# Dentsply Sirona

First Quarter 2017
Earnings Presentation
May 9, 2017

# Forward Looking Statements

This presentationl 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. All statements that address operating performance, events or developments that the Company expects or anticipates will occur in the future are forward-looking statements. Statements contained in this presentation 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. Therefore, you should not rely on any of these 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.

For 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.



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# 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.

# Q1 2017 Performance Summary

- Dentsply Sirona: Showcasing the power of The Dental Solutions Company
  - Over 50 new products and solutions introduced at the International Dental Show
  - Signed new U.S. equipment distribution agreements with Patterson Companies and Henry Schein
  - Repurchased ~$85MM of stock

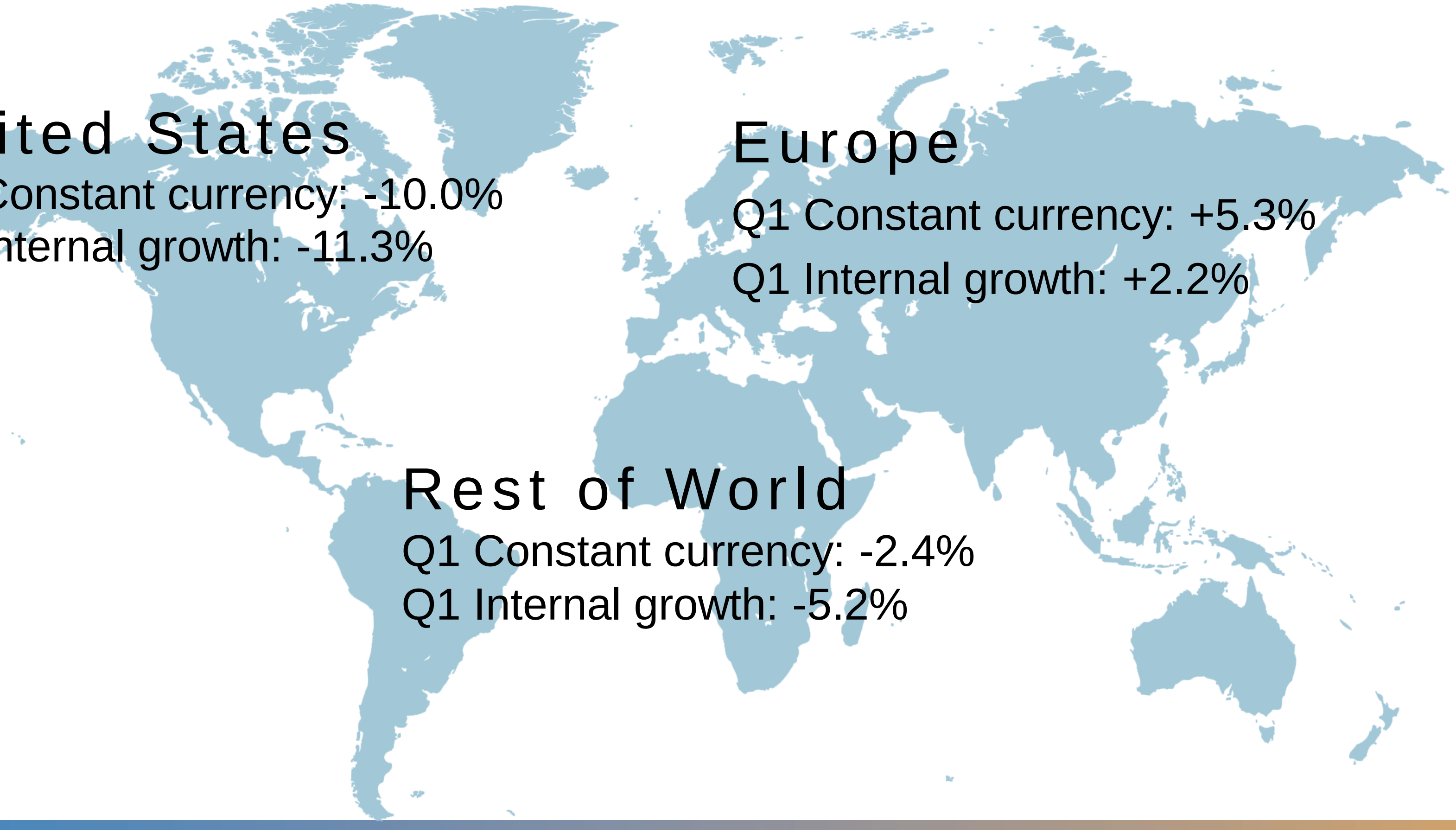
- Reported net sales increased 17%
  - Constant currency growth* for the combined businesses** was -2.2%
  - Internal sales growth^ for the combined businesses of -4.7%.
  - Internal sales includes a ~430 bps unfavorable impact as a result of quarter-over-quarter changes in net equipment inventory levels at certain distributors in North America and Europe related to the transition in distribution strategy in North America.

- Q1 GAAP EPS of $0.26, and non-GAAP adjusted EPS of $0.49
- Includes ~3 cents currency headwind and 31% increase in diluted share count

*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.
**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 constant currency sales growth excluding the impacts of net acquisitions and divestitures, merger accounting impacts and discontinued products.

# Q1 2017 Growth by Region

## Consolidated constant currency growth for combined businesses: Q1 2017: -2.2%



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# Leading Product Portfolio for Sustainable Profitable Growth

## Dental & Healthcare Consumables Segment

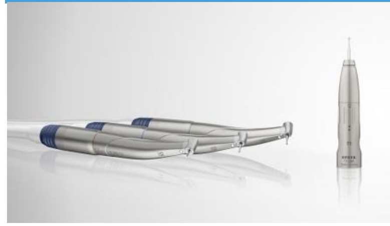
**Q1 2017 Sales of ~500 million, Ex PM**

### Preventive

### Restorative

### Prosthetics

### Instruments



### Endodontics

### Healthcare

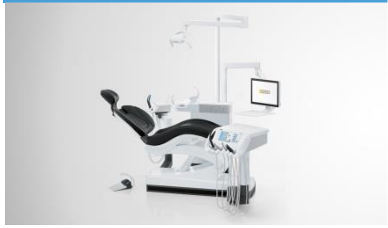

## Technologies Segment

**Q1 2017 Sales of ~$389 million. Ex PM**

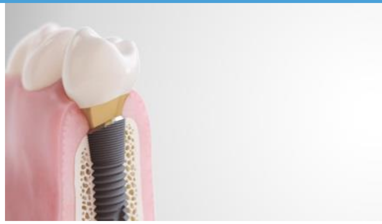
### CAD/CAM

### Imaging

### Treatment Centers



### Implants



### Orthodontics



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# Q1 2017 Segment Performance Summary

- **Dental and Healthcare Consumables** reported net sales grew 4.6%
  - Constant currency sales growth of 2.8% for the combined businesses
  - Excluding acquisitions, divestitures, and discontinued products internal sales growth was +2.4%
  - Dental and Healthcare consumables grew in all regions, led by Europe. In the U.S., growth improved sequentially from the fourth quarter of 2017.

- **Technologies** reported net sales grew 37.2%
  - Constant currency sales declined 8.1% for the combined businesses
  - Excluding acquisitions and divestitures, internal sales declined 12.7%
  - Internal growth 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
  - Internal growth was also impacted by typical buying patterns ahead of the IDS

# Q1 2017 Income Statement Highlights

| | $s in millions | | |
|---|---|---|---|
| | 1Q17 | 1Q16 | Growth |
| GAAP Reported Revenues | $ 900.5 | $ 772.6 | 16.6% |
| **Combined Businesses* Constant Currency Growth** | | | **-2.2%** |
| **Combined Businesses Internal Growth** | | | **-4.7%** |
| Cost of Goods Sold | 408.5 | 353.7 | 15.5% |
| Gross Profit | 492.0 | 418.9 | 17.5% |
| SG&A | 404.7 | 342.1 | 18.3% |
| Restructuring & Other Costs | 3.1 | 4.1 | -24.4% |
| Operating Income | 84.2 | 72.7 | 15.8% |
| **Adjusted operating income margin** | **16.6%** | **22.2%** | |
| Net Interest & Other Expense (Income) | 7.6 | 5.3 | |
| Income Before Taxes | 76.6 | 67.4 | 13.6% |
| (Benefit) Provision for Income Taxes | 16.9 | -57.9 | |
| Equity in net loss of unconsolidated affiliated company/Net income of nontrolling interests | 0.1 | -0.3 | |
| Net Income attributable to Dentsply Sirona | 59.8 | 125.0 | -52.2% |
| GAAP EPS (diluted) | *$ 0.26* | *$ 0.70* | |
| **Non-GAAP Adjusted Net Income** | **$ 113.7** | **$ 122.4** | **-7.1%** |
| **Non-GAAP Adjusted EPS** | **$ 0.49** | **$ 0.69** | |
| Weighted average shares outstanding (diluted, in millions) | 234.0 | 178.4 | 31.2% |

*"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.



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# Q1 Cash Flow Summary

| | | 1Q17 | | 1Q16 | Growth |
|---|---|---|---|---|---|
| **Net Income** | $ | **59.7** | $ | **125.3** | |
| Depreciation & Amortization | | 76.8 | | 46.4 | |
| Changes in working capital (A/R+Inventory+A/P) | | 31.3 | | (57.3) | |
| All Other | | (85.3) | | (113.7) | |
| **Net Cash Provided by Operating Activities** | | **82.5** | | **0.7** | |
| Capital expenditures | | (31.1) | | (20.8) | |
| Cash paid for acquisitions of businesses, net of cash acquired | | (9.1) | | 521.9 | |
| All Other | | (0.9) | | 3.3 | |
| **Net Cash Used by Investing Activities** | | **(41.1)** | | **504.4** | |
| Cash Paid For Treasury Stock | | (77.9) | | (428.8) | |
| Cash Dividends Paid | | (18.0) | | (10.1) | |
| Repayment of borrowings | | (5.4) | | (127.5) | |
| Proceeds from borrowings | | 4.3 | | 77.8 | |
| All other | | 29.4 | | 15.8 | |
| **Net Cash Provided by Financing Activities** | | **(67.6)** | | **(472.8)** | |
| Effects of Exchange Rates | | 5.6 | | 6.2 | |
| Net increase (decrease) in cash & cash equivalents | | (20.6) | | 38.5 | |
| Cash & Cash Equivalents at Beginning of Period | $ | 383.9 | $ | 284.6 | |
| **Cash & Cash Equivalents at End of Period** | **$** | **363.3** | **$** | **323.1** | **12.4%** |



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# 2017 Financial Guidance and Key Inputs

**Guidance^**

- Non-GAAP Adjusted EPS in the range of $2.80 to $2.90

**Key inputs**

- Constant currency growth of 4% to 6%
- Internal growth of 2.5% to 4.5%
- Adjusted Tax rate 19.2%
- Fx headwind 8 to 10 cents
- Share count ~231 to 233 million shares

^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.

# Q1 2017 Summary

- Strong showing at the International Dental Show with over 50 new products and solutions launched
- New U.S. equipment distribution agreements
- On track with integration efforts and investments
- Deploying capital while maintaining flexible balance sheet
- Dentsply Sirona well positioned in 2017 and beyond

# NON-GAAP RECONCILIATION: Q1 2017

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

| | GAAP<br>THREE MONTHS ENDED<br>March 31, 2017 | Amortization of Purchased Intangible Assets | Restructuring Program Related Costs and Other Costs | Credit Risk and Fair Value Adjustments | Business Combination Related Costs and Fair Value Adjustments | Tax Impact of Non-US GAAP Adjustments | Income Tax Related Adjustments | Total Non-GAAP Adjustments | NON-GAAP<br>THREE MONTHS ENDED<br>March 31, 2017 |
|---|---|---|---|---|---|---|---|---|---|
| NET SALES | $ 900.5 | $ - | $ - | $ - | $ 1.5 | $ - | $ - | $ 1.5 | $ 902.0 |
| NET SALES-without precious metals | 889.4 | - | - | - | 1.5 | - | - | 1.5 | 890.9 |
| GROSS PROFIT | 492.0 | 26.0 | 0.3 | 0.9 | 5.9 | - | - | 33.1 | 525.1 |
| % OF NET SALES-without precious metals | 55.3% | | | | | | | | 58.9% |
| SG&A EXPENSES | 404.7 | (19.3) | (1.8) | (1.7) | (4.7) | - | - | (27.5) | 377.2 |
| % OF NET SALES-without precious metals | 45.5% | | | | | | | | 42.3% |
| RESTRUCTURING AND OTHER COSTS | 3.1 | - | (3.1) | - | - | - | - | (3.1) | - |
| INCOME FROM OPERATIONS | 84.2 | 45.3 | 5.2 | 2.6 | 10.6 | - | - | 63.7 | 147.9 |
| % OF NET SALES-without precious metals | 9.5% | | | | | | | | 16.6% |
| NET INTEREST AND OTHER EXPENSE | 7.6 | - | (0.2) | 0.1 | (0.2) | - | - | (0.3) | 7.3 |
| PRE-TAX INCOME | 76.6 | 45.3 | 5.4 | 2.5 | 10.8 | - | - | 64.0 | 140.6 |
| INCOME TAXES | 16.9 | - | - | - | - | 12.8 | (2.7) | 10.1 | 27.0 |
| | 22.1% | | | | | | | | 19.2% |
| LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTEREST | (0.1) | - | - | - | - | - | - | - | (0.1) |
| NET INCOME ATTRIBUTABLE TO DENTSPLY INTERNATIONAL | $ 59.8 | | | | | | | $ 53.9 | $ 113.7 |
| % OF NET SALES-without precious metals | 6.7% | | | | | | | | 12.8% |
| EARNINGS PER SHARE - DILUTED | $ 0.26 | | | | | | | $ 0.23 | $ 0.49 |



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# NON-GAAP RECONCILIATION: Q1 2016

**DENTSPLY SIRONA INC.**
**CONSOLIDATED STATEMENTS OF INCOME**

| (in millions) (unaudited) | GAAP THREE MONTHS ENDED | | | | | | | | | NON-GAAP THREE MONTHS ENDED |
|---|---|---|---|---|---|---|---|---|---|---|
| | **March 31, 2016** | 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 and Fair Value Adjustments | Tax Impact of Non-US GAAP Adjustments | Income Tax Related Adjustments | **Total Non-GAAP Adjustments** | **March 31, 2016** |
| NET SALES | $ 772.6 | $ - | $ - | $ - | $ - | $ 8.8 | $ - | $ - | $ 8.8 | $ 781.4 |
| NET SALES-without precious metals | 754.5 | - | - | - | - | 8.8 | - | - | 8.8 | 763.3 |
| GROSS PROFIT | 418.9 | 10.9 | - | (0.5) | 0.5 | 33.0 | - | - | 43.9 | 462.8 |
| % OF NET SALES-without precious metals | 55.5% | | | | | | | | | 60.6% |
| SG&A EXPENSES | 342.1 | (10.9) | - | (1.3) | (0.8) | (35.8) | - | - | (48.8) | 293.3 |
| % OF NET SALES-without precious metals | 45.3% | | | | | | | | | 38.4% |
| RESTRUCTURING AND OTHER COSTS | 4.1 | - | - | (4.1) | - | - | - | - | (4.1) | - |
| INCOME FROM OPERATIONS | 72.7 | 21.8 | - | 4.9 | 1.3 | 68.8 | - | - | 96.8 | 169.5 |
| % OF NET SALES-without precious metals | 9.6% | | | | | | | | | 22.2% |
| NET INTEREST AND OTHER EXPENSE | 5.3 | - | - | 4.9 | 0.4 | (0.4) | - | - | 4.9 | 10.2 |
| PRE-TAX INCOME | 67.4 | 21.8 | - | - | 0.9 | 69.2 | - | - | 91.9 | 159.3 |
| INCOME TAXES | (57.9) | - | - | - | - | - | 22.7 | 71.8 | 94.5 | 36.6 |
| | -85.9% | | | | | | | | | 23.0% |
| EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATES | - | - | - | - | - | - | - | - | - | - |
| LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTEREST | 0.3 | - | - | - | - | - | - | - | - | 0.3 |
| NET INCOME ATTRIBUTABLE TO DENTSPLY SIRONA | $ 125.0 | | | | | | | | $ (2.6) | $ 122.4 |
| % OF NET SALES-without precious metals | 16.6% | | | | | | | | | 16.0% |
| EARNINGS PER SHARE - DILUTED | $ 0.70 | | | | | | | | $ (0.01) | $ 0.69 |



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# Adjusted Operating Income Reconciliation – Q1 2017

**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%** |



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# Combined Businesses Sales Reconciliation – Q1

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:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| (in millions, except percentages) | **2017** | **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%)** |



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# Q1 Combined Businesses Sales Reconciliation – Geographies

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%)** | | | | |



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# Q1 Combined Businesses Sales Reconciliation - Segments

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%)** | | | |



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# Thank You