

## **DEAR FELLOW SHAREHOLDERS,**

We hope this letter finds you and your families safe and healthy. On behalf of our Board of Directors, we are pleased to invite you to virtually attend the 2021 Dentsply Sirona Annual Meeting of Stockholders. Due to continuing safety concerns, this year's meeting will again be held via webcast.

As the company moves into 2021, it is important to reflect on the prior year. The global pandemic challenged Dentsply Sirona in a truly unprecedented way. We are very proud of how we navigated the constant challenges. Our response served to underscore the resilience of the company and its people as well as the underlying attractiveness of the global dental market. But as important as the response to the COVID-19 crisis was, it is equally important that there is a firm focus on how we best position Dentsply Sirona to thrive going forward.

### **STRATEGIC OVERVIEW**

As it became evident that COVID-19 was going to have a profound impact on the dental market, management and the Board together formalized a response that prioritized our employee safety, customer support, the financial health of the company and making continued progress against our strategic initiatives. People are our most precious asset. We put their safety first and pivoted early to work from home and to making our supply chain facilities safe. At the time of writing this letter, none of our manufacturing facilities or our major offices have had to be shut down due to COVID-19 infections. It is also noteworthy that there were no incidents of infections reported at any of our sites. At the height of the crisis, the majority of our supply chain was shut down globally. In a major test of our business continuity planning, the infrastructure was quickly and safely brought back up as dental offices reopened globally. The performance of this group was particularly impressive given the uncertain planning horizon and numerous challenges across our supply chain partners. We are proud to say that the team rose to the challenge and was able to support our customers throughout the year.

Given the business uncertainty at the time, the company's financial health was also of paramount concern. Steps were taken to increase liquidity through an expansion of our revolving credit facilities and a \$750M long term debt offering. The speed and low cost of these actions underscore the financial strength of the company. Additionally, aggressive steps were also taken to reduce spending across all aspects of the company. At one point during the year, 75% of the global organization was placed on furlough, short work week programs, or took salary reductions. These compensation reductions were shared by the Board and the senior leadership team. We are proud to note that there were no permanent layoffs globally due to COVID-19. As the business returned to reduced but more normal levels, the employees were brought back and over 4,000 of our front-line workers each received a special \$500 bonus at the end of the year.

There was also noteworthy progress made against our major strategic initiatives. During late 2018, Dentsply Sirona developed a comprehensive restructuring plan designed to accelerate growth, improve margins, and simplify the company. Accelerating growth is essential and there were many steps taken to deliver against this priority. Our strategy was sharpened during the year and major innovation projects were not impacted by cost containment efforts. We completed major portfolio moves which included exiting the low margin/low growth analog lab and traditional orthodontics businesses. At the end of the year, the company acquired Byte, a high growth, doctor-directed, direct-to-consumer clear aligner company. This gives Dentsply Sirona important scale in a critical, fast-growing category. The company also acquired Datum Dental, an Israeli biomaterials company that will allow us to accelerate our performance in the implant category. Despite the constraints created by the pandemic, progress was made against all the restructuring goals, including a significant improvement in operating margins.

Reflecting on 2020, we believe that Dentsply Sirona has emerged as a stronger, more effective company. We have sharpened our

strategic focus, improved our cost structure, and enhanced our liquidity. This will allow for more investment in growth initiatives going forward. The management team has emerged from the pandemic with a tested and proven business continuity plan and enterprise risk management program. Steps taken to create a centralized supply chain and a leaner, more efficient organization proved their worth during 2020. The Board has been strengthened as part of a refreshment program to add more diverse leaders that bring a broad range of experiences. We have improved Board diversity from under 10% in 2017 to 50% following our upcoming annual meeting. Our commitment to our employees and our customers was clear and evident during the pandemic and has created stronger engagement. This engagement reminds us of the importance of being anchored in our purpose. While there is still considerable uncertainty and challenges going forward, we are optimistic about our future.

#### **THE YEAR AHEAD**

Looking toward 2021, our priorities will again focus on growth, portfolio shaping, margin improvement, and creating more scale and efficiency throughout the company while continuing to enhance our talent and culture. We have executed on a core element of our growth strategy through expanded investment in R&D. There have been considerable improvements in this area, including creating a new organization to drive our digital capabilities. Further, we recently announced the creation of a new Innovation Center in Charlotte, North Carolina that will focus on our consumables and implant businesses. We look forward to capitalizing on the Byte and Datum acquisitions as those businesses are integrated. Lessons learned during the pandemic to drive new, more efficient ways of doing business will be applied to continue to improve operating margins. We believe there are considerable opportunities to continue creating scale in many areas of the company, including the supply chain and other central functions. As we continue to evolve the company, our culture and talent development programs are essential to delivering our long-term aspirations.

#### **Eric Brandt**

Chairman of the Board



#### **CREATING SUSTAINABLE AND CONSISTENT GROWTH**

Whether it is reflecting on the challenges of 2020 or looking out into the future, it is important to remember our purpose as an organization. At the heart of our business is the creation of truly innovative products and integrated solutions that make a tangible difference in people's lives. We will use our scale and global reach to improve the quality and access to healthcare throughout the world. Dentsply Sirona will strive to exceed the expectations of our customers, our employees, our shareholders, and the communities in which we work. As part of that commitment, the company has made substantial progress on Environmental, Social and Governance (ESG) programs. Efforts in this area have always been part of how we operate. Going forward, we believe it is important to accelerate our efforts, create metrics and report progress against ESG goals. In 2020, we established a cross functional ESG committee composed of several members of the executive leadership team and subject matter experts with accountability directly to the Board. This committee is tasked with developing the necessary internal controls, data management and frameworks for our ESG strategy and disclosure efforts. As part of those efforts, a Diversity and Inclusion Council has also been created in recognition of the importance of our culture, talent, and people for our future. This group is evaluating current policies and processes as well as championing initiatives designed to enhance our culture and competitiveness. The ESG committee is finalizing our implementation plans and we look forward to communicating our progress in the near future.

In closing, we are grateful for the support of the people of Dentsply Sirona, our customers and our stakeholders. We are very optimistic about our future. Thank you for your continued support and commitment and we hope you stay safe and healthy.

#### **Don Casey**

Chief Executive Officer

