



# Dentsply Sirona Inc. (XRAY)

Updated August 16<sup>th</sup>, 2025 by Nathan Parsh

## Key Metrics

|                             |         |                                            |             |                                  |          |
|-----------------------------|---------|--------------------------------------------|-------------|----------------------------------|----------|
| <b>Current Price:</b>       | \$13.85 | <b>5 Year CAGR Estimate:</b>               | 12.0%       | <b>Market Cap:</b>               | \$2.8 B  |
| <b>Fair Value Price:</b>    | \$19.00 | <b>5 Year Growth Estimate:</b>             | 2.0%        | <b>Ex-Dividend Date:</b>         | 09/26/25 |
| <b>% Fair Value:</b>        | 73%     | <b>5 Year Valuation Multiple Estimate:</b> | 6.5%        | <b>Dividend Payment Date:</b>    | 10/10/25 |
| <b>Dividend Yield:</b>      | 4.6%    | <b>5 Year Price Target</b>                 | \$21        | <b>Years Of Dividend Growth:</b> | 6        |
| <b>Dividend Risk Score:</b> | D       | <b>Sector:</b>                             | Health Care | <b>Rating:</b>                   | Hold     |

## Overview & Current Events

Dentsply Sirona Inc. is a medical device company that manufactures products and technologies for use in dentistry and is the world's largest dental equipment supplier. The company's product portfolio consists of solutions for dental and oral health care. Dentsply Sirona has four reportable business segments. This includes Connected Technology Solutions, which develops and produces dental technology and equipment, Essential Dental Solutions, which provides endodontic, restorative, and preventive consumable products along with small equipment for use in dental offices, Orthodontic and Impact Solutions, which creates dental implant products, dentures, and aligners, and Wellspect Healthcare, which designs and markets continence care solutions for both urinary and bowel management.

On February 29<sup>th</sup>, 2024, Dentsply Sirona announced that it was increasing its quarterly dividend 14.3% to \$0.16, extending the company's dividend growth streak to six consecutive years.

On August 7<sup>th</sup>, 2025, Dentsply Sirona announced second quarter results for the period ending June 30<sup>th</sup>, 2025. For the quarter, revenue decreased 4.9% to \$936 million, but this was \$2.9 million ahead of estimates. Adjusted earnings-per-share was \$0.52 per share compared favorably to \$0.49 in the prior year and was \$0.02 more than expected.

In constant currency, sales fell 6.7% for the quarter. Orthodontic and Implant Solutions was lower by 19.4%, Connected Technology Solutions decreased 5.9%, and Wellspect Healthcare fell 2.5%. Essential Dental Solutions, the lone segment to post growth, was higher by just 1.1%. By geographic regions, the U.S. was down 18.3%, Europe declined 0.4%, and Rest of the World was up 0.5%. Despite this, the gross profit margin expanded 50 basis points to 52.4%.

Dentsply Sirona reaffirmed guidance for 2025 as well. The company continues to expect sales in a range of -2.0% to -4.0%. Adjusted earnings-per-share are still projected to be in a range of \$1.80 to \$2.00.

## Growth on a Per-Share Basis

| Year                      | 2015   | 2016   | 2017    | 2018    | 2019   | 2020    | 2021   | 2022    | 2023    | 2024    | 2025          | 2030          |
|---------------------------|--------|--------|---------|---------|--------|---------|--------|---------|---------|---------|---------------|---------------|
| <b>EPS</b>                | \$1.76 | \$1.94 | -\$6.76 | -\$4.51 | \$1.14 | -\$0.33 | \$1.87 | -\$4.41 | -\$0.62 | -\$4.48 | <b>\$1.90</b> | <b>\$2.10</b> |
| <b>DPS</b>                | \$0.29 | \$0.31 | \$0.35  | \$0.35  | \$0.38 | \$0.40  | \$0.43 | \$0.50  | \$0.56  | \$0.62  | <b>\$0.64</b> | <b>\$0.71</b> |
| <b>Shares<sup>1</sup></b> | 143    | 222    | 229     | 224     | 224    | 219     | 229    | 216     | 208     | 199     | <b>199</b>    | <b>195</b>    |

Looking at the table above, it appears that Dentsply Sirona's long-term performance is very uneven. However, these are the company's GAAP results. On an adjusted basis, Dentsply Sirona has earnings-per-share have been positive for much of the last decade. The company invests heavily its own business and makes acquisitions to bolster its product portfolio. This includes Dentsply Sirona's 2021 purchase of Byte for \$1.04 billion, which added that company's clear aligner business. However, the company has already written down this purchase, which caused much of the decline in EPS last year. Because earnings growth has been erratic over the long-term, we are projecting earnings-per-share to increase by 2% per year through 2030.

Dentsply Sirona has nearly 30 years of dividend payments. The company has frozen its payments in the past, most recently from 2019 to 2021, when the payment was held steady for seven consecutive quarters, and in 2017 to 2018, when the payment was held constant for eight consecutive quarters. We note that the company has now paid the same

<sup>1</sup> In millions of shares.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



# Dentsply Sirona Inc. (XRAY)

Updated August 16<sup>th</sup>, 2025 by Nathan Parsh

quarterly dividend for seven consecutive quarters. Because of the timing of the payments, Dentsply Sirona has a dividend growth streak of six years. Despite this, the company's dividend has a compound annual growth rate of 8.8% for the 2015 to 2024 period. We expect dividend growth of 2% annually over the next five years.

## Valuation Analysis

| Year      | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Now  | 2030 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E  | 34.6 | 32.8 | ---  | ---  | 49.6 | ---  | 29.8 | ---  | ---  | ---  | 7.3  | 10.0 |
| Avg. Yld. | 0.5% | 0.5% | 0.5% | 0.9% | 0.7% | 0.8% | 0.8% | 1.6% | 1.6% | 3.3% | 4.6% | 3.4% |

Shares of Dentsply Sirona have lost 16.5% since our May 16<sup>th</sup>, 2025 report. Shares trade at 7.3 times expected EPS for 2025. Because of GAAP earning-per-share losses, much of Dentsply Sirona's historical valuation data is missing. On an adjusted basis, shares have regularly traded with a price-to-earnings ratio in the low to mid-20s. We believe that a fair value price-to-earnings ratio closer to 10 reconciles the quality of the firm with its unpredictable performance over the last decade. Reaching our target valuation by 2030 would add 6.5% to annual returns over this period.

Dentsply Sirona has typically provided a very low dividend yield, but that has changed in recent years as the share price has declined and dividend growth has returned. Shares offer one of its highest yields in more than a decade.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

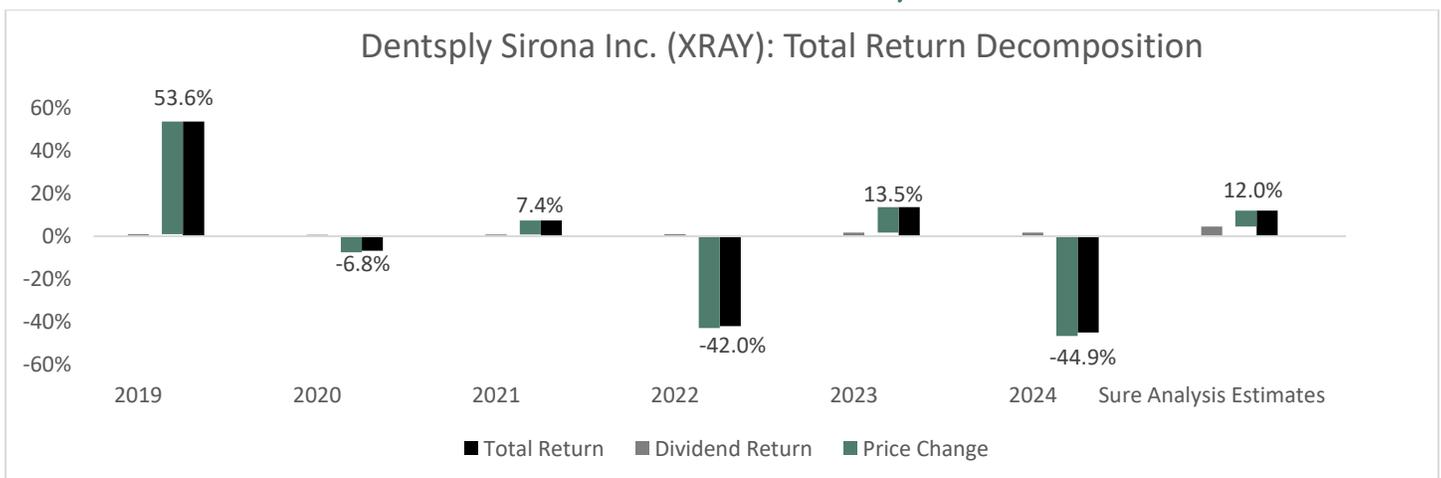
| Year   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 16%  | 16%  | ---  | ---  | 33%  | ---  | 53%  | ---  | ---  | ---  | 34%  | 34%  |

Dentsply Sirona has several competitive advantages working in its favor. First, the company is the largest name in a fragmented industry. This gives Dentsply Sirona a size and scale that most competitors cannot replicate and provides the opportunities to acquire smaller companies that can augment its core business. Dentsply Sirona also benefits from operating in a segment of health care that can be considered recession resistant as patients will seek out care for medical ailments. This proved useful during the 2007 to 2009 period where earnings-per-shares grew 9% on a GAAP basis and 8% on an adjusted basis. Results did decline substantially during the worst of the Covid-19 pandemic, but this can be attributed to social distancing requirements that postponed many in-office dental visits.

## Final Thoughts & Recommendation

Dentsply Sirona is expected to return 12.0% annually through 2030, up from 8.1% previously. Our forecast stems from earnings growth of 2%, the 4.6% dividend yield, and a mid-single-digit tailwind from multiple expansion. Dentsply Sirona earns a hold rating due to its uneven dividend growth history.

## Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



# Dentsply Sirona Inc. (XRAY)

Updated August 16<sup>th</sup>, 2025 by Nathan Parsh

## Income Statement Metrics

| Year                    | 2015  | 2016  | 2017    | 2018    | 2019  | 2020  | 2021  | 2022   | 2023  | 2024   |
|-------------------------|-------|-------|---------|---------|-------|-------|-------|--------|-------|--------|
| <b>Revenue</b>          | 2,674 | 3,745 | 3,993   | 3,986   | 4,022 | 3,339 | 4,231 | 3,922  | 3,965 | 3,793  |
| <b>Gross Profit</b>     | 1,517 | 2,001 | 2,189   | 2,068   | 2,164 | 1,656 | 2,347 | 2,127  | 2,086 | 1,958  |
| <b>Gross Margin</b>     | 56.7% | 53.4% | 54.8%   | 51.9%   | 53.8% | 49.6% | 55.5% | 54.2%  | 52.6% | 51.6%  |
| <b>D&amp;A Exp.</b>     | 1,077 | 1,523 | 1,675   | 1,719   | 1,587 | 1,302 | 1,551 | 1,589  | 1,613 | 1,605  |
| <b>Operating Profit</b> | 123   | 272   | 316     | 331     | 323   | 334   | 346   | 328    | 343   | 349    |
| <b>Operating Margin</b> | 440   | 478   | 514     | 349     | 434   | 231   | 625   | 364    | 289   | 188    |
| <b>Net Profit</b>       | 16.4% | 12.8% | 12.9%   | 8.8%    | 10.8% | 6.9%  | 14.8% | 9.3%   | 7.3%  | 5.0%   |
| <b>Net Margin</b>       | 251   | 430   | (1,550) | (1,011) | 256   | (73)  | 411   | (950)  | (132) | (910)  |
| <b>Free Cash Flow</b>   | 9.4%  | 11.5% | -38.8%  | -25.4%  | 6.4%  | -2.2% | 9.7%  | -24.2% | -3.3% | -24.0% |
| <b>Income Tax</b>       | 425   | 437   | 451     | 312     | 516   | 562   | 515   | 368    | 228   | 281    |

## Balance Sheet Metrics

| Year                          | 2015  | 2016   | 2017   | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
|-------------------------------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| <b>Total Assets</b>           | 4,403 | 11,556 | 10,375 | 8,687 | 8,603 | 9,350 | 9,239 | 7,643 | 7,370 | 5,753 |
| <b>Cash &amp; Equivalents</b> | 285   | 384    | 321    | 310   | 405   | 438   | 339   | 365   | 334   | 272   |
| <b>Acc. Receivable</b>        | 400   | 636    | 746    | 702   | 782   | 667   | 750   | 632   | 695   | 556   |
| <b>Inventories</b>            | 340   | 517    | 623    | 599   | 562   | 476   | 515   | 627   | 624   | 564   |
| <b>Goodwill &amp; Int.</b>    | 2,588 | 8,910  | 7,340  | 5,852 | 5,573 | 6,490 | 6,295 | 4,591 | 4,143 | 2,804 |
| <b>Total Liabilities</b>      | 2,064 | 3,430  | 3,747  | 3,554 | 3,508 | 4,415 | 4,242 | 3,831 | 4,076 | 3,810 |
| <b>Accounts Payable</b>       | 134   | 223    | 284    | 284   | 308   | 302   | 262   | 279   | 305   | 241   |
| <b>Long-Term Debt</b>         | 1,153 | 1,532  | 1,642  | 1,657 | 1,435 | 2,277 | 2,095 | 1,944 | 2,118 | 2,135 |
| <b>Total Equity</b>           | 2,338 | 8,114  | 6,616  | 5,121 | 5,093 | 4,932 | 4,996 | 3,811 | 3,293 | 1,942 |
| <b>LTD/E Ratio</b>            | 0.49  | 0.19   | 0.25   | 0.32  | 0.28  | 0.46  | 0.42  | 0.51  | 0.64  | 1.10  |

## Profitability & Per Share Metrics

| Year                    | 2015  | 2016  | 2017   | 2018   | 2019  | 2020  | 2021  | 2022   | 2023  | 2024   |
|-------------------------|-------|-------|--------|--------|-------|-------|-------|--------|-------|--------|
| <b>Return on Assets</b> | 5.6%  | 5.4%  | -14.1% | -10.6% | 3.0%  | -0.8% | 4.4%  | -11.3% | -1.8% | -13.9% |
| <b>Return on Equity</b> | 10.8% | 8.2%  | -21.0% | -17.2% | 5.0%  | -1.5% | 8.3%  | -21.6% | -3.7% | -34.8% |
| <b>ROIC</b>             | 7.1%  | 6.5%  | -17.3% | -13.4% | 3.8%  | -1.1% | 5.7%  | -14.8% | -2.4% | -19.2% |
| <b>Shares Out.</b>      | 143   | 222   | 229    | 224    | 224   | 219   | 229   | 216    | 208   | 199    |
| <b>Revenue/Share</b>    | 18.77 | 16.90 | 17.41  | 17.77  | 17.92 | 15.23 | 19.21 | 18.20  | 18.70 | 18.67  |
| <b>FCF/Share</b>        | 2.99  | 1.97  | 1.97   | 1.39   | 2.30  | 2.56  | 2.34  | 1.71   | 1.08  | 1.38   |

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.