

Dentsply Sirona

Second Quarter 2016
Earnings Presentation
August 5th 2016



Forward Looking Statements

This conference call 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.

Additional information regarding these and other risk factors and uncertainties that may affect the Company's business and may cause actual results to differ materially from these forward-looking statements, please refer to the Company's most recently filed Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed from time to time with the SEC. The Company does not give any assurance (1) that it will achieve its expectations, or (2) concerning any result or the timing thereof, in each case, with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results.

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 International 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.

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. These adjustments include costs related to integrating and consummating recently acquired businesses and costs, gains and losses related to the disposal of businesses or product lines. 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, 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. Beginning in 2011, the Company began recording large non-cash charges related to the values attributed to purchased intangible assets. As such, 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.

Q2 2016 Performance Summary

- Dentsply Sirona: off to a strong start
 - Solid business performance
 - Accelerating integration activities
 - Repurchased ~\$100 MM of stock
 - Announced acquisition of MIS Implants
- Reported net sales increased 46.4%
 - Constant currency growth* for the combined businesses** was 3.4%
 - Internal sales growth^ for the combined businesses was 2.4%
- Q2 GAAP EPS of \$0.44 and non-GAAP adjusted EPS of \$0.76

*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.

**"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 at January 1, 2015. Reported sales growth reflects the underlying sales growth with 1 month of the legacy Sirona business.

^The Company defines "internal sales growth" as the increase or decrease in net sales from period to period, excluding (1) precious metal content; (2) the impact of changes in currency exchange rates; (3) net acquisition sales; and (4) the impact of discontinued product lines.

Q2 2016 Internal Growth by Region

Consolidated internal growth for combined businesses: Q2 2016 +2.4%

United States

Q2 Constant currency: +3.8%

Q2 Internal growth: +1.2%

Europe

Q2 Constant currency: -0.4%

Q2 Internal growth: +0.3%

Rest of World

Q2 Constant currency: +8.6%

Q2 Internal growth: +7.5%

Leading Product Portfolio for Sustainable Profitable Growth

Dental & Healthcare Consumables Segment

Q2 2016 Sales of \$543.8 million

Preventive



Restorative



Prosthetics



Instruments



Endodontics



Healthcare



Technologies Segment

Q2 2016 Sales of \$478.2 million

CAD/CAM



Imaging



Treatment Centers



Implants



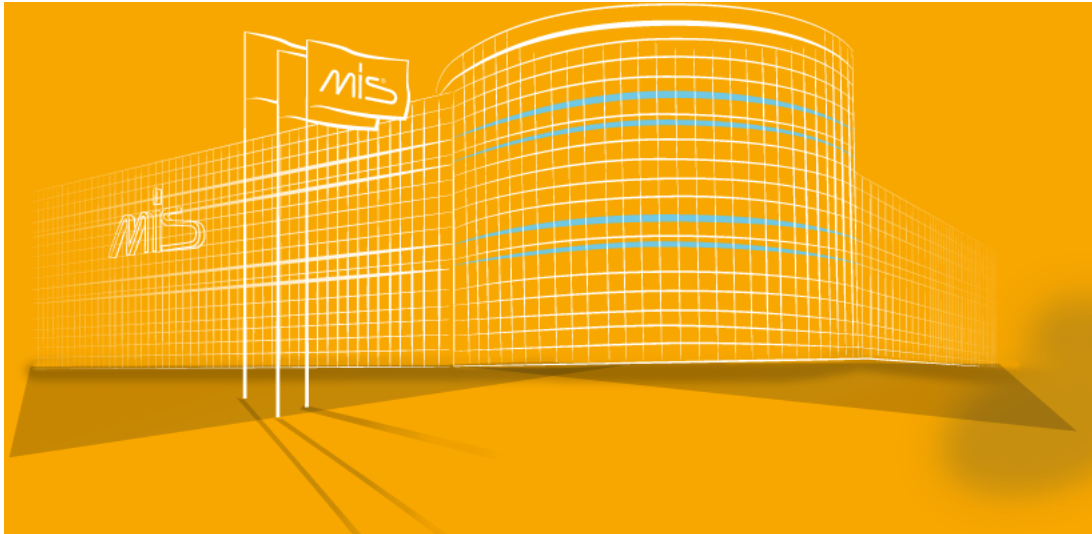
Orthodontics



Q2 2016 Segment Performance Summary

- **Dental and Healthcare Consumables** had constant currency sales growth of 3.4% for the combined businesses
 - Excluding acquisitions, divestitures, and discontinued products internal sales growth was 3.8%
 - Sales growth was solid across all regions
 - Dental consumables drove performance with growth across all categories
- **Technologies** had constant currency sales growth of 3.3% for the combined businesses
 - Excluding acquisitions and divestitures, internal sales growth was 0.8%
 - Technologies grew on top of double-digit growth last year (+10.4% internal growth) following a strong first quarter.
 - Imaging and Specialties drove growth in the segment. Both CAD/CAM and Treatment Centers had very difficult comparables associated with record sales at the International Dental Show where they grew 26.2% and 24.5% respectively.
 - Regionally, growth in Rest of World offset declines in Europe.

MIS Implants Technologies, Ltd.



- Entering the **\$1.5 billion** value implant market
- **Differentiated** implant manufacturer
- **Market leading implant brand** in Israel
- **Broad portfolio** of implants, prosthetics, regenerative solutions and digital dentistry
- Global presence in over **65 countries**

Q2 Income Statement Highlights

	\$s in millions		
	2Q16	2Q15	Growth
GAAP Reported Revenues	\$ 1022.0	\$ 698.0	46.4%
Combined Businesses* Constant Currency Growth			3.4%
Combined Businesses Internal Growth			2.4%
Cost of Goods Sold	495.1	298.3	66.0%
Gross Profit	526.9	399.7	31.8%
SG&A	402.1	275.0	46.2%
Restructuring & Other Costs	3.6	38.9	-90.7%
Operating Income	121.2	85.8	41.3%
Adjusted operating income margin	23.1%	21.2%	
Net Interest Expense (Income)	8.9	9.1	
Other Expense (Income)	-11.5	-0.3	
Income Before Taxes	123.8	77	60.8%
(Benefit) Provision for Income Taxes	17.9	24.8	
Equity in net loss of unconsolidated affiliated company/Net income of noncontrolling interests	0.5	-8.1	
Net Income attributable to Dentsply Sirona	105.4	44.1	139.0%
GAAP EPS (diluted)	\$ 0.44	\$ 0.31	41.9%
Non-GAAP Adjusted Net Income	\$ 180.9	\$ 103.6	74.6%
Non-GAAP Adjusted EPS	\$ 0.76	\$ 0.73	4.1%
Weighted average shares outstanding (diluted, in millions)	237.4	142.3	66.8%

*"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.

Q2 Cash Flow Summary

	2Q16	2Q15	Growth
Net Income	\$ 105.9	\$ 44.0	140.7%
Depreciation & Amortization	75.4	30.4	
Deferred Income Taxes	9.9	8.5	
Changes in operating assets and liabilities, net of acquisitions:	10.0	19.0	
All Other	-13.8	43.8	
Net Cash Provided by Operating Activities	187.4	145.6	28.7%
Capital expenditures	-27.0	-17.3	
Acquired Cash in Sirona merger	0.0	0	
All Other	8.9	2.8	
Net Cash Used by Investing Activities	-18.1	-14.4	
Cash Paid For Treasury Stock	-171.2	-14.0	
Cash Dividends Paid	-18.5	-10.1	
Cash paid for acquisition of noncontrolling interests of consolidated subsidiary	0.0	0	
All Other	11.9	-114	
Net Cash Used in Financing Activities	-177.8	-138.1	
Effects of Exchange Rates	-3.0	2.8	
Net increase (decrease) in cash & cash equivalents	(11.5)	(4.1)	
Cash & Cash Equivalents at Beginning of Period	\$ 323.1	\$ 100.6	
Cash & Cash Equivalents at End of Period	\$ 311.6	\$ 96.5	222.9%

2016 Financial Guidance and Key Inputs

Guidance

- Reiterating guidance
- Non-GAAP Adjusted EPS in the range of \$2.70 to \$2.80

Key inputs

- Constant currency revenue growth of 4% to 6%
 - At current exchange rates, this translates to a range of \$3.73B - \$3.81B
 - Assumes 1% of acquisition growth and 3% to 5% internally generated sales growth
- At current exchange rates, adjusted operating margins of 21% to 22%
- Adjusted Tax rate expected to be ~23%
- Fx headwind ~10 cents
- Share count expected to be in the range of 220 and 225 million

Q2 Summary

- **Strong start as a combined business with solid business momentum**
- **On target to meet synergy goals**
- **Unrivaled investment in innovation with a robust new product pipeline**
- **Strong financial profile with flexible balance sheet**
- **Dentsply Sirona well positioned to grow profitably in 2016 and beyond**

NON-GAAP RECONCILIATION: Q2 2016

DENTSPLY SIRONA INC. CONSOLIDATED STATEMENTS OF INCOME (in millions) (unaudited)		GAAP THREE MONTHS ENDED						NON-GAAP THREE MONTHS ENDED	
	June 30, 2016	Amortization of Purchased Intangible Assets	Business Combination Related Costs	Income Tax Related Adjustments	Restructuring Program Related Costs and Other Costs	Credit Risk and Fair Value Adjustments	Total Non-GAAP Adjustments	June 30, 2016	
NET SALES	\$ 1,022.0	\$ -	\$ 1.6	\$ -	\$ -	\$ -	\$ 1.6	\$ 1,023.6	
NET SALES-without precious metals	1,004.7	-	1.6	-	-	-	1.6	1,006.3	
GROSS PROFIT	526.9	26.1	52.0	-	0.1	0.5	78.7	605.6	
% OF NET SALES-without precious metals	52.4%							60.2%	
SG&A EXPENSES	402.1	(17.5)	(10.0)	-	(0.6)	(0.8)	(28.9)	373.2	
% OF NET SALES-without precious metals	40.0%							37.1%	
RESTRUCTURING AND OTHER COSTS	3.6	-	-	-	(3.6)	-	(3.6)	-	
INCOME FROM OPERATIONS	121.2	43.6	62.0	-	4.3	1.3	111.2	232.4	
% OF NET SALES-without precious metals	12.1%							23.1%	
NET INTEREST AND OTHER EXPENSE	(2.6)	-	-	-	-	(0.7)	(0.7)	(3.3)	
PRE-TAX INCOME	123.8	43.6	62.0	-	4.3	2.0	111.9	235.7	
INCOME TAXES	17.9	12.6	15.6	6.2	1.3	0.7	36.4	54.3	
	14.5%							23.0%	
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES	-	-	-	-	-	-	-	-	
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	0.5	-	-	-	-	-	-	0.5	
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 105.4	\$ 31.0	\$ 46.4	\$ (6.2)	\$ 3.0	\$ 1.3	\$ 75.5	\$ 180.9	
% OF NET SALES-without precious metals	10.5%							18.0%	
EARNINGS PER SHARE - DILUTED	\$ 0.44	\$ 0.13	\$ 0.20	\$ (0.03)	\$ 0.01	\$ 0.01	\$ 0.32	\$ 0.76	

NON-GAAP RECONCILIATION: Q2 2015

DENTSPLY SIRONA INC.													
CONSOLIDATED STATEMENTS OF INCOME													
(in millions)													
(unaudited)													
	GAAP											NON-GAAP	
	THREE MONTHS ENDED											THREE MONTHS ENDED	
	June 30, 2015	Amortization of Purchased Intangible Assets	Certain Fair Value Adjustments Related to an Unconsolidated Affiliated Company	Restructuring Program Related Costs and Other Costs	Credit Risk and Fair Value Adjustments	Business Combination Related Costs	Income Tax Related Adjustments	Total Non-GAAP Adjustments	June 30, 2015				
NET SALES	\$ 698.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 698.0
NET SALES-without precious metals	674.7	-	-	-	-	-	-	-	-	-	-	-	674.7
GROSS PROFIT	399.7	3.1	-	2.7	0.7	0.1	-	6.6	406.3				406.3
% OF NET SALES-without precious metals	59.2%								60.2%				
SG&A EXPENSES	275.0	(7.8)	-	(2.3)	(1.3)	(0.3)	-	(11.7)	263.3				263.3
% OF NET SALES-without precious metals	40.8%								39.0%				
RESTRUCTURING AND OTHER COSTS	38.9	-	-	(38.9)	-	-	-	(38.9)	-				-
INCOME FROM OPERATIONS	85.8	10.9	-	43.9	2.0	0.4	-	57.2	143.0				143.0
% OF NET SALES-without precious metals	12.7%								21.2%				
NET INTEREST AND OTHER EXPENSE	8.8	-	0.1	-	0.2	-	-	0.3	9.1				9.1
PRE-TAX INCOME	77.0	10.9	(0.1)	43.9	1.8	0.4	-	56.9	133.9				133.9
INCOME TAXES	24.8	3.3	-	6.9	0.5	0.1	(5.0)	5.8	30.6				30.6
	32.2%								22.9%				
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES	(8.1)	-	8.4	-	-	-	-	8.4	0.3				0.3
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	-	-	-	-	-	-	-	-	-				-
NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA	\$ 44.1	\$ 7.6	\$ 8.3	\$ 37.0	\$ 1.3	\$ 0.3	\$ 5.0	\$ 59.5	\$ 103.6				\$ 103.6
% OF NET SALES-without precious metals	6.5%								15.4%				
EARNINGS PER SHARE - DILUTED	\$ 0.31	\$ 0.05	\$ 0.06	\$ 0.26	\$ 0.01	\$ -	\$ 0.04	\$ 0.42	\$ 0.73				\$ 0.73

Adjusted Operating Income Reconciliation

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 June 30, 2016

	<u>Operating Income (Loss)</u>
Operating Income	\$ 121.2
Percentage of Net Sales, Excluding Precious Metal Content	12.1%
Business Combination Related Costs and Fair Value Adjustments	62.0
Amortization of Purchased Intangible Assets	43.6
Restructuring Program Related Costs and Other Costs	4.3
Credit Risk and Fair Value Adjustments	1.3
Adjusted Non-US GAAP Operating Income	\$ 232.4
Percentage of Net Sales, Excluding Precious Metal Content	23.1%

Three Months Ended June 30, 2015

	<u>Operating Income (Loss)</u>
Operating Income	\$ 85.8
Percentage of Net Sales, Excluding Precious Metal Content	12.7%
Restructuring Program Related Costs and Other Costs	43.9
Amortization of Purchased Intangible Assets	10.9
Credit Risk and Fair Value Adjustments	2.0
Business Combination Related Costs and Fair Value Adjustments	0.4
Adjusted Non-US GAAP Operating Income	\$ 143.0
Percentage of Net Sales, Excluding Precious Metal Content	21.2%

Combined Businesses Sales Reconciliation

For the full three month period ended June 30, 2016, sales of our combined businesses grew 3.4% on a constant currency basis. This includes a benefit of 1.5% from net acquisitions and was unfavorably impacted by discontinued products by approximately 50 basis points, which leads to internal growth of 2.4%. Net sales, excluding precious metal content, were negatively impacted by approximately 70 basis points 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 for the full three month period ended June 30, 2016 and 2015, respectfully, is as follows:

(in millions, except percentages)	Three Months Ended June 30,		Variance %
	2016	2015	
Net sales	\$ 1,022.0	\$ 698.0	46.4%
Less: precious metal content of sales	17.3	23.3	(25.8%)
Net sales, excluding precious metal content	1,004.7	674.7	48.9%
Sirona net sales (a)	—	306.1	NM
Merger related adjustments (b)	1.6	—	NM
Elimination of intercompany net sales	—	(0.7)	NM
Non-US GAAP combined business, net sales, excluding precious metal content	\$ 1,006.3	\$ 980.1	2.7%
Foreign Exchange Impact			(0.7%)
Constant Currency Growth			3.4%
Net Acquisitions			1.5%
Discontinued Products			(0.5%)
Internal Growth			2.4%

(a) Represents Sirona sales for the quarter ended June 30, 2015.

(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2016 and 2015 non-U.S. GAAP combined business results comparable.

NM - Not meaningful

Combined Businesses Sales Reconciliation - Geographies

In the US, for the three month period ended June 30, 2016, sales of our combined businesses grew 3.8% on a constant currency basis. This includes a benefit of 3.2% from net acquisitions and was unfavorably impacted by discontinued products by approximately 60 basis points, which results in internal growth of 1.2%. This was driven by higher demand in the Dental and Healthcare Consumables segment.

In Europe, for the three month period ended June 30, 2016, sales of our combined businesses declined 40 basis points on a constant currency basis. This includes an unfavorable impact of discontinued products of approximately 70 basis points, which results in internal growth of 0.3%. Net sales, excluding precious metal content, were negatively impacted by approximately 20 basis points due to the strengthening of the U.S. dollar over the prior year period. Growth was driven by higher demand in the Dental and Healthcare Consumables segment. Technologies growth was impacted by a very difficult comparison associated with record sales at the biennial International Dental show in the second quarter of 2015.

In Rest of World, for the three month period ended June 30, 2016, sales of our combined businesses grew 8.6% on a constant currency basis. This includes a benefit of 1.3% from net acquisitions and was unfavorably impacted by discontinued products by approximately 20 basis points, which results in internal growth of 7.5%. Net sales, excluding precious metal content, were negatively impacted by approximately 2.4% due to the strengthening of the U.S. dollar over the prior year period. Internal sales growth in the Rest of World region was driven by strong growth in both segments.

(in millions, except percentages)	Three Months Ended June 30, 2016				Q2 2016 Growth				Three Months Ended June 30, 2015			
	US	Europe	ROW	Total	US	Europe	ROW	Total	US	Europe	ROW	Total
Net sales	\$ 367.2	\$ 392.4	\$ 262.4	\$ 1,022.0	45.7 %	34.0 %	71.5 %	46.4 %	\$ 252.1	\$ 292.9	\$ 153.0	\$ 698.0
Less: precious metal content of sales	1.3	10.2	5.8	17.3					2.0	13.9	7.4	23.3
Net sales, excluding precious metal content	365.9	382.2	256.6	1,004.7	46.3%	37.0%	76.2%	48.9%	250.1	279.0	145.6	674.7
Sirona net sales (a)	—	—	—	—					103.5	106.5	96.1	306.1
Merger related adjustments (b)	1.1	0.5	—	1.6					—	—	—	—
Elimination of intercompany net sales	—	—	—	—					—	(0.7)	—	(0.7)
Non-US GAAP combined business, net sales, excluding precious metal content	\$ 367.0	\$ 382.7	\$ 256.6	\$ 1,006.3	3.8%	(0.6%)	6.2%	2.7%	\$ 353.6	\$ 384.8	\$ 241.7	\$ 980.1
Foreign Exchange Impact					—%	(0.2%)	(2.4%)	(0.7%)				
Constant Currency Growth					3.8%	(0.4%)	8.6%	3.4%				
Net Acquisitions					3.2%	—%	1.3%	1.5%				
Discontinued Products					(0.6%)	(0.7%)	(0.2%)	(0.5%)				
Internal Growth					1.2%	0.3%	7.5%	2.4%				

(a) Represents Sirona sales for the quarter ended June 30, 2015.

(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2016 and 2015 non-U.S. GAAP combined business results comparable.

Combined Businesses Sales Reconciliation - Segments

For Dental and Healthcare Consumables, for the three month period ended June 30, 2016, sales of our combined businesses grew 3.4% on a constant currency basis. This includes a benefit of approximately 60 basis points from net acquisitions and was unfavorably impacted by discontinued products by approximately 1.0%, which results in internal growth of 3.8%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.0% due to the strengthening of the U.S. dollar over the prior year period. Sales growth was led by the Rest of World region.

For Technologies, for the three month period ended June 30, 2016, sales of our combined businesses grew 3.3% on a constant currency basis. This includes a benefit of 2.5% from net acquisitions which results in internal growth of 80 basis points. Net sales, excluding precious metal content, were negatively impacted by approximately 40 basis points due to the strengthening of the U.S. dollar over the prior year period. Sales growth was led by the Rest of World region.

(in millions, except percentages)	Three Months Ended June 30, 2016			Q2 2016 Growth			Three Months Ended June 30, 2015		
	Consumables	Technologies	Total	Consumables	Technologies	Total	Consumables	Technologies	Total
Net sales	\$ 543.8	\$ 478.2	\$ 1,022.0	6.4 %	155.6 %	46.4 %	\$ 510.9	\$ 187.1	\$ 698.0
Less: precious metal content of sales	17.1	0.2	17.3				23.1	0.2	23.3
Net sales, excluding precious metal content	526.7	478.0	1,004.7	8.0 %	155.8 %	48.9 %	487.8	186.9	674.7
Sirona net sales (a)	—	—	—				26.8	279.3	306.1
Merger related adjustments (b)	—	1.6	1.6				—	—	—
Elimination of intercompany net sales	—	—	—				(0.7)	—	(0.7)
Non-US GAAP combined business, net sales, excluding precious metal content	\$ 526.7	\$ 479.6	\$ 1,006.3	2.4%	2.9%	2.7%	\$ 513.9	\$ 466.2	\$ 980.1
Foreign Exchange Impact				(1.0%)	(0.4%)	(0.7%)			
Constant Currency Growth				3.4%	3.3%	3.4%			
Net Acquisitions				0.6%	2.5%	1.5%			
Discontinued Products				(1.0%)	—%	(0.5%)			
Internal Growth				3.8%	0.8%	2.4%			

(a) Represents Sirona sales for the quarter ended June 30, 2015.

(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2016 and 2015 non-U.S. GAAP combined business results comparable.

Historical Revenue Performance – By Segment

	2015				
	Q1	Q2	Q3	Q4	FY
US					
Revenue	\$ 319.7	\$ 353.6	\$ 345.7	\$ 346.1	\$ 1,365.3
Absolute Growth	4.8%	1.7%	8.6%	8.4%	5.8%
FX Impact	-0.2%	-0.2%	-0.1%	-0.1%	-0.1%
Constant Currency Growth	4.9%	1.9%	8.7%	8.5%	5.9%
Acquisitions/Divestitures	-0.6%	-0.4%	3.4%	2.7%	1.3%
Impact of Disc. Products*	0.4%	0.3%	0.8%	0.9%	0.6%
Internal Growth*	5.8%	2.6%	6.2%	6.6%	5.2%
EUROPE*					
Revenue	\$ 357.9	\$ 384.9	\$ 347.3	\$ 367.0	\$ 1,457.1
Absolute Growth	-16.3%	-11.3%	-15.4%	-12.6%	-13.9%
FX Impact	-17.0%	-19.6%	-14.9%	-12.3%	-16.0%
Constant Currency Growth	0.7%	8.3%	-0.6%	-0.3%	2.1%
Acquisitions/Divestitures	0.4%	-0.3%	-0.2%	-0.1%	0.0%
Impact of Disc. Products	0.3%	0.3%	0.2%	0.8%	0.4%
Internal Growth	0.6%	8.9%	-0.3%	0.6%	2.5%
ROW*					
Revenue	\$ 210.7	\$ 241.6	\$ 240.7	\$ 236.5	\$ 929.5
Absolute Growth	-11.4%	-2.3%	-0.5%	-3.1%	-4.3%
FX Impact	-10.2%	-13.3%	-15.6%	-10.8%	-12.5%
Constant Currency Growth	-1.2%	10.9%	15.1%	7.7%	8.2%
Acquisitions/Divestitures	-0.3%	-0.3%	-0.4%	2.0%	0.3%
Impact of Disc. Products	0.0%	0.1%	0.2%	0.5%	0.2%
Internal Growth	-0.9%	11.3%	15.6%	6.2%	8.1%

	2015				
	Q1	Q2	Q3	Q4	FY
TECHNOLOGY					
Revenue	\$ 407.6	\$ 466.2	\$ 436.5	\$ 462.8	\$ 1,773.1
Absolute Growth	-9.4%	-1.5%	-0.6%	0.2%	-2.8%
FX Impact	-10.2%	-11.9%	-10.9%	-7.5%	-10.2%
Constant Currency Growth	0.8%	10.4%	10.3%	7.7%	7.3%
Acquisitions/Divestitures	0.0%	0.0%	2.6%	2.2%	1.2%
Impact of Disc. Products	-	-	-	-	-
Internal Growth	0.8%	10.4%	7.7%	5.5%	6.2%
CONSUMABLES					
Revenue	\$ 480.7	\$ 513.9	\$ 497.2	\$ 486.8	\$ 1,978.6
Absolute Growth	-7.6%	-7.5%	-6.5%	-6.7%	-7.1%
FX Impact	-9.8%	-11.2%	-9.6%	-8.4%	-9.8%
Constant Currency Growth*	2.2%	3.7%	3.1%	1.7%	2.6%
Acquisitions/Divestitures	-0.1%	-0.6%	-0.4%	0.7%	-0.1%
Impact of Disc. Products*	0.5%	0.4%	0.7%	1.4%	0.8%
Internal Growth*	2.8%	4.7%	4.2%	2.5%	3.5%
TOTAL					
Revenue	\$ 888.3	\$ 980.1	\$ 933.7	\$ 949.6	\$ 3,751.7
Absolute Growth	-8.5%	-4.8%	-3.8%	-3.4%	-5.1%
FX Impact	-10.0%	-11.5%	-10.2%	-8.0%	-10.0%
Constant Currency Growth	1.5%	6.8%	6.4%	4.5%	4.8%
Acquisitions/Divestitures	-0.1%	-0.3%	0.9%	1.4%	0.5%
Impact of Disc. Products*	0.3%	0.3%	0.4%	0.8%	0.4%
Internal Growth*	1.9%	7.4%	5.8%	3.9%	4.8%

*Updated on August 5th, 2016 to reflect adjustments, including rounding errors.

Thank You

