



 Dentsply
Sirona

February 29, 2024

Fourth Quarter 2023 Earnings Conference Call

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. 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 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. 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 a 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.

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



Key Messages

Full year organic sales growth of 2.2% with growth in three of the four segments; Equipment & Instruments continue to be challenged

Full year adjusted EPS of \$1.83 and adjusted EBITDA margin of 17.4%; both in-line with prior outlook

Expecting double-digit adjusted EPS growth at the midpoint of the range of \$2.00 to \$2.10 in 2024

Meaningful progress on our transformation plans in 2023; **confident in path to \$3.00 adjusted EPS target in 2026**



Actions Taken in 2023 Drive a Year of Inflection in 2024

Select Highlights

Innovation



- Launched Lucitone Digital Print Denture System for Primeprint
- Launched Primeprint Split resins
- DS Core exceeded 14,000 unique accounts in 2023 driven by capability expansion

Clinical Education



- Over 9,200 training and education courses in 2023
- DS International Faculty Forum in Germany in November 2023
- DS Implant Symposium in the U.S. in December 2023
- DS World Dubai in February 2024

Sustainability



- Achieved record injury and illness prevention rate in 2023
- Wellspect received 'Sustainable MedTech Innovation of the Year' award from Sustainability Partnerships
- Named to Sustainalytics' 2024 ESG Top-Rated Companies list

Expanded Collaboration



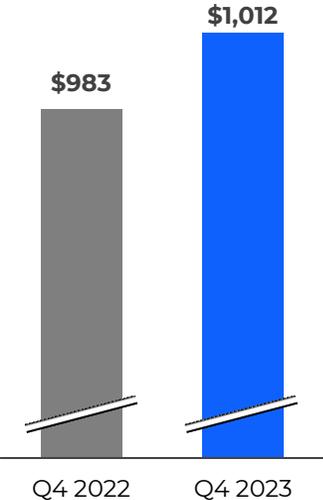
- Integrating Primescan Connect with A-dec 500 and A-dec 300 delivery systems in 2024

Focused on Customer Engagement and Innovation



Fourth Quarter 2023 Financial Summary

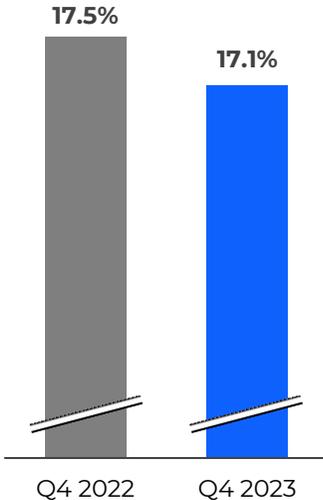
Revenue (\$M)



+2.9% Reported Sales Growth,
+1.9% Organic Sales Growth

- + China >35%
- + Wellspect +DD
- + Implants & Prosthetics +DD
- + Global aligners +HSD
- F/X tailwind of +100 bps
- Equipment & Instruments (DD)
- U.S. (LSD)

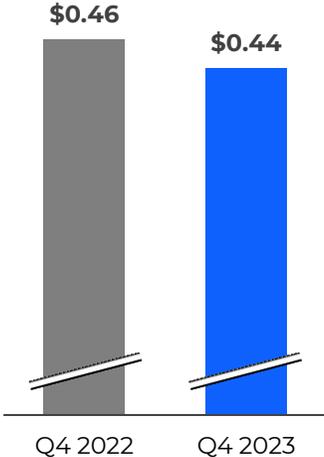
Adj. EBITDA Margin



(40) bps EBITDA Margin YoY

- + Restructuring savings
- Commercial / infrastructure investments
- Gross margin (100) bps to 55.2% due to unfavorable mix

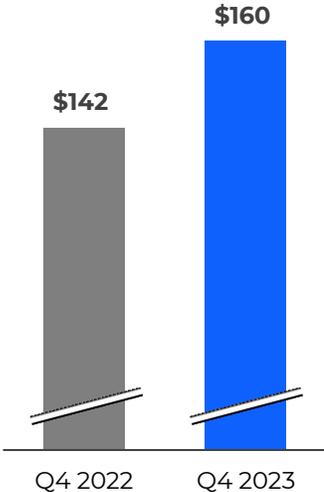
Adj. EPS



(4.0%) Adj. EPS YoY

- Higher tax rate

Operating Cash Flow (\$M)



+12.7% Op. Cash Flow YoY

- + Improved inventory management
- + Favorable AP timing
- + Adj. free cash flow conversion of 128%



Fourth Quarter 2023 Segment Results

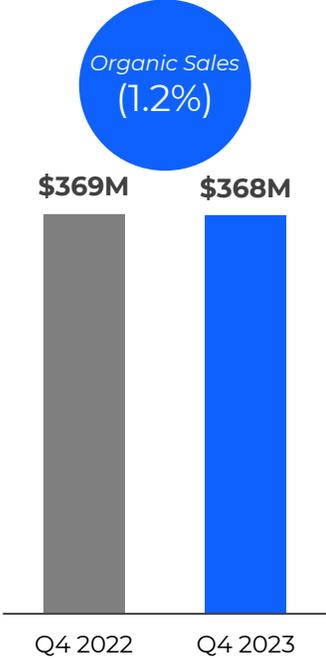
	Sales	Commentary
Essential Dental Solutions (EDS)	<p>\$358M</p> <p>Reported: +4.5%</p> <p>Organic: +3.4%</p>	<ul style="list-style-type: none"> Growth in all three regions, led by Europe
Orthodontic and Implant Solutions (OIS)	<p>\$259M</p> <p>Reported: +10.3%</p> <p>Organic: +10.6%</p>	<ul style="list-style-type: none"> Orthodontics +HSD: continued growth in both SureSmile (+13%) and Byte (+6%) Implants & Prosthetics +DD: strong implants growth in Europe and China; higher lab volumes across all three regions
Connected Technology Solutions (CTS)	<p>\$319M</p> <p>Reported: (7.0%)</p> <p>Organic: (8.3%)</p>	<ul style="list-style-type: none"> CAD/CAM +LSD: growth driven by increased demand in the U.S. Equipment & Instruments (DD): softer demand for imaging equipment
Wellspect Healthcare	<p>\$76M</p> <p>Reported: +21.1%</p> <p>Organic: +16.9%</p>	<ul style="list-style-type: none"> Growth due to strong volume and the impact of new product launches

Note: growth commentary and trends based on organic growth vs. Q4 2022
 LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits



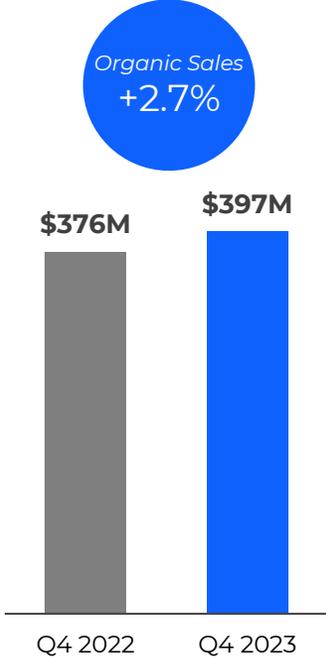
Fourth Quarter 2023 Regional Results

U.S.



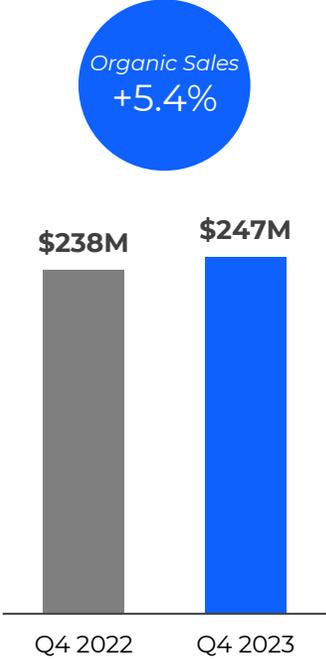
- Net Sales: 36% of total
- + Aligners growth in both SureSmile and Byte
 - + Higher CAD/CAM demand
 - + EDS demand led by preventive
 - Lower Equipment & Instruments volume
 - Lower implants volume

Europe



- Net Sales: 39% of total
- Net sales +5.3% includes F/X tailwind of 260 bps
 - + Organic sales up 4.1% excluding Germany
 - + Strong SureSmile and implants demand
 - Lower volumes in CTS
 - Continued challenges in Germany

Rest of World

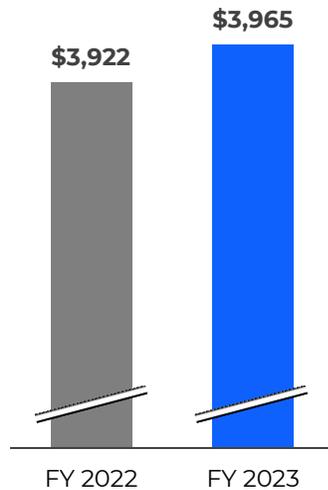


- Net Sales: 25% of total
- Net sales +4.3% includes F/X headwind of (110) bps
 - + Significant implants growth driven by China
 - + Continued growth in EDS
 - Japan decline driven by favorable reimbursement in prior year



Full Year 2023 Financial Summary

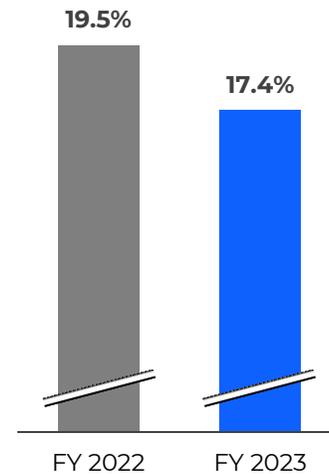
Revenue (\$M)



+1.1% Reported Sales Growth,
+2.2% Organic Sales Growth

- + Global aligners +DD
- + China +HSD
- + Wellspect +HSD
- F/X headwind of (110) bps
- Equipment & Instruments (HSD)

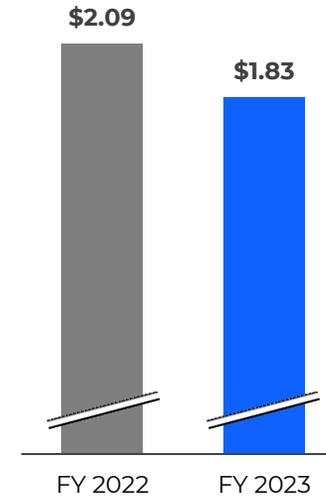
Adj. EBITDA Margin⁽¹⁾



(210) bps EBITDA Margin YoY

- + Restructuring savings
- + Price
- Commercial / infrastructure investments
- Gross margin (130) bps to 56.2% due to inflation

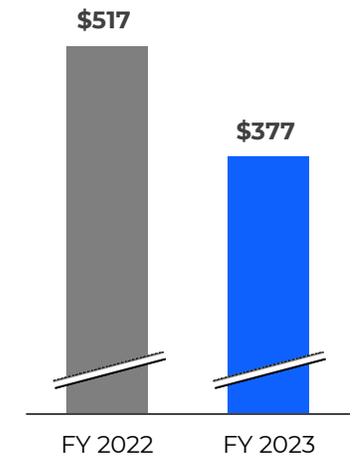
Adj. EPS



(12.8%) Adj. EPS YoY

- + Organic sales growth
- + Lower share count and tax rate
- EBITDA margin contraction
- Commercial / infrastructure investments

Operating Cash Flow (\$M)



(27.1%) Op. Cash Flow YoY

- + Improved inventory management
- Changes in working capital, primarily driven by AR and AP timing
- Increased investments and restructuring

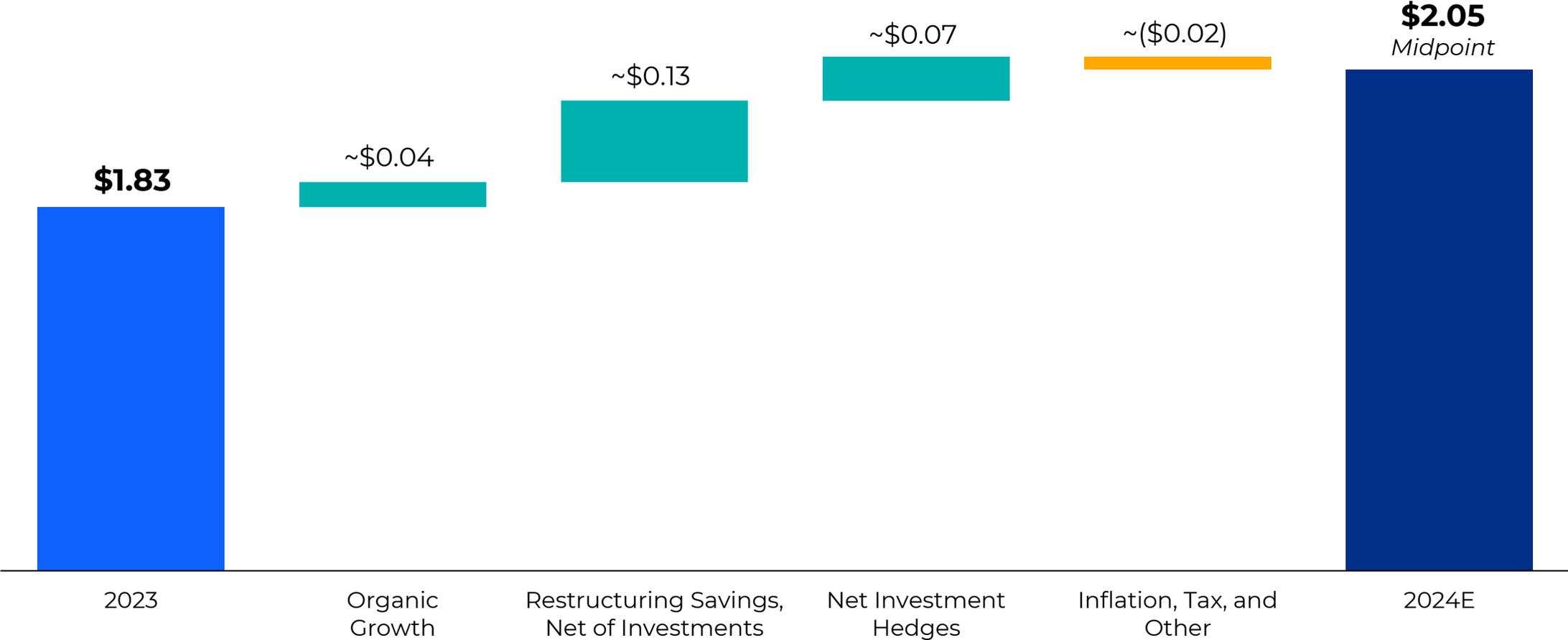


2024 Outlook

	Outlook	Comments
Organic Sales	Flat to +1.5%	Remain cautious on macroeconomic environment
Reported Sales	\$3.96B - \$4.02B	Slight F/X headwind at current rates
R&D Expenses	>4% of Sales	In-line with 2023
Adjusted EBITDA Margin	>18%	~100 bps of margin expansion
Interest Expense, Net	~\$75M	Lower due to changes in expected debt levels
Other Expense (Income), Net	~(\$20M)	Higher income due to net investment hedge benefits
Adjusted ETR	~21%	Unfavorable geographic mix
Diluted Share Count	~208M	Assumes planned ~2% share count reduction
Adjusted EPS	\$2.00 - \$2.10	12% growth at the midpoint
Other Outlook Assumptions		
Capital Expenditures	\$170M - \$200M	Next-gen ERP investments and Wellspect expansion
Cash Returned to Shareholders	≥75% of FCF	14% quarterly dividend increase announced; share repurchases



2024 Adjusted EPS Outlook



Organic Growth and Margin Expansion to Drive +DD Adj. EPS Growth



Our Strategy

Transform oral health and continence care by driving product and service innovation and delivering an exceptional customer and patient experience through an engaged and diverse workforce

1

**ACHIEVE ANNUAL
GROWTH & MARGIN
COMMITMENTS**

2

**ENHANCE &
SUSTAIN
PROFITABILITY**

3

**ACCELERATE
ENTERPRISE
DIGITALIZATION**

4

**WIN IN
HIGH GROWTH
CATEGORIES**

5

**DRIVE HIGH
PERFORMANCE
CULTURE**

Enabled by the DS Operating Model

ONE TEAM | INNOVATION | DISCIPLINED EXECUTION



Continuing our Transformation in 2024

Foundational Initiatives



Supply Chain Transformation

- Unlock value in our manufacturing and distribution network
- Reduce costs and inventory while shortening lead times and reducing GHG impact



SKU Optimization

- Execute on wave 1 (Endo / Resto) SKU reductions
- Utilize rigorous portfolio lifecycle management
- Develop funnel for next wave of opportunities



ERP Modernization

- Upgrade and improve standardization of information systems
- Begin phased deployments mid-year

Focus Areas

Foundational Initiatives to Enhance Business Performance and Profitability

Summary

1

Achieved FY23 latest guidance

2

Established foundational initiatives and strategic objectives

3

Poised to deliver double-digit adjusted EPS growth in 2024

4

Targeting \$3.00 of adjusted EPS in 2026



Appendix

Trailing Nine Quarters

In millions (except percentages)	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Net Sales	\$1,103	\$969	\$1,023	\$947	\$983	\$978	\$1,028	\$947	\$1,012
Adjusted EBITDA ⁽¹⁾	\$274	\$190	\$236	\$169	\$171	\$162	\$185	\$171	\$173
Adj. EBITDA Margin %	24.8%	19.7%	23.1%	17.6%	17.5%	16.5%	17.8%	18.3%	17.1%
<u>Cash Flow</u>									
Operating Cash Flow	\$222	\$93	\$173	\$109	\$142	(\$21)	\$104	\$134	\$160
Less: Capital Expenditures	\$41	\$44	\$41	\$32	\$32	\$39	\$33	\$37	\$40
Adjusted Free Cash Flow	\$181	\$49	\$132	\$77	\$110	(\$60)	\$71	\$97	\$120

⁽¹⁾ Adjusted EBITDA from Q4 2021 to Q3 2023 has been updated to reflect the reclassification of certain gains from hedging instruments from Interest expense to Other expense (income) in order to conform with current period presentation

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

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



Non-GAAP 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 and Margin

Adjusted operating income is computed by excluding the following items from operating income (loss) as reported in accordance with US GAAP:

- (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 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 related charges and other costs. These adjustments include costs related to the implementation of restructuring initiatives, including but not limited to, severance costs, facility closure costs, and lease and contract termination costs, as well as related professional service costs associated with these restructuring initiatives and global transformation activity. 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 include gains and losses on the sale of property, charges related to legal settlements, executive separation costs, write-offs of inventory as a result of product rationalization, and changes in accounting principles recorded within the period. This category also includes costs related to investigations and associated remediation activities which primarily include legal, accounting and other professional service fees, as well as turnover and other employee-related costs.
- (3) Goodwill and intangible asset impairments. These adjustments include charges related to goodwill and intangible asset impairments.
- (4) Amortization of purchased intangible assets. This adjustment excludes the periodic amortization expense related to purchased intangible assets, which are recorded at fair value. 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.
- (5) 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, the credit risk component of hedging instruments, 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 Gross Profit

Adjusted gross profit is computed by excluding from gross profit the impact any of the above adjustments that affect either sales or cost of sales.

Adjusted Net Income (Loss)

Adjusted net income (loss) consists of net income (loss) as reported in accordance with US GAAP, adjusted to exclude the items identified above, as well as the related income tax impacts of those items. Additionally, net income is adjusted for other tax-related adjustments such as: discrete adjustments to valuation allowances and other uncertain tax positions, final settlement of income tax audits, discrete tax items resulting from the implementation of restructuring initiatives and the windfall or shortfall relating to 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 EBITDA and Margin

In addition to the adjustments described above in arriving at adjusted net income, adjusted EBITDA is computed by further excluding any remaining interest expense, net, income tax expense, depreciation and amortization.

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by net sales.

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 Free Cash Flow and 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 adjusted free cash flow divided by adjusted net income (loss). Management believes 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 (loss) 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, 2023				Q4 2023 Change				Three Months Ended December 31, 2022			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	\$ 368	\$ 397	\$ 247	\$ 1,012	(0.4%)	5.3%	4.3%	2.9%	\$ 369	\$ 376	\$ 238	\$ 983
Foreign exchange impact					0.8%	2.6%	(1.1%)	1.0%				
Organic sales					(1.2%)	2.7%	5.4%	1.9%				

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

(in millions, except percentages)	Year Ended December 31, 2023				2023 Change				Year Ended December 31, 2022			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	\$ 1,437	\$ 1,550	\$ 978	\$ 3,965	3.2%	(0.6%)	0.7%	1.1%	\$ 1,392	\$ 1,559	\$ 971	\$ 3,922
Foreign exchange impact					0.2%	(0.4%)	(4.4%)	(1.1%)				
Organic sales					3.0%	(0.2%)	5.1%	2.2%				

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, 2023					Q4 2023 Change					Three Months Ended December 31, 2022				
	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total
Net sales	\$ 319	\$ 358	\$ 259	\$ 76	\$1,012	(7.0%)	4.5%	10.3%	21.1%	2.9%	\$ 344	\$ 343	\$ 234	\$ 62	\$ 983
Foreign exchange impact						1.3%	1.1%	(0.3%)	4.2%	1.0%					
Organic sales						(8.3%)	3.4%	10.6%	16.9%	1.9%					

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

(in millions, except percentages)	Year Ended December 31, 2023					2023 Change					Year Ended December 31, 2022				
	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total
Net sales	\$ 1,169	\$ 1,468	\$ 1,040	\$ 288	\$3,965	(4.1%)	2.8%	3.4%	6.6%	1.1%	\$ 1,219	\$ 1,427	\$ 1,006	\$ 270	\$ 3,922
Foreign exchange impact						(1.3%)	(0.8%)	(1.7%)	(0.7%)	(1.1%)					
Organic sales						(2.8%)	3.6%	5.1%	7.3%	2.2%					

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 23

(unaudited)

For the three months ended December 31, 2023, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except percentages and per share data)	Gross Profit	Operating Income	Net Income Attributable to Dentsply Sirona (a)	Diluted EPS
GAAP	\$ 522	\$ 73	\$ 67	\$ 0.32
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	30	52	37	0.18
Restructuring Related Charges and Other Costs	6	16	14	0.06
Business Combination Related Costs and Fair Value Adjustments	—	2	3	0.01
Income Tax Related Adjustments	—	—	(28)	(0.13)
Adjusted Non-GAAP	\$ 558	\$ 143	\$ 93	\$ 0.44
<i>GAAP Margin</i>		7.2%		
<i>Adjusted Non-GAAP Margin</i>		14.1%		

(a) The total tax expense associated with the Non-GAAP adjustments above was \$44 million.

Percentages are based on actual values and may not reconcile 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 selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except percentages and per share data)	Gross Profit	Operating Income	Net (Loss) Income Attributable to Dentsply Sirona (a)	Diluted EPS
GAAP	\$ 517	\$ 65	\$ (15)	\$ (0.07)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	29	50	36	0.17
Restructuring Related Charges and Other Costs	6	30	22	0.10
Goodwill and Intangible Asset Impairments	—	6	12	0.06
Business Combination Related Costs and Fair Value Adjustments	—	3	4	0.02
Fair Value and Credit Risk Adjustments	—	—	18	0.08
Income Tax Related Adjustments	—	—	22	0.10
Adjusted Non-GAAP	\$ 552	\$ 154	\$ 99	\$ 0.46
<i>GAAP Margin</i>		6.6%		
<i>Adjusted Non-GAAP Margin</i>		15.7%		
Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share				215.1
Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share				215.5
(a) The total tax expense associated with the Non-GAAP adjustments above was immaterial.				

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



Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations FY 23

(unaudited)

For the year ended December 31, 2023, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except percentages and per share data)	Gross Profit	Operating (Loss) Income	Net (Loss) Income Attributable to Dentsply Sirona (a)	Diluted EPS
GAAP	\$ 2,086	\$ (85)	\$ (132)	\$ (0.62)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	121	211	154	0.73
Restructuring Related Charges and Other Costs	18	123	95	0.44
Goodwill and Intangible Asset Impairments	—	307	302	1.42
Business Combination Related Costs and Fair Value Adjustments	2	15	14	0.07
Fair Value and Credit Risk Adjustments	—	—	—	—
Income Tax Related Adjustments	—	—	(44)	(0.21)
Adjusted Non-GAAP	\$ 2,227	\$ 571	\$ 389	\$ 1.83
<i>GAAP Margin</i>		<i>(2.1%)</i>		
<i>Adjusted Non-GAAP Margin</i>		<i>14.4%</i>		
Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share				212.0
Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share				213.1
(a) The total tax expense associated with the Non-GAAP adjustments above was \$139 million.				

Percentages are based on actual values and may not reconcile 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 selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except percentages and per share data)	Gross Profit	Operating (Loss) Income	Net (Loss) Income Attributable to Dentsply Sirona (a)	Diluted EPS
GAAP	\$ 2,127	\$ (937)	\$ (950)	\$ (4.41)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	121	209	153	0.71
Restructuring Related Charges and Other Costs	7	92	73	0.36
Goodwill and Intangible Asset Impairments	—	1,287	1,104	5.10
Business Combination Related Costs and Fair Value Adjustments	1	6	6	0.03
Fair Value and Credit Risk Adjustments	—	—	33	0.15
Income Tax Related Adjustments	—	—	33	0.15
Adjusted Non-GAAP	\$ 2,256	\$ 657	\$ 452	\$ 2.09
<i>GAAP Margin</i>		<i>(23.9%)</i>		
<i>Adjusted Non-GAAP Margin</i>		<i>16.8%</i>		
Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share				215.5
Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share				215.9
(a) The total tax expense associated with the Non-GAAP adjustments above was \$237 million.				

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



Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA Q4 23 and Q4 22

(unaudited)

A reconciliation of as reported GAAP net income to Adjusted EBITDA for the three months ended December 31, 2023 and 2022 is as follows:

(in millions)	Three Months Ended December 31,	
	2023	2022
GAAP net income (loss)	\$ 67	\$ (15)
Interest expense, net	20	20
Income tax (benefit) expense	(15)	23
Depreciation ⁽¹⁾	32	28
Amortization of purchased intangible assets	52	50
Restructuring related charges and other costs	16	30
Goodwill and intangible asset impairments	—	6
Business combination related costs and fair value adjustments	2	6
Fair value and credit risk adjustments	—	23
Rounding	(1)	—
Adjusted EBITDA⁽²⁾	\$ 173	\$ 171
Net sales	\$ 1,012	\$ 983
Adjusted EBITDA margin	17.1 %	17.5 %

(1) Excludes those depreciation related amounts which were included as part of the Restructuring related charges and other costs and Business combination related costs and fair value adjustments above.

(2) Adjusted EBITDA for Q4 2022 has been updated to reflect the reclassification of \$1 million in certain gains from hedging instruments from Interest expense to Other expense (income) in order to conform with current year presentation.



Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA FY 23 and FY 22

(unaudited)

A reconciliation of as reported GAAP net income to Adjusted EBITDA for the year ended December 31, 2023 and 2022 is as follows:

(in millions)	Year Ended December 31,	
	2023	2022
GAAP net loss	\$ (132)	\$ (950)
Interest expense, net	81	65
Income tax benefit	(43)	(105)
Depreciation ⁽¹⁾	126	116
Amortization of purchased intangible assets	211	209
Restructuring related charges and other costs	123	92
Goodwill and intangible asset impairments	307	1,287
Business combination related costs and fair value adjustments	18	9
Fair value and credit risk adjustments	—	43
Adjusted EBITDA⁽²⁾	\$ 691	\$ 766
Net sales	\$ 3,965	\$ 3,922
Adjusted EBITDA margin	17.4 %	19.5 %

(1) Excludes those depreciation related amounts which were included as part of the Restructuring related charges and other costs and Business combination related costs and fair value adjustments above.

(2) Adjusted EBITDA for 2022 has been updated to reflect the reclassification of \$5 million in certain gains from hedging instruments from Interest expense to Other expense (income) in order to conform with current year presentation.



Reconciliation of Non-GAAP Financial Measures

Adjusted Free Cash Flow Conversion

(unaudited)

A reconciliation of adjusted free cash flow conversion for the three months ended December 31, 2023 and 2022 is as follows:

(in millions, except percentages)	Three Months Ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 160	\$ 142
Capital Expenditures	(40)	(32)
Adjusted free cash flow	120	110
Adjusted net income	\$ 93	\$ 99
Adjusted free cash flow conversion	128%	110%

A reconciliation of adjusted free cash flow conversion for the year ended December 31, 2023 and 2022 is as follows:

(in millions, except percentages)	Year Ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 377	\$ 517
Capital Expenditures	(149)	(149)
Adjusted free cash flow	228	368
Adjusted net income	\$ 389	\$ 452
Adjusted free cash flow conversion	58%	81%



