

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

November 2, 2023

Date of Report (date of earliest event reported)

DENTSPLY SIRONA Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

0-16211
(Commission File Number)

39-1434669
(I.R.S. Employer Identification No.)

13320 Ballantyne Corporate Place,
(Address of Principal Executive Offices)

Charlotte North Carolina

28277-3607
(Zip Code)

(844) 848-0137
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	XRAY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

On November 2, 2023, DENTSPLY SIRONA Inc. (the "Company") issued the attached press release announcing its net sales and earnings for the third quarter ended September 30, 2023. A copy of the Company's press release is being furnished as Exhibit 99.1 hereto.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 31, 2023, the Company appointed Mr. Brian Gladden to the Board of Directors of the Company (the "Board"), effective January 1, 2024 to fill the vacancy from Mr. Harry M. Jansen Kraemer Jr.'s retirement on December 31, 2023 which was previously disclosed in the Company's Form 8-K filed on September 29, 2023. Mr. Gladden is currently the Chief Administrative and Chief Financial Officer of Zelis Healthcare Inc ("Zelis"). Before Zelis, Mr. Gladden was an Operating Partner with Bain Capital's North American Private Equity team. Prior to Bain Capital, Mr. Gladden was Chief Financial Officer at public companies Mondeléz International, Inc. and Dell, Inc. He began his career at General Electric Company, serving for nearly two decades in various senior finance and management positions, including as President and Chief Executive Officer of GE Plastics and divisional Chief Financial Officer roles in the Plastics and Healthcare businesses. Mr. Gladden currently serves as the Chair of the Myasthenia Gravis Foundation of America and as a member of the Advisory Councils for both the Lombardo College of Business at Millersville University and the McCombs School of Business at the University of Texas – Austin. He has a Bachelor of Science in Business Administration and Finance from Millersville University.

The Board has determined that Mr. Gladden qualifies as an independent director for purposes of the rules of The Nasdaq Stock Market as well as applicable rules and regulations adopted by the Securities and Exchange Commission ("SEC"). There are no related person transactions involving Mr. Gladden that would require disclosure under Item 404(a) of Regulation S-K for the last fiscal year and the current fiscal year to date. Mr. Gladden will participate in the same compensation plans as the other non-employee members of the Board, as described under "Directors' Compensation" in the Company's definitive proxy statement filed with the SEC on April 14, 2023 for its 2023 annual meeting of stockholders. Mr. Gladden will serve as a member of the Company's Audit and Finance Committee.

Item 7.01 Regulation FD Disclosure.

As previously announced, the Company made certain changes in the reporting structure for its global business units effective April 1, 2023 which resulted in a change in reportable segments beginning in the second quarter of 2023. The new structure consists of four reportable segments: Connected Technology Solutions, Essential Dental Solutions, Orthodontic and Implant Solutions and Wellspect Healthcare.

The Company previously provided supplemental information to provide investors with historical information consistent with the change in reportable segments for the year ended December 31, 2022, which was furnished as an exhibit to its Current Report on Form 8-K filed on August 2, 2023.

Exhibit 99.2 is being furnished hereto in order to provide incremental unaudited historical information on the basis of the new reportable segments for the previously reported year ended December 31, 2021. The supplemental financial information does not represent a restatement or reissuance of previously issued financial statements, and no changes have been made to the previously provided comparative information for the year ended December 31, 2022.

The information furnished pursuant to Items 2.02 and 7.01, including Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Forward Looking Statements

All statements in this Current Report on Form 8-K that do not directly and exclusively relate to historical facts constitute "forward-looking statements." These statements represent current expectations and beliefs and no assurance can be given that the results described in such statements will be achieved. Such statements are subject to numerous assumptions, risks, uncertainties and other factors, including those described in the section titled "Risk Factors" in Dentsply Sirona's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as amended, and in other documents that we file with the Securities and Exchange Commission. No assurance can be given that any expectation, belief, goal or plan set forth in any forward-looking statement can or will be achieved.

and readers are cautioned not to place undue reliance on such statements which speak only as of the date they are made. The Company does not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this Current Report on Form 8-K or to reflect the occurrence of unanticipated events.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	DENTSPLY SIRONA Inc. Third Quarter earnings release issued November 2, 2023, as referenced in Item 2.02.
99.2	Supplemental unaudited financial data for the year ended December 31, 2022, and 2021, as referenced in Item 7.01.
99.3	DENTSPLY SIRONA Inc. press release, dated November 2, 2023, as referenced in Item 5.02.
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DENTSPLY SIRONA Inc.

By: /s/ Richard C. Rosenzweig
Richard C. Rosenzweig
Senior Vice President, Corporate Development,
General Counsel and Secretary

Date: November 2, 2023

Dentsply Sirona Reports Third Quarter 2023 Results

- Net sales of \$947 million were flat year-over-year, organic sales decreased (0.3%)
- GAAP gross margin of 52.2%, GAAP net loss of (\$266) million or (\$1.25) per share
- Adjusted EBITDA margin of 18.2%, adjusted EPS of \$0.49
- Revised FY23 outlook: organic sales growth of ~1% (from ~3%); adjusted EPS of \$1.80 to \$1.85 (from \$1.92 to \$2.02)
- Company expects to repurchase \$150 million of its common stock in Q4 2023

Charlotte, N.C., November 2, 2023 - DENTSPPLY SIRONA Inc. ("Dentsply Sirona" or the "Company") (Nasdaq: XRAY) today announced its financial results for the third quarter of 2023.

Third quarter net sales of \$947 million were flat (organic sales decreased (0.3%)) compared to the third quarter of 2022. Net loss for the third quarter of 2023 was (\$266) million, or (\$1.25) per share, compared to net loss of (\$1,077) million, or (\$5.01) per share in the third quarter of 2022. Non-cash charges for the impairment of goodwill and other intangible assets were (\$302) million net of tax, or (\$1.42) per share in the third quarter of 2023, and (\$1,092) million net of tax, or (\$5.07) per share in the third quarter of 2022. Adjusted earnings per diluted share were \$0.49 compared to \$0.41 in the third quarter of 2022. The improvement in adjusted EPS was primarily driven by cost reductions, leading to adjusted EBITDA margin expansion and a lower tax rate. A reconciliation of Non-GAAP measures (including organic sales, adjusted EBITDA and margin, adjusted EPS, and adjusted free cash flow conversion) to GAAP measures is provided below.

"Despite the challenging external environment which negatively impacted sales results in the quarter, we delivered over 18% adjusted EBITDA margin and 20% adjusted EPS growth. Bright spots for the quarter include 10% organic sales growth in our global aligners business, 20% growth in China, and double-digit growth in our U.S. CAD/CAM business," said Simon Campion, President and Chief Executive Officer. "We have made meaningful progress on our transformation initiatives to improve our operational execution and deliver innovative solutions to our customers. We remain confident that these efforts will position us to deliver significant value over the long-term."

Q3 23 Summary Results (GAAP)

(in millions, except per share amount and percentages)

	Q3 23	Q3 22	YoY
Net Sales	\$947	\$947	—
Gross Profit	\$495	\$508	(2.7%)
Gross Margin	52.2%	53.7%	
Net Loss Attributable to Dentsply Sirona	(\$266)	(\$1,077)	(75.3%)
Diluted (Loss)/ Earnings Per Share	(\$1.25)	(\$5.01)	(75.0%)

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

Q3 23 Summary Results (Non-GAAP)^[1]

(in millions, except per share amount and percentages)

	Q3 23	Q3 22	YoY
Net Sales	\$947	\$947	—
Organic Sales Growth %			(0.3%)
Adjusted EBITDA	\$170	\$167	3.7%
Adjusted EBITDA Margin	18.2%	17.5%	
Adjusted EPS	\$0.49	\$0.41	19.6%

^[1] Organic sales growth, adjusted EBITDA, and adjusted EPS are Non-GAAP financial measures which exclude certain items. Please refer to "Non-GAAP Financial Measures" below for a description of these measures and to the tables at the end of this release for a reconciliation between GAAP and Non-GAAP measures.

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

Q3 23 Segment Results

	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total
Net Sales Growth %	(3.8%)	(0.3%)	2.2%	9.9%	—
Organic Sales Growth %	(4.6%)	(0.9%)	3.7%	6.8%	(0.3%)

Q3 23 Geographic Results

	United States	Europe	Rest of World	Total
Net Sales Growth %	(0.2%)	(1.1%)	2.0%	—
Organic Sales Growth %	(0.9%)	(2.8%)	4.5%	(0.3%)

Cash Flow and Liquidity

Operating cash flow in the third quarter of 2023 was \$134 million, compared to \$109 million in the prior year, primarily as a result of improved profitability and working capital, including the impact of a lower build of inventory, and the timing of accounts receivable and accounts payable. In the third quarter of 2023, the Company paid \$29 million in dividends resulting in a total of \$236 million returned to shareholders through dividends and share repurchases in the first nine months of 2023. The Company had \$309 million of cash and cash equivalents as of September 30, 2023.

Goodwill Impairment

In the third quarter of 2023, the Company recorded a non-cash charge for the impairment of goodwill and other intangible assets of (\$302) million net of tax, primarily within the Connected Technology Solutions segment. The decline in fair value for this reporting unit was driven by adverse macroeconomic factors as a result of weakened demand particularly in European markets, and increased discount rates.

2023 Outlook

Based on the results of the third quarter and recent developments in the macroeconomic environment, the Company is revising its 2023 outlook. The revised outlook includes anticipated organic sales growth of approximately 1%, with net sales in the range of \$3.90 billion to \$3.94 billion. Adjusted EPS is expected to be in the range of \$1.80 to \$1.85.

Other 2023 outlook assumptions are included in the third quarter 2023 earnings presentation posted on the Investors section of the Dentsply Sirona website at <https://investor.dentsplysirona.com>. The Company does not provide forward-looking estimates on a GAAP basis as certain information is not available without unreasonable effort and cannot be reasonably estimated.

Conference Call/Webcast Information

Dentsply Sirona's management team will host an investor conference call and live webcast on November 2, 2023, at 8:30 am ET. A live webcast of the investor conference call and a presentation related to the call will be available on the Investors section of the Company's website at <https://investor.dentsplysirona.com>.

For those planning to participate on the call, please register at <https://register.vevent.com/register/B1a301207860894df0b505ba3db530d61d>. A webcast replay of the conference call will be available on the Investors section of the Company's website following the call.

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. Dentsply Sirona's products provide innovative, high-quality and effective solutions to advance patient care and deliver better and safer dental care. Dentsply Sirona's headquarters is located in Charlotte, North Carolina. 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 and Associated Risks

This Press Release contains statements that do not directly and exclusively relate to historical facts which constitute forward-looking statements, including, statements and projections concerning, among other things, the expected timing, benefits and costs associated with the Company's restructuring plan described in this Press Release. The Company's forward-looking statements represent current expectations and beliefs and involve risks and uncertainties. Actual results may differ significantly from those projected or suggested in any forward-looking statements and no assurance can be given that the results described in such forward-looking statements will be achieved. Investors are cautioned not to place undue reliance on such forward-looking statements which speak only as of the date they are made. The forward-looking statements are subject to numerous assumptions, risks and uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control. The Company does not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Any number of factors could cause the Company's actual results to differ materially from those contemplated by any forward-looking statements, including, but not limited to, the risks associated with the following: the Company's ability to remain profitable in a very competitive marketplace, which depends upon the Company's ability to differentiate its products and services from those of competitors; the Company's failure to realize assumptions and projections which may result in the need to record additional impairment charges; the effect of changes to the Company's distribution channels for its products and the failure of significant distributors of the Company to effectively manage their inventories; the Company's ability to control costs and failure to realize expected benefits of cost reduction and restructuring efforts and the Company's failure to anticipate and appropriately adapt to changes or trends within the rapidly changing dental industry. Investors should carefully consider these and other relevant factors, including those risk factors in Part I, Item 1A, ("Risk Factors") in the Company's most recent Form 10-K, including any amendments thereto, and any updating information which may be contained in the Company's other filings with the SEC, when reviewing any forward-looking statement. The Company notes these factors for investors as permitted under the Private Securities Litigation Reform Act of 1995. Investors should understand it is impossible to predict or identify all such factors or risks. As such, you should not consider either the foregoing lists, or the risks identified in the Company's SEC filings, to be a complete discussion of all potential risks or uncertainties.

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 947	\$ 947	\$ 2,953	\$ 2,939
Cost of products sold	452	439	1,389	1,329
Gross profit	495	508	1,564	1,610
Selling, general, and administrative expenses	372	401	1,204	1,187
Research and development expenses	46	41	141	131
Goodwill and intangible asset impairments	307	1,281	307	1,281
Restructuring and other costs	6	3	70	13
Operating loss	(236)	(1,218)	(158)	(1,002)
Other income and expenses:				
Interest expense, net	18	14	58	41
Other (income) expense, net	(4)	9	16	20
Loss before income taxes	(250)	(1,241)	(232)	(1,063)
Provision (benefit) for income taxes	16	(164)	(28)	(128)
Net loss	(266)	(1,077)	(204)	(935)
Less: Net loss attributable to noncontrolling interest	—	—	(5)	—
Net loss attributable to Dentsply Sirona	\$ (266)	\$ (1,077)	\$ (199)	\$ (935)
Net loss per common share attributable to Dentsply Sirona:				
Basic	\$ (1.25)	\$ (5.01)	\$ (0.94)	\$ (4.34)
Diluted	\$ (1.25)	\$ (5.01)	\$ (0.94)	\$ (4.34)
Weighted average common shares outstanding:				
Basic	211.8	214.9	212.7	215.6
Diluted	211.8	214.9	212.7	215.6

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

	September 30, 2023	December 31, 2022
Assets		
Current Assets:		
Cash and cash equivalents	\$ 309	\$ 365
Accounts and notes receivables-trade, net	649	632
Inventories, net	651	627
Prepaid expenses and other current assets	304	269
Total Current Assets	1,913	1,893
Property, plant, and equipment, net	753	761
Operating lease right-of-use assets, net	182	200
Identifiable intangible assets, net	1,711	1,903
Goodwill	2,374	2,688
Other noncurrent assets	268	198
Total Assets	\$ 7,201	\$ 7,643
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$ 262	\$ 279
Accrued liabilities	732	727
Income taxes payable	37	46
Notes payable and current portion of long-term debt	187	118
Total Current Liabilities	1,218	1,170
Long-term debt	1,803	1,826
Operating lease liabilities	133	149
Deferred income taxes	249	287
Other noncurrent liabilities	427	399
Total Liabilities	3,830	3,831
Total Equity	3,371	3,812
Total Liabilities and Equity	\$ 7,201	\$ 7,643

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

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (204)	\$ (935)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	99	90
Amortization of intangible assets	159	159
Goodwill impairment	291	1,187
Indefinite-lived intangible asset impairment	16	94
Deferred income taxes	(107)	(220)
Stock based compensation expense	33	47
Restructuring and other costs	39	(5)
Other non-cash expense	29	38
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable-trade, net	(31)	43
Inventories, net	(45)	(140)
Prepaid expenses and other current assets	(52)	(46)
Other noncurrent assets	(4)	(13)
Accounts payable	(10)	40
Accrued liabilities	(23)	3
Income taxes	(6)	41
Other noncurrent liabilities	33	(8)
Net cash provided by operating activities	217	375
Cash flows from investing activities:		
Capital expenditures	(109)	(117)
Cash received on derivative contracts	39	10
Other investing activities	1	(2)
Net cash used in investing activities	(69)	(109)
Cash flows from financing activities:		
Cash paid for treasury stock	(150)	(150)
Proceeds on short-term borrowings	68	64
Cash dividends paid	(86)	(78)
Proceeds from long-term borrowings, net of deferred financing costs	2	7
Repayments on long-term borrowings	(6)	(2)
Proceeds from exercised stock options	—	6
Other financing activities, net	(7)	(15)
Net cash used in financing activities	(179)	(168)
Effect of exchange rate changes on cash and cash equivalents	(25)	(19)
Net (decrease) increase in cash and cash equivalents	(56)	79
Cash and cash equivalents at beginning of period	365	339
Cash and cash equivalents at end of period	\$ 309	\$ 418

Non-GAAP Financial Measures

In addition to results determined in accordance with U.S. generally accepted accounting principles ("US GAAP") the Company provides certain measures in this press release, described below, which are not calculated in accordance with US GAAP and therefore represent Non-GAAP measures. These Non-GAAP measures may differ from those used by other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP. These Non-GAAP measures are used by the Company to measure its performance and may differ from those used by other companies.

Management believes that these Non-GAAP measures are helpful as they provide a measure of the results of operations, and are frequently used by investors and analysts to evaluate the Company's performance exclusive of certain items that impact the comparability of results from period to period, and which may not be indicative of past or future performance of the Company.

Organic Sales

The Company defines "organic sales" as the reported net sales adjusted for: (1) net sales from acquired businesses recorded prior to the first anniversary of the acquisition; (2) net sales attributable to disposed businesses or discontinued product lines in both the current and prior year periods; and (3) the impact of foreign currency changes, which is calculated by translating current period net sales using the comparable prior period's foreign currency exchange rates.

Adjusted Operating Income and Margin

Adjusted operating income is computed by excluding the following items from operating income (loss) as reported in accordance with US GAAP:

(1) Business combination related costs and fair value adjustments. These adjustments include costs related to consummating and integrating acquired businesses, as well as net gains and losses related to the disposed businesses. In addition, this category includes the post-acquisition roll-off of fair value adjustments recorded related to business combinations, except for amortization expense of purchased intangible assets noted below. Although the Company is regularly engaged in activities to find and act on opportunities for strategic growth and enhancement of product offerings, the costs associated with these activities may vary significantly between periods based on the timing, size and complexity of acquisitions and as such may not be indicative of past and future performance of the Company.

(2) Restructuring related charges and other costs. These adjustments include costs related to the implementation of restructuring initiatives, including but not limited to, severance costs, facility closure costs, and lease and contract termination costs, as well as related professional service costs associated with these restructuring initiatives and global transformation activity. The Company is continually seeking to take actions that could enhance its efficiency; consequently, restructuring charges may recur but are subject to significant fluctuations from period to period due to the varying levels of restructuring activity, and as such may not be indicative of past and future performance of the Company. Other costs include charges related to legal settlements, executive separation costs, write-offs of inventory as a result of product rationalization, and changes in accounting principles recorded within the period. This category also includes costs related to the recent investigations, related ongoing legal matters and associated remediation activities which primarily include legal, accounting and other professional service fees, as well as turnover and other employee-related costs.

(3) Goodwill and intangible asset impairments. These adjustments include charges related to goodwill and intangible asset impairments.

(4) Amortization of purchased intangible assets. This adjustment excludes the periodic amortization expense related to purchased intangible assets, which are recorded at fair value. Although these costs contribute to revenue generation and will recur in future periods, their amounts are significantly impacted by the timing and size of acquisitions, and as such may not be indicative of the future performance of the Company.

(5) Fair value and credit risk adjustments. These adjustments include the non-cash mark-to-market changes in fair value associated with pension assets and obligations, and equity-method investments. Although these adjustments are recurring in nature, they are subject to significant fluctuations from period to period due to changes in the underlying assumptions and market conditions. The non-service component of pension expense is a recurring item, however it is subject to significant fluctuations from period to period due to changes in actuarial assumptions, interest rates, plan changes, settlements, curtailments, and other changes in facts and circumstances. As such, these items may not be indicative of past and future performance of the Company.

Adjusted operating income margin is calculated by dividing adjusted gross profit by net sales.

Adjusted Gross Profit

Adjusted gross profit is computed by excluding from gross profit the impact any of the above adjustments that affect either sales or cost of sales.

Adjusted Net Income (Loss)

Adjusted net income (loss) consists of net income (loss) as reported in accordance with US GAAP, adjusted to exclude the items identified above, as well as the related income tax impacts of those items. Additionally, net income is adjusted for other tax-related adjustments such as: discrete adjustments to valuation allowances and other uncertain tax positions, final settlement of income tax audits, discrete tax items resulting from the implementation of restructuring initiatives and the windfall or shortfall relating to exercise of employee share-based compensation, any difference between the interim and annual effective tax rate, and adjustments relating to prior periods.

These adjustments are irregular in timing, and the variability in amounts may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

Adjusted EBITDA and Margin

In addition to the adjustments described above in arriving at adjusted net income, adjusted EBITDA is computed by further excluding any remaining interest expense, net, income tax expense, depreciation and amortization.

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by net sales.

Adjusted Earnings (Loss) Per Diluted Share

Adjusted earnings (loss) (EPS) per diluted share is computed by dividing adjusted earnings (loss) attributable to Dentsply Sirona shareholders by the diluted weighted average number of common shares outstanding.

Adjusted Free Cash Flow and Conversion

The Company defines adjusted free cash flow as net cash provided by operating activities minus capital expenditures during the same period, and adjusted free cash flow conversion is defined as adjusted free cash flow divided by adjusted net income (loss). Management believes this Non-GAAP measure is important for use in evaluating the Company's financial performance as it measures our ability to efficiently generate cash from our business operations relative to earnings. It should be considered in addition to, rather than as a substitute for, net income (loss) as a measure of our performance or net cash provided by operating activities as a measure of our liquidity.

DENTSPLY SIRONA INC. AND SUBSIDIARIES

(In millions, except percentages)
(unaudited)

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

(in millions, except percentages)	Three Months Ended September 30, 2023				Q3 2023 Change				Three Months Ended September 30, 2022			
	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total	U.S.	Europe	ROW	Total
Net sales	\$ 356	\$ 354	\$ 237	\$ 947	(0.2 %)	(1.1 %)	2.0 %	—	\$ 357	\$ 358	\$ 232	\$ 947
Foreign exchange impact					0.7 %	1.7 %	(2.5 %)	0.3 %				
Organic sales					(0.9 %)	(2.8 %)	4.5 %	(0.3 %)				

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

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

(in millions, except percentages)	Three Months Ended September 30, 2023					Q3 2023 Change					Three Months Ended September 30, 2022				
	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total	Connected Technology Solutions	Essential Dental Solutions	Orthodontic and Implant Solutions	Wellspect Healthcare	Total
Net sales	\$ 276	\$ 347	\$ 252	\$ 72	\$ 947	(3.8 %)	(0.3 %)	2.2 %	9.9 %	—	\$ 286	\$ 348	\$ 247	\$ 66	\$ 947
Foreign exchange impact						0.8 %	0.6 %	(1.5 %)	3.1 %	0.3 %					
Organic sales						(4.6 %)	(0.9 %)	3.7 %	6.8 %	(0.3 %)					

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

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

For the three months ended September 30, 2023, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except percentages and per share data)	Gross Profit	Operating (Loss) Income	Net (Loss) Income Attributable to Dentsply Sirona (a)	Diluted EPS
GAAP	\$ 495	\$ (236)	\$ (266)	\$ (1.25)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	30	53	40	0.19
Restructuring Related Charges and Other Costs	6	8	6	0.03
Goodwill and Intangible Asset Impairments	—	307	302	1.42
Business Combination Related Costs and Fair Value Adjustments	—	3	2	0.01
Income Tax Related Adjustments	—	—	20	0.09
Adjusted Non-GAAP	\$ 531	\$ 135	\$ 104	\$ 0.49
<i>GAAP Margin</i>		(24.9 %)		
<i>Adjusted Non-GAAP Margin</i>		14.2 %		

Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share 211.8

Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share 213.0

(a) The total tax expense associated with the Non-GAAP adjustments above was \$1 million

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

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

For the three months ended September 30, 2022, a reconciliation of selected items as reported in the Condensed Consolidated Statements of Operations to adjusted Non-GAAP items is as follows:

(in millions, except percentages and per share data)	Gross Profit	Operating (Loss) Income	Net (Loss) Income Attributable to Dentsply Sirona (a)	Diluted EPS
GAAP	\$ 508	\$ (1,218)	\$ (1,077)	\$ (5.01)
Non-GAAP Adjustments:				
Amortization of Purchased Intangible Assets	30	51	38	0.17
Restructuring Related Charges and Other Costs	—	23	18	0.08
Goodwill and Intangible Asset Impairments	—	1,281	1,091	5.08
Business Combination Related Costs and Fair Value Adjustments	1	2	2	0.01
Fair Value and Credit Risk Adjustments	—	—	4	0.02
Income Tax Related Adjustments	—	—	12	0.06
Adjusted Non-GAAP	\$ 539	\$ 139	\$ 88	\$ 0.41
<i>GAAP Margin</i>		(128.5 %)		
<i>Adjusted Non-GAAP Margin</i>		14.7 %		

Weighted average common shares outstanding used in calculating diluted GAAP net loss per common share 214.9

Weighted average common shares outstanding used in calculating diluted Non-GAAP net income per common share 215.2

(a) The total tax expense associated with the Non-GAAP adjustments above was \$198 million

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

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

A reconciliation of reported net income (loss) attributable to Dentsply Sirona to adjusted EBITDA and margin for the three months ended September 30, 2023 and 2022 is as follows:

(in millions, except percentages)	Three Months Ended September 30,	
	2023	2022
Net loss attributable to Dentsply Sirona	\$ (266)	\$ (1,077)
Interest expense, net	18	14
Income tax expense	16	(164)
Depreciation ⁽¹⁾	31	31
Amortization of purchased intangible assets	53	51
Restructuring related charges and other costs	315	1,304
Business combination related costs and fair value adjustments	3	2
Fair value and credit risk adjustments	—	6
Adjusted EBITDA	\$ 170	\$ 167
Net sales	\$ 947	\$ 947
Adjusted EBITDA margin	18.2 %	17.5 %

(1) Excludes those depreciation related amounts which were included as part of the business combination related adjustments above.

A reconciliation of adjusted free cash flow conversion for the three months ended September 30, 2023 and 2022 is as follows:

(in millions, except percentages)	Three Months Ended September 30,	
	2023	2022
Net cash provided by operating activities	\$ 134	\$ 109
Capital expenditures	(37)	(32)
Adjusted free cash flow	\$ 97	\$ 77
Adjusted net income	\$ 104	\$ 88
Adjusted free cash flow conversion	93 %	88 %

DENTSPLY SIRONA Inc.

Supplemental Unaudited Financial Data for the Year Ended December 31, 2021 and Year Ended December 31, 2022

(\$ in millions)

Segment Information

As previously announced, DENTSPLY SIRONA Inc. (the "Company") made certain changes in the reporting structure for its global business units effective April 1, 2023 which resulted in a change in reportable segments beginning in the second quarter of 2023. The new structure consists of four reportable segments:

- Connected Technology Solutions, consisting of the Company's equipment, instruments and CAD/CAM businesses;
- Essential Dental Solutions, consisting of the Company's endodontic, restorative and preventive consumables businesses;
- Orthodontic and Implant Solutions, consisting of the Company's implant systems and aligner solutions; and
- Wellspect Healthcare, consisting of the Company's urology catheters and other healthcare-related consumable business.

The Company previously provided supplemental information to provide investors with historical information consistent with the change in reportable segments for the year ended December 31, 2022, which was furnished as an exhibit to its Current Report on Form 8-K filed on August 2, 2023. The information provided in this exhibit is being furnished to provide incremental unaudited historical information on the basis of the new reportable segments for the previously reported year ended December 31, 2021. The supplemental financial information does not represent a restatement or reissuance of previously issued financial statements, and no changes have been made to the previously provided comparative information for the year ended December 31, 2022.

Use and Definitions of Non-GAAP Financial Measures

The tables below summarize, for the periods indicated, the unaudited revised reportable segment and other supplemental data of the Company.

In addition to results prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), the Company provides certain measures which are not calculated in accordance with US GAAP and therefore represent Non-GAAP measures.

The tables included in this supplement present Non-GAAP financial measures, including segment adjusted operating income based on the revised reportable segments effective April 1, 2023.

The Non-GAAP measures presented are reconciled to comparable US GAAP measures. These Non-GAAP measures may differ from those used by other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP. Management believes that these Non-GAAP measures are helpful as they provide another measure of the results of operations, and are frequently used by investors and analysts to evaluate the Company's performance exclusive of certain items impacting the comparability of results from period to period which may not be indicative of past or future performance of the Company.

The reconciliations below should be read in conjunction with the applicable financial statements and accompanying notes included in the Company's Form 10-K for the year ended December 31, 2022 and Amendment No. 1 to the Company's Form 10-K for the year ended December 31, 2021.

Segment Adjusted Operating Income (Loss)

Segment adjusted operating income (loss) is computed by excluding income taxes, certain corporate headquarters unallocated costs, interest expense, net, other expense (income), net and the following items from operating income (loss) as reported in accordance with US GAAP:

(1) Business combination related costs and fair value adjustments. These adjustments include costs related to consummating and integrating acquired businesses, as well as net gains and losses related to the disposed businesses. In addition, this category includes the post-acquisition roll-off of fair value adjustments recorded related to business combinations, except for amortization expense of purchased intangible assets noted below. Although the Company is regularly engaged in activities to find and act on opportunities for strategic growth and enhancement of product offerings, the costs associated with these activities may vary significantly between periods based on the timing, size and complexity of acquisitions and as such may not be indicative of past and future performance of the Company.

(2) Restructuring related charges and other costs. These adjustments include costs related to the implementation of restructuring initiatives, including but not limited to, severance costs, facility closure costs, and lease and contract termination costs, as well as related professional service costs associated with these restructuring initiatives and global transformation activity. The Company is continually seeking to take actions that could enhance its efficiency; consequently, restructuring charges may recur but are subject to significant fluctuations from period to period due to the varying levels of restructuring activity, and as such may not be indicative of past and future performance of the Company. Other costs include charges related to legal settlements, executive separation costs, write-offs of inventory as a result of product rationalization, and changes in accounting principles recorded within the period. This category also includes costs related to the recent investigations, related ongoing legal matters and associated remediation activities which primarily include legal, accounting and other professional service fees, as well as turnover and other employee-related costs.

(3) Goodwill and intangible asset impairments. These adjustments include charges related to goodwill and intangible asset impairments.

(4) Amortization of purchased intangible assets. This adjustment excludes the periodic amortization expense related to purchased intangible assets, which are recorded at fair value in purchase accounting. Although these costs contribute to revenue generation and will recur in future periods, their amounts are significantly impacted by the timing and size of acquisitions, and as such may not be indicative of the future performance of the Company.

(5) Fair value and credit risk adjustments. These adjustments include the non-cash mark-to-market changes in fair value associated with pension assets and obligations and equity-method investments. Although these adjustments are recurring in nature, they are subject to significant fluctuations from period to period due to changes in the underlying assumptions and market conditions. The non-service component of pension expense is a recurring item, however it is subject to significant fluctuations from period to period due to changes in actuarial assumptions, interest rates, plan changes, settlements, curtailments, and other changes in facts and circumstances. As such, these items may not be indicative of past and future performance of the Company.

DENTSPLY SIRONA INC. AND SUBSIDIARIES
(unaudited Non-GAAP)

The Company's segment information was as follows:

Net Sales

(in millions)	Annual Results	
	2022	2021
Connected Technology Solutions	\$ 1,219	\$ 1,348
Essential Dental Solutions	1,427	1,516
Orthodontic and Implant Solutions	1,006	1,064
Wellspect Healthcare	270	303
Total net sales	\$ 3,922	\$ 4,231

Segment Adjusted Operating Income

(in millions)	Annual Results	
	2022	2021
Connected Technology Solutions	\$ 161	\$ 267
Essential Dental Solutions	467	511
Orthodontic and Implant Solutions	193	217
Wellspect Healthcare	73	87
Segment adjusted operating income	894	1,082

Reconciling items expense (income):

All other (a)	318	229
Goodwill and intangible asset impairments	1,187	-
Restructuring and other costs	114	17
Interest expense, net	60	55
Other expense (income), net	58	8
Amortization of intangible assets	209	222
Depreciation resulting from the fair value step-up of property, plant, and equipment from business combinations	3	6
(Loss) income before income taxes	\$ (1,055)	\$ 545

(a) Includes the results of unassigned Corporate headquarters costs.

Dentsply Sirona Announces Appointment of Mr. Brian Gladden as New Board Member

Charlotte, N.C., November 2, 2023 - DENTSPLY SIRONA Inc. ("Dentsply Sirona" or the "Company") (Nasdaq: XRAY) today announced that Mr. Brian Gladden has been appointed to its Board of Directors (the "Board"), effective January 1, 2024, to fill the vacancy from Mr. Harry M. Jansen Kraemer, Jr.'s retirement on December 31, 2023.

"On behalf of Dentsply Sirona and the Board of Directors, I am pleased to welcome Brian Gladden to the Board," said Eric K. Brandt, Non-Executive Chairman of the Board. "Brian brings more than 35 years of experience with a proven track record in setting strategic vision, building world-class organizations, and driving business growth and transformation. Brian will be a valuable member of our Board and we look forward to his financial, operational and strategic contributions as we work to realize our vision of transforming dentistry to improve oral health globally."

Brian Gladden said: "I am excited to join the Board of Directors of Dentsply Sirona and I look forward to working with the Board and the leadership team."

Mr. Gladden is currently the Chief Administrative and Chief Financial Officer of Zelis Healthcare Inc., a privately-held healthcare technology company. Mr. Gladden is a private equity and Fortune 50 executive, bringing more than 35 years of experience in setting strategic vision, driving business growth and transformation and building world-class finance organizations. As a CFO, Mr. Gladden has led all aspects of the finance function, M&A, information technology, security, facilities, and corporate strategy. Before joining Zelis, Mr. Gladden was an Operating Partner with Bain Capital's North American Private Equity team, where he worked to create equity value across the company's portfolio of investments. Prior to Bain Capital, Mr. Gladden was CFO at public companies Mondelēz International and Dell Technologies. He began his career at General Electric, serving for nearly two decades in various senior finance and general management positions, including as President and CEO of GE Plastics and divisional CFO roles in the Plastics and Healthcare businesses. Mr. Gladden currently serves as the Chair of the Myasthenia Gravis Foundation of America and as a member of the Advisory Councils for both the Lombardo College of Business at Millersville University and the McCombs School of Business at the University of Texas – Austin. He has a Bachelor of Science in Business Administration and Finance from Millersville University.

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 solution offering including dental and oral health products as well as other consumable medical devices under a strong portfolio of world class brands. Dentsply Sirona's products provide innovative, high-quality and effective solutions to advance patient care and deliver better and safer dental care. Dentsply Sirona's headquarters is

located in Charlotte, North Carolina. 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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