THE DENTAL SOLUTIONS COMPANY™

Dentsply Sirona Reports First Quarter 2017 Results

- ***First quarter 2017 revenues of $900.5 million, up 16.6% compared to prior year; sales of the combined businesses[1] declined 2.2% excluding the effect of exchange rates***
- ***First quarter 2017 GAAP EPS of $0.26, down 64%, and non-GAAP adjusted EPS of $0.49, a 29% decrease***
- ***Reiterates 2017 guidance: adjusted EPS in the range of $2.80 to $2.90 per diluted share***
- ***New U.S. equipment distribution agreements***

York, Pennsylvania, May 9, 2017 - DENTSPLY SIRONA Inc. ("Dentsply Sirona") (NASDAQ: XRAY), The Dental Solutions Company™, today announced its financial results for the three months ended March 31, 2017.

First Quarter 2017 Financial Results

Reported net sales of $900.5 million increased 16.6% compared to $772.6 million in the first quarter of 2016. For the three month period ended March 31, 2017, sales of the combined businesses[1] declined 2.2% on a constant currency basis and internal growth[2] was negative 4.7% which was unfavorably impacted by approximately $40 million, or approximately 430 basis points, as a result of quarter-over-quarter changes in net equipment inventory levels at certain distributors in North America and Europe related to the transition in distribution strategy in North America.

On a geographic basis, U.S. reported net sales of $313.5 million increased 12.1% compared to $279.7 in the first quarter of 2016. During the three month period ended March 31, 2017, U.S. reported net sales, excluding precious metals, of $312.1 million increased 12.1% compared to $278.4 million in the first quarter of 2016. Sales of the combined U.S. businesses[1] declined 10.0% on a constant currency basis with internal growth[2] down 11.3% which was unfavorably impacted by approximately $30 million, or approximately 850 basis points, as a result of changes in net equipment inventory levels at a certain distributor in connection with the transition of our distribution strategy in North America for the quarter ended March 31, 2016 as compared to the quarter ended March 31, 2017.

[1] "Sales of our combined businesses" combines the historical consolidated revenues of DENTSPLY and Sirona, giving effect to the merger as if it had been consummated on January 1, 2015.
Non-GAAP adjusted EPS,net sales excluding precious metals, constant currency growth and internal growth and results are non-GAAP financial measures that exclude certain items. Please refer to the disclosure at the end of the release.
[2] For a reconciliation of constant currency growth to internal revenue growth please see supplemental tables 1-3 at the end of the release.
Non-GAAP adjusted EPS, constant currency growth and internal growth and results are non-GAAP financial measures that exclude certain items. Please refer to the disclosure at the end of the release.

Reported net sales in Europe increased 19.8% to $372.7 million compared to $311.2 million in the first quarter of 2016. Reported net sales in Europe, excluding precious metals, increased 21.4% to $364.1 million compared to $299.9 million in the first quarter of 2016. Sales of the combined European businesses[1] grew 5.3% on a constant currency basis with internal growth[2] of 2.2% which was unfavorably impacted by approximately $5 million, or approximately 140 basis points, as a result of changes in net equipment inventory at a certain global distributor in connection with the transition of our distribution strategy in North America quarter ended March 31, 2016 as compared to the quarter ended March 31, 2017.

Reported net sales in Rest of World increased 17.9% to $214.3 million compared to $181.7 million in the first quarter of 2016. Reported net sales in Rest of World, excluding precious metals, increased 21.0% to $213.2 million compared to $176.2 million in the first quarter of 2016. Sales of the combined businesses[1] declined 2.4% on a constant currency basis and internal growth declined 5.2% which was unfavorably impacted by approximately $5 million, or approximately 220 basis points, as a result of changes in net equipment inventory levels at a distributor in Canada in connection with the transition of our distribution strategy in North America quarter ended March 31, 2016 as compared to the quarter ended March 31, 2017.

Reported net sales for Dental and Healthcare Consumables, increased by 4.6% to $511.2 million in the first quarter of 2017. Reported net sales for Dental and Healthcare Consumables, excluding precious metals, increased by 6.2% to $500.2 million in the first quarter of 2017. Sales of the combined businesses[1] for Dental and Healthcare Consumables grew 2.8% on a constant currency basis with internal growth[2] of 2.4% during the three month period ended March 31, 2017.

Reported net sales for Technologies, increased by 37.2% to $389.3 million. Reported net sales for Technologies, excluding precious metals, increased by 37.2% to $389.2 million in the first quarter of 2017. For the three month period ended March 31, 2017, sales of the combined businesses[1] for Technologies declined 8.1% on a constant currency basis and declined 12.7% on an internal basis[2] which was unfavorably impacted by approximately $40 million, or approximately 890 basis points, as a result of quarter-over-quarter net changes in equipment inventory levels at certain distributors in North America and Europe related to the transition in distribution strategy in North America.

Net income attributable to Dentsply Sirona for the first quarter of 2017 was $59.8 million, or $0.26 per diluted share, compared to $125.0 million, or $0.70 per diluted share in the first quarter of 2016. On an adjusted basis, excluding certain items, net earnings per diluted share were $0.49 compared to $0.69 in the first quarter of 2016. A reconciliation of the non-GAAP measures to earnings per share calculated on a US-GAAP basis is provided in the attached table.

New U.S. Equipment Distribution Agreements

This morning, the Company announced a new distribution agreement with Patterson Companies, continuing the strong partnership we have enjoyed with Patterson for many years. Together, we have established the CEREC line in the US as the standard for single visit dentistry. Additionally, the company announced a new three-year agreement with Henry Schein Inc., effective September 1, 2017 to distribute the Company's full line of dental equipment in the U.S., in addition to the current products already distributed. This expands market focus on our equipment and technology line, including the CEREC, Schick, extraoral imaging and other Sirona branded products.

Jeffrey T. Slovin, Dentsply Sirona's Chief Executive Officer commented: "As expected, our first quarter results were impacted by the transition of our North American distribution strategy and a seasonal slowdown ahead of the International Dental Show in March. I am pleased to announce the expansion of our U.S. distribution with Henry Schein and a new agreement with Patterson Companies. By leveraging the strength of both these partners, we expect to increase adoption of our products and facilitate more revenue synergy activities."

Mr. Slovin continued: "The International Dental Show in March was a tremendous success as we introduced a record number of new solutions and demonstrated why Dentsply Sirona is the innovator in the industry and the only Dental Solutions Company. The positive reaction to our new products and the market's clear evolution towards end-to-end integrated solutions affirm our expectation for a very strong back half of the fiscal year."

Guidance for 2017^

Management reiterated its EPS guidance for 2017 in the range of $2.80 to $2.90 per diluted share.

Conference Call/Webcast Information

Dentsply Sirona's management team will host an investor conference call and live webcast today at 8:30 am ET. A presentation related to the call will be available on www.dentsplysirona.com in the Investors section.

Investors can access the webcast via a link on Dentsply Sirona's web site at www.dentsplysirona.com. For those planning to participate on the call, please dial 877-419-6591 for domestic calls, or (719) 325-4819 for international calls. The Conference ID # is 9219996. 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 (888) 203-1112 (for domestic calls) or (719) 457-0820 (for international calls), replay passcode # 9219996.

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, and the international headquarters is based in Salzburg, Austria. The company's shares are listed in the United States on NASDAQ under the symbol XRAY. Visit www.dentsplysirona.com for more information about Dentsply Sirona and its products.

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Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the use of forward-looking terminology, including "may," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," "project," "forecast," or other similar words. Statements contained in this press release are based on information presently available to the Company and assumptions that the Company believe to be reasonable. The Company is not assuming any duty to update this information if those facts change or if the assumptions are no longer believed to be reasonable. Investors are cautioned that all such statements involve risks and uncertainties, and important factors could cause actual events or results to differ materially from those indicated by such forward-looking statements. These risk factors include, without limitation; risks that the new businesses will not be integrated successfully; risks that the combined companies will not realize the estimated cost savings, synergies and growth, or that such benefits may take longer to realize than expected; risks relating to unanticipated costs of integration, including operating costs, customer loss or business disruption being greater than expected; unanticipated changes relating to competitive factors in the industries in which the Company operates; the ability to hire and retain key personnel; reliance on and integration of information technology systems; international, national or local economic, social or political conditions that could adversely affect the Company or its customers; risks associated with assumptions made in connection with critical accounting estimates and legal proceedings; the ability to attract new customers and retain existing customers in the manner anticipated; the continued strength of dental and medical device markets; the timing, success and market reception for our new and existing products; uncertainty regarding governmental actions with respect to dental and medical products; outcome of litigation and/or governmental enforcement actions; volatility in the capital markets or changes in our credit ratings; continued support of our products by influential dental and medical professionals; our ability to successfully integrate acquisitions; risks associated with foreign currency exchange rates; risks associated with our competitors' introduction of generic or private label products; our ability to accurately predict dealer and customer inventory levels; our ability to successfully realize the benefits of any cost reduction or restructuring efforts; our ability to obtain a supply of certain finished goods and raw materials from third parties; changes in the general economic environment that could affect the business; and the potential of international unrest, economic downturn or effects of currencies, tax assessments, tax adjustments, anticipated tax rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs. The foregoing list of factors is not exhaustive.

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 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.

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 net of tax 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, as well as 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 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) 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.

^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.

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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net sales	$ 900.5	$ 772.6
Net sales, excluding precious metal content	889.4	754.5
Cost of products sold	408.5	353.7
Gross profit	492.0	418.9
% of Net sales	54.6%	54.2%
% of Net sales, excluding precious metal content	55.3%	55.5%
Selling, general and administrative expenses	404.7	342.1
Restructuring and other costs	3.1	4.1
Operating income	84.2	72.7
% of Net sales	9.4%	9.4%
% of Net sales, excluding precious metal content	9.5%	9.6%
Net interest and other expense	7.6	5.3
Income before income taxes	76.6	67.4
Provision (benefit) for income taxes	16.9	(57.9)
Net income	59.7	125.3
% of Net sales	6.6%	16.2%
% of Net sales, excluding precious metal content	6.7%	16.6%
Less: Net (loss) income attributable to noncontrolling interests	(0.1)	0.3
Net income attributable to Dentsply Sirona	$ 59.8	$ 125.0
% of Net sales	6.6%	16.2%
% of Net sales, excluding precious metal content	6.7%	16.6%
Earnings per common share attributable to Dentsply Sirona:		
Basic	$ 0.26	$ 0.72
Diluted	$ 0.26	$ 0.70
Cash dividends declared per common share	$ 0.0875	$ 0.0775
Weighted average common shares outstanding:		
Basic	230.1	174.8
Diluted	234.0	178.4

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(unaudited)

	March 31, 2017	December 31, 2016
Assets		
Current Assets:		
Cash and cash equivalents	$ 363.3	$ 383.9
Accounts and notes receivable-trade, net	598.6	636.0
Inventories, net	565.1	517.1
Prepaid expenses and other current assets, net	193.6	173.5
Total Current Assets	1,720.6	1,710.5
Property, plant and equipment, net	807.1	799.8
Identifiable intangible assets, net	2,955.1	2,957.6
Goodwill, net	5,958.2	5,952.0
Other noncurrent assets, net	153.0	107.7
Total Assets	$ 11,594.0	$ 11,527.6
Liabilities and Equity		
Current liabilities	$ 747.5	$ 767.6
Long-term debt	1,528.1	1,511.1
Deferred income taxes	753.2	723.5
Other noncurrent liabilities	401.6	399.5
Total Liabilities	3,430.4	3,401.7
Total Dentsply Sirona Equity	8,152.2	8,114.3
Noncontrolling interests	11.4	11.6
Total Equity	8,163.6	8,125.9
Total Liabilities and Equity	$ 11,594.0	$ 11,527.6

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(unaudited)

	Three Months Ended March 31, 2017	2016
Cash flows from operating activities:		
Net income	$ 59.7	$ 125.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	30.9	23.5
Amortization	45.2	21.8
Amortization of deferred financing costs	0.7	1.1
Deferred income taxes	9.8	(80.4)
Stock based compensation expense	10.8	4.8
Restructuring and other costs - non-cash	0.6	2.6
Excess tax benefits from stock based compensation	—	(8.4)
Other non-cash income	(14.4)	(3.4)
Loss on disposal of property, plant and equipment	0.3	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable-trade, net	46.2	(67.1)
Inventories, net	(38.3)	8.6
Prepaid expenses and other current assets, net	(9.2)	(16.9)
Other noncurrent assets, net	(14.4)	(2.4)
Accounts payable	23.4	1.2
Accrued liabilities	(36.0)	(15.5)
Income taxes	(31.4)	(1.1)
Other noncurrent liabilities	(1.4)	7.0
Net cash provided by operating activities	82.5	0.7
Cash flows from investing activities:		
Capital expenditures	(31.1)	(20.8)
Cash assumed in Sirona merger	—	522.3
Cash and deposits paid for acquisitions of businesses, net of cash acquired	(9.1)	(0.4)
Cash received from sale of business or product line	—	2.4
Cash received on derivatives contracts	2.4	5.7
Cash paid on derivatives contracts	—	(3.5)
Expenditures for identifiable intangible assets	(4.8)	—
Purchase of short-term investments	(0.1)	—
Purchase of Company-owned life insurance policies	—	(1.7)
Proceeds from sale of property, plant and equipment, net	1.6	0.4
Net cash (used in) provided by investing activities	(41.1)	504.4
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	1.3	(2.1)
Cash paid for treasury stock	(77.9)	(428.8)
Cash dividends paid	(18.0)	(10.1)
Proceeds from long-term borrowings	3.0	79.9
Repayments on long-term borrowings	(5.4)	(127.5)
Proceeds from exercised stock options	29.4	7.4
Excess tax benefits from stock based compensation	—	8.4
Net cash used in financing activities	(67.6)	(472.8)
Effect of exchange rate changes on cash and cash equivalents	5.6	6.2
Net (decrease) increase in cash and cash equivalents	(20.6)	38.5
Cash and cash equivalents at beginning of period	383.9	284.6
Cash and cash equivalents at end of period	$ 363.3	$ 323.1
Schedule of non-cash investing activities		
Merger financed by common stock	$ —	$ 6,256.2

DENTSPLY SIRONA INC. AND SUBSIDIARIES
(In millions)
(unaudited)

Segment Operating Income

The following tables set forth information about the Company’s segments adjusted operating income:

	Three Months Ended March 31,	
	2017	**2016**
Dental and Healthcare Consumables	$ 136.5	$ 130.8
Technologies	54.0	53.8
Segment Adjusted Operating Income Before Income Taxes and Interest	**190.5**	**184.6**
Reconciling items (income) expense:		
All Other (a)	56.5	85.2
Restructuring and other costs	3.1	4.1
Interest expense	9.3	9.2
Interest income	(0.7)	(0.5)
Other expense (income), net	(1.0)	(3.4)
Amortization of intangible assets	45.3	21.8
Depreciation resulting from the fair value step-up of property, plant and equipment from business combinations	1.4	0.8
Income Before Income Taxes	**$ 76.6**	**$ 67.4**

(a) Includes the results of unassigned Corporate headquarter costs, inter-segment eliminations and one distribution warehouse not managed by named segments.

DENTSPLY SIRONA INC. AND SUBSIDIARIES
(In millions, except percentages)
(unaudited)

Operating Income Summary:

The following tables present the reconciliation of reported US GAAP operating income in total and on a percentage of net sales, excluding precious metal content, to the non-US GAAP financial measures.

Three Months Ended March 31, 2017

	Operating Income (Loss)
Operating Income	$ 84.2
Percentage of Net Sales, Excluding Precious Metal Content	9.5%
Amortization of Purchased Intangible Assets	45.3
Business Combination Related Costs and Fair Value Adjustments	10.6
Restructuring Program Related Costs and Other Costs	5.2
Credit Risk and Fair Value Adjustments	2.6
Adjusted Non-US GAAP Operating Income	**$ 147.9**
Percentage of Net Sales, Excluding Precious Metal Content	**16.6%**

Three Months Ended March 31, 2016

	Operating Income (Loss)
Operating Income	$ 72.7
Percentage of Net Sales, Excluding Precious Metal Content	9.6%
Business Combination Related Costs and Fair Value Adjustments	68.8
Amortization of Purchased Intangible Assets	21.8
Restructuring Program Related Costs and Other Costs	4.9
Credit Risk and Fair Value Adjustments	1.3
Adjusted Non-US GAAP Operating Income	**$ 169.5**
Percentage of Net Sales, Excluding Precious Metal Content	**22.2%**

DENTSPLY SIRONA INC. AND SUBSIDIARIES
(In millions, except per share amounts)
(unaudited)

Earnings Summary:

The following tables present the reconciliation of reported US GAAP net income attributable to Dentsply Sirona and on a per diluted common share basis to the non-US GAAP financial measures.

Three Months Ended March 31, 2017

	Net Income	Per Diluted Common Share
Net Income Attributable to Dentsply Sirona	$ 59.8	$ 0.26
Pre-tax Non-US GAAP Adjustments:		
Amortization of Purchased Intangible Assets	45.3	
Business Combination Related Costs and Fair Value Adjustments	10.8	
Restructuring Program Related Costs and Other Costs	5.4	
Credit Risk and Fair Value Adjustments	2.5	
Tax Impact of the Pre-tax Non-US GAAP Adjustments (a)	(12.8)	
Subtotal Non-US GAAP Adjustments	51.2	0.22
Income Tax Related Adjustments	2.7	0.01
Adjusted Non-US GAAP Net Income Attributable to Dentsply Sirona	**$ 113.7**	**$ 0.49**

Three Months Ended March 31, 2016

	Net Income	Per Diluted Common Share
Net Income Attributable to Dentsply Sirona	$ 125.0	$ 0.70
Pre-tax Non-US GAAP Adjustments:		
Business Combination Related Costs and Fair Value Adjustments	69.2	
Amortization of Purchased Intangible Assets	21.8	
Credit Risk and Fair Value Adjustments	0.9	
Tax Impact of the Pre-tax Non-US GAAP Adjustments (a)	(22.7)	
Subtotal Non-US GAAP Adjustments	69.2	0.39
Income Tax Related Adjustments	(71.8)	(0.40)
Adjusted Non-US GAAP Net Income Attributable to Dentsply Sirona	**$ 122.4**	**$ 0.69**

(a) The tax amount was calculated using the applicable statutory tax rate in the tax jurisdiction where the non-US GAAP adjustments were generated.

DENTSPLY SIRONA INC. AND SUBSIDIARIES

(In millions, except percentages)

(unaudited)

Operating Tax Rate Summary:

The following tables present the reconciliation of reported US GAAP effective tax rate as a percentage of income before income taxes to the non-US GAAP financial measure.

Three Months Ended March 31, 2017

	Pre-tax Income	Income Tax Benefit (Expense)	Percentage of Pre-Tax Income
As Reported - US GAAP Operating Results	$ 76.6	$ (16.9)	22.1%
Amortization of Purchased Intangible Assets	45.3	(13.4)	
Business Combination Related Costs and Fair Value Adjustments	10.8	(2.9)	
Restructuring Program Related Costs and Other Costs	5.4	4.2	
Credit Risk and Fair Value Adjustments	2.5	(0.7)	
Income Tax Related Adjustments	—	2.7	
As Adjusted - Non-US GAAP Operating Results	**$ 140.6**	**$ (27.0)**	**19.2%**

Three Months Ended March 31, 2016

	Pre-tax Income	Income Tax Benefit (Expense)	Percentage of Pre-Tax Income
As Reported - US GAAP Operating Results	$ 67.4	$ 57.9	(85.9%)
Business Combination Related Costs and Fair Value Adjustments	69.2	(14.9)	
Amortization of Purchased Intangible Assets	21.8	(6.3)	
Credit Risk and Fair Value Adjustments	0.9	(0.2)	
Restructuring Program Related Costs and Other Costs	—	(1.3)	
Income Tax Related Adjustments	—	(71.8)	
As Adjusted - Non-US GAAP Operating Results	**$ 159.3**	**$ (36.6)**	**23.0%**

DENTSPLY SIRONA INC. AND SUBSIDIARIES
(In millions, except percentages)
(unaudited)

For the three months ended March 31, 2017, sales of our Combined Businesses declined 2.2% on a constant currency basis. This includes a benefit of 2.5% from acquisitions, which results in negative internal sales growth of 4.7%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.3% due to the strengthening of the U.S. dollar over the prior year period. A reconciliation of reported net sales to net sales, excluding precious metal content, of the combined business is as follows:

(in millions, except percentages)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Variance %
Net sales	$ 900.5	$ 772.6	**16.6%**
Less: precious metal content of sales	11.1	18.1	(38.7%)
Net sales, excluding precious metal content	889.4	754.5	17.9%
Sirona net sales (a)	—	160.7	NM
Merger related adjustments (b)	1.5	8.8	NM
Elimination of intercompany net sales	—	(0.4)	NM
Non-US GAAP Combined Business, net sales, excluding precious metal content	$ 890.9	$ 923.6	(3.5%)
Foreign Exchange Impact			(1.3%)
Constant Currency Growth			(2.2%)
Acquisitions			2.5%
Internal Sales Growth			**(4.7%)**

(a) Represents Sirona sales for January and February 2016.

(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2017 and 2016 non-U.S. GAAP combined business results comparable.

NM - Not meaningful

In the US, for the three month period ended March 31, 2017, sales of our Combined Businesses declined 10.0% on a constant currency basis. This includes a benefit of 1.3% from acquisitions, which results in a negative internal sales growth rate of 11.3%. In connection with the transition of our distribution strategy in North America, net sales, excluding precious metal content, was unfavorably impacted by approximately $30 million as a result of changes in net equipment inventory levels at a certain distributor in the United States for the quarter ended March 31, 2016 as compared to the quarter ended March 31, 2017.

In Europe, for the three month period ended March 31, 2017, sales of our Combined Businesses grew 5.3% on a constant currency basis. This includes a benefit of 3.1% from acquisitions, which results in internal growth of 2.2%. Net sales, excluding precious metal content, were negatively impacted by approximately 3.6% due to the strengthening of the U.S. dollar over the prior year period. In connection with the transition of our distribution strategy in North America, net sales, excluding precious metal content, was unfavorably impacted by approximately $5 million as a result of changes in net equipment inventory levels at a certain global distributor for the quarter ended March 31, 2016 as compared to the quarter ended March 31, 2017. Excluding this impact, internal sales growth in this region was primarily driven by higher demand in the Dental and Healthcare Consumables segment.

In Rest of World, for the three month period ended March 31, 2017, sales of our Combined Businesses declined 2.4% on a constant currency basis. This includes a benefit of 2.8% from acquisitions, which results in a negative internal sales growth rate of 5.2%. Net sales, excluding precious metal content, were positively impacted by approximately 50 basis points due to the weakening of the U.S. dollar over the prior year period. The negative growth was driven by lower demand in the Technologies segment. In connection with the transition of our distribution strategy in North America net sales, excluding precious metal content, was unfavorably impacted by approximately $5 million as a result of changes in net equipment inventory levels at a distributor in Canada for the quarter ended March 31, 2016 as compared to the quarter ended March 31, 2017.

	Three Months Ended March 31, 2017				Q1 2017 Growth				Three Months Ended March 31, 2016			
(in millions, except percentages)	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	$ 313.5	$ 372.7	$ 214.3	$ 900.5	12.1 %	19.8 %	17.9 %	16.6 %	$ 279.7	$ 311.2	$ 181.7	$ 772.6
Less: precious metal content of sales	1.4	8.6	1.1	11.1					1.3	11.3	5.5	18.1
Net sales, excluding precious metal content	312.1	364.1	213.2	889.4	12.1%	21.4%	21.0%	17.9%	278.4	299.9	176.2	754.5
Sirona net sales (a)	—	—	—	—					60.5	59.4	40.8	160.7
Merger related adjustments (b)	1.5	—	—	1.5					8.8	—	—	8.8
Elimination of intercompany net sales	—	—	—	—					(0.1)	(0.3)	—	(0.4)
Non-US GAAP Combined Business, net sales, excluding precious metal content	$ 313.6	$ 364.1	$ 213.2	$ 890.9	(10.0%)	1.7%	(1.9%)	(3.5%)	$ 347.6	$ 359.0	$ 217.0	$ 923.6
Foreign Exchange Impact						(3.6%)	0.5%	(1.3%)				
Constant Currency Growth					(10.0%)	5.3%	(2.4%)	(2.2%)				
Acquisitions					1.3%	3.1%	2.8%	2.5%				
Internal Sales Growth					**(11.3%)**	**2.2%**	**(5.2%)**	**(4.7%)**				

(a) Represents Sirona sales for January and February 2016.

(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2017 and 2016 non-U.S. GAAP combined business results comparable.

For Dental and Healthcare Consumables, for the three month period ended March 31, 2017, sales of the Combined Businesses grew 2.8% on a constant currency basis. This includes a benefit of approximately 40 basis points from acquisitions, which results in internal growth of 2.4%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.3% due to the strengthening of the U.S. dollar over the prior year period.

For Technologies, for the three month period ended March 31, 2017, sales of our Combined Businesses declined 8.1% on a constant currency basis. This includes a benefit of 4.6% from acquisitions, which results in a negative internal sales growth rate of 12.7%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.3% due to the strengthening of the U.S. dollar over the prior year period. Net sales, excluding precious metal content, was unfavorably impacted by approximately $40 million as a result of quarter-over-quarter net changes in equipment inventory levels at certain distributors in North America and Europe related to the transition in distribution strategy in North America.

	Three Months Ended March 31, 2017			**Q1 2017 Growth**			**Three Months Ended March 31, 2016**		
(in millions, except percentages)	Consumables	Technologies	Total	Consumables	Technologies	Total	Consumables	Technologies	Total
Net sales	$ 511.2	$ 389.3	$ 900.5	4.6 %	37.2 %	16.6 %	$ 488.8	$ 283.8	$ 772.6
Less: precious metal content of sales	11.0	0.1	11.1				17.9	0.2	18.1
Net sales, excluding precious metal content	500.2	389.2	889.4	6.2 %	37.2 %	17.9 %	470.9	283.6	754.5
Sirona net sales (a)	—	—	—				15.7	145.0	160.7
Merger related adjustments (b)	—	1.5	1.5				—	8.8	8.8
Elimination of intercompany net sales	—	—	—				(0.4)	—	(0.4)
Non-US GAAP Combined Business, net sales, excluding precious metal content	$ 500.2	$ 390.7	$ 890.9	1.5 %	(9.4)%	(3.5)%	$ 486.2	$ 437.4	$ 923.6
Foreign Exchange Impact				(1.3%)	(1.3%)	(1.3%)			
Constant Currency Growth				2.8%	(8.1%)	(2.2%)			
Acquisitions				0.4%	4.6%	2.5%			
Internal Sales Growth				**2.4%**	**(12.7%)**	**(4.7%)**			

(a) Represents Sirona sales for January and February 2016.

(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2017 and 2016 non-U.S. GAAP combined business results comparable.