

Dentsply Sirona

Fourth Quarter 2017
Earnings Presentation
March 1, 2018
(Unaudited)



Forward Looking Statements

Information the Company has included or incorporated by reference in this presentation, and information which may be contained in other filings with the 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 anticipate and appropriately adapt to changes or trends within the rapidly changing dental industry
- the effect of changes in the Company's management and personnel
- the Company's ability to control costs
- 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 Annual Report on Form 10-K and any other information included or incorporated by reference in this presentation, 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.

Non-GAAP Financial Measures

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share ("adjusted EPS"). The Company discloses adjusted 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 intangible assets either purchased or acquired through a business combination. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

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.

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 impact of 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 and costs, gains and losses related to the disposal of businesses or 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 termination costs, related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives, as well as, legal settlements and impairment 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) Certain fair value adjustments related to an unconsolidated affiliated company. This adjustment represents the fair value adjustment of the unconsolidated affiliated company's convertible debt instrument held by the Company. The affiliate is accounted for under the equity method of accounting. The fair value adjustment is driven by open market pricing of the affiliate's equity instruments, which has a high degree of variability and may not be indicative of the operating performance of the affiliate or the Company.

(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. 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.

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 average 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.

NON-GAAP RECONCILIATION: Q4 2017

DENTSPLY SIRONA INC.

CONSOLIDATED STATEMENTS OF INCOME

(in millions)
(unaudited)

GAAP
THREE MONTHS ENDED

NON-GAAP
THREE MONTHS ENDED

	Total Non-GAAP		
	December 31, 2017	Adjustments	December 31, 2017
NET SALES	\$ 1,091.0	\$ -	\$ 1,091.0
NET SALES-without precious metals	1,080.7	-	1,080.7
GROSS PROFIT	593.3	34.6	627.9
% OF NET SALES-without precious metals	54.9%		58.1%
SG&A EXPENSES	421.9	(30.9)	391.0
% OF NET SALES-without precious metals	39.0%		36.2%
GOODWILL IMPAIRMENT	581.0	(581.0)	-
RESTRUCTURING AND OTHER COSTS	319.8	(319.8)	-
INCOME FROM OPERATIONS	(729.4)	966.3	236.9
% OF NET SALES-without precious metals	-67.5%		21.9%
NET INTEREST AND OTHER EXPENSE	6.5	3.3	9.8
PRE-TAX INCOME	(735.9)	963.0	227.1
INCOME TAXES	(62.7)	100.1	37.4
	8.5%		16.5%
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES	-	-	-
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	0.2	-	0.2
NET INCOME ATTRIBUTABLE TO DENTSPLY INTERNATIONAL	\$ (673.4)	\$ 862.9	\$ 189.5
% OF NET SALES-without precious metals	-62.3%		17.5%
EARNINGS PER SHARE - DILUTED	\$ (2.95)	\$ 3.77	\$ 0.82

NON-GAAP RECONCILIATION: Q4 2016

DENTSPLY SIRONA INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (in millions)
 (unaudited)

GAAP
 THREE MONTHS ENDED

NON-GAAP
 THREE MONTHS ENDED

	Total Non-GAAP		
	December 31, 2016	Adjustments	December 31, 2016
NET SALES	\$ 996.5	\$ 1.5	\$ 998.0
NET SALES-without precious metals	982.6	1.5	984.1
GROSS PROFIT	541.5	31.6	573.1
% OF NET SALES-without precious metals	55.1%		58.2%
SG&A EXPENSES	399.7	(33.0)	366.7
% OF NET SALES-without precious metals	40.7%		37.3%
RESTRUCTURING AND OTHER COSTS	7.6	(7.6)	-
INCOME FROM OPERATIONS	134.2	72.2	206.4
% OF NET SALES-without precious metals	13.7%		21.0%
NET INTEREST AND OTHER EXPENSE	1.7	5.4	7.1
PRE-TAX INCOME	132.5	66.8	199.3
INCOME TAXES	24.6	15.7	40.3
	18.6%		20.2%
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES	-	-	-
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	0.9	-	0.9
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 107.0	\$ 51.1	\$ 158.1
% OF NET SALES-without precious metals	10.9%		16.1%
EARNINGS PER SHARE - DILUTED	\$ 0.46	\$ 0.21	\$ 0.67

NON-GAAP RECONCILIATION: 2017

DENTSPLY SIRONA INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions)
(unaudited)

GAAP
TWELVE MONTHS ENDED

NON-GAAP
TWELVE MONTHS ENDED

	December 31, 2017	Total Non-GAAP Adjustments	December 31, 2017
NET SALES	\$ 3,993.4	\$ 4.0	\$ 3,997.4
NET SALES-without precious metals	3,952.9	4.0	3,956.9
GROSS PROFIT	2,188.5	134.4	2,322.9
% OF NET SALES-without precious metals	55.4%		58.7%
SG&A EXPENSES	1,674.7	(143.2)	1,531.5
% OF NET SALES-without precious metals	42.4%		38.7%
GOODWILL IMPAIRMENT	1,673.9	(1,673.9)	-
RESTRUCTURING AND OTHER COSTS	425.2	(425.2)	-
INCOME FROM OPERATIONS	(1,585.3)	2,376.7	791.4
% OF NET SALES-without precious metals	-40.1%		20.0%
NET INTEREST AND OTHER EXPENSE	41.2	1.9	43.1
PRE-TAX INCOME	(1,626.5)	2,374.8	748.3
INCOME TAXES	(53.2)	183.6	130.4
	3.3%		17.4%
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES	-	-	-
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	(0.3)	-	(0.3)
NET INCOME ATTRIBUTABLE TO DENTSPLY INTERNATIONAL	\$ (1,573.0)	\$ 2,191.2	\$ 618.2
% OF NET SALES-without precious metals	-39.8%		15.6%
EARNINGS PER SHARE - DILUTED	\$ (6.86)	\$ 9.52	\$ 2.66

NON-GAAP RECONCILIATION: 2016

DENTSPLY SIRONA INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (in millions)
 (unaudited)

GAAP
 TWELVE MONTHS ENDED

NON-GAAP
 TWELVE MONTHS ENDED

	December 31, 2016	Total Non-GAAP Adjustments	December 31, 2016
NET SALES	\$ 3,745.3	\$ 13.5	\$ 3,758.8
NET SALES-without precious metals	3,681.0	13.5	3,694.5
GROSS PROFIT	2,000.9	184.6	2,185.5
% OF NET SALES-without precious metals	54.4%		59.2%
SG&A EXPENSES	1,523.0	(141.7)	1,381.3
% OF NET SALES-without precious metals	41.4%		37.4%
RESTRUCTURING AND OTHER COSTS	23.2	(23.2)	-
INCOME FROM OPERATIONS	454.7	349.5	804.2
% OF NET SALES-without precious metals	12.4%		21.8%
NET INTEREST AND OTHER EXPENSE	13.8	9.2	23.0
PRE-TAX INCOME	440.9	340.3	781.2
INCOME TAXES	9.5	153.1	162.6
	2.2%		20.8%
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES	-	-	-
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTEREST	1.5	-	1.5
NET INCOME ATTRIBUTABLE TO DENTSPLY INTERNATIONAL	\$ 429.9	\$ 187.2	\$ 617.1
% OF NET SALES-without precious metals	11.7%		16.7%
EARNINGS PER SHARE - DILUTED	\$ 1.94	\$ 0.84	\$ 2.78

New Segment Reporting

Consumables Segment

Preventive



Restorative



Orthodontics



Instruments



Endodontics



Technologies & Equipment Segment

CAD/CAM



Imaging



Treatment Centers



Implants



Prosthetics



Healthcare



Historical Revenue Performance – By Segment (unaudited)

	2016					2017				
	ProForma Q1 *	Q2	Q3	Q4	ProForma FY *	Q1	Q2	Q3	Q4	FY
TECHNOLOGIES & EQUIPMENT										
Total Net Sales	\$ 519.8	\$ 575.1	\$ 531.2	\$ 569.4	\$ 2,195.5	\$ 479.0	\$ 532.8	\$ 558.8	\$ 630.2	\$ 2,200.8
PM Sales	\$ 18.1	\$ 17.3	\$ 15.0	\$ 13.9	\$ 64.3	\$ 11.1	\$ 9.7	\$ 9.4	\$ 10.3	\$ 40.5
Total Net Sales ex. PM	\$ 501.7	\$ 557.8	\$ 516.2	\$ 555.5	\$ 2,131.2	\$ 467.9	\$ 523.1	\$ 549.4	\$ 619.9	\$ 2,160.3
Absolute Growth	5.0%	2.5%	1.1%	3.6%	3.0%	-7.6%	-5.8%	6.4%	10.4%	0.9%
FX Impact	-2.3%	-0.6%	0.2%	-1.0%	-1.0%	-1.5%	-1.4%	2.0%	4.6%	1.0%
Constant Currency Growth	7.3%	3.1%	0.9%	4.6%	4.0%	-6.1%	-4.4%	4.4%	5.8%	-0.1%
Acquisitions/Divestitures	3.2%	2.9%	1.6%	4.9%	3.2%	4.4%	4.1%	2.8%	0.0%	2.8%
Impact of Disc. Products	-1.3%	-1.0%	-0.5%	-0.2%	-0.8%	-0.1%	0.0%	0.0%	-0.1%	-0.1%
Internal Growth	5.4%	1.2%	-0.2%	-0.1%	1.6%	-10.4%	-8.5%	1.6%	5.9%	-2.8%
CONSUMABLES										
Total Net Sales	\$ 413.5	\$ 446.9	\$ 423.0	\$ 427.1	\$ 1,710.5	\$ 421.5	\$ 459.9	\$ 450.4	\$ 460.8	\$ 1,792.6
PM Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Sales ex. PM	\$ 413.5	\$ 446.9	\$ 423.0	\$ 427.1	\$ 1,710.5	\$ 421.5	\$ 459.9	\$ 450.4	\$ 460.8	\$ 1,792.6
Absolute Growth	2.8%	2.9%	0.3%	3.6%	2.4%	1.4%	2.4%	6.4%	9.1%	4.9%
FX Impact	-2.7%	-0.7%	0.4%	-0.3%	-0.8%	-0.9%	-0.7%	2.3%	4.5%	1.2%
Constant Currency Growth	5.5%	3.6%	-0.1%	3.9%	3.2%	2.3%	3.1%	4.1%	4.6%	3.7%
Acquisitions/Divestitures	-0.2%	-0.3%	-0.3%	-0.2%	-0.2%	-0.1%	0.7%	0.8%	0.7%	0.6%
Impact of Disc. Products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Internal Growth	5.7%	3.9%	0.2%	4.1%	3.4%	2.4%	2.4%	3.3%	3.9%	3.1%
TOTAL										
Total Net Sales	\$ 933.3	\$ 1,022.0	\$ 954.2	\$ 996.5	\$ 3,906.0	\$ 900.5	\$ 992.7	\$ 1,009.2	\$ 1,091.0	\$ 3,993.4
PM Sales	\$ 18.1	\$ 17.3	\$ 15.0	\$ 13.9	\$ 64.3	\$ 11.1	\$ 9.7	\$ 9.4	\$ 10.3	\$ 40.5
Total Net Sales ex. PM	\$ 915.2	\$ 1,004.7	\$ 939.2	\$ 982.6	\$ 3,841.7	\$ 889.4	\$ 983.0	\$ 999.8	\$ 1,080.7	\$ 3,952.9
Absolute Growth	4.0%	2.7%	0.8%	3.6%	2.7%	-3.6%	-2.2%	6.4%	9.8%	2.6%
FX Impact	-2.5%	-0.7%	0.4%	-0.7%	-0.9%	-1.3%	-1.2%	2.1%	4.5%	1.0%
Constant Currency Growth	6.5%	3.4%	0.4%	4.3%	3.6%	-2.3%	-1.0%	4.3%	5.3%	1.6%
Acquisitions/Divestitures	1.7%	1.5%	0.8%	2.7%	1.7%	2.4%	2.6%	1.9%	0.3%	1.8%
Impact of Disc. Products	-0.7%	-0.5%	-0.4%	-0.2%	-0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Internal Growth	5.5%	2.4%	0.0%	1.8%	2.4%	-4.7%	-3.6%	2.4%	5.0%	-0.2%

* Includes Sirona Net Sales for January and February 2016 as if the Merger had been completed on January 1, 2016.

Thank You

