

ALIGN TECHNOLOGY, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share data)

	Q3 2021	Q4 2021	Fiscal 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023
Net Revenues:											
<i>Clear Aligner Net Revenues ⁽¹⁾</i>											
Americas	\$ 409,730	\$ 380,045	\$ 1,548,818	\$ 378,436	\$ 388,292	\$ 355,791	\$ 349,411	\$ 1,471,930	\$ 366,513	\$ 381,145	\$ 366,606
International	375,513	380,152	1,498,663	371,082	346,181	312,701	319,004	1,348,968	354,201	378,385	355,302
Non-case ⁽²⁾	52,350	55,062	199,599	60,178	63,925	64,345	63,239	251,687	69,090	73,144	73,031
Total Clear Aligner Net Revenues	837,593	815,259	3,247,080	809,696	798,398	732,837	731,654	3,072,585	789,804	832,674	794,939
<i>Imaging Systems and CAD/CAM Services Net Revenues</i>	178,313	215,840	705,504	163,523	171,155	157,511	169,861	662,050	153,343	169,499	165,275
Total Worldwide Net Revenues	1,015,906	1,031,099	3,952,584	973,219	969,553	890,348	901,515	3,734,635	943,147	1,002,173	960,214
Cost of Net Revenues:											
Cost of net revenues Clear Aligner	199,424	210,254	772,707	204,000	213,153	213,450	213,812	844,415	223,665	229,423	232,608
Cost of net revenues Imaging Systems and CAD/CAM Services	61,326	76,282	244,522	59,873	68,841	57,729	70,002	256,445	58,828	59,141	64,530
Total cost of net revenues	260,750	286,536	1,017,229	263,873	281,994	271,179	283,814	1,100,860	282,493	288,564	297,138
Gross profit	755,156	744,563	2,935,355	709,346	687,559	619,169	617,701	2,633,775	660,654	713,609	663,076
Operating Expenses:											
Selling, general and administrative	428,409	451,195	1,708,640	439,457	426,398	398,547	410,067	1,674,469	439,691	453,193	407,992
Research and development	65,587	72,476	250,315	71,807	72,965	76,966	83,520	305,258	87,447	88,485	88,738
Restructuring and other charges	-	-	-	-	-	-	11,453	11,453	-	-	-
Total operating expenses	493,996	523,671	1,958,955	511,264	499,363	475,513	505,040	1,991,180	527,138	541,678	496,730
Operating Income	261,160	220,892	976,400	198,082	188,196	143,656	112,661	642,595	133,516	171,931	166,346
Interest income and other income (expense), net:											
Interest income	401	676	3,103	677	245	1,685	2,760	5,367	2,337	4,421	5,522
Other income (expense), net	427	(1,556)	32,920	(11,273)	(14,832)	(22,700)	(100)	(48,905)	(1,229)	(4,763)	(9,757)
Total interest income and other income (expense), net	828	(880)	36,023	(10,596)	(14,587)	(21,015)	2,660	(43,538)	1,108	(342)	(4,235)
Net income before provision for (benefit from) income taxes	261,988	220,012	1,012,423	187,486	173,609	122,641	115,321	599,057	134,624	171,589	162,111
Provision for (benefit from) income taxes	81,019	29,051	240,403	53,188	60,809	49,941	73,546	237,484	46,826	59,775	40,684
Net Income	\$ 180,969	\$ 190,961	\$ 772,020	\$ 134,298	\$ 112,800	\$ 72,700	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427
Net Income per share											
- basic	\$ 2.29	\$ 2.42	\$ 9.78	\$ 1.71	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.62	\$ 1.14	\$ 1.46	\$ 1.59
- diluted	\$ 2.28	\$ 2.40	\$ 9.69	\$ 1.70	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58
Shares used in computing net income per share											
- basic	78,904	78,759	78,917	78,742	78,395	78,093	77,541	78,190	76,921	76,524	76,569
- diluted	79,516	79,431	79,670	79,193	78,545	78,237	77,683	78,420	77,111	76,689	76,826
Margin Analysis:											
Gross margin	74.3%	72.2%	74.3%	72.9%	70.9%	69.5%	68.5%	70.5%	70.0%	71.2%	69.1%
-Clear Aligner	76.2%	74.2%	76.2%	74.8%	73.3%	70.9%	70.8%	72.5%	71.7%	72.4%	70.7%
-Imaging Systems and CAD/CAM Services	65.6%	64.7%	65.3%	63.4%	59.8%	63.3%	58.8%	61.3%	61.6%	65.1%	61.0%
Selling, general and administrative	42.2%	43.8%	43.2%	45.2%	44.0%	44.8%	45.5%	44.8%	46.6%	45.2%	42.5%
Research and development	6.5%	7.0%	6.3%	7.4%	7.5%	8.6%	9.3%	8.2%	9.3%	8.8%	9.2%
Restructuring and other charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.3%	0.0%	0.0%	0.0%
Operating margin	25.7%	21.4%	24.7%	20.4%	19.4%	16.1%	12.5%	17.2%	14.2%	17.2%	17.3%
Net margin	17.8%	18.5%	19.5%	13.8%	11.6%	8.2%	4.6%	9.7%	9.3%	11.2%	12.6%
Year Over Year Analysis:											
Net Revenues	38.4%	23.6%	59.9%	8.8%	-4.1%	-12.4%	-12.6%	-5.5%	-3.1%	3.4%	7.8%
-Clear Aligner	34.9%	16.3%	54.5%	7.5%	-5.1%	-12.5%	-10.3%	-5.4%	-2.5%	4.3%	8.5%
-Imaging Systems and CAD/CAM Services	57.3%	61.3%	90.4%	15.6%	0.8%	-11.7%	-21.3%	-6.2%	-6.2%	-1.0%	4.9%
Gross profit	41.4%	22.0%	66.5%	4.8%	-9.4%	-18.0%	-17.0%	-10.3%	-6.9%	3.8%	7.1%
Operating expense	38.4%	31.8%	42.4%	13.2%	2.0%	-3.7%	-3.6%	1.6%	3.1%	8.5%	4.5%
Operating income (loss)	47.5%	3.6%	152.2%	-12.1%	-30.0%	-45.0%	-49.0%	-34.2%	-32.6%	-8.6%	15.8%
Net income (loss)	29.8%	20.1%	-56.5%	-33.0%	-43.5%	-59.8%	-78.1%	-53.2%	-34.6%	-0.9%	67.0%
Quarter Over Quarter Analysis (Sequential):											
Net Revenues	0.5%	1.5%	-5.6%	-0.4%	-8.2%	1.3%			4.6%	6.3%	-4.2%
-Clear Aligner	-0.4%	-2.7%	-0.7%	-1.4%	-8.2%	-0.2%			7.9%	5.4%	-4.5%
-Imaging Systems and CAD/CAM Services	5.0%	21.0%	-24.2%	4.7%	-8.0%	7.8%			-9.7%	10.5%	-2.5%
Gross profit	-0.4%	-1.4%	-4.7%	-3.1%	-9.9%	-0.2%			7.0%	8.0%	-7.1%
Operating expense	0.9%	6.0%	-2.4%	-2.3%	-4.8%	6.2%			4.4%	2.8%	-8.3%
Operating income	-2.9%	-15.4%	-10.3%	-5.0%	-23.7%	-21.6%			18.5%	28.8%	-3.2%
Net income	-9.4%	5.5%	-29.7%	-16.0%	-35.5%	-42.5%			110.2%	27.4%	8.6%

(1) Americas region includes North America and LATAM. International region includes EMEA and APAC.

(2) Non-case net revenues include retention products, Invisalign training, adjusting tools used by dental professionals during the course of treatment and ancillary consumer products and other oral health products. We also offer in the U.S., Canada and Iberia, a Doctor Subscription Program which is a monthly subscription program based on the doctor's monthly need for retention or limited treatment.