

# Dentsply Sirona Fourth Quarter 2019

March 2, 2020

# Forward-Looking Statements and Associated Risks

Information included or incorporated by reference in this Presentation contains or may contain forward-looking statements. These forward-looking statements include, among other things, statements about the completion of expected financial results referred to herein, and/or statements about the Company's plans, objectives, expectations (financial or otherwise) or intentions, including the Company's 2020 guidance.

The Company's forward-looking statements involve risks and uncertainties. Actual results may differ significantly from those projected or suggested in any forward-looking statements. 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 may be unable to execute key strategic activities due to competing priorities and strategies of its distribution partners and other factors
- the Company's ability to protect its technology infrastructure from cyber-attacks and other disruptions
- the Company's ability to maintain effective internal controls during periods of restructuring and organizational changes
- a significant failure or disruption in service within the Company's operations or the operations of key distributors
- the Company's failure to attract and retain talented employees, or to manage succession and retention for its key executives
- the Company's ability to successfully implement its cost reduction and restructuring plans
- 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
- results in pending and future litigation, investigations or other proceedings which could subject the Company to significant monetary damages or penalties and/or require us to change our business practices, or the costs incurred in connection with such proceedings
- other risks described from time to time in the Company's filings with the SEC

You should carefully consider these and other relevant factors, including those risk factors in Item 1A, "Risk Factors" of the Company's Form 10-K for the year ended December 31, 2019 and any other information included or incorporated by reference in that Form 10-K, and information which may be contained in the Company's other filings with the SEC, when reviewing any forward-looking statement. Investors should understand it is impossible to predict or identify all such factors or risks. As such, you should not consider either foregoing lists, or the risks identified in the Company's SEC filings, to be a complete discussion of all potential risks or uncertainties associated with an investment in the Company.

# Non-GAAP Financial Measures

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share ("adjusted EPS"). The Company discloses adjusted non-GAAP net income 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 may not be indicative of past or future performance of the normal operations of the Company and certain large non-cash charges related to intangible assets either purchased or acquired through a business combination. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

Adjusted non-GAAP net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted non-GAAP net income and adjusted EPS and the performance of the Company is measured on this basis along with other performance metrics.

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

(1) Business combination related costs and fair value adjustments. These adjustments include costs related to integrating and consummating mergers and recently acquired businesses, as well as costs, gains and losses related to the disposal of businesses or significant product lines. In addition, this category includes the roll off to the consolidated statements of operations of fair value adjustments related to business combinations, except for amortization expense noted below. These items are irregular in timing and as such may not be indicative of past and future performance of the Company and 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 terminations costs, related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives, as well as, legal settlements and impairments of assets. These items are irregular in timing, amount and impact to the Company's financial performance. As such, these items may not be indicative of past and future performance of the Company and are therefore excluded for the purpose of understanding underlying operating trends.

(3) Amortization of purchased intangible assets. This adjustment excludes the periodic amortization expense related to purchased intangible assets. Amortization expense has been excluded from adjusted net income attributed to Dentsply Sirona to allow investors to evaluate and understand operating trends excluding these large non-cash charges.

(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) Gain on sale of marketable securities. This adjustment represents the gain on the sale of marketable securities held by the Company. The gain has been excluded from adjusted net income attributed to Dentsply Sirona to allow investors to evaluate and understand operating trends excluding this gain.

(6) 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. These adjustments are irregular in timing and amount and may significantly impact 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.

Adjusted EPS is calculated by dividing adjusted non-GAAP net income by diluted weighted-average common shares outstanding. The "adjusted EPS" and "adjusted non-GAAP net income" measurements are not calculated in accordance with accounting principles generally accepted in the United States; therefore, these items represent non-GAAP measures. These non-GAAP measures may differ from other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with GAAP. Income tax related adjustments may include the impact to adjust the interim effective income tax rate to the expected annual effective tax rate.

The Company defines "constant currency" sales growth as the increase or decrease in net sales from period to period excluding precious metal content and the impact of changes in foreign currency exchange rates. This impact is calculated by comparing current-period revenues to prior-period revenues, with both periods converted at the U.S. dollar to local currency foreign exchange rate for each month of the prior period, for the currencies in which the Company does business. The Company defines "internal sales growth" as constant currency sales growth excluding the impacts of net acquisitions and divestitures and discontinued products.

Management believes that the presentation of net sales, excluding precious metal content, provides useful information to investors because a portion of Dentsply Sirona's net sales comprises of sales of precious metals generated through sales of the Company's precious metal dental alloy products, which are used by third parties to construct crown and bridge materials. Due to the fluctuations of precious metal prices and because the cost of the precious metal content of the Company's sales is largely passed through to customers and has minimal effect on earnings, Dentsply Sirona reports net sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. The Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal dental alloy sale prices are typically adjusted when the prices of underlying precious metals change.

# Fourth Quarter and Full Year 2019 – Agenda



Introduction	John Sweeney	VP IR
Overview	Don Casey	CEO
Financials & Outlook	Jorge Gomez	EVP & CFO
Operating Update	Don Casey	CEO
Q & A		

# Overview

Don Casey  
Chief Executive Officer



# 2019 – Summary Performance – non-GAAP

2019 Net Sales (ex. PM)	2019 Internal Sales Growth	2019 Adj. EPS
<b>\$3,988M</b> <i>(up 0.8%, with a -3.3% Currency Impact)</i>	<b>5.7%</b>	<b>\$2.45</b> <i>(up 22% YOY)</i>

2019 Adj. OI Margin	Cash Flow From Operations
<b>18.6%</b> <i>(up 310bps YOY)</i>	<b>\$633 Million</b>

# Q419 – Summary Performance – non-GAAP

Q419 Net Sales (ex. PM)	Q419 Internal Sales Growth	Q419 Adj. EPS
<b>\$1,102M</b> <i>(4.8% YOY, with a -1.8% Currency Impact)</i>	<b>8.4%</b>	<b>\$0.73</b> <i>(up 26% YOY)</i>

Q419 Adj. OI Margin	Cash Flow From Operations
<b>20.2%</b> <i>(up 340 bps YOY)</i>	<b>\$299 Million</b>

# Financials & Outlook

**Jorge Gomez**  
EVP & Chief Financial Officer

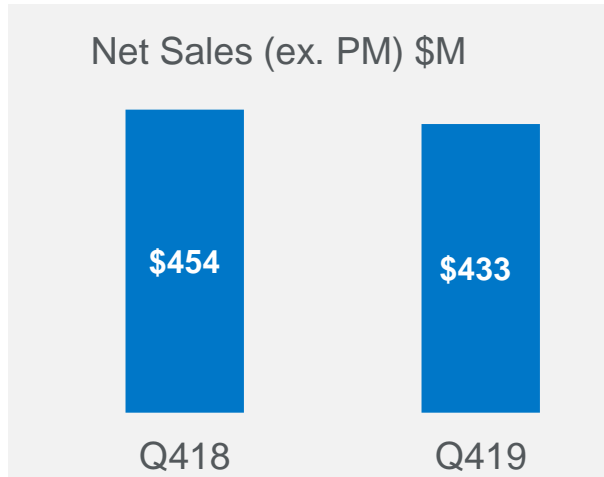




# Q419 – Financial Summary – non-GAAP

In Millions of USD	Q4 2019 Actual	Q4 2018 Actual	% Change
<b>Net Sales (ex. PM)</b>	\$ 1,102	\$ 1,051	4.8%
<i>Internal Sales Growth %</i>			8.4%
Gross Profit	642	572	12.2%
<i>Gross Profit %</i>	58.2%	54.4%	380 bps
Total SG&A Expenses	419	396	5.9%
<i>SG&amp;A %</i>	38.0%	37.6%	40 bps
Operating Income	222	176	26.3%
<i>Operating Margin %</i>	20.2%	16.8%	340 bps
Other (Income)/Expense	2	5	
<b>Net Income</b>	\$ 164	\$ 130	25.8%

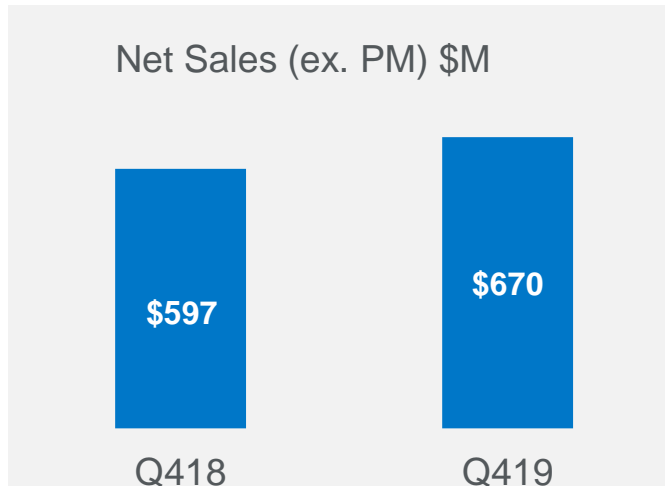
# Q419 – Consumables Segment – non-GAAP



- Net sales (ex. PM) of \$433M, down 4.8% YoY
- Currency negatively impacted sales by 1.7%
- Internal sales decline of 3.1%
- Consumables OI margin of 22.2%, up 30 basis points vs prior year driven by ongoing cost saving initiatives



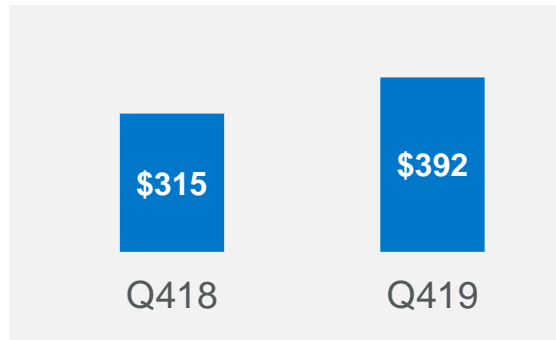
# Q419 - Technologies & Equipment – non-GAAP



- Net sales (ex. PM) of \$670M, up 12.2% YOY
- Currency negatively impacted net sales by 1.7%.
- Internal sales growth of 17.2%
- Operating income margin of 23.7%, up 820 basis points vs. prior year due to efficiency initiatives, higher volume, and dealer destocking in the fourth quarter of 2018

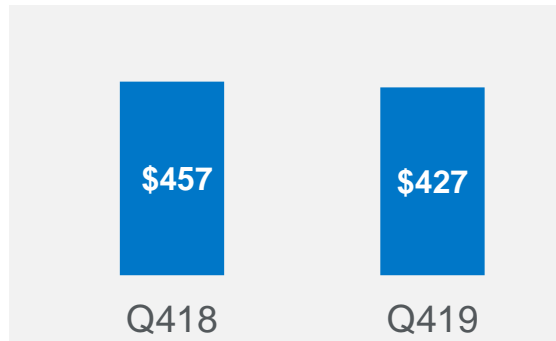


# Q419 – Regional Net Sales (ex. PM) – non-GAAP



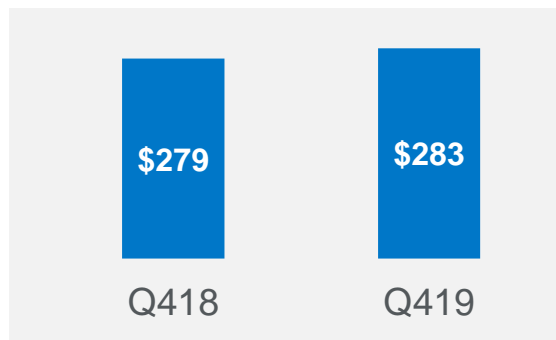
## U.S. Net Sales – (34% of total)

- Net sales increased 24.3%
- M&A/disc. products reduced sales growth by 3.2%
- Internal sales growth of 27.5%.



## Europe Net Sales – (40% of total)

- Net sales declined 6.5%
- M&A/disc. products reduced sales growth by 0.7%
- Foreign exchange reduced sales growth by 2.9%
- Internal sales decline of 2.9%



## Rest of World Net Sales (26% of total)

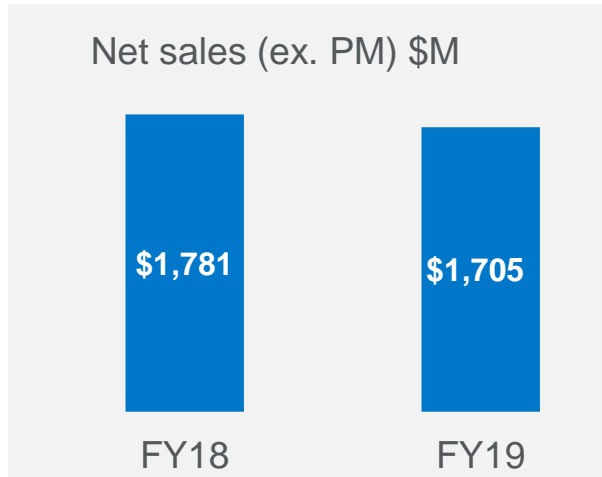
- Net sales increased 1.5%
- M&A/disc. products reduced sales growth by 1.9%
- Foreign exchange reduced sales growth by 1.7%
- Internal sales growth of 5.1%

# FY19 – Financial Summary – non-GAAP

In Millions of USD	FY19 Actual	FY18 Actual	% Change
<b>Net Sales (ex. PM)</b>	\$ 3,988	\$ 3,956	0.8%
<i>Internal Sales Growth %</i>			5.7%
Gross Profit	2,312	2,221	4.1%
<i>Gross Profit %</i>	58.0%	56.1%	190 bps
Total SG&A Expenses	1,570	1,606	-2.3%
<i>SG&amp;A %</i>	39.4%	40.6%	-120 bps
Operating Income	742	614	20.8%
<i>Operating Margin %</i>	18.6%	15.5%	310 bps
Other (Income)/Expense	9	28	
<b>Net Income</b>	\$ 550	\$ 455	21.0%
<b>Non-GAAP EPS</b>	\$ 2.45	\$ 2.01	21.9%

# FY19 – Consumables Segment – non-GAAP

(43% of FY19 Sales)

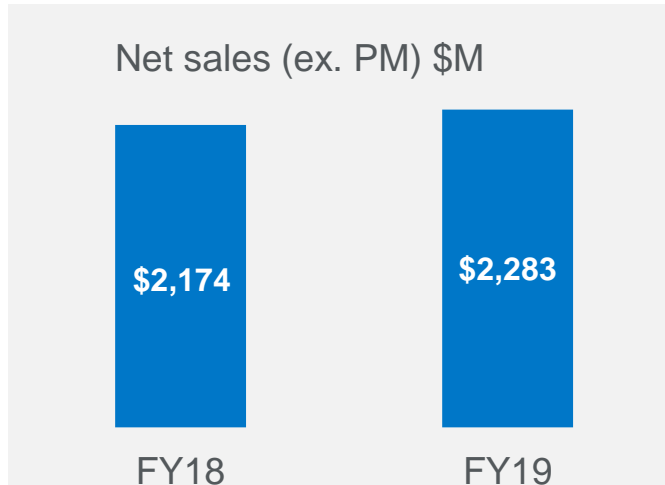


- Net sales of \$1,705M, down 4.3% YoY
- Currency negatively impacted sales by 3.0%
- Internal sales decline of 1.3%
- Consumables OI margin of 25.6%, down 20 basis points vs prior year.



# FY19 - Technologies & Equipment – non-GAAP

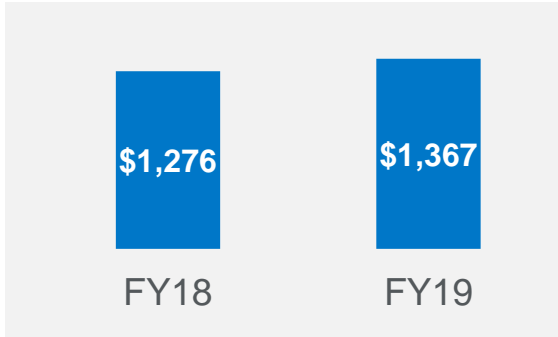
(57% of FY19 Sales)



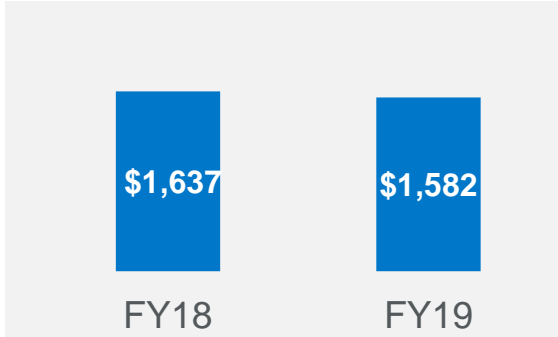
- Net sales (ex. PM) of \$2,283M, up 5.0% YOY
- Currency negatively impacted sales by 3.5%.
- 2019 internal sales growth of 11.5%
- Operating income margin of 18.9%, up 610 basis points vs. prior year due to higher sales, ongoing efficiency initiatives and dealer destocking in the fourth quarter of 2018



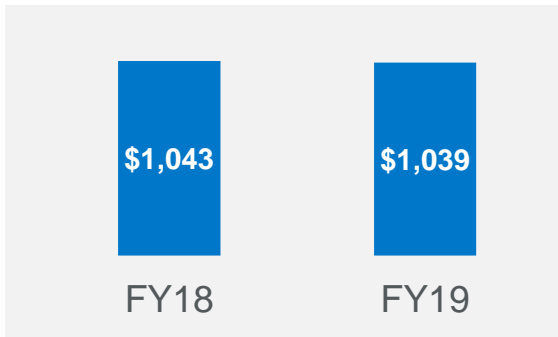
# FY19 – Regional Net Sales (ex. PM) – non-GAAP



- U.S. Net Sales – (34% of total)**
- Net sales increased 7.2%
  - Foreign exchange reduced sales growth by 0.1%
  - M&A/disc. products reduced sales growth by 1.7%
  - Internal sales growth of 9.0%.



- Europe Net Sales – (40% of total)**
- Net sales declined 3.4%
  - M&A/disc. products reduced sales growth by 0.9%
  - Foreign exchange reduced sales growth by 5.3%
  - Internal sales growth of 2.8%



- Rest of World Net Sales (26% of total)**
- Net sales declined 0.4%
  - M&A/disc. products reduced sales growth by 2.5%
  - Foreign exchange reduced sales growth by 4.2%
  - Internal sales growth of 6.3%



# Free Cash Flow – non-GAAP

	Q419	Q418	% Δ		FY19	FY18	% Δ
Cash Flow From Operations	\$299	\$202	48%		\$633	\$500	27%
Less: Capital Expenditures	36	52	(31%)		123	183	(33%)
<b>Free Cash Flow</b>	<b>\$263</b>	<b>\$150</b>	<b>75%</b>		<b>\$510</b>	<b>\$317</b>	<b>61%</b>



# FY20 Guidance

	2020 Guidance
Revenue	\$4.1B - \$4.15B
Organic Sales Growth	3% - 4%
OI Margin	19.5%-20.5%
EPS	\$2.55-\$2.80

# Operating Update

Don Casey  
Chief Executive Officer



# Dentsply Sirona Financial Targets

Item	Target	Commentary
<b>Sales Growth</b>	<b>~3-4%</b>	<ul style="list-style-type: none"> <li>▪ Consumables growth ~2-3%</li> <li>▪ Technologies &amp; Equipment returning to growth in 2019 &amp; 4%+ thereafter</li> <li>▪ New product introductions</li> <li>▪ Investing in global scale and faster growing regions</li> <li>▪ Overall growth at or above dental market</li> </ul>
<b>EBIT Margin</b>	<b>20% by the end of 2020 &amp; 22% by the end of 2022</b>	<ul style="list-style-type: none"> <li>▪ Restructuring to save \$200-225M by 2021</li> <li>▪ Portfolio shaping</li> <li>▪ Continuing plans for margin expansion after 2020</li> </ul>
<b>EPS Growth</b>	<b>Double Digit</b>	<ul style="list-style-type: none"> <li>▪ Accelerated EPS growth in the near-term as cost savings are realized</li> </ul>
<b>Net Debt to EBITDA</b>	<b>Investment Grade</b>	<ul style="list-style-type: none"> <li>▪ Utilize balance sheet to enhance EPS growth</li> </ul>

# Improving Innovation Pipeline

- Portfolio approach
- Procedure expertise
- Increased investment

SiroLaser Blue  
In-Ovation X  
Celtra PRESS  
Cercon xt  
Aquasil Ultra+

**2017**

THP Spectra  
Calibra Bio  
Gutta-Smart  
Purevac HVE  
Cavitron Touch

**2018**

Suresmile  
Orthophos S, E  
Primescan  
Digital Dentures  
Astra Tech EV  
Palodent 360  
Acuris  
TruNatomy  
SmartLite Pro  
Spectra ST Flow  
Cercon xt ML

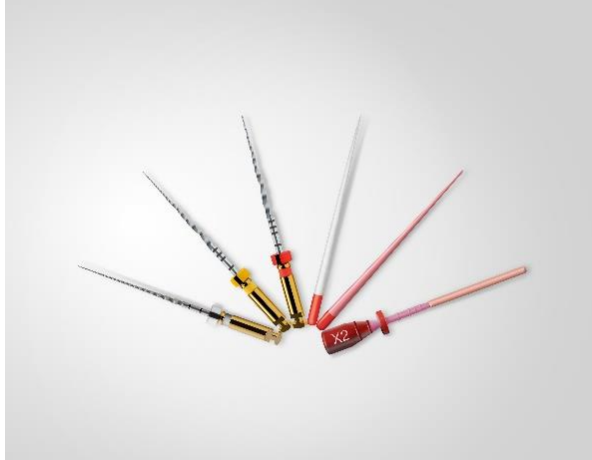
**2019**

**New Products – Key Growth Drivers**

# Primemill makes CEREC even more compelling...



# Conclusion



- Restructuring Plan – 2019 - Strong Start
- Growing Revenues – Innovation Drives Growth
- Expanding Margins – Portfolio Management, Efficiency & Spending Discipline
- Simplification – Centralized Supply Chain Function, Procurement & Leveraging Scale
- Anticipate Continued Traction in 2020



# Appendix



# Reconciliation of non-GAAP Financial Measures

## Net Sales Q419

(unaudited)

(in millions, except percentages)	Three Months Ended December 31, 2019				Q4 2019 Growth				Three Months Ended December 31, 2018			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
<b>Net sales</b>	\$ 393.0	\$ 434.8	\$ 283.7	\$ 1,111.5	24.6%	(6.5%)	1.5%	4.9%	\$ 315.4	\$ 464.9	\$ 279.4	\$ 1,059.7
Less: precious metal content of sales	1.2	7.5	0.8	9.5					1.2	7.7	0.8	9.7
Net sales, excluding precious metal content	391.8	427.3	282.9	1,102.0	24.7%	(6.5%)	1.5%	5.0%	314.2	457.2	278.6	1,050.0
Acquisition related adjustments <sup>(a)</sup>	-	-	-	-					1.1	-	-	1.1
Non-GAAP, net sales, excluding precious metal content	\$ 391.8	\$ 427.3	\$ 282.9	\$ 1,102.0	24.3%	(6.5%)	1.5%	4.8%	\$ 315.3	\$ 457.2	\$ 278.6	\$ 1,051.1
Foreign exchange impact					0.0%	(2.9%)	(1.7%)	(1.8%)				
Constant currency growth					24.3%	(3.6%)	3.2%	6.6%				
Acquisitions					(2.7%)	(0.2%)	(0.6%)	(1.1%)				
Discontinued products					(0.5%)	(0.5%)	(1.3%)	(0.7%)				
<b>Internal sales growth</b>					27.5%	(2.9%)	5.1%	8.4%				

(a) Represents an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards.

(in millions, except percentages)	Three Months Ended December 31, 2019			Q4 2019 Growth			Three Months Ended December 31, 2018		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
<b>Net sales</b>	\$ 669.5	\$ 442.0	\$ 1,111.5	12.4%	(4.7%)	4.9%	\$ 595.9	\$ 463.8	\$ 1,059.7
Less: precious metal content of sales	-	9.5	9.5				-	9.7	9.7
Net sales, excluding precious metal content	669.5	432.5	1,102.0	12.4%	(4.8%)	5.0%	595.9	454.1	1,050.0
Acquisition related adjustments <sup>(a)</sup>	-	-	-				1.1	-	1.1
Non-GAAP, net sales, excluding precious metal content	\$ 669.5	\$ 432.5	\$ 1,102.0	12.2%	(4.8%)	4.8%	\$ 597.0	\$ 454.1	\$ 1,051.1
Foreign exchange impact				(1.7%)	(1.7%)	(1.8%)			
Constant currency growth				13.9%	(3.1%)	6.6%			
Acquisitions				(1.9%)	0.0%	(1.1%)			
Discontinued products				(1.4%)	0.0%	(0.7%)			
<b>Internal sales growth</b>				17.2%	(3.1%)	8.4%			

(a) Represents an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards.

# Reconciliation of non-GAAP Financial Measures

## Net Sales FY19

(unaudited)

(in millions, except percentages)	Twelve Months Ended December 31, 2019				2019 Growth				Twelve Months Ended December 31, 2018			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
<b>Net sales</b>	\$ 1,372.9	\$ 1,614.0	\$ 1,042.3	\$ 4,029.2	7.7%	(3.1%)	(0.4%)	1.1%	\$ 1,274.3	\$ 1,665.9	\$ 1,046.1	\$ 3,986.3
Less: precious metal content of sales	5.7	32.1	3.3	41.1					5.1	28.7	3.4	37.2
<b>Net sales, excluding precious metal content</b>	<b>1,367.2</b>	<b>1,581.9</b>	<b>1,039.0</b>	<b>3,988.1</b>	<b>7.7%</b>	<b>(3.4%)</b>	<b>(0.4%)</b>	<b>1.0%</b>	<b>1,269.2</b>	<b>1,637.2</b>	<b>1,042.7</b>	<b>3,949.1</b>
Acquisition related adjustments <sup>(a)</sup>	-	-	-	-					6.4	-	-	6.4
<b>Non-GAAP, net sales, excluding precious metal content</b>	<b>\$ 1,367.2</b>	<b>\$ 1,581.9</b>	<b>\$ 1,039.0</b>	<b>\$ 3,988.1</b>	<b>7.2%</b>	<b>(3.4%)</b>	<b>(0.4%)</b>	<b>0.8%</b>	<b>\$ 1,275.6</b>	<b>\$ 1,637.2</b>	<b>\$ 1,042.7</b>	<b>\$ 3,955.5</b>
Foreign exchange impact					(0.1%)	(5.3%)	(4.2%)	(3.3%)				
Constant currency growth					7.3%	1.9%	3.8%	4.1%				
Acquisitions					(1.3%)	(0.1%)	(0.3%)	(0.6%)				
Discontinued Products					(0.4%)	(0.8%)	(2.2%)	(1.0%)				
<b>Internal sales growth</b>					<b>9.0%</b>	<b>2.8%</b>	<b>6.3%</b>	<b>5.7%</b>				

(a) Represents an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards.

(in millions, except percentages)	Twelve Months Ended December 31, 2019			2019 Growth			Twelve Months Ended December 31, 2018		
	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total	Technologies & Equipment	Consumables	Total
<b>Net sales</b>	\$ 2,283.2	\$ 1,746.0	\$ 4,029.2	5.3%	(4.0%)	1.1%	\$ 2,167.7	\$ 1,818.6	\$ 3,986.3
Less: precious metal content of sales	-	41.1	41.1				-	37.2	37.2
<b>Net sales, excluding precious metal content</b>	<b>2,283.2</b>	<b>1,704.9</b>	<b>3,988.1</b>	<b>5.3%</b>	<b>(4.3%)</b>	<b>1.0%</b>	<b>2,167.7</b>	<b>1,781.4</b>	<b>3,949.1</b>
Acquisition related adjustments <sup>(a)</sup>	-	-	-				6.4	-	6.4
<b>Non-GAAP, net sales, excluding precious metal content</b>	<b>\$ 2,283.2</b>	<b>\$ 1,704.9</b>	<b>\$ 3,988.1</b>	<b>5.0%</b>	<b>(4.3%)</b>	<b>0.8%</b>	<b>\$ 2,174.1</b>	<b>\$ 1,781.4</b>	<b>\$ 3,955.5</b>
Foreign exchange impact				(3.5%)	(3.0%)	(3.3%)			
Constant currency growth				8.5%	(1.3%)	4.1%			
Acquisitions				(1.1%)	0.0%	(0.6%)			
Discontinued Products				(1.9%)	0.0%	(1.0%)			
<b>Internal sales growth</b>				<b>11.5%</b>	<b>(1.3%)</b>	<b>5.7%</b>			

(a) Represents an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards.

# Reconciliation of non-GAAP Financial Measures

## Consolidated Statements of Operations Q419

(unaudited)

	GAAP							NON-GAAP	
	Three Months Ended December 31, 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	Three Months Ended December 31, 2019
NET SALES	\$ 1,111.5	-	-	-	-	-	-	\$ -	\$ 1,111.5
NET SALES-excluding precious metals	1,102.0	-	-	-	-	-	-	-	1,102.0
GROSS PROFIT	610.6	28.6	1.0	1.3	-	-	-	30.9	641.5
% OF NET SALES-excluding precious metals	55.4%								58.2%
SG&A EXPENSES	461.4	(18.1)	(24.1)	(0.1)	-	-	-	(42.3)	419.1
% OF NET SALES-excluding precious metals	41.9%								38.0%
RESTRUCTURING AND OTHER COSTS	12.6	-	(12.6)	-	-	-	-	(12.6)	-
INCOME FROM OPERATIONS	136.6	46.7	37.7	1.4	-	-	-	85.8	222.4
% OF NET SALES-excluding precious metals	12.4%								20.2%
NET INTEREST AND OTHER EXPENSE	(0.9)	-	6.2	(2.0)	(1.2)	-	-	3.0	2.1
PRE-TAX INCOME	137.5	46.7	31.5	3.4	1.2	-	-	82.8	220.3
INCOME TAXES	35.0	-	-	-	-	24.6	(3.5)	21.1	56.1
% OF PRE-TAX INCOME	25.5%								25.5%
EARNINGS PER SHARE - DILUTED	\$ 0.46							\$ 0.27	\$ 0.73

# Reconciliation of non-GAAP Financial Measures

## Consolidated Statements of Operations Q418

(unaudited)

	GAAP							NON-GAAP	
	Three Months Ended December 31, 2018	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	Three Months Ended December 31, 2018
NET SALES	\$ 1,059.7	-	-	1.1	-	-	-	\$ 1.1	\$ 1,060.8
NET SALES-excluding precious metals	1,050.0	-	-	1.1	-	-	-	1.1	1,051.1
GROSS PROFIT	524.8	29.5	14.8	2.6	-	-	-	46.9	571.7
% OF NET SALES-excluding precious metals	50.0%							-	54.4%
SG&A EXPENSES	433.2	(18.7)	(15.5)	(3.4)	-	-	-	(37.6)	395.6
% OF NET SALES-excluding precious metals	41.3%							-	37.6%
RESTRUCTURING AND OTHER COSTS	9.8	-	(9.8)	-	-	-	-	(9.8)	-
INCOME FROM OPERATIONS	81.8	48.2	40.1	6.0	-	-	-	94.3	176.1
% OF NET SALES-excluding precious metals	7.8%								16.8%
NET INTEREST AND OTHER EXPENSE	4.4	-	-	(0.2)	0.9	-	-	0.7	5.1
PRE-TAX INCOME	77.4	48.2	40.1	6.2	(0.9)	-	-	93.6	171.0
INCOME TAXES	75.9	-	-	-	-	13.8	(48.8)	(35.0)	40.9
% OF PRE-TAX INCOME	98.1%								23.9%
EARNINGS PER SHARE - DILUTED	\$ 0.01							\$ 0.57	\$ 0.58

# Reconciliation of non-GAAP Financial Measures

## Consolidated Statements of Operations FY19

(unaudited)

	US GAAP							NON-GAAP	
	Twelve Months Ended December 31, 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	Twelve Months Ended December 31, 2019
NET SALES	\$ 4,029.2	-	-	-	-	-	-	\$ -	\$ 4,029.2
NET SALES-excluding precious metals	3,988.1	-	-	-	-	-	-	-	3,988.1
GROSS PROFIT	2,165.1	115.5	25.3	5.7	-	-	-	146.5	2,311.6
% OF NET SALES-excluding precious metals	54.3%								58.0%
SG&A EXPENSES	1,723.5	(74.1)	(78.5)	(1.4)	-	-	-	(154.0)	1,569.5
% OF NET SALES-excluding precious metals	43.2%								39.4%
RESTRUCTURING AND OTHER COSTS	80.7	-	(80.7)	-	-	-	-	(80.7)	-
INCOME FROM OPERATIONS	360.9	189.6	184.5	7.1	-	-	-	381.2	742.1
% OF NET SALES-excluding precious metals	(9.1%)								18.6%
NET INTEREST AND OTHER EXPENSE	15.5	-	1.2	(2.4)	(5.3)	-	-	(6.5)	9.0
PRE-TAX INCOME	345.4	189.6	183.3	9.5	5.3	-	-	387.7	733.1
INCOME TAXES	82.3	-	-	-	-	101.7	(1.0)	100.7	183.0
% OF PRE-TAX INCOME	23.8%								25.0%
EARNINGS PER SHARE - DILUTED	\$ 1.17							\$ 1.28	\$ 2.45

# Reconciliation of non-GAAP Financial Measures

## Consolidated Statements of Operations FY18

(unaudited)

	US GAAP									NON-GAAP	
	Twelve Months Ended December 31, 2018	Amortization of Purchased Intangible Assets	Restructuring Program 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	Twelve Months Ended December 31, 2018	
NET SALES	\$ 3,986.3	-	-	-	6.4	-	-	-	\$ 6.4	\$ 3,992.7	
NET SALES-excluding precious metals	3,949.1	-	-	-	6.4	-	-	-	6.4	3,955.5	
GROSS PROFIT	2,067.8	119.2	21.0	-	12.6	-	-	-	152.8	2,220.6	
% OF NET SALES-excluding precious metals	52.4%								-	56.1%	
SG&A EXPENSES	1,719.1	(78.7)	(25.3)	-	(8.7)	-	-	-	(112.7)	1,606.4	
% OF NET SALES-excluding precious metals	43.5%								-	40.6%	
GOODWILL IMPAIRMENT	1,085.8	-	(1,085.8)	-	-	-	-	-	(1,085.8)	-	
RESTRUCTURING AND OTHER COSTS	221.0	-	(221.0)	-	-	-	-	-	(221.0)	-	
(LOSS) INCOME FROM OPERATIONS	(958.1)	197.9	1,353.1	-	21.3	-	-	-	1,572.3	614.2	
% OF NET SALES-excluding precious metals	(24.3%)									15.5%	
NET INTEREST AND OTHER EXPENSE	0.3	-	-	44.1	(1.5)	(14.5)	-	-	28.1	28.4	
PRE-TAX (LOSS) INCOME	(958.4)	197.9	1,353.1	(44.1)	22.8	14.5	-	-	1,544.2	585.8	
INCOME TAXES	52.5	-	-	-	-	-	130.2	(51.5)	78.7	131.2	
% OF PRE-TAX (LOSS) INCOME	5.5%									22.4%	
EARNINGS PER SHARE - DILUTED	\$ (4.51)								\$ 6.52	\$ 2.01	

Shares used in calculating diluted US GAAP net loss per share 224.3

Shares used in calculating diluted non-US GAAP net income per share 226.0

