

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**November 8, 2018 (~~November 5, 2018~~)**  
Date of Report (Date of earliest event reported)

**DENTSPLY SIRONA Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-16211

(Commission File Number)

39-1434669

(IRS Employer Identification No.)

221 West Philadelphia Street, York, Pennsylvania

(Address of principal executive offices)

17401-2991

(Zip Code)

(717) 845-7511

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 2.02. - Results of Operations and Financial Condition**

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

On November 8, 2018, DENTSPLY SIRONA Inc. (the "Company") issued a press release disclosing its third quarter sales and earnings and the restructuring plan discussed in more detail in Item 2.05 below, including the expected costs, timing and operational benefits of the restructuring plan and the expected financial impact of the restructuring plan on the Company's future operating costs and financial results. The earnings release references net sales, excluding precious metal content, and net income, adjusted for certain charges, both of which are considered measures not calculated in accordance with generally accepted accounting principles in the United States of America (non-US GAAP measures). Due to the fluctuations of precious metal prices and because the precious metal content of the Company's sales is largely a pass-through to customers and has minimal effect on earnings, the Company reports 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. Earnings from operations, adjusted for certain charges, are presented to enhance the comparability between periods. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

## **Item 2.05. - Costs Associated with Exit or Disposal Activities**

On November 5, 2018, the Board of Directors of the Company approved a plan to restructure the Company's business to support revenue growth and margin expansion and to simplify the organization, with the understanding that such restructuring plan may continue to evolve as the Company progresses through the continued planning and execution of the plan. The plan includes a restructuring of the business through streamlining the organization and consolidating functions. The restructuring plan anticipates a net reduction in the Company's global workforce of approximately 6% to 8%, and the Company will consult with employee representation in connection with the execution of the restructuring plan where required. The Company anticipates that the restructuring will result in annualized topline growth of 3% to 4%, an adjusted operating income margin of 20% by the end of the year 2020, an adjusted operating income margin of 22% by the year 2022 and \$200 million to \$225 million in net annual cost savings by 2021. The Board of Directors and management of the Company developed the restructuring plan, with the help of leading third party advisors, in response to a six month diagnostic examination on the market, the Company and its performance.

The Company's priorities also include evaluating non-core and underperforming businesses, utilizing free cash flow generation and excess balance sheet capacity to return cash to shareholders and reviewing additional longer-term cost savings opportunities.

The Company expects to incur approximately \$275 million in one-time expenditures and charges.

The Company plans to provide periodic updates on the status of execution of the restructuring plan.

This Current Report on Form 8-K contains forward-looking statements, including, among other things, statements about the Company's plans, objectives, expectations (financial or otherwise) or intentions. 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'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 or purchase required minimum quantities of products; 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. 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 and Part II, Item 1A of the Company's recent Form 10-Q, and 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 foregoing lists, or the risks identified in the Company's SEC filings, to be a complete discussion of all potential risks or uncertainties.

#### **Item 7.01. - Regulation FD Disclosure**

The information disclosed under Item 2.02 is also intended to be disclosed under this Item 7.01 and is incorporated herein by reference.

The information furnished in Items 2.02, 7.01 and 9.01 to this Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

#### **Item 9.01. - Financial Statements and Exhibits**

(d) Exhibits:

[99.1](#) Press Release, dated November 8, 2018.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DENTSPLY SIRONA Inc.**

By: /s/ Nicholas W. Alexos  
Executive Vice President and  
Chief Financial Officer

Date: November 8, 2018

Dentsply Sirona Reports Third Quarter 2018 Results; Announces Restructuring Plan to Drive Value-Creation

- **Reported Q3 revenues of \$928.4 million, down 8.0% compared to prior year; constant currency decline<sup>1</sup> of 5.9%**
- **Q3 2018 GAAP EPS of \$0.13 vs. \$0.39 in Q3 2017. Q3 2018 Non-GAAP EPS of \$0.38 compared with Non-GAAP EPS of \$0.70 in Q3 2017**
- **The Company updated 2018 guidance and now anticipates 2018 Non-GAAP adjusted EPS at or slightly below the low end of the previous guidance range of \$2.00 to \$2.15<sup>2</sup>**
- **Restructuring expected to result in \$200-\$225 million of net annual cost savings by 2021 and to result in one-time expenditures and charges of approximately \$275 million**

**YORK, Pa., November 8, 2018** - DENTSPLY SIRONA Inc. ("Dentsply Sirona") (Nasdaq: XRAY), the Dental Solutions Company, today announced its financial results for the three months ended September 30, 2018.

The Company also announced that it is implementing a comprehensive plan to accelerate revenue growth, improve margins and simplify the business. The plan includes a restructuring that is anticipated to achieve \$200-\$225 million in net annual cost savings by 2021, through streamlining the organization and consolidating functions. The execution of the plan is anticipated to result in annualized topline growth of 3-4%, an adjusted operating income margin of 20% by the end of 2020, and an adjusted operating income margin of 22% by 2022. The plan anticipates a net reduction in global workforce of approximately 6-8%.

### Third Quarter 2018 Financial Results

Reported net sales of \$928.4 million declined 8.0% compared to \$1,009.2 million in the third quarter of 2017, and declined 6.5% on an internal basis. Net income attributable to Dentsply Sirona for the third quarter of 2018 was \$28.0 million, or \$0.13 per diluted share, compared to net income of \$90.6 million, or \$0.39 per diluted share, in the third quarter of 2017. On an adjusted basis, excluding certain items, non-GAAP net earnings per diluted share were \$0.38 compared to \$0.70 in the third quarter of 2017. A reconciliation of the non-GAAP measures to earnings per share calculated on a US-GAAP basis is provided in the attached tables.

Technology & Equipment revenues declined by 11.3% in the third quarter of 2018 as revenues were impacted by a significant amount of inventory destocking in the third quarter. This destocking, combined with a high level of inventory stocking in the third quarter of 2017, drove the revenue decline. Excluding inventory stocking and destocking in both quarters, Technology & Equipment third quarter internal revenues would have increased as compared to the third quarter of the prior year, reflective of solid underlying retail demand, particularly in the U.S. Third quarter Consumable revenue growth was impacted by a short-term disruption stemming from the consolidation of our distribution infrastructure in Venlo, the Netherlands. The Company has put in place a program to remediate the disruption and expects Consumable revenue growth to soon return to its normal growth trajectory.

## **Comprehensive Plan & Restructuring – Path to Durable Value-Creation**

Over the last six months, the Dentsply Sirona management team has conducted an extensive diagnosis of the market, the Company and its performance. Based on the conclusions of this review, the Board and the management team remain very optimistic about the underlying dental industry, the Company's unique position and the opportunity to create sustainable value for its shareholders. To improve performance, the Board and management team have developed a comprehensive plan with the help of leading third-party advisors, designed to achieve annualized topline growth of 3-4% on a consistent basis, and adjusted operating income margin of 20% by the end of 2020, with continued expansion thereafter.

Dentsply Sirona's plan will focus on:

### Establishing Consistent Topline Growth by:

- Streamlining sales and marketing
- Prioritizing Research and Development activities across the organization to drive more substantial innovation
- Enhancing sales force effectiveness with proprietary segmenting, targeting and call planning analytics that will link all sales operations, direct and indirect selling activities
- Building on Dentsply Sirona's industry leading clinical education programs that will include training academies, similar to Charlotte, NC and Bensheim, Germany, and enhance our digital continuing education and major educational events
- Continuing to focus on emerging markets

### Aggressively Improving Margins While Simplifying the Organization

The Company is working to return margins to pre-merger levels by reducing its cost structure and managing its portfolio of market leading assets. As part of the restructuring plan, the Company will:

- Consolidate the Company's Dental Strategic Business Units (SBUs) organization from 10 to 4 units to better unlock the synergies that exist within the various businesses. The Company will continue to report the existing Technology & Equipment and Consumable segments
- Optimize its corporate infrastructure to support its enhanced business model
- Show progress on operating expenses, with spending in 2019 lower than 2018
- Reduce global workforce by approximately 6-8% (net)
- Target \$200-\$225 million in net annual cost savings by 2021

The Company's priorities also include evaluating non-core and underperforming businesses, utilizing free cash flow generation and excess balance sheet capacity to return cash to shareholders, and reviewing additional longer-term cost savings opportunities.

Don Casey, Chief Executive Officer of Dentsply Sirona, commented: "We fully realize that our recent performance has been unacceptable and that is why we are taking aggressive action to grow revenues, expand margins and simplify the organization. During the implementation of the program, we have prioritized maintaining the Company's revenue stream and serving our customers, including leveraging our existing infrastructure and outside resources to coordinate our activities. We are dedicated to supporting our talented teams through this important and much-needed transformation," Mr. Casey continued. "Our path forward will require making difficult decisions, but nevertheless, we are confident that the steps announced today will ensure growth over the long-term, and drive significant value for our shareholders."



The Company expects to incur approximately \$275 million in one-time expenditures and charges. The Company announced that it will not host an Investor Day in the fourth quarter of 2018, as the management team prioritizes its efforts on executing its plan.

**Guidance**

As a result of weaker than expected performance in the third quarter of 2018, management now anticipates 2018 adjusted EPS at or slightly below the low end of the previously announced guidance range of \$2.00 to \$2.15 per diluted share. 2018 guidance assumes a constant currency revenue decline of approximately 2% for the full year.



**Conference Call/Webcast Information**

Dentsply Sirona's management team will host an investor conference call and live webcast on Thursday, November 8<sup>th</sup> beginning at 5:00 pm EST.

Investors can access the webcast via a link on Dentsply Sirona's web site at [www.dentsplysirona.com](http://www.dentsplysirona.com). For those planning to participate on the call, please dial +1-877-370-7637 for domestic calls, or +1-629-228-0723 for international calls. The Conference ID # is 1675654. A replay of the conference call will be available online on the Dentsply Sirona web site, and a dial-in replay will be available for one week following the call at +1-855-859-2056 (for domestic calls) or +1-404-537-3406 (for international calls), replay passcode # 1675654.

**About Dentsply Sirona**

Dentsply Sirona is the world's largest manufacturer of professional dental products and technologies, with over a century of innovation and service to the dental industry and patients worldwide. Dentsply Sirona develops, manufactures, and markets a comprehensive solutions offering including dental and oral health products as well as other consumable medical devices under a strong portfolio of world class brands. As The Dental Solutions Company, Dentsply Sirona's products provide innovative, high-quality and effective solutions to advance patient care and deliver better, safer and faster dentistry. Dentsply Sirona's global headquarters is located in York, Pennsylvania. The Company's shares are listed in the United States on Nasdaq under the symbol XRAY. Visit [www.dentsplysirona.com](http://www.dentsplysirona.com) for more information about Dentsply Sirona and its products.

**Contact Information:**

## Investors:

John P. Sweeney

VP, Investor Relations

+1-717-849-7863

[John.Sweeney@dentsplysirona.com](mailto:John.Sweeney@dentsplysirona.com)

## Media:

Sard Verbinnen &amp; Co

Chris Kittredge/Warren Rizzi

+1-212-687-8080

[DentsplySirona-SVC@sardverb.com](mailto:DentsplySirona-SVC@sardverb.com)



## Forward-Looking Statements and Associated Risks

Information the Company has included or incorporated by reference in this release, and information which may be contained in other filings with the U.S. Securities and Exchange Commission ("SEC") as well as press releases or other public statements, contains or may contain forward-looking statements. These forward-looking statements include, among other things, statements about the Company's plans, objectives, expectations (financial or otherwise) or intentions.

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'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 or purchase required minimum quantities of products
  - the Company's ability to control costs and failure to realize expected benefits of cost reduction and restructuring efforts
  - the effect of changes in the Company's management and personnel
  - the Company's failure to anticipate and appropriately adapt to changes or trends within the rapidly changing dental industry
  - changes in applicable laws, rules or regulations, or their interpretation or enforcement, or the enactment of new laws, rules or regulations, which apply to the Company's business practices (past, present or future) or require the Company to spend significant resources for compliance
  - the Company's failure to execute on, or other issues arising under, certain key client contracts
  - a significant failure or disruption in service within the Company's operations or the operations of key distributors
  - the Company's failure to successfully integrate the business operations or achieve the anticipated benefits from any acquired businesses
  - 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
  - the Company's failure to attract and retain talented employees, or to manage succession and retention for its Chief Executive Officer or other key executives
-

- the impact of the Company's debt service obligations on the availability of funds for other business purposes, the terms of and required compliance with covenants relating to the Company's indebtedness and its access to the credit markets in general
- general economic conditions
- 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 Part I, Item 1A, ("Risk Factors") in the Company's most recent Form 10-K and Part II, Item 1A of the Company's recent Form 10-Q, and 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 foregoing lists, or the risks identified in the Company's SEC filings, to be a complete discussion of all potential risks or uncertainties.

[1] Non-GAAP adjusted EPS, constant currency growth and results are non-GAAP financial measures that exclude certain items. Please refer to the disclosure at the end of the release. For a reconciliation of constant currency growth to internal revenue growth please see supplemental tables at the end of the release.

[2] Our guidance is presented on a non-GAAP basis, as it does not include the impact of prospective acquisitions, acquisitions announced but not yet closed and other non-GAAP items, including restructuring costs, many of which are difficult to predict. Therefore, we cannot provide a full reconciliation of these measures. The Company is unable at this time to address the probable significance of all of the unavailable information.



## Non-US 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 net income attributable to Dentsply Sirona 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 purchased intangible assets. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

The principal measurements used by the Company in evaluating its business are: (1) constant currency sales growth by segment and geographic region; (2) internal sales growth by segment and geographic region; and (3) adjusted operating income and margins of each reportable segment, which excludes the impacts of purchase accounting, corporate expenses, and certain other items to enhance the comparability of results period to period. These principal measurements are not calculated in accordance with accounting principles generally accepted in the United States; therefore, these items represent non-US GAAP measures. These non-US 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 US GAAP.

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, merger accounting impacts and discontinued products.

Management also 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 is comprised 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.

Adjusted net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted 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 statement 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 earnings per diluted common share is calculated by dividing adjusted net income attributable to Dentsply Sirona by diluted weighted-average common shares outstanding. Adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share are considered measures not calculated in accordance with US GAAP, and therefore are non-US GAAP measures. These non-US GAAP measures may differ from other companies. Income tax related adjustments may include the impact to adjust the interim effective income tax rate to the expected annual effective tax rate. The non-US GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

---

**DENTSPLY SIRONA INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share amounts and percentages)  
(unaudited)

|   | Three Months Ended |            | Nine Months Ended |            |
|---|--------------------|------------|-------------------|------------|
|   | September 30,      |            | September 30,     |            |
|   | 2018               | 2017       | 2018              | 2017       |
| Net sales   | \$ 928.4           | \$ 1,009.2 | \$ 2,926.6        | \$ 2,902.4 |
| Net sales, excluding precious metal content                         | 920.6              | 999.8      | 2,899.1           | 2,872.2    |
| Cost of products sold   | 452.3              | 450.2      | 1,383.6           | 1,307.2    |
| Gross profit  | 476.1              | 559.0      | 1,543.0           | 1,595.2    |
| % of Net sales  | 51.3 %             | 55.4 %     | 52.7 %            | 55.0 %     |
| % of Net sales, excluding precious metal content                    | 51.7 %             | 55.9 %     | 53.2 %            | 55.5 %     |
| Selling, general and administrative expenses                        | 418.5              | 430.5      | 1,285.9           | 1,252.8    |
| Goodwill impairment   | —                  | —          | 1,085.8           | 1,092.9    |
| Restructuring and other costs                                       | 12.1               | 20.6       | 211.2             | 105.4      |
| Operating income (loss)   | 45.5               | 107.9      | (1,039.9)         | (855.9)    |
| % of Net sales  | 4.9 %              | 10.7 %     | (35.5)%           | (29.5)%    |
| % of Net sales, excluding precious metal content                    | 4.9 %              | 10.8 %     | (35.9)%           | (29.8)%    |
| Net interest and other expense (income)                             | 13.8               | 10.3       | (4.1)             | 34.7       |
| Income (loss) before income taxes                                   | 31.7               | 97.6       | (1,035.8)         | (890.6)    |
| Provision (benefit) for income taxes                                | 4.2                | 7.1        | (23.4)            | 9.5        |
| Net income (loss)   | 27.5               | 90.5       | (1,012.4)         | (900.1)    |
| % of Net sales  | 3.0 %              | 9.0 %      | (34.6)%           | (31.0)%    |
| % of Net sales, excluding precious metal content                    | 3.0 %              | 9.1 %      | (34.9)%           | (31.3)%    |
| Less: Net (loss) income attributable to noncontrolling interests    | (0.5)              | (0.1)      | 0.4               | (0.5)      |
| Net income (loss) attributable to Dentsply Sirona                   | \$ 28.0            | \$ 90.6    | \$ (1,012.8)      | \$ (899.6) |
| % of Net sales  | 3.0 %              | 9.0 %      | (34.6)%           | (31.0)%    |
| % of Net sales, excluding precious metal content                    | 3.0 %              | 9.1 %      | (34.9)%           | (31.3)%    |
| Net income (loss) per common share attributable to Dentsply Sirona: |                    |            |                   |            |
| Basic   | \$ 0.13            | \$ 0.39    | \$ (4.50)         | \$ (3.92)  |
| Diluted   | \$ 0.13            | \$ 0.39    | \$ (4.50)         | \$ (3.92)  |
| Weighted average common shares outstanding:                         |                    |            |                   |            |
| Basic   | 222.4              | 229.5      | 224.9             | 229.6      |
| Diluted   | 223.7              | 233.1      | 224.9             | 229.6      |

**DENTSPLY SIRONA INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In millions)  
(unaudited)

|   | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|---|---------------------------|--------------------------|
| <b>Assets</b>                                       |                           |                          |
| Current Assets:                                     |                           |                          |
| Cash and cash equivalents                           | \$ 233.1                  | \$ 320.6                 |
| Accounts and notes receivable-trade, net            | 702.0                     | 746.2                    |
| Inventories, net                                    | 672.0                     | 623.1                    |
| Prepaid expenses and other current assets, net      | 295.7                     | 312.6                    |
| <b>Total Current Assets</b>                         | <b>1,902.8</b>            | <b>2,002.5</b>           |
| Property, plant and equipment, net                  | 865.7                     | 876.0                    |
| Identifiable intangible assets, net                 | 2,488.0                   | 2,800.7                  |
| Goodwill, net                                       | 3,443.6                   | 4,539.2                  |
| Other noncurrent assets, net                        | 69.1                      | 156.1                    |
| <b>Total Assets</b>                                 | <b>\$ 8,769.2</b>         | <b>\$ 10,374.5</b>       |
| <b>Liabilities and Equity</b>                       |                           |                          |
| Current Liabilities:                                |                           |                          |
| Accounts payable                                    | \$ 287.8                  | \$ 284.4                 |
| Accrued liabilities                                 | 568.5                     | 585.8                    |
| Income taxes payable                                | 69.0                      | 54.2                     |
| Notes payable and current portion of long-term debt | 154.8                     | 30.1                     |
| <b>Total Current Liabilities</b>                    | <b>1,080.1</b>            | <b>954.5</b>             |
| Long-term debt                                      | 1,574.8                   | 1,611.6                  |
| Deferred income taxes                               | 513.7                     | 718.0                    |
| Other noncurrent liabilities                        | 446.3                     | 462.5                    |
| <b>Total Liabilities</b>                            | <b>3,614.9</b>            | <b>3,746.6</b>           |
| <b>Total Equity</b>                                 | <b>5,154.3</b>            | <b>6,627.9</b>           |
| <b>Total Liabilities and Equity</b>                 | <b>\$ 8,769.2</b>         | <b>\$ 10,374.5</b>       |

**DENTSPLY SIRONA INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)  
(unaudited)

|   | Nine Months Ended September 30, |                |
|---|---------------------------------|----------------|
|   | 2018                            | 2017           |
| <b>Cash flows from operating activities:</b>  |                                 |                |
| Net loss  | \$ (1,012.4)                    | \$ (900.1)     |
| Adjustments to reconcile net loss to net cash provided by operating activities:       |                                 |                |
| Depreciation  | 103.4                           | 93.9           |
| Amortization of intangible assets   | 149.7                           | 140.5          |
| Amortization of deferred financing costs  | 2.0                             | 1.9            |
| Deferred income taxes   | (97.9)                          | (46.3)         |
| Stock based compensation expense  | 15.1                            | 40.8           |
| Restructuring and other costs - non-cash  | 19.2                            | 11.6           |
| Goodwill impairment   | 1,085.8                         | 1,092.9        |
| Indefinite-lived intangible asset impairment  | 179.2                           | 79.8           |
| Other non cash (income)   | (2.0)                           | (1.6)          |
| Loss on disposal of property, plant and equipment                                     | 2.7                             | 2.3            |
| Gain on sale of equity security   | (44.1)                          | —              |
| Changes in operating assets and liabilities, net of acquisitions:                     |                                 |                |
| Accounts and notes receivable-trade, net  | 25.1                            | (57.6)         |
| Inventories, net  | (83.3)                          | (67.3)         |
| Prepaid expenses and other current assets, net  | (47.3)                          | (60.2)         |
| Other noncurrent assets, net  | (10.3)                          | 4.3            |
| Accounts payable  | 10.1                            | 9.1            |
| Accrued liabilities   | (7.1)                           | 46.8           |
| Income taxes  | 13.2                            | (24.1)         |
| Other noncurrent liabilities  | (3.5)                           | 6.3            |
| <b>Net cash provided by operating activities</b>                                      | <b>297.6</b>                    | <b>373.0</b>   |
| <b>Cash flows from investing activities:</b>  |                                 |                |
| Capital expenditures  | (130.6)                         | (98.6)         |
| Purchase of short term investments  | (0.1)                           | (2.3)          |
| Cash paid for acquisitions of businesses and equity investments, net of cash acquired | (130.5)                         | (135.9)        |
| Proceeds from sale of equity security   | 54.1                            | —              |
| Cash received on derivative contracts   | 3.7                             | 6.5            |
| Cash paid on derivative contracts   | (2.4)                           | —              |
| Expenditures for identifiable intangible assets                                       | (5.5)                           | (6.7)          |
| Purchase of Company-owned life insurance policies                                     | —                               | (0.9)          |
| Proceeds from sale of property, plant and equipment, net                              | 6.3                             | 2.1            |
| <b>Net cash used in investing activities</b>  | <b>(205.0)</b>                  | <b>(235.8)</b> |
| <b>Cash flows from financing activities:</b>  |                                 |                |
| Increase in short-term borrowings   | 124.3                           | 1.4            |
| Cash paid for treasury stock  | (250.2)                         | (151.4)        |
| Cash dividends paid   | (59.1)                          | (58.2)         |
| Proceeds from long-term borrowings  | 0.3                             | 2.9            |
| Repayments on long-term borrowings  | (9.3)                           | (16.2)         |
| Proceeds from exercise of stock options   | 22.8                            | 52.9           |
| <b>Net cash used in financing activities</b>  | <b>(171.2)</b>                  | <b>(168.6)</b> |
| Effect of exchange rate changes on cash and cash equivalents                          | (8.9)                           | 17.5           |
| Net decrease in cash and cash equivalents   | (87.5)                          | (13.9)         |
| Cash and cash equivalents at beginning of period                                      | 320.6                           | 383.9          |
| Cash and cash equivalents at end of period  | \$ 233.1                        | \$ 370.0       |

**DENTSPLY SIRONA INC. AND SUBSIDIARIES**

(In millions, except percentages)

(unaudited)

A reconciliation of reported net sales to non-US GAAP net sales, excluding precious metal content, is as follows:

| (in millions, except percentages)                               | Three Months Ended September 30, |                   | Variance %    |
|---|----------------------------------|-------------------|---------------|
|   | 2018                             | 2017              |               |
| <b>Net sales</b>  | \$ 928.4                         | \$ 1,009.2        | (8.0)%        |
| Less: precious metal content of sales                           | 7.8                              | 9.4               | (17.0)%       |
| <b>Net sales, excluding precious metal content</b>              | <b>920.6</b>                     | <b>999.8</b>      | <b>(7.9)%</b> |
| Acquisition/merger related adjustments (a)                      | 3.2                              | 1.0               | NM            |
| <b>Non-US GAAP, net sales, excluding precious metal content</b> | <b>\$ 923.8</b>                  | <b>\$ 1,000.8</b> | <b>(7.7)%</b> |
| Foreign exchange impact   |                                  |                   | (1.8)%        |
| Constant currency growth  |                                  |                   | (5.9)%        |
| Acquisitions  |                                  |                   | 0.6%          |
| <b>Internal sales growth</b>                                    |                                  |                   | <b>(6.5)%</b> |

(a) For 2018, amounts represent an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards. For 2017, amounts represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the non-U.S. GAAP results comparable.





| (in millions, except percentages)                               | Three Months Ended September 30, 2018 |                 |                 |                 | Q3 2018 Growth  |                |                |                | Three Months Ended September 30, 2017 |                 |                 |                   |
|---|---------------------------------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|---------------------------------------|-----------------|-----------------|-------------------|
|   | US                                    | Europe          | ROW             | Total           | US              | Europe         | ROW            | Total          | US                                    | Europe          | ROW             | Total             |
| <b>Net sales</b>  | \$ 328.7                              | \$ 348.8        | \$ 250.9        | \$ 928.4        | (9.6) %         | (9.8) %        | (3.1) %        | (8.0) %        | \$ 363.8                              | \$ 386.6        | \$ 258.8        | \$ 1,009.2        |
| Less: precious metal content of sales                           | 1.3                                   | 5.6             | 0.9             | 7.8             |                 |                |                |                | 1.5                                   | 7.0             | 0.9             | 9.4               |
| <b>Net sales, excluding precious metal content</b>              | <b>327.4</b>                          | <b>343.2</b>    | <b>250.0</b>    | <b>920.6</b>    | <b>(9.6) %</b>  | <b>(9.6) %</b> | <b>(3.1) %</b> | <b>(7.9) %</b> | <b>362.3</b>                          | <b>379.6</b>    | <b>257.9</b>    | <b>999.8</b>      |
| Acquisition/merger related adjustments (a)                      | 3.2                                   | —               | —               | 3.2             |                 |                |                |                | 1.0                                   | —               | —               | 1.0               |
| <b>Non-US GAAP, net sales, excluding precious metal content</b> | <b>\$ 330.6</b>                       | <b>\$ 343.2</b> | <b>\$ 250.0</b> | <b>\$ 923.8</b> | <b>(9.0) %</b>  | <b>(9.6) %</b> | <b>(3.1) %</b> | <b>(7.7) %</b> | <b>\$ 363.3</b>                       | <b>\$ 379.6</b> | <b>\$ 257.9</b> | <b>\$ 1,000.8</b> |
| Foreign exchange impact   |                                       |                 |                 |                 | — %             | (1.2) %        | (4.9) %        | (1.8) %        |                                       |                 |                 |                   |
| Constant currency growth  |                                       |                 |                 |                 | (8.8) %         | (8.4) %        | 1.8 %          | (5.9) %        |                                       |                 |                 |                   |
| Acquisitions  |                                       |                 |                 |                 | 1.2 %           | — %            | 0.3 %          | 0.6 %          |                                       |                 |                 |                   |
| <b>Internal sales growth</b>                                    |                                       |                 |                 |                 | <b>(10.0) %</b> | <b>(8.4) %</b> | <b>1.5 %</b>   | <b>(6.5) %</b> |                                       |                 |                 |                   |

(a) For 2018, amounts represent an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards. For 2017, amounts represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the non-U.S. GAAP results comparable.

| (in millions, except percentages)                               | Three Months Ended September 30, 2018 |                          |                 | Q3 2018 Growth |                          |                | Three Months Ended September 30, 2017 |                          |                   |
|---|---------------------------------------|--------------------------|-----------------|----------------|--------------------------|----------------|---------------------------------------|--------------------------|-------------------|
|   | Consumables                           | Technologies & Equipment | Total           | Consumables    | Technologies & Equipment | Total          | Consumables                           | Technologies & Equipment | Total             |
| <b>Net sales</b>  | \$ 433.2                              | \$ 495.2                 | \$ 928.4        | (3.9) %        | (11.3) %                 | (8.0) %        | \$ 450.7                              | \$ 558.5                 | \$ 1,009.2        |
| Less: precious metal content of sales                           | —                                     | 7.8                      | 7.8             |                |                          |                | —                                     | 9.4                      | 9.4               |
| <b>Net sales, excluding precious metal content</b>              | <b>433.2</b>                          | <b>487.4</b>             | <b>920.6</b>    | <b>(3.9) %</b> | <b>(11.2) %</b>          | <b>(7.9) %</b> | <b>450.7</b>                          | <b>549.1</b>             | <b>999.8</b>      |
| Acquisition/merger related adjustments (a)                      | 3.2                                   | —                        | 3.2             |                |                          |                | —                                     | 1.0                      | 1.0               |
| <b>Non-US GAAP, net sales, excluding precious metal content</b> | <b>\$ 436.4</b>                       | <b>\$ 487.4</b>          | <b>\$ 923.8</b> | <b>(3.2) %</b> | <b>(11.4) %</b>          | <b>(7.7) %</b> | <b>\$ 450.7</b>                       | <b>\$ 550.1</b>          | <b>\$ 1,000.8</b> |
| Foreign exchange impact   |                                       |                          |                 | (1.4) %        | (2.0) %                  | (1.8) %        |                                       |                          |                   |
| Constant currency growth  |                                       |                          |                 | (1.8) %        | (9.4) %                  | (5.9) %        |                                       |                          |                   |
| Acquisitions  |                                       |                          |                 | 1.2 %          | (0.1) %                  | 0.6 %          |                                       |                          |                   |
| <b>Internal sales growth</b>                                    |                                       |                          |                 | <b>(3.0) %</b> | <b>(9.3) %</b>           | <b>(6.5) %</b> |                                       |                          |                   |

(a) For 2018, amounts represent an adjustment to reflect deferred revenue that was eliminated under business combination accounting standards. For 2017, amounts represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the non-U.S. GAAP results comparable.

**DENTSPLY SIRONA INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In millions)  
(unaudited)

|  | GAAP                                  |   |   |   |  |                                       |                                | NON-GAAP                   |                                       |
|--|---------------------------------------|---|---|---|--|---------------------------------------|--------------------------------|----------------------------|---------------------------------------|
|  | Three Months Ended September 30, 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-US GAAP Adjustments | Income Tax Related Adjustments | Total Non-GAAP Adjustments | Three Months Ended September 30, 2018 |
| NET SALES  | \$ 928.4                              | —   | —   | 3.2   | —                                      | —                                     | —                              | \$ 3.2                     | \$ 931.6                              |
| NET SALES-without precious metals                          | 920.6                                 | —   | —   | 3.2   | —                                      | —                                     | —                              | 3.2                        | 923.8                                 |
| GROSS PROFIT   | 476.1                                 | 29.7  | 1.6   | 4.7   | —                                      | —                                     | —                              | 36.0                       | 512.1                                 |
| % OF NET SALES-without precious metals                     | 51.7 %                                |   |   |   |  |                                       |                                |                            | 55.4 %                                |
| SG&A EXPENSES  | 418.5                                 | (19.9)                                      | (4.9)   | (1.8)   | —                                      | —                                     | —                              | (26.6)                     | 391.9                                 |
| % OF NET SALES-without precious metals                     | 45.5 %                                |   |   |   |  |                                       |                                |                            | 42.4 %                                |
| RESTRUCTURING AND OTHER COSTS                              | 12.1                                  | —   | (12.1)  | —   | —                                      | —                                     | —                              | (12.1)                     | —                                     |
| INCOME FROM OPERATIONS                                     | 45.5                                  | 49.6  | 18.6  | 6.5   | —                                      | —                                     | —                              | 74.7                       | 120.2                                 |
| % OF NET SALES-without precious metals                     | 4.9 %                                 |   |   |   |  |                                       |                                |                            | 13.0 %                                |
| NET INTEREST AND OTHER EXPENSE                             | 13.8                                  | —   | —   | (0.2)   | (2.2)                                  | —                                     | —                              | (2.4)                      | 11.4                                  |
| PRE-TAX INCOME   | 31.7                                  | 49.6  | 18.6  | 6.7   | 2.2                                    | —                                     | —                              | 77.1                       | 108.8                                 |
| INCOME TAXES   | 4.2                                   | —   | —   | —   | —                                      | 20.8                                  | (0.3)                          | 20.5                       | 24.7                                  |
|  | 13.2 %                                |   |   |   |  |                                       |                                |                            | 22.7 %                                |
| LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | (0.5)                                 |   |   |   |  |                                       |                                | —                          | (0.5)                                 |
| NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA                 | \$ 28.0                               |   |   |   |  |                                       |                                | \$ 56.6                    | \$ 84.6                               |
| % OF NET SALES-without precious metals                     | 3.0 %                                 |   |   |   |  |                                       |                                |                            | 9.2 %                                 |
| EARNINGS PER SHARE - DILUTED                               | \$ 0.13                               |   |   |   |  |                                       |                                | \$ 0.25                    | \$ 0.38                               |

**DENTSPLY SIRONA INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In millions)  
(unaudited)

|  | GAAP                                  |   |   |   |  |                                       |                                | NON-GAAP                   |                                       |
|--|---------------------------------------|---|---|---|--|---------------------------------------|--------------------------------|----------------------------|---------------------------------------|
|  | Three Months Ended September 30, 2017 | 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-US GAAP Adjustments | Income Tax Related Adjustments | Total Non-GAAP Adjustments | Three Months Ended September 30, 2017 |
| NET SALES  | \$ 1,009.2                            | —   | —   | 1.0   | —                                      | —                                     | —                              | \$ 1.0                     | \$ 1,010.2                            |
| NET SALES-without precious metals                          | 999.8                                 | —   | —   | 1.0   | —                                      | —                                     | —                              | 1.0                        | 1,000.8                               |
| GROSS PROFIT   | 559.0                                 | 28.1  | 0.2   | 3.2   | 0.6                                    | —                                     | —                              | 32.1                       | 591.1                                 |
| % OF NET SALES-without precious metals                     | 55.9 %                                |   |   |   |  |                                       |                                |                            | 59.1 %                                |
| SG&A EXPENSES  | 430.5                                 | (20.6)                                      | (25.9)  | (3.4)   | (1.2)                                  | —                                     | —                              | (51.1)                     | 379.4                                 |
| % OF NET SALES-without precious metals                     | 43.1 %                                |   |   |   |  |                                       |                                |                            | 37.9 %                                |
| RESTRUCTURING AND OTHER COSTS                              | 20.6                                  | —   | (20.6)  | —   | —                                      | —                                     | —                              | (20.6)                     | —                                     |
| INCOME FROM OPERATIONS                                     | 107.9                                 | 48.7  | 46.7  | 6.6   | 1.8                                    | —                                     | —                              | 103.8                      | 211.7                                 |
| % OF NET SALES-without precious metals                     | 10.8 %                                |   |   |   |  |                                       |                                |                            | 21.2 %                                |
| NET INTEREST AND OTHER EXPENSE                             | 10.3                                  | —   | 0.4   | (0.2)   | —                                      | —                                     | —                              | 0.2                        | 10.5                                  |
| PRE-TAX INCOME   | 97.6                                  | 48.7  | 46.3  | 6.8   | 1.8                                    | —                                     | —                              | 103.6                      | 201.2                                 |
| INCOME TAXES   | 7.1                                   | —   | —   | —   | —                                      | 33.9                                  | (4.0)                          | 29.9                       | 37.0                                  |
|  | 7.3 %                                 |   |   |   |  |                                       |                                |                            | 18.4 %                                |
| LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | (0.1)                                 |   |   |   |  |                                       |                                | —                          | (0.1)                                 |
| NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA                 | \$ 90.6                               |   |   |   |  |                                       |                                | \$ 73.7                    | \$ 164.3                              |
| % OF NET SALES-without precious metals                     | 9.1 %                                 |   |   |   |  |                                       |                                |                            | 16.4 %                                |
| EARNINGS PER SHARE - DILUTED                               | \$ 0.39                               |   |   |   |  |                                       |                                | \$ 0.31                    | \$ 0.70                               |