



Fourth Quarter 2021 Earnings and 2022 Outlook

February 28, 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 most recent fiscal year. 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 presentation, described below, which are not calculated in accordance with US GAAP and therefore represent Non-GAAP measures. These Non-GAAP measures may differ from those used by other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP. These Non-GAAP measures are used by the Company to measure its performance and may differ from those used by other companies. Management believes that these Non-GAAP measures are helpful as they provide another measure of the results of operations, and are frequently used by investors and analysts to evaluate the Company’s performance exclusive of certain items that impact the comparability of results from period to period, and which may not be indicative of past or future performance of the Company. Please refer to pages 30 - 39 of this presentation for the definitions of the Non-GAAP measures and their reconciliation of the most directly comparable GAAP measure.

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

What We Will Discuss Today

- Overview
- Q4 and 2021 Financials
- 2022 Outlook
- Strategic Operating Update

Our Bensheim site has been certified in accordance with EMAS since 1996. EMAS (Eco-Management and Audit Scheme), is a European Union environmental management scheme through which companies can improve their environmental performance. It goes beyond the requirements of the environmental management standard ISO 14 001 and promotes best practice in environmentally sustainable operations.

Overview

Key Messages

- Strong performance in 2021 with robust organic sales growth, double-digit adjusted EPS growth, and solid cash generation
- Meaningful 2021 growth across all strategic growth areas including CAD/CAM, Implants, Clear Aligners, and Endo/Resto
- Performance reflects organic sales growth across the business vs. 2019
- Furthering our digital strategy with Google Cloud collaboration and launch of Primeprint



2021 Results

	Q4 2021	FY 2021	Full-Year Highlights
Net Sales	\$1,088M	\$4,251M	<ul style="list-style-type: none"> • Robust growth across the portfolio and in all regions • Strong operational performance resulting in record annual margins • Double-digit adjusted EPS growth • Adjusted EBITDA of ~\$1B • Invested in innovation <ul style="list-style-type: none"> - R&D at 4% of sales - Deployed \$142M to capital investments • Competitive return of cash to shareholders <ul style="list-style-type: none"> - Repurchased \$200M in shares - Increased dividend by 10% (\$92M in 2021)
Organic Sales Growth	1.8%	24.6%	
Adjusted OI Margin	20.0% <i>(vs. 23.2% Q4 20)</i>	20.5% <i>(vs. 16.1% FY 20)</i>	
Adjusted EPS	\$0.76 <i>(vs. \$0.87 Q4 20)</i>	\$2.87 <i>(vs. \$1.79 FY 20)</i>	
Operating Cash Flows	\$222M	\$657M	

Fourth Quarter and Full Year 2021 Financials

Fourth Quarter 2021 Financial Summary – Non-GAAP

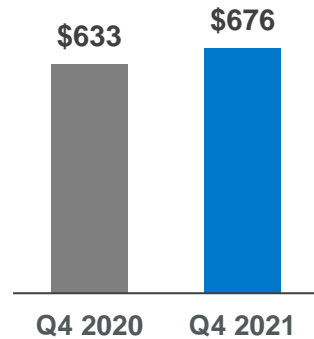
In Millions of USD (except EPS)	Q4 21	Q4 20	% chg.
Net Sales	\$ 1,088	\$ 1,082	0.6%
Organic Sales %			1.8%
Gross Profit	627	613	2.2%
Gross Profit %	57.7%	56.7%	100 bps
Total SG&A Expenses	351	318	10.5%
SG&A %	32.3%	29.4%	290 bps
Total R&D Expenses ¹	59	44	32.2%
R&D %	5.4%	4.1%	130 bps
Operating Income	217	251	(13.7%)
Operating Income %	20.0%	23.2%	(320) bps
Net Income	167	192	(12.8%)
Diluted EPS	0.76	0.87	(12.6%)

¹ Q4 2021 R&D includes \$10M of expenses which were previously classified as SG&A in the first three quarters of 2021; for comparative purposes, Q4 2020 R&D includes \$8M of the equivalent expenses previously classified as SG&A during 2020

Fourth Quarter 2021 Segment Results

Technologies & Equipment

Net Sales (\$M)



Total Growth 6.8%

- F/X: (1.8%)
- Acquisitions: 5.7%
- Divestitures/Disc. Products: (3.6%)

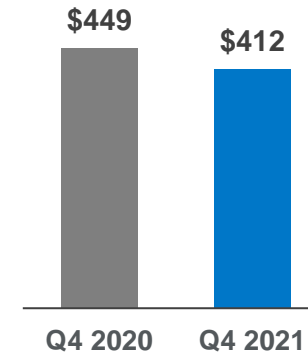
Organic Growth: 6.5%

Robust organic growth across strategic growth areas despite supply chain headwinds

- **CAD/CAM +DD** – strong Primescan demand
- **Orthodontics +DD** – continued SureSmile growth
- **Implants +DD** – robust Astra Tech, MIS, and Abutments growth; strong demand for PrimeTaper; realizing benefits of business restage
- **Equipment & Instruments (LSD)** – Imaging sales impacted by supply chain disruptions
- **Healthcare +MSD**

Consumables

Net Sales (\$M)



Total Growth (8.3%)

- F/X: (0.7%)
- Divestitures/Disc. Products: (3.0%)

Organic Growth: (4.6%)

Sales decline driven by tough comps due to prior year COVID rebound and the timing of purchases ahead of the annual price increase, partially offset by increased pricing

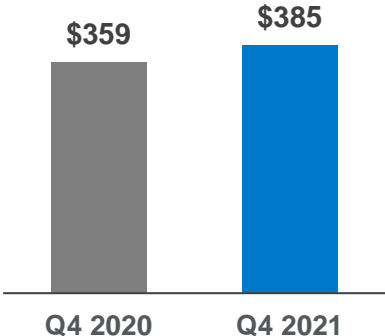
- **Endodontics & Restorative (MSD)** – volume declines partially offset by demand for new products (ProTaper Ultimate and CEREC Blocks)
- **Other Consumables (LSD)** – Preventive Consumables volume declines; partially offset by demand for Lab Consumables

Note: growth commentary and trends represent organic growth vs. Q4 2020
LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits

Fourth Quarter 2021 Regional Results

U.S.

Net Sales (\$M)

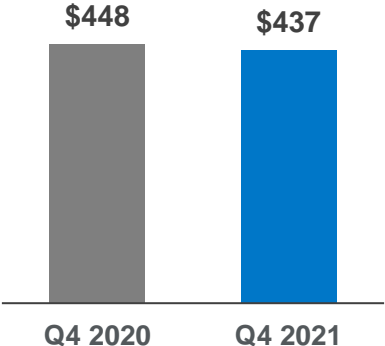


U.S. Net Sales – (35% of total)

- Net sales growth of 7.2%
- Unfavorable currency impact of (0.8%)
- Favorable M&A impact of 9.3%
- Unfavorable divestitures/disc. products impact of (1.6%)
- **Organic sales growth of 0.3%**

Europe

Net Sales (\$M)

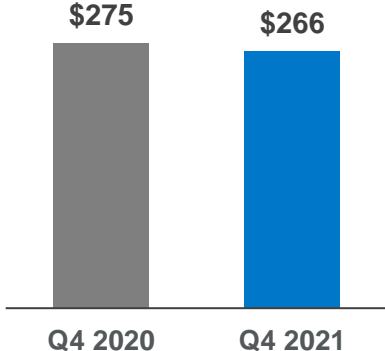


Europe Net Sales – (40% of total)

- Net sales decline of (2.4%)
- Unfavorable currency impact of (1.6%)
- Unfavorable divestitures/disc. products impact of (2.6%)
- **Organic sales growth of 1.8%**

Rest of World

Net Sales (\$M)



Rest of World Net Sales – (25% of total)

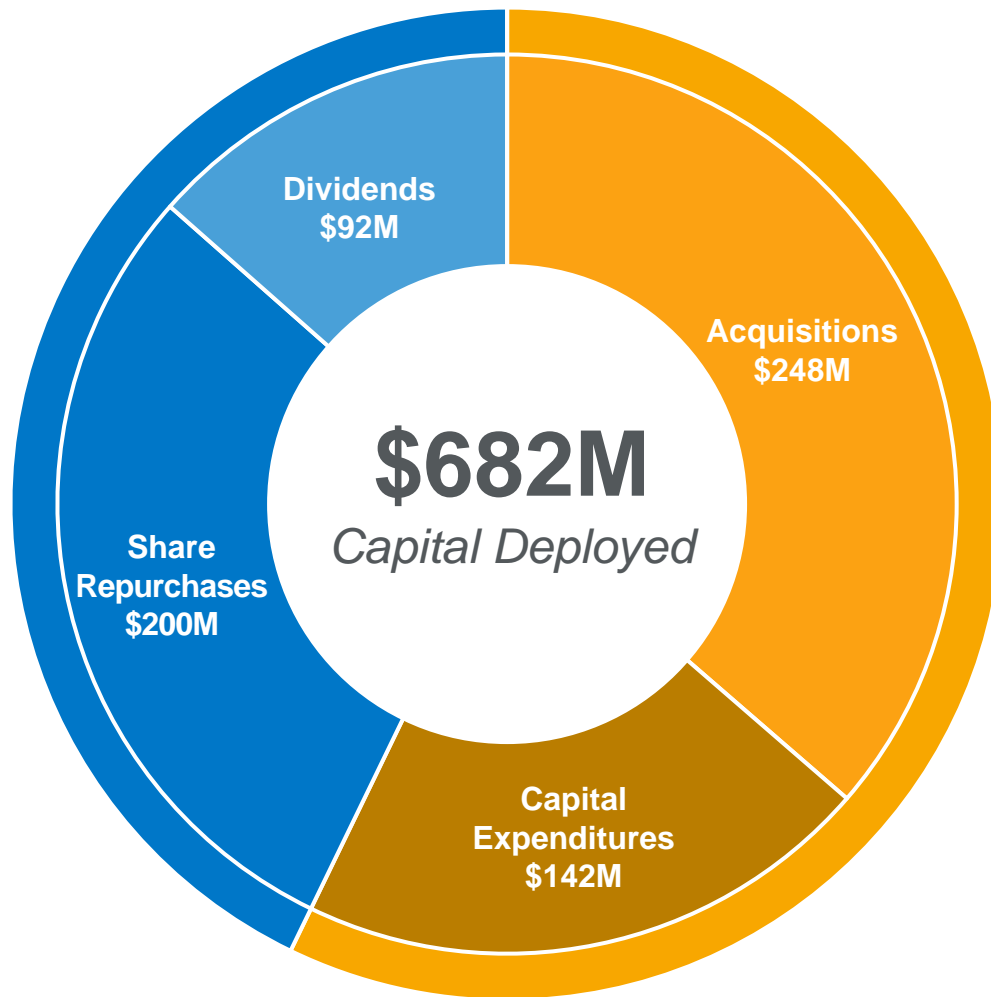
- Net sales decline of (3.4%)
- Unfavorable currency impact of (1.6%)
- Favorable M&A impact of 0.9%
- Unfavorable divestitures/disc. products impact of (6.7%)
- **Organic sales growth of 4.0%**

Full Year 2021 Financial Summary – Non-GAAP

In Millions of USD (except EPS)	FY 21	FY 20	% chg.
Net Sales	\$ 4,251	\$ 3,342	27.2%
<i>Organic Sales %</i>			24.6%
Gross Profit	2,489	1,824	36.4%
<i>Gross Profit %</i>	58.6%	54.6%	400 bps
Total SG&A Expenses	1,447	1,164	24.3%
<i>SG&A %</i>	34.0%	34.8%	(80) bps
Total R&D Expenses ¹	171	123	38.5%
<i>R&D %</i>	4.0%	3.7%	30 bps
Operating Income	871	537	62.3%
<i>Operating Income %</i>	20.5%	16.1%	440 bps
Net Income	631	394	60.4%
Diluted EPS	2.87	1.79	60.3%

¹ FY 2021 R&D includes \$10M of expenses which were previously classified as SG&A in the first three quarters of 2021; for comparative purposes, FY 2020 R&D includes \$8M of the equivalent expenses previously classified as SG&A during 2020

2021 Capital Deployment



Capital deployed refers to the sum of acquisitions, capital expenditures, share repurchases, and dividends

Commentary

Strategic Capital Deployment

- Deployed more than 100% of 2021 operating cash flow
- Returned 57% of free cash flow to shareholders through dividends and share repurchases

Capital Expenditures

- Funded high-return growth investments

Acquisitions

- Deployed \$248M to acquire Propel Orthodontics and Datum Dental
- Focused on inorganic investments that enhance growth, align to strategic focus areas, or expand regional footprint

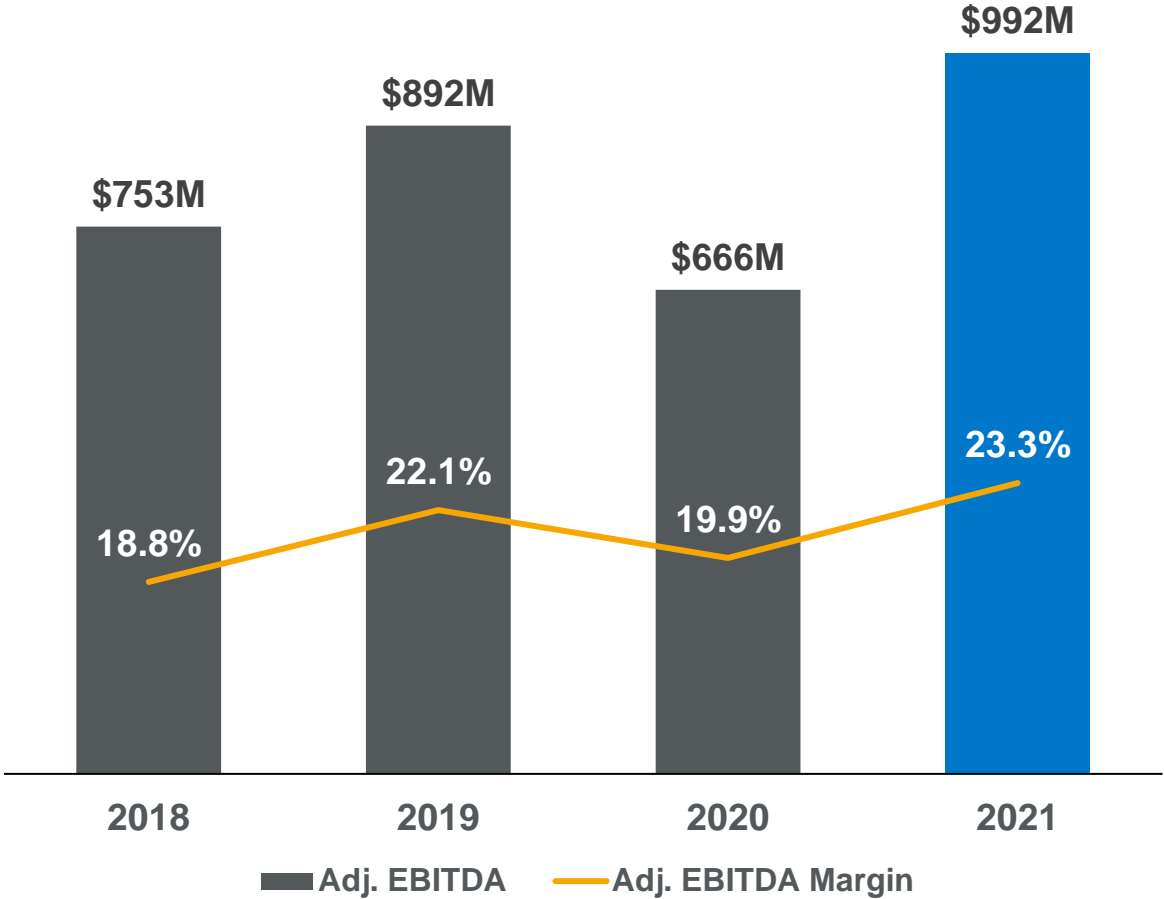
Share Repurchases

- \$200M cash returned through share repurchases (3.5M shares)
- Increased share repurchase program authorization to \$1B

Dividends

- Increased dividend by 10% (\$92M paid in 2021)

Adjusted EBITDA



Commentary

- Great indicator of profitability and cash flow generation
- Highest Adjusted EBITDA in the history of the Company in 2021
- Expanded Adjusted EBITDA margins by 450 bps since 2018 through business simplification and portfolio optimization, while increasing growth investments

2022 Outlook

2022 Outlook

4% - 5%

Organic Growth

Drivers:

- CAD/CAM
- Ortho
- Implants
- Endo/Resto
- Geographic Expansion

>21%

Adjusted Operating
Income Margin

- Operating leverage
- COE Models
- Simplification
- Omnichannel

\$3.05 - \$3.25

Adjusted
EPS

- Organic revenue growth
- Operating leverage

≥50% FCF

Annual Returned to
Shareholders¹

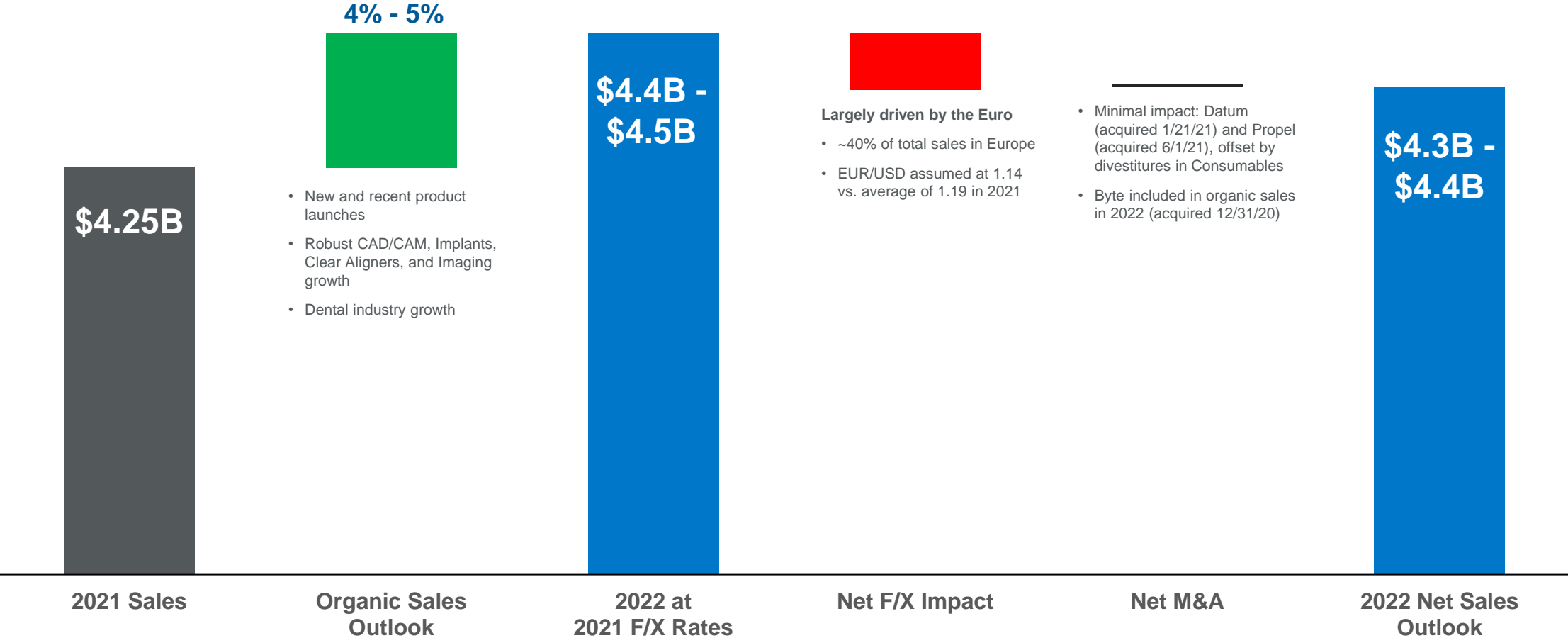
- Top priority remains funding business growth
- Double-digit dividend increase
- Opportunistic share repurchases

¹ Annual returned to shareholders over the next two years (2022 and 2023)

2022 Outlook

	Outlook	Comments
Organic Growth	4% - 5%	Expect the second half of 2022 to outperform the first half
Reported Sales	\$4.3B - \$4.4B	F/X headwind due to soft Euro (assumed EUR/USD at 1.14)
R&D Expenses	≥4% of Sales	Funding business growth
Adjusted OI%	>21%	Targeting 22% by fourth quarter of 2022
Interest & Other	~\$50M	-
Adjusted ETR	23% - 24%	In-line with 2021
Diluted Share Count	~219M	-
Adjusted EPS	\$3.05 - \$3.25	Up 6% - 13% year-over-year
Other Outlook Assumptions		
Capital Expenditures	~4% of Sales	Funding business growth
Cash Returned to Shareholders	≥50% of FCF	Dividends and share repurchases

2022 Sales Outlook



Capital Deployment Framework

#1

Invest for Growth

- Top priority remains funding organic business growth
- Strong M&A pipeline; preference for tuck-in acquisitions that accelerate growth

#2

Return Cash to Shareholders

- Returning at least 50% of free cash flow to shareholders¹
- Double-digit dividend increase
- Optionality to generate strong returns through share repurchases

#3

Maintain Healthy Balance Sheet; Improve Cash Flow

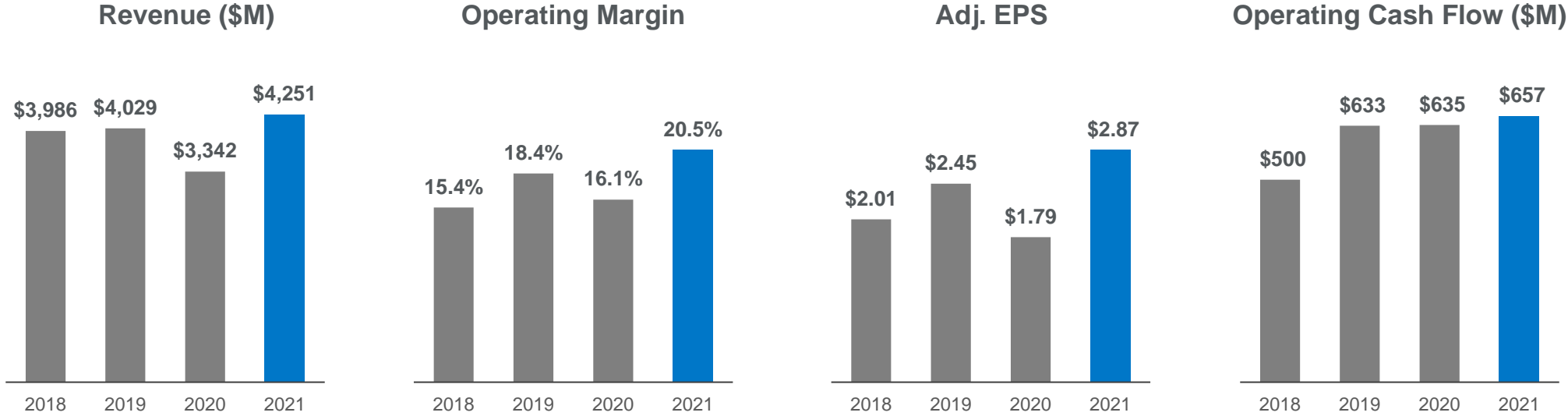
- Target investment-grade credit rating
- Long-term free cash flow conversion target of 100%

¹ Annual returned to shareholders over the next two years (2022 and 2023)

Strategic Operating Update

Delivering on Our Commitments

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



*Inclusive of the impact from the Byte acquisition

Our Strategy

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




Accelerating the Pace of Innovation


CEREC 5.2
SureSmile 7.6

A 3D model of a dental arch with several teeth highlighted in orange and grey, positioned next to a white CEREC milling unit with a black handle.

ProTaper Ultimate
“The Trifecta”

Three dental instruments are shown vertically: a red-handled instrument on the left, a silver instrument with a blue plunger in the middle, and a yellow and blue instrument on the right.


3D Imaging
Axeos – 3D CBCT wide field of view
Orthophos – versatile 2D/3D hybrid unit

A 3D imaging unit, likely an X-ray machine, with a blue light source and a central sensor.

SureSmile
Major product launch
VPro

A 3D model of a dental arch, showing the teeth in a light grey color.


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

A row of six dental implants of varying heights and thread patterns, arranged in a slightly ascending order from left to right.

Google Cloud Collaboration

The Google Cloud logo (with 'Google' in its multi-colored font) and the Dentsply Sirona logo (a stylized 'S' icon) are displayed side-by-side.

Primeprint
Medical-Grade 3D Printing System

Two white 3D printing machines, the Primeprint system, standing side-by-side. Each machine has a small screen on top.

And there is more to come.

Google Cloud Collaboration



Powered by

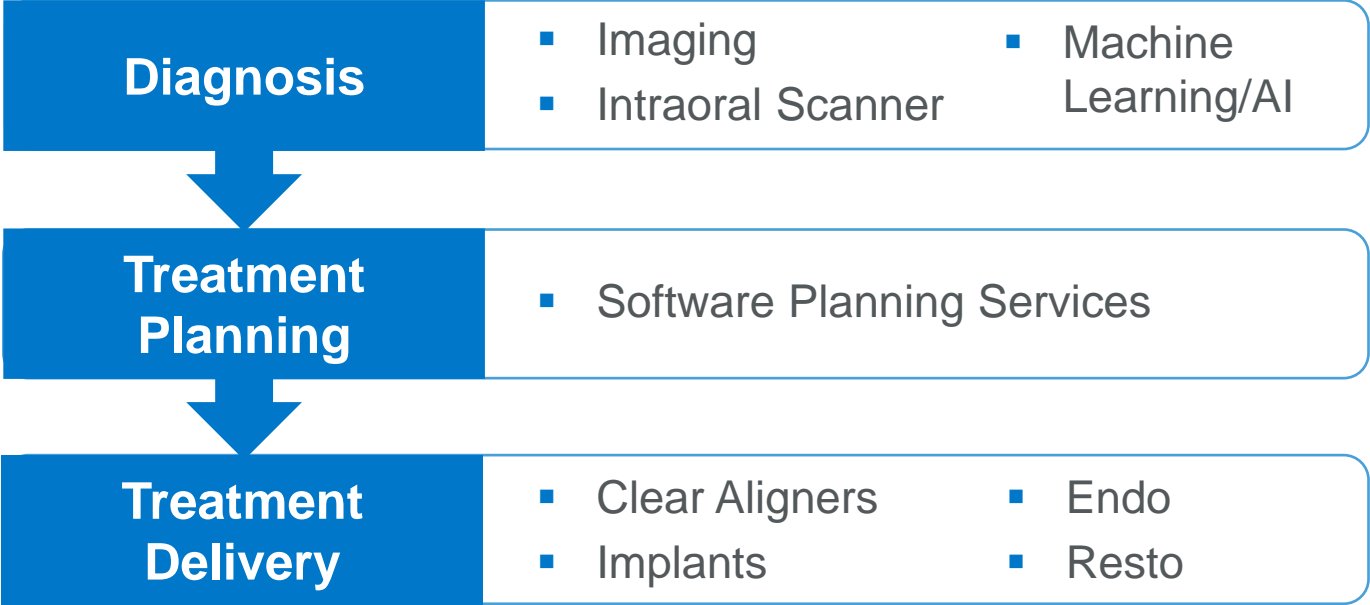


- **Enabling high-value dental care** by offering digitally connected hardware and software solutions
- **Digital workflows that allow secure and seamless sharing of data** with labs, dental practitioners and patients
- **Easy & secure access to data** wherever it is needed
- **Improved 3D visualization** of dental imagery

Bringing Together Our Strategy



Digitally-Enhanced Workflows



Enablers

Largest Equipment Installed Base

Global Scale and Geographic Expansion

Continuous Innovation

Summary

- Dental market is resilient; but macro uncertainties associated with the ongoing pandemic remain
- Strong performance in 2021; delivering on our long-term commitments
- Well positioned for growth in 2022 with focus on strategic growth areas: CAD/CAM, Implants, Clear Aligners, and Endo/Resto
- Accelerating our digital strategy with Google Cloud collaboration and Primeprint launch



Appendix

Trailing Nine Quarters (\$M)

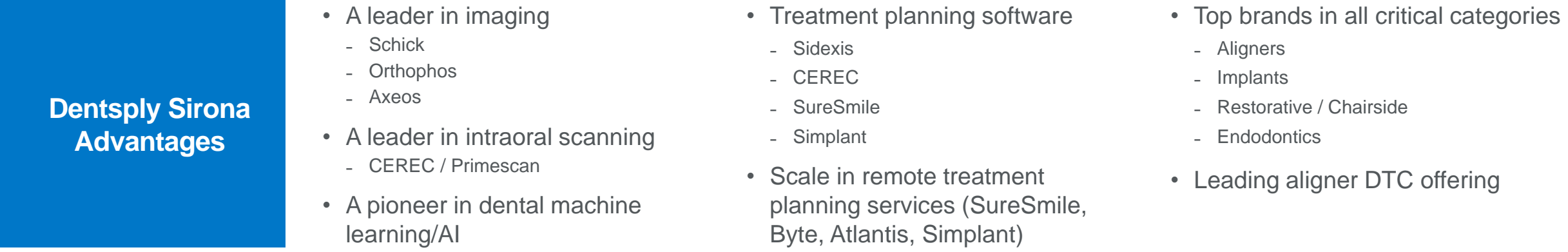
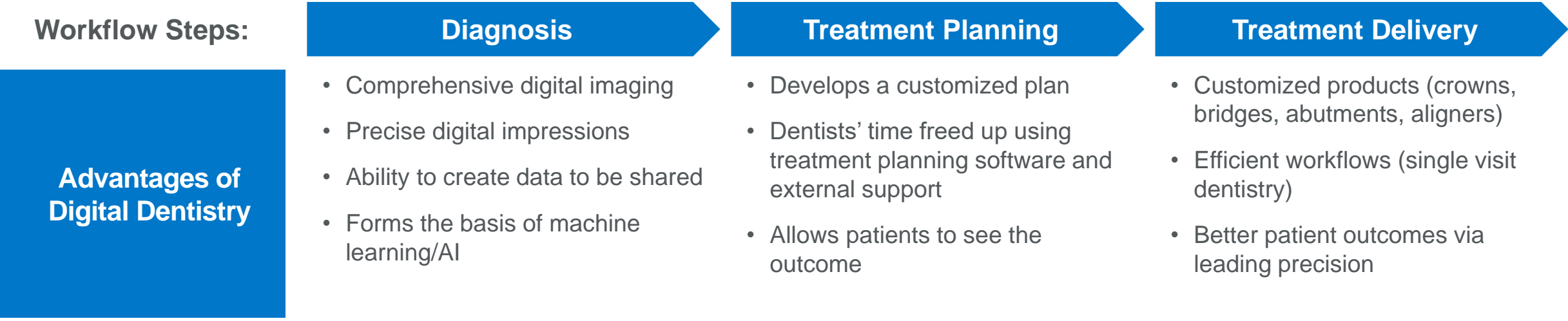
	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Net Sales	1,111	874	491	895	1,082	1,027	1,067	1,069	1,088
Adj. Operating Income	222	131	(42)	197	251	219	219	216	217
Adj. OI Margin %	20.0%	15.0%	-8.6%	22.0%	23.2%	21.3%	20.5%	20.2%	20.0%
<u>Cash Flow</u>									
OCF	299	(10)	175	207	263	49	214	172	222
Less: CapEx	36	26	13	21	27	30	36	35	41
FCF	263	(36)	162	186	236	19	178	137	181

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

2021 Financial Outlook Summary

	Original Outlook <i>(as of 4Q20 Earnings Call)</i>	Prior Outlook <i>(as of 1Q21 Earnings Call)</i>	Prior Outlook <i>(as of 3Q21 Earnings Call)</i>	Results
<i>Sales</i>	\$4.0B - \$4.3B	\$4.1B - \$4.3B	\$4.25B - \$4.3B	\$4.25B
<i>Organic Growth</i>	15% - 25%	18% - 25%	22% - 25%	24.6%
<i>Adjusted OI%</i>	≥ 20%	> 20%	> 20%	20.5%
<i>Adjusted EPS</i>	\$2.60 - \$2.80	\$2.75 - \$2.90	\$2.87 - \$2.92	\$2.87

Digital Workflows Transforming Dental Care



Connecting Our Broad Installed Base to Support the Digital Transformation

Non-GAAP Financial Measures Definitions

Organic Sales

The Company defines "organic sales" as the reported net sales adjusted for: (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 net sales using the comparable prior period's currency exchange rates.

Adjusted Operating Income (Loss) and Margin

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

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

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

Adjusted Net Income (Loss)

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

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

Adjusted Earnings (Loss) Per Diluted Share

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

Adjusted EBITDA

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

Reconciliation of Non-GAAP Financial Measures

Net Sales to Organic Sales Q4 21

(unaudited)

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

(in millions, except percentages)	Three Months Ended December 31, 2021			Q4 2021 Change			Three Months Ended December 31, 2020		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
Net sales	\$ 676	\$ 412	\$ 1,088	6.8%	(8.3%)	0.6%	\$ 633	\$ 449	\$ 1,082
Foreign exchange impact				(1.8%)	(0.7%)	(1.3%)			
Acquisitions				5.7%	—%	3.3%			
Divestitures and discontinued products				(3.6%)	(3.0%)	(3.2%)			
Organic sales				6.5%	(4.6%)	1.8%			

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

(in millions, except percentages)	Three Months Ended December 31, 2021				Q4 2021 Change				Three Months Ended December 31, 2020			
	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total
Net sales	\$ 385	\$ 437	\$ 266	\$ 1,088	7.2%	(2.4%)	(3.4%)	0.6%	\$ 359	\$ 448	\$ 275	\$ 1,082
Foreign exchange impact					(0.8%)	(1.6%)	(1.6%)	(1.3%)				
Acquisitions					9.3%	—%	0.9%	3.3%				
Divestitures and discontinued products					(1.6%)	(2.6%)	(6.7%)	(3.2%)				
Organic sales					0.3%	1.8%	4.0%	1.8%				

Reconciliation of Non-GAAP Financial Measures

Net Sales to Organic Sales FY 21

(unaudited)

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

(in millions, except percentages)	Year Ended December 31, 2021			2021 Change			Year Ended December 31, 2020		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
Net sales	\$ 2,524	\$ 1,727	\$ 4,251	28.7%	25.0%	27.2%	\$ 1,961	\$ 1,381	\$ 3,342
Foreign exchange impact				2.9%	2.8%	2.9%			
Acquisitions				9.0%	—%	5.4%			
Divestitures and discontinued products				(6.4%)	(4.5%)	(5.7%)			
Organic sales				23.2%	26.7%	24.6%			

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

(in millions, except percentages)	Year Ended December 31, 2021				2021 Change				Year Ended December 31, 2020			
	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total
Net sales	\$ 1,497	\$ 1,685	\$ 1,069	\$ 4,251	35.0%	21.5%	26.4%	27.2%	\$ 1,109	\$ 1,387	\$ 846	\$ 3,342
Foreign exchange impact					0.3%	4.7%	3.2%	2.9%				
Acquisitions					15.4%	—%	1.0%	5.4%				
Divestitures and discontinued products					(4.9%)	(4.7%)	(8.3%)	(5.7%)				
Organic sales					24.2%	21.5%	30.5%	24.6%				

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q4 21

(unaudited)

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Three Months Ended December 31, 2021	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Three Months Ended December 31, 2021
GROSS PROFIT	593	33	—	1	—	—	—	34	627
% OF NET SALES	54.5%								57.7%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	374	(22)	—	(1)	—	—	—	(23)	351
% OF NET SALES	34.4%								32.3%
RESEARCH AND DEVELOPMENT EXPENSES	59	—	—	—	—	—	—	—	59
RESTRUCTURING AND OTHER COSTS	6	—	(6)	—	—	—	—	(6)	—
OPERATING INCOME	154	55	6	2	—	—	—	63	217
% OF NET SALES	14.2%								20.0%
OTHER INCOME AND EXPENSE	16	—	—	—	(13)	—	—	(13)	3
INCOME BEFORE INCOME TAXES	138	55	6	2	13	—	—	76	214
PROVISION FOR INCOME TAXES	36	—	—	—	—	20	(9)	11	47
% OF PRE-TAX INCOME	26.2%								21.8%
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 102							\$ 65	\$ 167
% OF NET SALES	9.4%								15.4%
EARNINGS PER SHARE - DILUTED	\$ 0.47							\$ 0.29	\$ 0.76

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q4 20

(unaudited)

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Three Months Ended December 31, 2020	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Three Months Ended December 31, 2020
GROSS PROFIT	\$ 571	30	11	1	—	—	—	\$ 42	\$ 613
% OF NET SALES	52.8%								56.7%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	377	(19)	(24)	(16)	—	—	—	(59)	318
% OF NET SALES	34.8%								29.4%
RESEARCH AND DEVELOPMENT EXPENSES	44	—	—	—	—	—	—	—	44
RESTRUCTURING AND OTHER COSTS	15	—	(15)	—	—	—	—	(15)	—
OPERATING INCOME	135	49	50	17	—	—	—	116	251
% OF NET SALES	12.5%								23.2%
OTHER INCOME AND EXPENSE	12	—	—	—	(4)	—	—	(4)	8
INCOME BEFORE INCOME TAXES	123	49	50	17	4	—	—	120	243
PROVISION FOR INCOME TAXES	24	—	—	—	—	15	12	27	51
% OF PRE-TAX INCOME	19.5%								21.0%
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 99							\$ 93	\$ 192
% OF NET SALES	9.1%								17.7%
EARNINGS PER SHARE - DILUTED	\$ 0.45							\$ 0.42	\$ 0.87

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 21

(unaudited)

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Twelve Months Ended December 31, 2021	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Twelve Months Ended December 31, 2021
GROSS PROFIT	2,361	131	(6)	3	—	—	—	128	2,489
% OF NET SALES	55.5%								58.6%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,551	(91)	(2)	(11)	—	—	—	(104)	1,447
% OF NET SALES	36.5%								34.0%
RESEARCH AND DEVELOPMENT EXPENSES	171	—	—	—	—	—	—	—	171
RESTRUCTURING AND OTHER COSTS	17	—	(17)	—	—	—	—	(17)	—
OPERATING INCOME	622	222	13	14	—	—	—	249	871
% OF NET SALES	14.6%								20.5%
OTHER INCOME AND EXPENSE	63	—	—	11	(23)	—	—	(12)	51
INCOME BEFORE INCOME TAXES	559	222	13	3	23	—	—	261	820
PROVISION FOR INCOME TAXES	138	—	—	—	—	65	(14)	51	189
% OF PRE-TAX INCOME	24.7%								23.0%
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—							—	—
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 421							\$ 210	\$ 631
% OF NET SALES	9.9%								14.8%
EARNINGS PER SHARE - DILUTED	\$ 1.91							\$ 0.96	\$ 2.87

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 20

(unaudited)

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Twelve Months Ended December 31, 2020	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Twelve Months Ended December 31, 2020
GROSS PROFIT	\$ 1,657	118	44	5	—	—	—	\$ 167	\$ 1,824
% OF NET SALES	49.6%								54.6%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,312	(74)	(57)	(17)	—	—	—	(148)	1,164
% OF NET SALES	39.3%								34.8%
RESEARCH AND DEVELOPMENT EXPENSES	123	—	—	—	—	—	—	—	123
GOODWILL IMPAIRMENT	157	—	(157)	—	—	—	—	(157)	—
RESTRUCTURING AND OTHER COSTS	77	—	(77)	—	—	—	—	(77)	—
OPERATING (LOSS) INCOME	(12)	192	335	22	—	—	—	549	537
% OF NET SALES	(0.4%)								16.1%
OTHER INCOME AND EXPENSE	48	—	—	—	(9)	—	—	(9)	39
(LOSS) INCOME BEFORE INCOME TAXES	(60)	192	335	22	9	—	—	558	498
PROVISION FOR INCOME TAXES	23	—	—	—	—	90	(9)	81	104
% OF PRE-TAX (LOSS) INCOME	(38.3%)								20.9%
NET (LOSS) INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (83)							\$ 477	\$ 394
% OF NET SALES	(2.5%)								11.8%
EARNINGS PER SHARE - DILUTED	\$ (0.38)							\$ 2.17	\$ 1.79

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 19

(unaudited)

(in millions, except per share amounts and percentages)	GAAP							ADJUSTED NON-GAAP	
	Year Ended December 31, 2019	Amortization of Purchased Intangible Assets	Restructuring Program Related Costs and Other Costs	Business Combination Related Costs and Fair Value Adjustments	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Year Ended December 31, 2019
GROSS PROFIT	\$ 2,165	116	25	6	-	-	-	\$ 147	\$ 2,312
% OF NET SALES	53.7%							-	57.4%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,723	(74)	(78)	(1)	-	-	-	(153)	1,570
% OF NET SALES	42.8%							-	39.0%
RESTRUCTURING AND OTHER COSTS	81	-	(81)	-	-	-	-	(81)	-
OPERATING INCOME	361	190	184	7	-	-	-	381	742
% OF NET SALES	9.0%								18.4%
OTHER INCOME AND EXPENSE	16	-	1	(3)	(5)	-	-	(7)	9
INCOME BEFORE INCOME TAXES	345	190	183	10	5	-	-	388	733
PROVISION OF INCOME TAXES	82	-	-	-	-	102	(1)	101	183
% OF PRE-TAX INCOME	23.8%								25.0%
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 263							\$ 287	\$ 550
% OF NET SALES	6.5%								13.7%
EARNINGS PER SHARE - DILUTED	\$ 1.17							\$ 1.28	\$ 2.45

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 18

(unaudited)

	GAAP								ADJUSTED NON-GAAP	
	Year Ended December 31, 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	Fair Value and Credit Risk Adjustments	Tax Impact of Non-GAAP Adjustments	Income Tax Related Adjustments	Total Non-GAAP Adjustments	Year Ended December 31, 2018
<i>(in millions, except per share amounts and percentages)</i>										
NET SALES	\$ 3,986	-	-	-	7	-	-	-	\$ 7	\$ 3,993
GROSS PROFIT	2,068	119	21	-	13	-	-	-	153	2,221
% OF NET SALES	51.9%									55.6%
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,719	(79)	(25)	-	(8)	-	-	-	(112)	1,607
% OF NET SALES	43.1%									40.2%
GOODWILL IMPAIRMENT	1,086	-	(1,086)	-	-	-	-	-	(1,086)	-
RESTRUCTURING AND OTHER COSTS	221	-	(221)	-	-	-	-	-	(221)	-
OPERATING (LOSS) INCOME	(958)	198	1,353	-	21	-	-	-	1,572	614
% OF NET SALES	(24.0%)									15.4%
OTHER INCOME AND EXPENSE	-	-	-	44	(2)	(14)	-	-	28	28
(LOSS) INCOME BEFORE INCOME TAXES	(958)	198	1,353	(44)	23	14	-	-	1,544	586
PROVISION OF INCOME TAXES	53	-	-	-	-	-	130	(52)	78	131
% OF PRE-TAX INCOME	(5.5%)									22.4%
NET (LOSS) INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ (1,011)								\$ 1,466	\$ 455
% OF NET SALES	(25.4%)									11.4%
EARNINGS PER SHARE - DILUTED	\$ (4.51)								\$ 6.52	\$ 2.01

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA FY 18 - FY 21

(unaudited)

(in millions)	2021	2020	2019	2018
GAAP net income (loss)	\$ 421	\$ (83)	\$ 263	\$ (1,011)
Interest expense, net	55	47	27	35
Income tax expense	138	23	82	53
Depreciation ⁽¹⁾	117	121	132	132
Amortization of purchased intangible assets	222	192	190	198
Restructuring program related costs and other costs	13	335	183	1,309
Business combination related costs and fair value adjustments	3	22	10	23
Fair value and credit risk adjustments	23	9	5	14
Adjusted EBITDA	\$ 992	\$ 666	\$ 892	\$ 753

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

