

## Dentsply Sirona, Inc.

# Executing well, but more to do to reach FY26 target

Reiterate Rating: NEUTRAL | PO: 36.00 USD | Price: 32.53 USD

## Implied growth ramp into FY25/26 is a high bar

Dentsply Sirona has executed relatively well in 2023 on items within their control, with transformation efforts on culture, cost optimization, and investments for future growth starting to take shape. However, the FY24 organic growth guide came in below ST/BofA expectations, and now considers a steeper ramp into FY25/26. While there are some signs of green shoots, with the U.S. implant business improving (declines slowing) and Aligner growth optionality (with Byte expected to grow 20%+ in 2024), the core growth algo will require a significant step up into FY25/26 – a lot will have to go right outside of macro. Meanwhile, the FY24 guide implies a meaningful ramp in 2H supported by Byte/Implant growth and restructuring savings. We are more optimistic on the restructuring efforts, which should support the bulk of the margin expansion into FY24 and through FY26, but are cautious on the revenue ramp through FY24 and beyond. While recent execution has been promising, we continue to view XRAY as more of an execution story with a healthy level of execution risk. We reiterate our Neutral rating with a \$36 PO (\$38 prior) on ~12.5x (unchanged) CY24E EV/EBITDA.

## Reducing our FY24/FY25 estimates post 4Q results

Following 4Q results, we are reducing our 2024 revenue estimate from \$4.10Bn to \$4.00Bn and our FY25 revenue estimate from \$4.29Bn to \$4.18Bn. We also lower our 2024 adj. EPS estimates from \$2.08 to \$2.03, and our FY25 adj. EPS from \$2.41 to \$2.38. The reduction in our estimates is primarily driven by lower revenues in the CTS and EDS segments.

## Key Themes: Segment growth and path to FY26 EPS

The biggest focus for XRAY will be on how the key components embedded in the growth profile for FY24 and in the FY26 target trend through the year (Byte, U.S. implants, and Connected Technology Solutions). We also look for general macro trends across geographies especially as it relates to equipment purchases. Growth rates across orthodontics, implants, and CTS (imaging, CAD/CAM) through FY24 will be key given the FY26 EPS target of \$3.00 embeds a 4-6% organic sales CAGR vs. the flat-1.5% growth in the FY24 guide. Lastly, execution on portfolio optimization/cost rationalization, and capital deployment will be important.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	2.10	1.83	2.03	2.38	2.76
GAAP EPS	(4.27)	(0.62)	1.19	1.57	1.99
EPS Change (YoY)	-25.5%	-12.9%	10.9%	17.2%	16.0%
Consensus EPS (Bloomberg)			2.05	2.41	2.87
DPS	0.48	0.54	0.64	0.73	0.85
Valuation (Dec)					
P/E	15.5x	17.8x	16.0x	13.7x	11.8x
GAAP P/E	NM	NM	27.3x	20.7x	16.3x
Dividend Yield	1.5%	1.7%	2.0%	2.2%	2.6%
EV / EBITDA*	12.4x	13.7x	12.8x	11.6x	10.5x
Free Cash Flow Yield*	5.3%	3.3%	4.9%	6.0%	7.4%

\* For full definitions of *IQmethod*<sup>SM</sup> measures, see page 12.

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### Equity

#### Key Changes

(US\$)	Previous	Current
Price Obj.	38.00	36.00
2024E EPS	2.08	2.03
2025E EPS	2.41	2.38
2026E EPS	2.85	2.76
2024E EBITDA (m)	749.0	736.6
2025E EBITDA (m)	827.6	811.8
2026E EBITDA (m)	918.3	897.6
2024E DPS	0.62	0.64

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### Stock Data

Price	32.53 USD
Price Objective	36.00 USD
Date Established	29-Feb-2024
Investment Opinion	B-2-7
52-Week Range	26.27 USD - 43.24 USD
Mkt Val (mn) / Shares Out (mn)	6,892 USD / 211.9
Free Float	99.1%
Average Daily Value (mn)	100.47 USD
BofA Ticker / Exchange	XRAY / NAS
Bloomberg / Reuters	XRAY US / XRAY.OQ
ROE (2024E)	12.8%
Net Dbt to Eqty (Dec-2023A)	54.2%
ESGMeter <sup>TM</sup>	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

See page 10 for abbreviations

# iQprofile<sup>SM</sup> Dentsply Sirona, Inc.

## iQmethod<sup>SM</sup> – Bus Performance\*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	6.9%	7.1%	8.0%	9.1%	10.3%
Return on Equity	10.2%	11.0%	12.8%	14.9%	16.8%
Operating Margin	21.2%	19.0%	20.2%	21.1%	21.9%
Free Cash Flow	368	228	338	417	508

## iQmethod<sup>SM</sup> – Quality of Earnings\*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	1.1x	1.0x	1.2x	1.2x	1.2x
Asset Replacement Ratio	0.5x	0.4x	0.6x	0.5x	0.6x
Tax Rate	22.6%	20.0%	20.8%	21.3%	20.3%
Net Debt-to-Equity Ratio	41.4%	54.2%	51.6%	48.9%	42.9%
Interest Cover	10.8x	6.5x	8.3x	9.9x	11.8x

## Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	3,922	3,965	4,001	4,178	4,379
% Change	-7.3%	1.1%	0.9%	4.4%	4.8%
Gross Profit	2,257	2,227	2,270	2,394	2,522
% Change	-8.8%	-1.3%	1.9%	5.4%	5.3%
EBITDA	761	688	737	812	898
% Change	-22.2%	-9.6%	7.1%	10.2%	10.6%
Net Interest & Other Income	(73)	(82)	(95)	(83)	(81)
<b>Net Income (Adjusted)</b>	<b>453</b>	<b>390</b>	<b>421</b>	<b>491</b>	<b>560</b>
<b>% Change</b>	<b>-27.1%</b>	<b>-13.9%</b>	<b>8.0%</b>	<b>16.6%</b>	<b>14.0%</b>

## Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	(921)	(132)	247	323	404
Depreciation & Amortization	328	343	326	325	316
Change in Working Capital	(79)	(119)	(33)	(53)	(46)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	1,189	285	(22)	(2)	10
Capital Expenditure	(149)	(149)	(180)	(178)	(177)
<b>Free Cash Flow</b>	<b>368</b>	<b>228</b>	<b>338</b>	<b>417</b>	<b>508</b>
<b>% Change</b>	<b>-28.5%</b>	<b>-38.0%</b>	<b>48.0%</b>	<b>23.4%</b>	<b>21.8%</b>
Share / Issue Repurchase	(144)	(300)	(120)	(180)	(175)
Cost of Dividends Paid	(104)	(116)	(132)	(151)	(172)
Change in Debt	(60)	119	(181)	(171)	(118)

## Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	365	334	238	155	201
Trade Receivables	632	695	712	755	791
Other Current Assets	896	944	957	1,003	1,058
Property, Plant & Equipment	761	800	817	832	851
Other Non-Current Assets	4,989	4,597	4,446	4,310	4,180
<b>Total Assets</b>	<b>7,643</b>	<b>7,370</b>	<b>7,171</b>	<b>7,056</b>	<b>7,082</b>
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	1,052	1,103	1,100	1,136	1,181
Long-Term Debt	1,944	2,118	1,937	1,766	1,648
Other Non-Current Liabilities	835	855	843	859	879
<b>Total Liabilities</b>	<b>3,831</b>	<b>4,076</b>	<b>3,880</b>	<b>3,761</b>	<b>3,708</b>
<b>Total Equity</b>	<b>3,812</b>	<b>3,294</b>	<b>3,291</b>	<b>3,295</b>	<b>3,375</b>
<b>Total Equity &amp; Liabilities</b>	<b>7,643</b>	<b>7,370</b>	<b>7,171</b>	<b>7,056</b>	<b>7,082</b>

\* For full definitions of iQmethod<sup>SM</sup> measures, see page 12.

## Company Sector

Healthcare Technology & Distribution

## Company Description

Dentsply Sirona (XRAY) is one of the world's largest dental manufacturers, providing dental offices with total solutions ranging from consumables to high-end equipment. The company is headquartered in Charlotte, North Carolina with operations in over 120 countries.

## Investment Rationale

Given Dentsply Sirona (XRAY)'s recent volatile operating performance and headwinds impacting various aspects of the business, combined with the recent CEO/CFO changes, we see limited visibility to drive near-term upside. At the same time, we think the totality of the largest dental manufacturer portfolio provides downside support for the business, leaving the overall picture as fairly balanced from a risk/reward perspective.

## Stock Data

Average Daily Volume 3,088,386

## Quarterly Earnings Estimates

	2023	2024
Q1	0.39A	0.40E
Q2	0.51A	0.52E
Q3	0.49A	0.53E
Q4	0.44A	0.57E

# 4Q'23 call takeaways

## Prepared Remarks

- FY23
  - 2% organic growth – ahead of expectations
- Through 4Q – macro remains challenged
  - Expect softness in equipment/imaging to continue
  - Demand for intraoral scanners (IOS) was strong
  - Sentiment in the U.S. improved per survey, Germany/Australia continued to note challenges
  - No sequential decline in sentiment in China
- Expect double digit EPS growth in FY24 driven by savings initiatives
- Select highlights
  - Ended year with 14k unique DS Core accounts
  - Launched Lucitone digital print denture and Primeprint to accelerate 3D printing
  - Expanded clinical education platform

## Financials

- 4Q'23
  - 1.9% organic sales growth - Fx tailwind of 100bps
  - Strong sales in China – 35% y/y growth
  - DD growth in Wellspect and Implants
  - Gross margin down due to mix – China low-cost implants and CAD/CAM mix
  - Operating cash flow growth driven by working capital efficiencies
- EDS:
  - Organic sales up 3.4% - driven by all regions. Stable patient traffic and price increases from early in year
- Orthodontic/Implant:
  - 10.6% organic growth – High-single digit (HSD) orthodontics – Suresmile 13% growth, Byte 6%
  - Expect Byte to growth 20%+ in 2024 and double digit for Suresmile
  - U.S. implant business declined y/y, but showed lower decline vs. prior quarters



- CTS
  - Global CAD/CAM low-single digit(LSD) growth – higher demand in the U.S.
- Wellspect
  - Benefitted from easier comp y/y given Italy impact in prior year
- U.S.
  - U.S CAD/CAM inventory ended year flat y/y but was down ~\$400MM sequentially
  - Inventory levels low vs. historical
- EU
  - Increase in implant demand – taper implant demand up
  - Germany low – excluding Germany growth was 4.1% in EU
- Rest of the world
  - China implant growth significant – China implant customer base grew 40%
  - Japan sales declined y/y due to prior year quarter benefitting from pricing/rebates
- Plan to launch Suresmile/Primeprint and DS connect in Brazil and other regions
- Expect competitive pressure and macro challenges to continue
- EBITDA margins in line with guidance – gross margin pressure offset by restructuring savings
- Board of directors approved 14% dividend increase from \$0.14 to \$0.16
- FY24 guidance:
  - Revenue of \$3.96 - \$4.02Bn
  - Internal sales growth of flat to 1.5%, expect Fx to be a slight headwind
  - Expect stronger organic growth in back-half. Expect 1H equipment headwinds to continue
  - Expect margin improvement through year based on timing/restructuring savings
  - Expect Q1 tax rate to be higher than the full year
  - Adj. EPS \$2.00 - \$2.10
    - Organic growth to contribute \$0.04
    - Restructuring savings run rate of \$200MM with \$0.13 for FY24

- Net investment hedges tailwind of \$0.07
- \$0.02 headwind from other (share count, inflation, tax and other)
- For Q1'24 -
  - Expect organic sales growth to be down y/y, with slightly lower reported sales
  - Gross margin to improve sequentially with EPS up single digits y/y
  - EDS and CTS decline due to tougher comps
  - EPS of \$0.02 -\$0.021, Fx headwind of \$10MM
- Supply chain transformation
  - 3 closures of manufacturing sites in 2023 with consolidation of 2 distribution centers
  - Expect global initiative to enhance operating efficiencies
- SKU optimization
  - Expect to execute

## Q/A

- EBITDA margin expansion in 2024 to come from?
  - Has reinvested in few areas - sales force and clinical education
  - Added 50 heads in U.S. and added significant investments in clinical education (30% more courses in FY23)
  - Extending reach of DS world events
  - Byte investments with competitive dynamics – investing in commercial, treatment plans – started in 4Q
  - Excited about opportunity in Byte with faster ramp later in the year – 20% growth for FY24
  - Investing in Suresmile in Brazil and Japan
  - Advancing Enterprise Resource Planning (ERP) investments
  - Expect a return in investment some of which is to come later in the year
  - Expect half from gross margin and half from SG&A leverage
- Byte and reacceleration of growth, how does current view of demand/consumer environment factor into expectations? Do you need macro to fuel Byte?
  - Excited about ortho business. Relative to Byte – see good indicators – unique visitors improving from 3Q into 4Q. Impression kits significant



- growth in 4Q and 1Q – conversion is 60 days and seeing revenue in February. Hence why 20% growth in 2024
  - Suresmile – see product differentiation – helping drive growth. Not much of an improvement expected in macro
  - Good underlying trends in Byte and Suresmile
  - Byte+ pilot – referring customers to dentists – extended pilot. In 25 locations. Anecdotally – customer filtering in good candidates. Supporting other volumes with dentists as well
  - Suresmile – launch of Suresmile simulator in September – seeing acceptance rates improve
- On the equipment side, what is going on in the market – volumes vs. pricing? How is that trending into 2024?
  - Completed customer survey 3.5k respondents – in U.S. sentiment has remained stable, a little more positive (all dental categories)
  - Ares of continued pressure is Germany and Australia for investments in capital equipment
  - Anything above \$25k in U.S. is typically financed but lower in other geographies
  - More positive sentiment in U.S.
  - In 4Q – CTS business down, but CAD/CAM grew in U.S. for scanners, Mills. Imaging down
  - Pricing – dynamics are customers are buying lower priced scanners – PrimeScan connect demand strong
- Capital deployment – should the dividend grow with EPS and share-repurchase the rest of the capital deployment?
  - Share repurchases of \$600MM over the next three years
  - Double digit dividend growth
- 2024 topline guidance is around 1% organic at the midpoint? Maybe more than 100bps of growth from ortho alone? Other key products? CTS is drag, Wellspect up?
  - Fastest growing area is ortho and implants – DD for Suresmile and 20% plus for
  - China above 25% growth in implants, and return to U.S. growth in back half
  - EDS – nominal growth – largely dependent on patient traffic. Modeling to be flattish overall
  - CTS -expected to be down y/y similar to 4Q and 2023. CAD/CAM should grow (Prime, Mills) with declines in imaging. No improvement in imaging
  - Wellspect – should put up decent growth MSD, MSD low bar for 2024

- Is the SKU optimization in 2024? Or more of a tailwind to 2025?
  - SKU optimization in endo and resto – targeting 60% of SKU's in that space
  - Expect benefits in back end of FY24 and into FY25
  - Starting to look outside endo/resto – team setup to work with regional teams. Been thoughtful about it
  - Standardized processes helping with improvement – initial steps less visible in the commercial side, but will yield benefits in inventory/back-end
- How much of FY24 guidance contribution is from SKU optimization?
  - No benefit backed into cost reduction efforts in FY24
  - New product launches – have a couple of launches in back-half of the year in FY24
  - DS Core – launched two years ago, added to it with communication canvas and Suresmile simulator, launched user interface improvements. Have seen uptick in accounts usage with improvements
  - Endodontic system launched in 4Q in EU and coming to U.S. market in 2024
- U.S. implant side of the business – what is baked into the multi-year guidance? How much is U.S. recovery part of FY26 guide?
  - Expect to grow above the market in aligners, grow above market in connected technologies and back to market growth in U.S. by 2026
- 2026 \$3.0 EPS target - \$0.13 of cost savings in FY24, even if you assume that doubles in FY25, still need core ex-cost savings to be north of 10% or low teens?
  - Nothing has changed with communications from November
  - Expect lower growth in 2024 with tougher macro with pick up in organic growth in 4-6% range in 2025/26
  - Restructuring savings – some investments in 2024 that offset 2024 savings, but benefit in 2025/26
  - EPS reflection in FY26 includes most of SKU rationalization
  - ERP work – headwind to costs, will become a benefit by 2026
  - Aligners profitability part of the bridge – more confident in the profitability
  - Below line – net investment hedges consistent with prior expectations/guidance
  - Share-buy backs will
- Pricing? And innovation?



- Modest pricing in EDS side in 2023, even more modest pricing in 2024 and beyond
- Innovation – chief technology officer driving a more disciplined process
- Expect focus on digital dentistry with DS Core – seeing improvement in adoption
- Do spend significant amount on innovation in EDS portfolio. Launch of x-mark pro in U.S. Are innovating – need to be diligent in EDS portfolio.
- Opportunity for lower prices – yes, prepared to do so. Primescan connect and have seen rapid uptake of that. Have premium and value based implants with similar growth trajectories. Not afraid of value segment
- EDS – not about basic chemistry, but about messaging
- Digital materials – milling/printing – investment that is seeing growth
- Implant competitive environment and opportunities?
  - China – happy with implants. Grew significantly in private and public sectors. China growth overall in China despite headwinds early in 2023. Expect 25%+ growth in China in 2024
  - Portfolio across the board and in implants is very competitive
  - Expect to grow implants in the U.S. in 2024 – expect implants to grow at market rates in 2026
  - 4Q implants/prosthetics grew DD best in 2023. EU grew as well. U.S. implant business improved, but still declining. Expect improved performance in U.S.
  - Made investments in portfolio but also clinical education – important point. Implant part comes with prosthetic solutions and have a strong portfolio there
- Capital deployment – back into market to do deals in 2025? Still thinking in that line?
  - Near-term opportunities will be mostly tech related with little integrations
  - Back in market in 2025 for larger scale integration
  - Balance sheet can support M&A – leverage coming down over the next couple of quarters
- Cadence of EBITDA margin expansion through the year?
  - Back-end loaded, but expect EBITDA margin expansion in 1Q and 2Q but more in 3Q and 4Q
  - Restructuring benefiting back end and investments more in 1H



- Byte growth notable for FY24, what gives confidence in durability given still challenged macro? Highly sensitive market to macro? Do you need improvement in macro for Byte?
  - Counting on stable macro to hit the numbers
  - Increase in unique visitors – impression kits going up significantly well north of 50%
  - Back-half of February – expecting to see meaningful growth in 2024
  - Headwinds in financing front in 4Q – constraints due to sub-prime customers and worked through that in 2024 a bit. Keeping an eye on that, with investments (Treatment planners, sales team) see line of sight to 20% growth
- Expectations for macro – organic growth is 0-1.5%, 4-6% next year? How much is macro vs. market share gains?
  - Have demonstrated improved systems and processed. How sales reps are paid and clinical education
  - Normalized macro environment – expecting share gains in ortho with implant improving
  - Equipment has been biggest headwind – interest rates coming down in back-half of 2024 and into 2025- should help
- Suresmile -how much of the growth is tied to the new scanner? Vice versa?
  - Suresmile simulator has driven up treatment accept rates
  - Combination of many factors
  - Execution and commission plans important as well
  - In 2023 – equipped all ortho reps with planners, decision to invest in scanners and get it in hand of reps was helpful
- What's exogenous in 20% growth outlook for Byte?
  - Competitive dynamics taken place – more than half of that growth
  - Demonstrated in FY23 – can drive net income in Byte. FY24 includes assumption for net income from Byte
  - Resin – market is looking for safe solution. More workflow focused customer segment vs. earlier adopters and that is where Primeprint is positioned, Mills for dentures and the like
- How did Schein impact 4Q at all?
  - Built some conservatism , but no significant impact from that
  - So improvement from other dealers
- Have you seen conversion rates up?
  - No – have been consistent



- Byte+ could help conversion rates tick-up
- Eric Brandt - resigning from Board of Directors after 20 years

Abbreviations:

DD – Double Digit

CTS – Connected Technology Solutions

OIS – Orthodontic and Implant Solutions

EDS – Essential Dental Solutions

ST - Street

## Price objective basis & risk

### Dentsply Sirona, Inc. (XRAY)

Our \$36 price objective is based on about 12.5x our CY24E EBITDA estimate. We note that this multiple is about 0.5x below its five-year average, due to a slower total growth rate (vs. peak) and the uncertainty around profit progression.

Downside risks are a slowdown in total demand tied to lagging equipment sales (either from failure to reignite growth or continued distribution channel challenges), as well as a slowdown in the consumables market, a recovery in Byte growth, an inability to achieve the company's margin targets (including the successful completion of the targeted restructuring plan).

Upside risks to our PO are better-than-expected equipment sales from successful sales force and marketing efforts and the penetration of Primescan and affiliated products, as well as strong consumables sales driven by a faster rebound in the consumables market, and heavy investment in margin expansion from cost savings benefits that drive overachievement of the initial savings targets that are critical to the FY26 EPS target.

## Analyst Certification

I, Allen Lutz, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

### US - Healthcare Technology & Distribution Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Accolade	ACCD	ACCD US	Allen Lutz, CFA
	American Well Corp	AMWL	AMWL US	Allen Lutz, CFA
	Cencora Inc	COR	COR US	Allen Lutz, CFA
	CVS Health	CVS	CVS US	Allen Lutz, CFA
	Definitive Healthcare Corp	DH	DH US	Allen Lutz, CFA
	dentalcorp	YDNTL	DNTL CN	Allen Lutz, CFA
	Envista	NVST	NVST US	Allen Lutz, CFA
	HealthEquity Inc	HQY	HQY US	Allen Lutz, CFA
	Hims & Hers	HIMS	HIMS US	Allen Lutz, CFA
	McKesson	MCK	MCK US	Allen Lutz, CFA
	Omniceil Inc.	OMCL	OMCL US	Allen Lutz, CFA
	Patterson Companies	PDCO	PDCO US	Allen Lutz, CFA
	Progyny	PGNY	PGNY US	Allen Lutz, CFA
<b>NEUTRAL</b>				
	Cardinal Health	CAH	CAH US	Allen Lutz, CFA
	Dentsply Sirona, Inc.	XRAY	XRAY US	Allen Lutz, CFA
	Doximity Inc	DOCS	DOCS US	Allen Lutz, CFA
	Teladoc Health	TDOC	TDOC US	Allen Lutz, CFA
<b>UNDERPERFORM</b>				
	GoodRx	GDRX	GDRX US	Allen Lutz, CFA
	Henry Schein	HSIC	HSIC US	Allen Lutz, CFA
	Owens & Minor	OMI	OMI US	Allen Lutz, CFA
	Premier, Inc.	PINC	PINC US	Allen Lutz, CFA
	Walgreens Boots Alliance	WBA	WBA US	Allen Lutz, CFA



## iQmethod<sup>SM</sup> Measures Definitions

### Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

### Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

### Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

### Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

### Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash &amp; Equivalents

EBIT

### Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

### Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

### Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

### Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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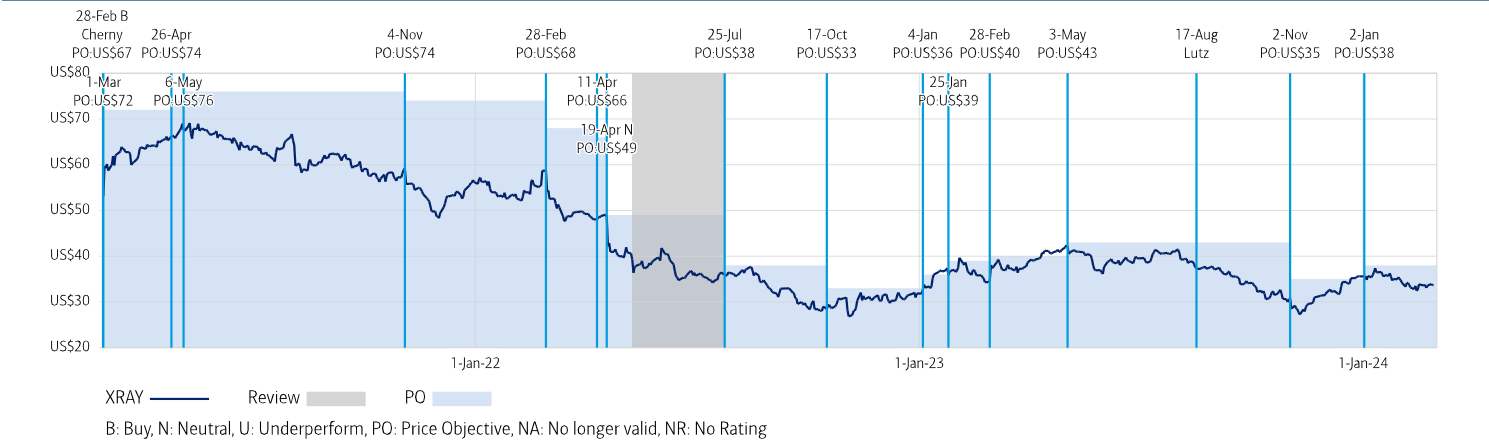
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Dentsply Sirona (XRAY) Price Chart



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Equity Investment Rating Distribution: Health Care Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	234	60.94%	Buy	115	49.15%
Hold	80	20.83%	Hold	36	45.00%
Sell	70	18.23%	Sell	29	41.43%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

<sup>R1</sup> Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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