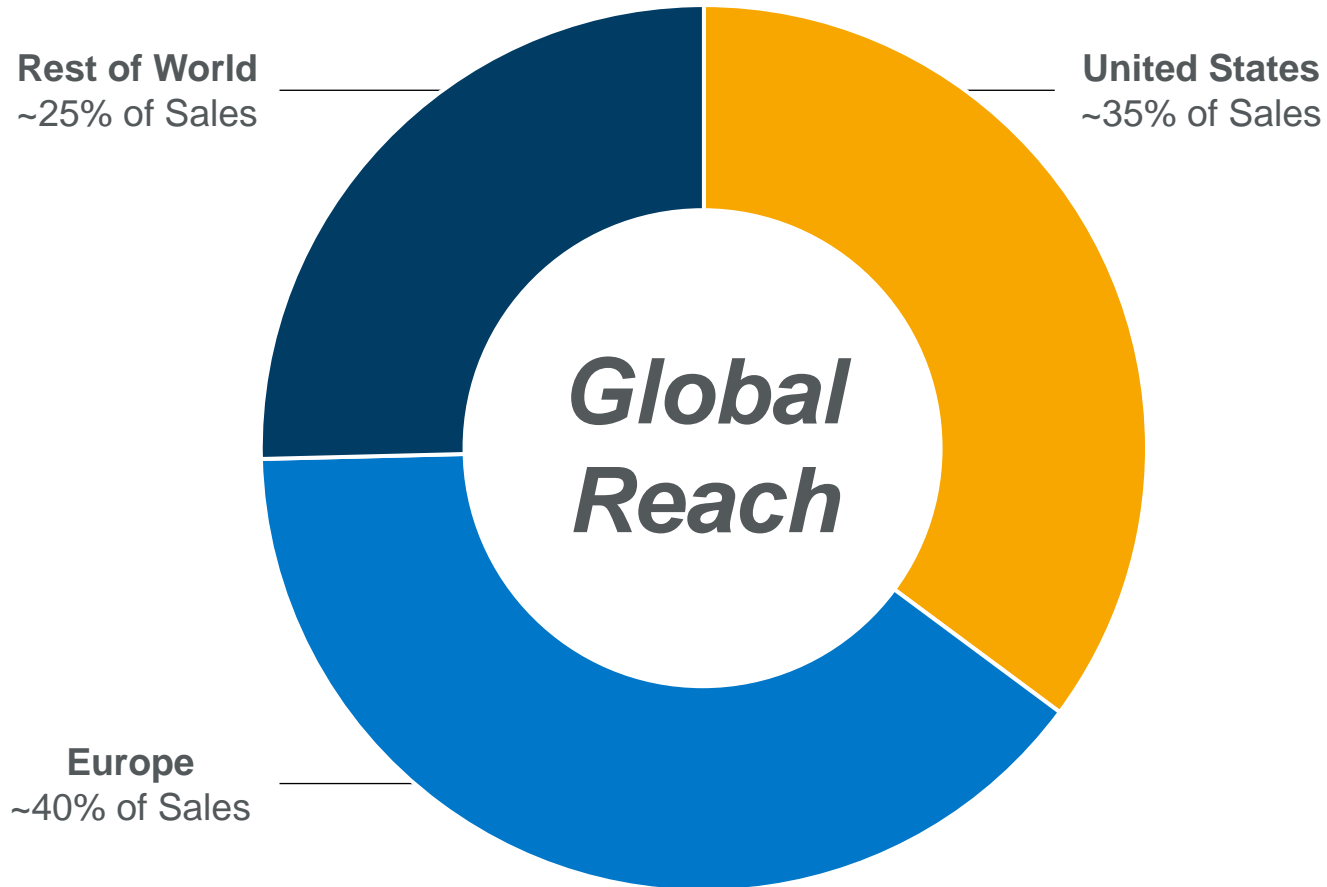
<sup>1</sup> Source: The Global Burden of Disease Study 2017

# Dentsply Sirona at a Glance



Pie chart represents approximate sales by category in the nine months ended September 30, 2021

# Scaled Leader Across Global Markets



## Commentary

### United States

- **Digital Dentistry:** digital adoption accelerating
- **Value-added Programs:** OneDS, Clinical Accelerator, and DS Activate

### Europe

- **Significant Markets:** large markets (UK, France, Germany), rapidly growing markets (Eastern Europe and Middle East)
- **SureSmile:** successful launch of SureSmile in Europe

### Rest of World

- **Significant Markets:** APAC (China, Japan, Australia), LATAM (Brazil)
- **Rapid Growth**
- **Differentiators:**
  - Strong KOL and CE presence
  - Extensive commercial footprint


Pie chart represents regional sales in the nine months ended September 30, 2021  
KOL = Key Opinion Leaders  
CE = Clinical Education

# Accelerating the Pace of Innovation – Last 18 Months


**CEREC 5.2**  
**SureSmile 7.6**




**ProTaper Ultimate**  
“The Trifecta”



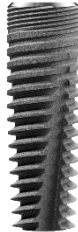
**Axeos**  
3D wide field of view



**SureSmile**  
Major product launch  
VPro



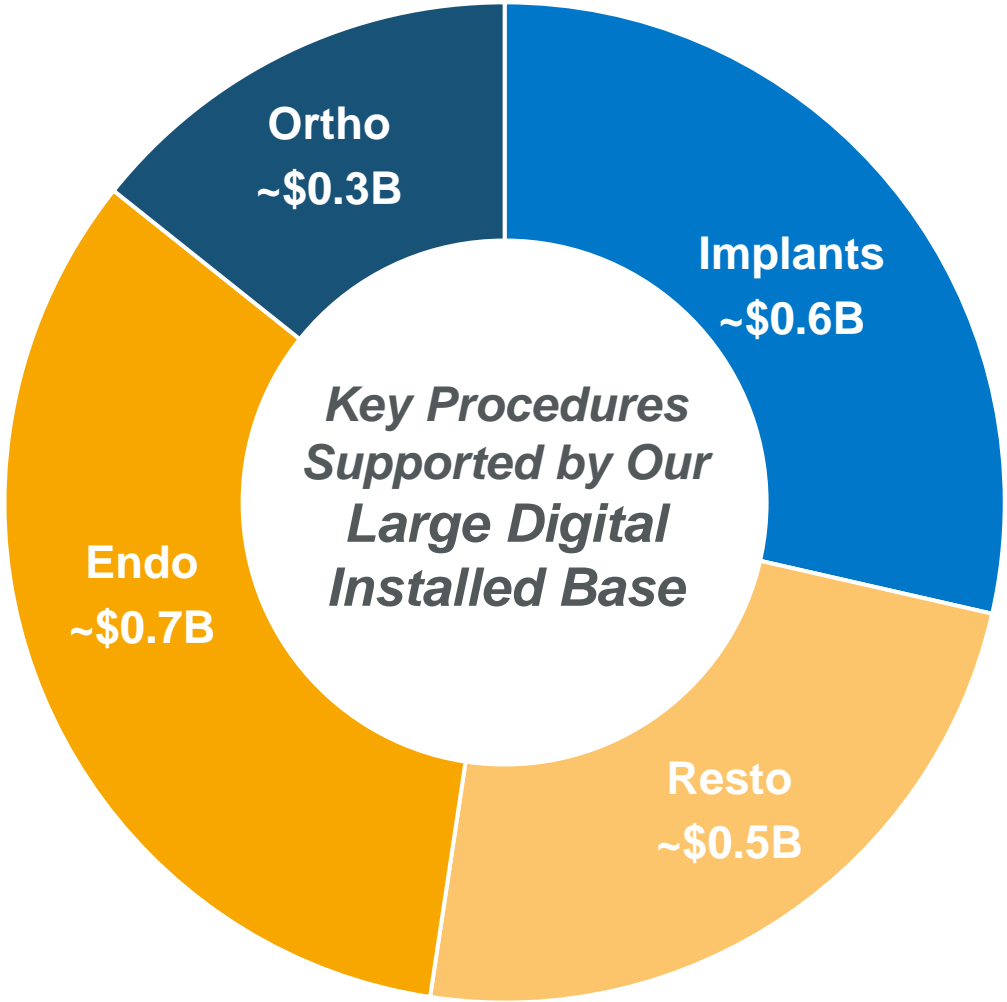
**Dentsply Sirona Implants**  
Digital Implant Company  
Atlantis, MIS, Datum, PrimeTaper Launch



**And there is more to come.**



# Digitally Enhanced Workflows



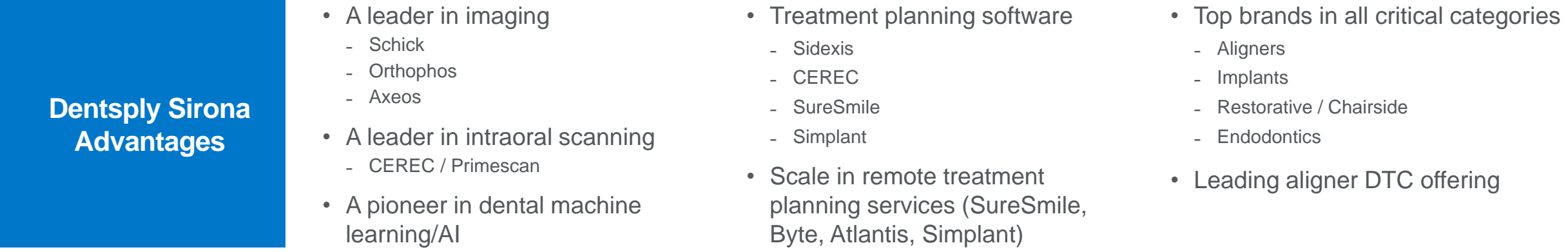
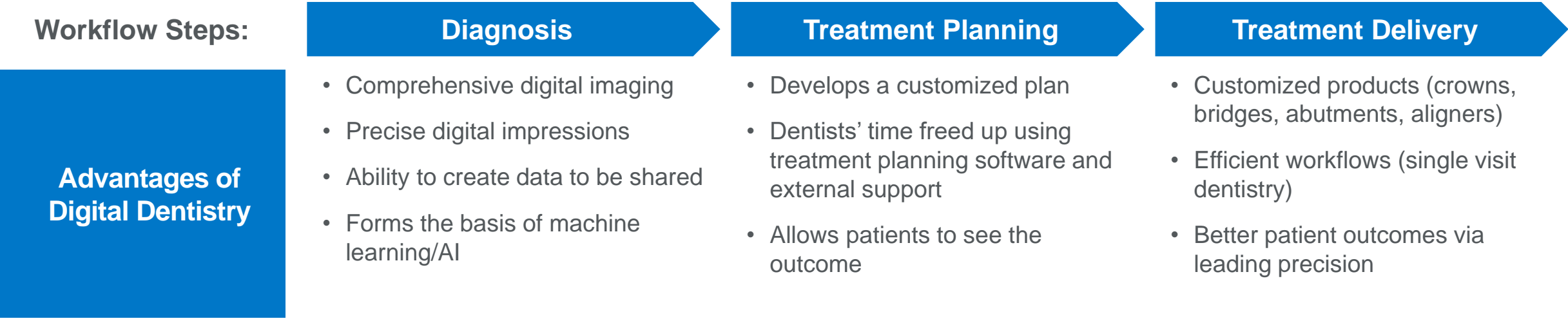
**Digital installed base supporting key procedures: CAD/CAM, Imaging, and Treatment Centers ~\$1B+**

**Scaled, efficient R&D innovation engine**

**Global commercial excellence**

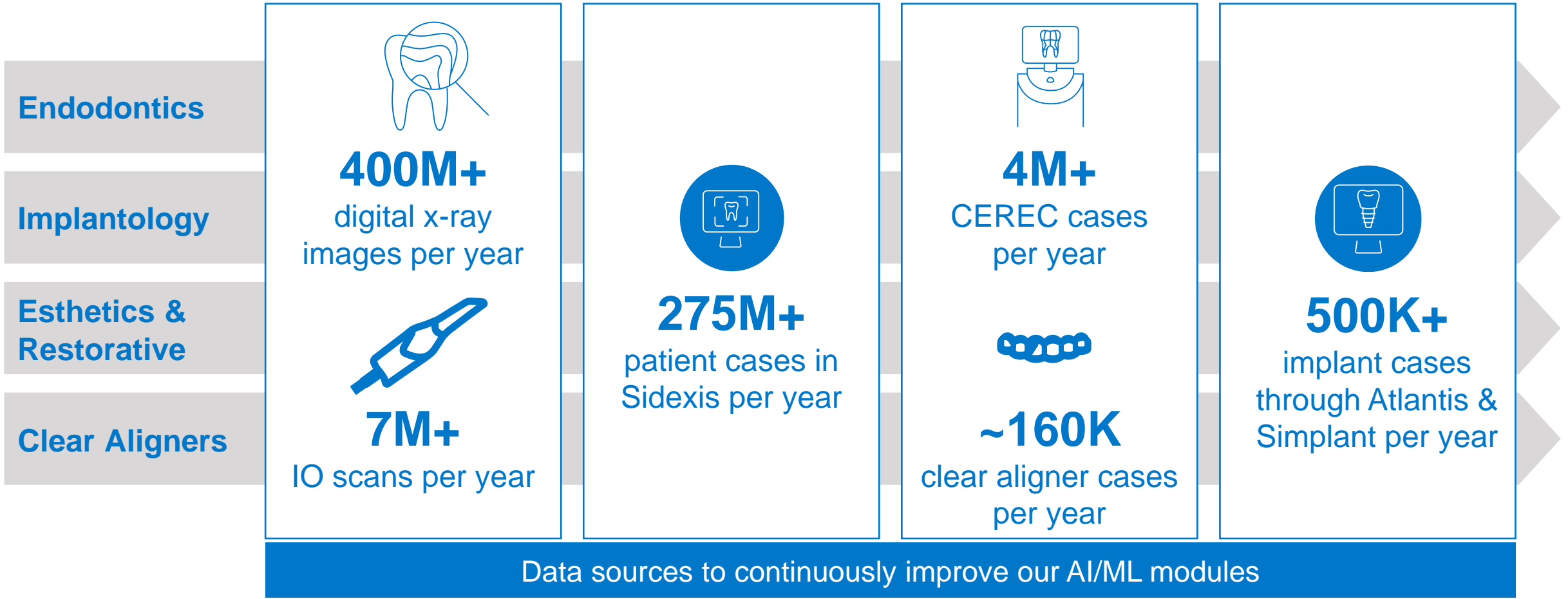
*Numbers represent approximate annual sales by category*

# Digital Workflows Transforming Dental Care



**Connecting Our Broad Installed Base to Support the Digital Transformation**

# Our Installed Base and Digital Services Power 650M+ Digitally Enabled Patient Cases Every Year

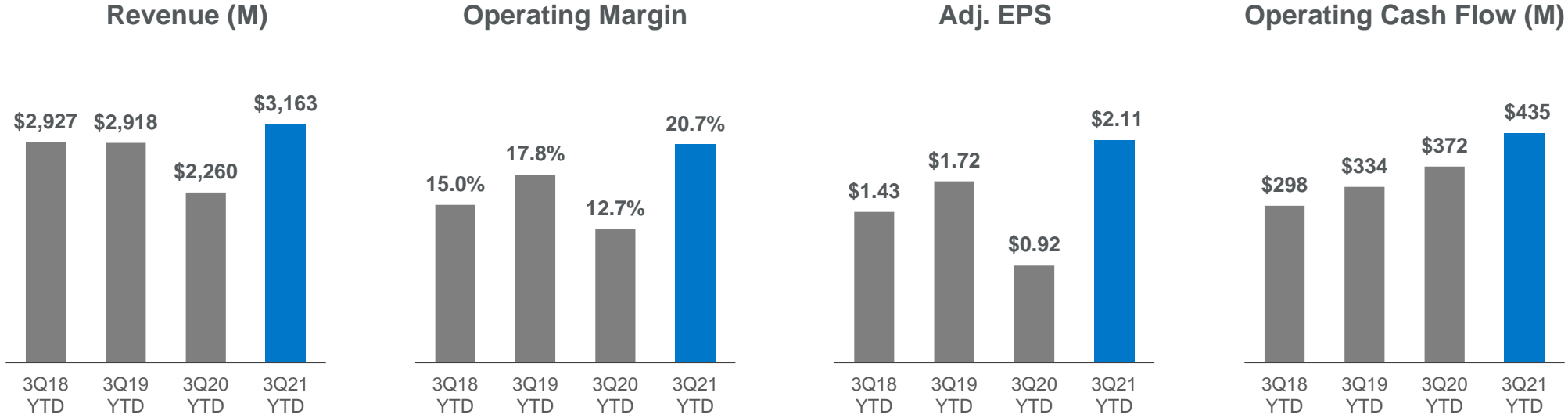


Note: rounded numbers

# Our Progress

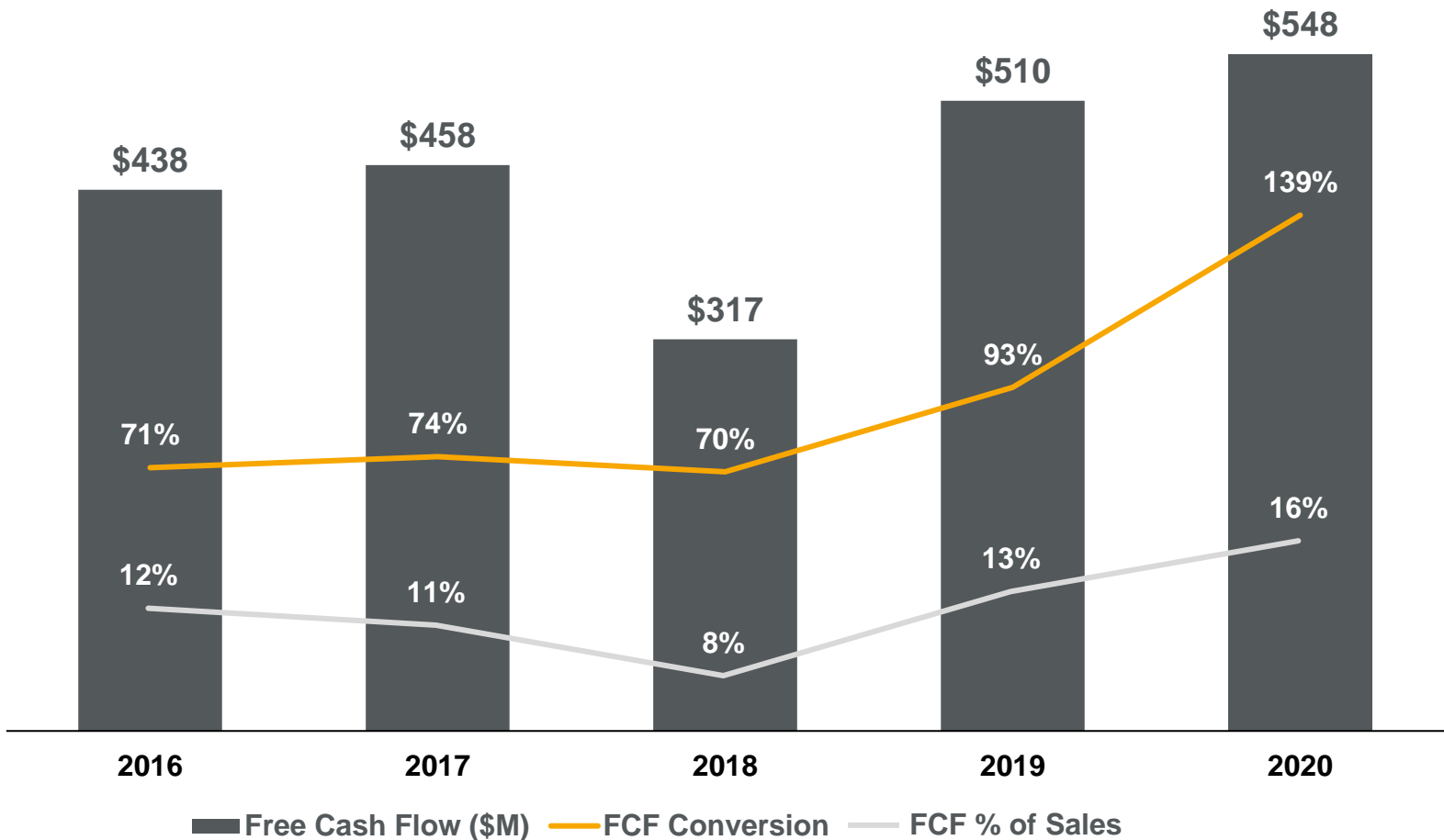
# Delivering on Our Commitments

Grow Revenues	Improve Margins	Simplify the Organization
4-5% Long-term Organic Growth*	22% OI margin by end of '22	Cost savings \$200-225M (increased to \$250M)
Targeting Double-Digit Adjusted EPS Growth		



\*Inclusive of the impact from the Byte acquisition  
 3Q20 YTD operating margin and adjusted EPS were heavily impacted by the COVID pandemic; on a full-year basis, 2020 operating margin was 16.1% and adjusted EPS was \$2.93

# Strong Free Cash Flow Performance



## Commentary

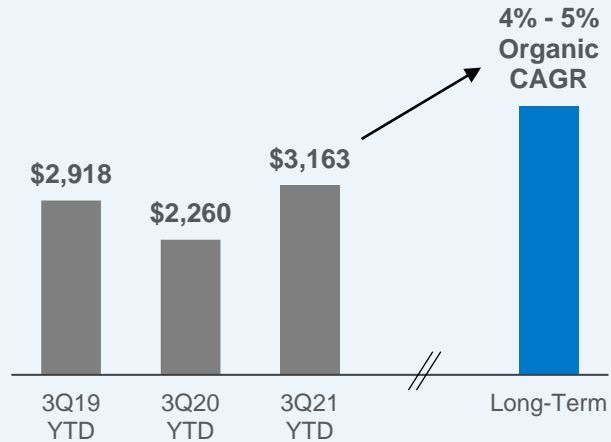
- Strong cash generation through 3Q21 YTD
- Significant progress made in cash flow conversion
- Long-term free cash flow conversion target of 100%
- Pursuing further improvements in working capital utilization

# Going Forward

# Driving Value Creation

## Accelerating Growth

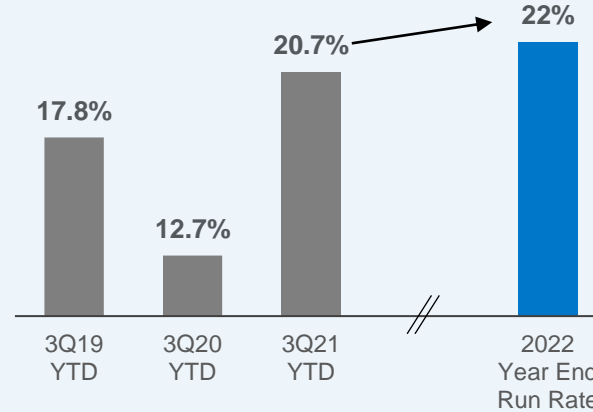
Revenue in millions (\$M)



- Driving innovation
- Integrated workflows and procedural focus
- One common platform
- Geographic expansion

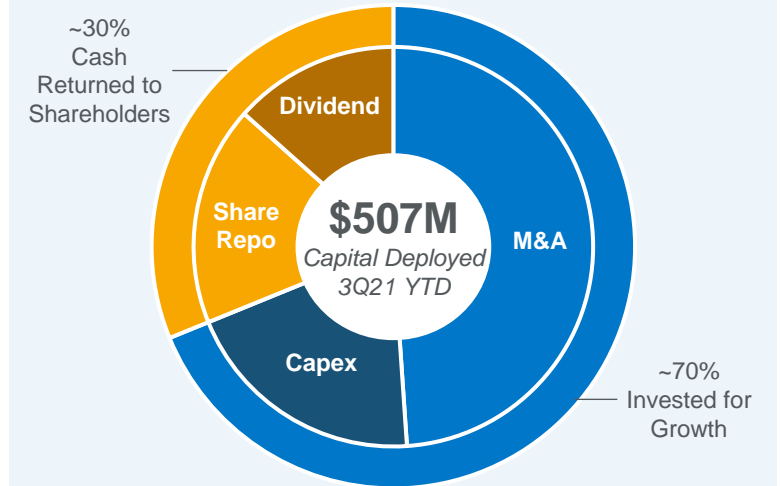
## Driving Sustainable Efficiency

Non-GAAP operating margin



- Targeting margin of 22% run rate by end of 2022
- Balancing top-line growth with margin expansion going forward

## Strategically Deploying Capital



- Top priority remains funding business growth
- Strong balance sheet to deploy on M&A
- Returned \$747M in cash to shareholders over last 3 years<sup>1</sup>
- Dividend growth aligned with earnings growth

<sup>1</sup> Cash returned to shareholders over last 3 years is calculated as cumulative share repurchases and dividends from 4Q18 to 3Q21 (i.e., 3 trailing twelve-month periods)



# Summary

- Strong positions in an attractive market
- Track record of delivering on our commitments
- Well positioned for growth in 2022 and beyond: large installed base, broad regional scope, and innovation culture



# Appendix

# Non-GAAP Financial Measures Definitions

## Organic Sales

The Company defines "organic sales" as the increase or decrease in net sales excluding: (1) net sales from acquired and divested businesses recorded prior to the first anniversary of the acquisition or divestiture, (2) net sales attributable to discontinued product lines in both the current and prior year periods, and (3) the impact of foreign currency translation, which is calculated by translating current period sales using the comparable prior periods currency conversion rates. Organic sales is an important internal measure for the Company. The Company's senior management receives a monthly analysis of operating results that includes organic sales and the performance of the Company is measured on this metric along with other performance metrics.

## Adjusted Net Income (Loss) and Adjusted Earnings (Loss) per Diluted Common Share

The adjusted net income (loss) attributable to Dentsply Sirona consists of net income (loss) attributable to Dentsply Sirona adjusted to exclude the following:

(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 subsequent impact roll-off to the consolidated statements of operations which results from fair value adjustments 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. They are therefore excluded to allow investors to better understand underlying operating trends.

(2) *Restructuring program related costs and other costs.* These adjustments include costs related to the implementation of restructuring initiatives as well as certain other costs. These costs can include, but are not limited to, severance costs, facility closure costs, lease and contract termination costs and related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives. Other costs include legal settlements, impairments of assets, and changes in accounting principle recorded within the period. The Company's restructuring programs usually require several years to fully implemented and the Company is continually seeking to take actions that could enhance its efficiency. While restructuring charges are recurring, they are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur.

(3) *Amortization of purchased intangible assets.* This adjustment excludes the periodic amortization expense related to purchased intangible assets recorded 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.

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

(5) *Income tax related adjustments.* These adjustments include both income tax expenses and income tax benefits that are representative of income tax adjustments mostly related to prior periods, as well as the final settlement of income tax audits, and discrete tax items resulting from the implementation of restructuring initiatives and the vesting and exercise of employee share-based compensation. Income tax related adjustments may also include the impact to adjust the interim effective income tax rate to the expected annual effective tax rate. These adjustments are irregular in timing the variability in amounts may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

Both adjusted net income (loss) and adjusted EPS are important internal measures for the Company. The Company's senior management receives a monthly analysis of operating results that includes adjusted net income (loss) and adjusted EPS. The performance of the Company is measured on these metrics along with other performance metrics.

## Adjusted Operating Income (Loss) and Margin

In addition to reporting operating income (loss) in accordance with US GAAP, the Company provides adjusted operating income (loss) and margin. The Company defines "adjusted operating income (loss)" as operating income (loss) in accordance with US GAAP excluding certain items noted above which are excluded on a pre-tax basis to arrive at adjusted operating income (loss), a Non-GAAP measure. The adjusted operating margin is calculated by dividing adjusted operating income (loss) by net sales. Both adjusted operating income (loss) and adjusted operating margin are important internal measures for the Company. The Company's senior management receives a monthly analysis of operating results that includes adjusted operating income (loss) and margin. The performance of the Company is measured on these metrics along with the adjusted net income (loss) and adjusted EPS metrics noted above as well as other performance metrics.

# Cash Flow – 2016 to 2020 (\$M)

	2016 <sup>(a)</sup>	2017	2018	2019	2020
Operating Cash Flow	563	602	500	633	635
Less: Capital Expenditures	125	144	183	123	87
Free Cash Flow	438	458	317	510	548

<sup>(a)</sup> 2016 includes the results of the Sirona merger from February 29, 2016 through December 31, 2016. Information prior to February 29, 2016 refers to DENTSPLY International Inc. only.

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Nine Months Ended September 30, 2021

(unaudited)

	GAAP							ADJUSTED NON-GAAP	
	Nine Months Ended September 30, 2021	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Credit Risk and Fair Value Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Nine Months Ended September 30, 2021
(in millions, except per share amounts and percentages)									
GROSS PROFIT	\$ 1,768	98	(6)	2	-	-	-	\$ 94	\$ 1,862
% OF NET SALES	55.9%								58.9%
SELLING, GENERAL AND ADMINSTRATIVE EXPENSES	1,177	(69)	(2)	(10)	-	-	-	(81)	1,096
% OF NET SALES	37.2%								34.7%
RESEARCH AND DEVELOPMENT EXPENSES	112	-	-	-	-	-	-	-	112
RESTRUCTURING AND OTHER COSTS	11	-	(11)	-	-	-	-	(11)	-
OPERATING INCOME	468	167	7	12	-	-	-	186	654
% OF NET SALES	14.8%								20.7%
OTHER INCOME AND EXPENSE	47	-	-	10	(9)	-	-	1	48
INCOME BEFORE INCOME TAXES	421	167	7	2	9	-	-	185	606
PROVISION FOR INCOME TAXES	102	-	-	-	-	46	(6)	40	142
% OF PRE-TAX INCOME	24.2%								23.4%
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 319							\$ 145	\$ 464
% OF NET SALES	10.1%								14.7%
EARNINGS PER SHARE - DILUTED	\$ 1.45							\$ 0.66	\$ 2.11

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Nine Months Ended September 30, 2020

(unaudited)

	GAAP							ADJUSTED NON-GAAP	
	Nine Months Ended September 30, 2020	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Credit Risk and Fair Value Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Nine Months Ended September 30, 2020
(in millions, except per share amounts and percentages)									
GROSS PROFIT	\$ 1,086	88	33	4	-	-	-	\$ 125	\$ 1,211
% OF NET SALES	48.1%								53.6%
OPERATING EXPENSES EXCLUDING RESTRUCTURING	1,014	(55)	(33)	(1)	-	-	-	(89)	925
% OF NET SALES	44.9%								40.9%
GOODWILL IMPAIRMENT	157	-	(157)	-	-	-	-	(157)	-
RESTRUCTURING AND OTHER COSTS	62	-	(62)	-	-	-	-	(62)	-
OPERATING (LOSS) INCOME	(147)	143	285	5	-	-	-	433	286
% OF NET SALES	(6.5%)								12.7%
OTHER INCOME AND EXPENSE	36	-	-	-	(5)	-	-	(5)	31
(LOSS) INCOME BEFORE INCOME TAXES	(183)	143	285	5	5	-	-	438	255
(BENEFIT) PROVISION FOR INCOME TAXES	(1)	-	-	-	-	75	(21)	54	53
% OF PRE-TAX (LOSS) INCOME	0.5%								20.8%
NET (LOSS) INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (182)							\$ 384	\$ 202
% OF NET SALES	(8.1%)								8.9%
(LOSS) EARNINGS PER SHARE - DILUTED	\$ (0.83)							\$ 1.75	\$ 0.92

## Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Nine Months Ended September 30, 2019  
(unaudited)

	GAAP							ADJUSTED NON-GAAP	
	Nine Months Ended September 30, 2019	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Credit Risk and Fair Value Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non- GAAP Adjustments	Nine Months Ended September 30, 2019
(in millions, except per share amounts and percentages)									
GROSS PROFIT	\$ 1,555	86	24	5	-	-	-	\$ 115	\$ 1,670
% OF NET SALES	53.3%								57.2%
OPERATING EXPENSES EXCLUDING RESTRUCTURING	1,263	(57)	(55)	(1)	-	-	-	(113)	1,150
% OF NET SALES	43.3%								39.4%
RESTRUCTURING AND OTHER COSTS	68	-	(68)	-	-	-	-	(68)	-
OPERATING INCOME	224	143	147	6	-	-	-	296	520
% OF NET SALES	7.7%								17.8%
OTHER INCOME AND EXPENSE	16	-	(5)	(1)	(4)	-	-	(10)	6
INCOME BEFORE INCOME TAXES	208	143	152	7	4	-	-	306	514
PROVISION FOR INCOME TAXES	47	-	-	-	-	78	3	81	128
% OF PRE-TAX INCOME	22.7%								24.9%
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 161							\$ 225	\$ 386
% OF NET SALES	5.5%								13.2%
EARNINGS PER SHARE - DILUTED	\$ 0.71							\$ 1.01	\$ 1.72

# Reconciliation of Non-GAAP Financial Measures

## Condensed Consolidated Statements of Operations Nine Months Ended September 30, 2018

(unaudited)

(in millions, except per share amounts and percentages)	GAAP									ADJUSTED NON-GAAP	
	Nine Months Ended September 30, 2018	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Gain on Sale of Marketable Securities	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	Nine Months Ended September 30, 2018	
NET SALES	\$ 2,926	-	-	-	6	-	-	-	\$ 6	\$ 2,932	
GROSS PROFIT	1,543	90	6	-	10	-	-	-	106	1,649	
% OF NET SALES	52.7%									56.2%	
OPERATING EXPENSES EXCLUDING RESTRUCTURING	1,286	(60)	(10)	-	(5)	-	-	-	(75)	1,211	
% OF NET SALES	44.0%									41.3%	
GOODWILL IMPAIRMENT	1,086	-	(1,086)	-	-	-	-	-	(1,086)	-	
RESTRUCTURING AND OTHER COSTS	211	-	(211)	-	-	-	-	-	(211)	-	
OPERATING (LOSS) INCOME	(1,040)	150	1,313	-	15	-	-	-	1,478	438	
% OF NET SALES	(35.5%)									15.0%	
OTHER INCOME AND EXPENSE	(4)	-	-	44	(2)	(15)	-	-	27	23	
(LOSS) INCOME BEFORE INCOME TAXES	(1,036)	150	1,313	-	17	15	-	-	1,451	415	
(BENEFIT) PROVISION FOR INCOME TAXES	(23)	-	-	-	-	-	116	(3)	113	90	
% OF PRE-TAX (LOSS) INCOME	2.2%									21.7%	
NET (LOSS) INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (1,013)								\$ 1,338	\$ 325	
% OF NET SALES	(34.6%)									11.1%	
(LOSS) EARNINGS PER SHARE - DILUTED	\$ (4.52)								\$ 5.95	\$ 1.43	



