Dentsply Sirona

November 7, 2024

Third Quarter 2024
Earnings Conference Call

Forward-Looking Statements and Associated Risks

All statements in this presentation that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” Such statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control, including those described in Part I, Item 1A, “Risk Factors” of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and Part II, Item 1A, “Risk Factors” of the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024, and other factors which may be described in the Company’s other filings with the Securities and Exchange Commission (the “SEC”). No assurance can be given that any expectation, belief, goal or plan set forth in any forward-looking statement can or will be achieved, and investors are cautioned not to place undue reliance on such statements which speak only as of the date they are made. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. Investors should understand it is not possible to predict or identify all such factors or risks. As such, you should not consider the risks identified in the Company’s SEC filings to be a complete discussion of all potential risks or uncertainties associated with an investment in the Company.

Non-GAAP Financial Measures

In addition to results determined in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), the Company provides certain measures in this presentation, which are not calculated in accordance with U.S. 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 U.S. 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 Points

Evaluating strategic options following voluntary suspension of Byte products

- Working closely with FDA
- Taking patient-centric approach
- Redeployment of resources in-process

Q3 organic sales increased 1.3% due to timing of EDS orders ahead of ERP deployment in the U.S., ex. timing down (0.8%); adjusted EPS of $0.50

Revised full year 2024 outlook based on soft retail demand for equipment in the U.S. and Byte

Select Highlights

Operational Updates

- Completed first ERP deployment in the U.S. on November 1st, single largest in the program
- Executing on phase 2 transformation actions
- On track to achieve savings targets and strategic reinvestment plans

Innovation

- Launched Primescan 2, powered by DS Core, and X-Smart Pro+ in the U.S.
- Delivered 85+ enhancements to DS Core software capabilities and functionality since launch; surpassed 32,000 unique DS Core users
- Expanded Orthophos SL imaging relaunch in EMEA and APAC
- Received five 510(k) clearances

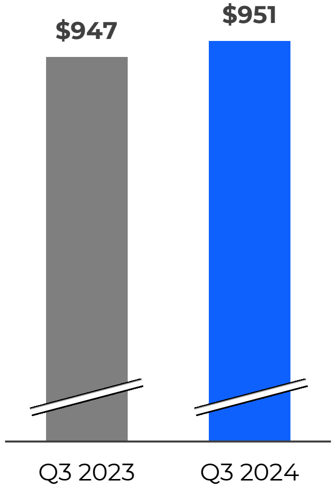
Events & Clinical Education

- DS World Las Vegas (Q3); 4,000+ participants, offered 100+ clinical education courses
- Additional DS World events held in Spain and Italy (Q3); inaugural events in Japan and Brazil (Q4)
- Hosted 1,000+ dental professionals at MIS implants conference

Advancing our Profitability Initiatives, Innovation and Education

Third Quarter 2024 Financial Summary

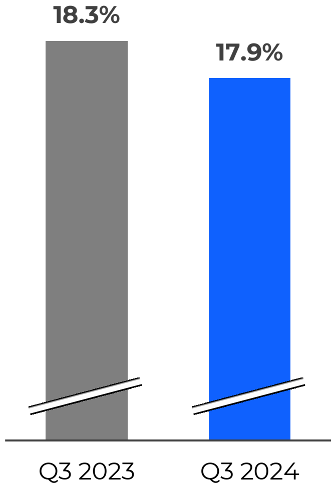
Revenue ($M)



+0.5% Reported Sales,
+1.3% Organic Sales; *(0.8%) Ex. Timing* [(1)]

- \+ EDS +7.5%, ~$20M timing benefit
- \+ CAD/CAM +3.7% (soft retail demand)
- \- E&I (6.2%)
- \- OIS (3.9%)
- \- F/X headwind of (80) bps

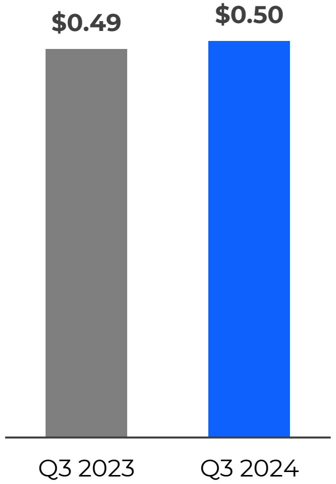
Adj. EBITDA Margin



(40 bps) Adj. EBITDA Margin

- \+ Lower opex from restructuring savings
- \+ Benefit from net investment hedges
- \- Gross margin declined due to CTS (lower volume, pricing, and unfavorable mix)

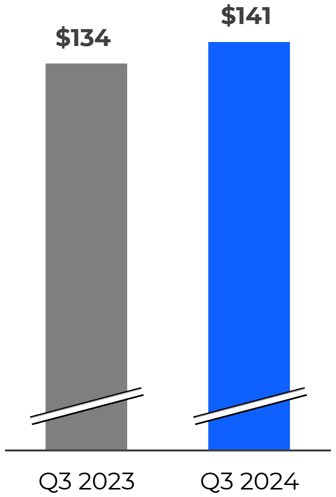
Adj. EPS



+3% Adj. EPS

- \+ Lower share count
- \- Higher tax rate

Operating Cash Flow ($M)



+5% Op. Cash Flow

- \+ Timing of accounts payable
- \+ Improved inventory management

Note: Bars and sales dollars represent reported sales. Growth commentary and trends are based on organic sales vs. Q3 2023
(1) "Ex. Timing" percentage excludes the ~$20M benefit for a shift in distributor orders from Q4 to Q3 in advance of the November 1, 2024 ERP deployment in the US

Third Quarter 2024 Segment Results

	Sales	Commentary
Essential Dental Solutions (EDS)	**$369M** *Reported: +6.6%* *Organic: +7.5%;* *Ex. Timing[1]: +2.2%*	▪ Growth driven by an approximately $20M impact from timing of orders in the U.S. and higher volumes in Rest of World
Orthodontic and Implant Solutions (OIS)	**$241M** *Reported: (4.6%)* *Organic: (3.9%)*	▪ Orthodontics **(LSD)**: SureSmile growth of +6%, offset by a decline in Byte (7%) ▪ Implants & Prosthetics **(MSD)**: lower implant sales in U.S. and Europe
Connected Technology Solutions (CTS)	**$269M** *Reported: (2.3%)* *Organic: (1.4%)*	▪ Equipment & Instruments **(MSD)**: driven by a decline in Rest of World; flat in U.S. and Europe ▪ CAD/CAM **+MSD**: growth in U.S. and Rest of World, partially offset by decline in Europe
Wellspect Healthcare	**$72M** *Reported: (0.4%)* *Organic: 0.0%*	▪ Growth in Europe, offset by a decline in the U.S. due to timing of orders

Note: Bars and sales dollars represent reported sales. Growth commentary and trends are based on organic sales vs. Q3 2023
LSD = low-single digits, MSD = mid-single digits, HSD = high-single digits, DD = double digits
(1) "Ex. Timing" percentage excludes the ~$20M benefit for a shift in distributor orders from Q4 to Q3 in advance of the November 1, 2024 ERP deployment in the US

Third Quarter 2024 Regional Results

U.S.

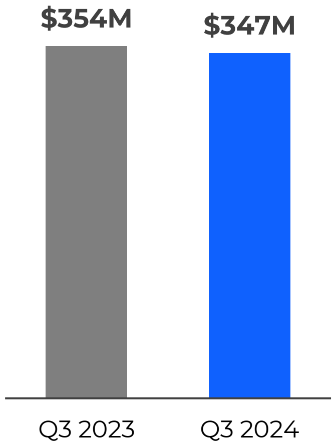
Organic Sales
+5.1%
Ex. Timing (0.6%)

Net Sales: 39% of total

+ EDS, $20M timing benefit
+ CAD/CAM (soft retail demand)
- Aligners
- Wellspect, order timing from a distributor
- Implants

Europe

Organic Sales
(2.0%)



Net Sales: 37% of total

+ SureSmile strong growth
+ Wellspect continued growth
+ Germany growth on easier comp
- Imaging
- Implants

Rest of World

Organic Sales
+0.6%

Net Sales: 24% of total

+ Implants growth despite tough China comp
+ EDS volume
+ CAD/CAM
- Equipment and Instruments

Note: Bars and sales dollars represent reported sales. Growth commentary and trends are based on organic sales vs. Q3 2023
(1) "Ex. Timing" percentage excludes the ~$20M benefit for a shift in distributor orders from Q4 to Q3 in advance of the November 1, 2024 ERP deployment in the US

2024 Outlook

	Prior Outlook	Current Outlook[1]	Comments
Organic Sales	**(1%) to Flat**	**(3.5%) to (2.5%)**	**U.S. equipment retail demand and Byte**
Reported Sales	\$3.86B - \$3.90B	\$3.79B - \$3.82B	FX improvement of ~\$15M
R&D Expenses	>4% of Sales	>4% of Sales	-
Adjusted EBITDA Margin	**>18%**	**~17.5%**	**Lower sales and mix**
Interest Expense, Net	~\$75M	~\$70M	-
Other Expense (Income), Net	~(\$25M)	~(\$15M)	-
Adjusted ETR	~20%	~19%	Lower income in high tax jurisdictions
Diluted Share Count	~204M	~204M	-
Adjusted EPS	**\$1.96 - \$2.02**	**\$1.82 - \$1.86**	**\$1.84 at midpoint**
Other Outlook Assumptions			
Capital Expenditures	\$170M - \$200M	\$170M - \$200M	Next-gen ERP investments and Wellspect expansion
Cash Returned to Shareholders	≥75% of FCF	≥75% of FCF	Dividends and share repurchases

(1) 2024 outlook does not include potential adjustments or impacts of additional Byte remediation measures or decisions made by the Company

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 Foundational Initiatives

Foundational Initiatives	Progress Year-to-Date
Supply Chain Transformation	▪ Have executed the closures of 3 manufacturing sites and 4 distribution centers ▪ Continue to seek opportunities to drive network efficiency
SKU Optimization	▪ Eliminated ~50% of zero revenue SKUs; remainder to be eliminated by end of 2024 ▪ Discontinuation of revenue-generating SKUs beginning in early 2025
ERP Modernization	▪ Two deployments completed in 2024: UK on 8/1 and first phase of U.S. on 11/1 ▪ In the UK, resumed business activities at full volumes within 3 days
Transformation	▪ Phase 1 completed in Q2, achieving $200M of run rate savings ▪ Phase 2 actions >70% complete, set to achieve $80-100M of savings by end of 2025 ▪ Reinvestment into strategic areas to drive topline growth

Progress Made to Position us for Long-Term Profitable Growth

Summary

1. Voluntary suspension of Byte products; evaluating strategic options

2. Q3 organic sales up 1.3%, ex. timing down (0.8%)

3. Revised FY24 outlook for U.S. retail softness and Byte

4. Advancing innovation and business transformation journey

(1) “Ex. Timing” percentage excludes the ~$20M benefit for a shift in distributor orders from Q4 to Q3 in advance of the November 1, 2024 ERP deployment in the US

Appendix

Dentsply Sirona

Trailing Nine Quarters

In millions (except percentages)	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Net Sales	$947	$983	$978	$1,028	$947	$1,012	$953	$984	$951
Adjusted EBITDA(1)	$169	$171	$162	$185	$171	$173	$160	$173	$170
Adj. EBITDA Margin %(1)	17.6%	17.5%	16.5%	17.8%	18.3%	17.1%	16.8%	17.5%	17.9%
<u>Cash Flow</u>									
Operating Cash Flow	$109	$142	($21)	$104	$134	$160	$25	$208	$141
Less: Capital Expenditures	$32	$32	$39	$33	$37	$40	$34	$52	$43
Adjusted Free Cash Flow	$77	$110	($60)	$71	$97	$120	($9)	$156	$98

(1) Adjusted EBITDA from Q3 2022 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 U.S. 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, 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, related ongoing legal matters 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, 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 income 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 of 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 U.S. 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 (loss) 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

(unaudited)

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

(in millions, except percentages)	Three Months Ended September 30, 2024 U.S.	Europe	ROW	Total	Q3 2024 Change U.S.	Europe	ROW	Total	Three Months Ended September 30, 2023 U.S.	Europe	ROW	Total
Net sales	$ 374	$ 347	$ 230	$ 951	5.0%	(1.8%)	(3.0%)	0.5%	$ 356	$ 354	$ 237	$ 947
Foreign exchange impact					(0.1%)	0.2%	(3.6%)	(0.8%)				
Organic sales					**5.1%**	**(2.0%)**	**0.6%**	**1.3%**				

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

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

(in millions, except percentages)	Three Months Ended September 30, 2024 Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Q3 2024 Change Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Three Months Ended September 30, 2023 Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total
Net sales	$ 269	$ 369	$ 241	$ 72	$ 951	(2.3%)	6.6%	(4.6%)	(0.4%)	0.5%	$ 276	$ 347	$ 252	$ 72	$ 947
Foreign exchange impact						(0.9%)	(0.9%)	(0.7%)	(0.4%)	(0.8%)					
Organic sales						**(1.4%)**	**7.5%**	**(3.9%)**	**—%**	**1.3%**					

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

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q3 24

(unaudited)

For the three months ended September 30, 2024, 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	$ 495	$ (462)	$ (494)	$ (2.46)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	31	54	40	0.20
Restructuring-Related Charges and Other Costs	—	39	29	0.15
Goodwill and Intangible Asset Impairments	—	504	495	2.46
Business Combination-Related Costs and Fair Value Adjustments	1	1	1	—
Income Tax-Related Adjustments	—	—	30	0.15
Adjusted Non-GAAP	$ 527	$ 136	$ 101	$ 0.50
GAAP Margin		(48.5%)		
Adjusted Non-GAAP Margin		14.3%		
Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share				201.0
Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share				201.5

(a) The tax expense on the Non-GAAP adjustments totals $3 million which is inclusive of the $30 million income tax-related adjustment above.

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

Reconciliation of Non-GAAP Financial Measures

Condensed Consolidated Statements of Operations Q3 23

(unaudited)

For the three months ended September 30, 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	$ 495	$ (236)	$ (266)	$ (1.25)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	30	53	40	0.19
Restructuring-Related Charges and Other Costs	6	8	6	0.03
Goodwill and Intangible Asset Impairments	—	307	302	1.42
Business Combination-Related Costs and Fair Value Adjustments	—	3	2	0.01
Income Tax-Related Adjustments	—	—	20	0.09
Adjusted Non-GAAP	$ 531	$ 135	$ 104	$ 0.49
GAAP Margin		(24.9%)		
Adjusted Non-GAAP Margin		14.2%		
Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share				211.8
Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share				213.0

(a) The tax expense on the Non-GAAP adjustments totals $1 million, which is inclusive of the $20 million income tax-related adjustment above.

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

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

(unaudited)

A reconciliation of reported net (loss) income attributable to Dentsply Sirona to adjusted EBITDA and margin for the three months ended September 30, 2024 and 2023 is as follows:

	Three Months Ended September 30,	
(in millions, except percentages)	2024	2023
Net loss attributable to Dentsply Sirona	$ (494)	$ (266)
Interest expense, net	18	19
Income tax expense	17	16
Depreciation[1]	31	31
Amortization of purchased intangible assets	54	53
Restructuring-related charges and other costs	39	8
Goodwill and intangible asset impairments	504	307
Business combination-related costs and fair value adjustments	1	3
Fair value and credit risk adjustments	—	—
Adjusted EBITDA[2]	$ 170	$ 171
Net sales	$ 951	$ 947
Adjusted EBITDA margin	17.9%	18.3%

(1) Excludes those depreciation-related amounts which were included as part of the business combination-related adjustments and Restructuring-related charges and other costs.
(2) Adjusted EBITDA for 2023 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.
Percentages are based on actual values and may not reconcile due to rounding.

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 September 30, 2024 and 2023 is as follows:

(in millions, except percentages)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Net cash provided by operating activities	$ 141	$ 134
Capital expenditures	(43)	(37)
Adjusted free cash flow	$ 98	$ 97
Adjusted net income	$ 101	$ 104
Adjusted free cash flow conversion	97%	93%

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