

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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Fiscal 2023	Q1 2024
<b>Clear Aligner Shipments:</b>											
WW Teenagers	178,630	181,600	204,550	185,990	750,760	188,380	201,825	221,825	196,960	808,990	199,235
WW Adults	426,755	426,650	384,025	410,180	1,647,610	402,560	420,790	380,510	395,670	1,599,530	405,825
Total Shipments	605,385	608,250	588,575	596,160	2,398,370	590,940	622,615	602,335	592,630	2,408,520	605,060
<b>Invisalign doctors cases shipped to WW</b>											
Total Invisalign doctors cases shipped to WW	82,445	82,290	84,430	82,895	124,525	82,730	83,440	85,195	83,700	125,845	83,510
<b>Net Revenues:</b>											
<i>Clear Aligner Net Revenues <sup>(1)</sup></i>											
Americas	\$ 378,436	\$ 388,292	\$ 355,791	\$ 349,411	\$ 1,471,930	\$ 366,513	\$ 381,145	\$ 366,606	\$ 348,716	\$ 1,462,980	372,313
International	371,082	346,181	312,701	319,004	1,348,968	354,201	378,385	356,302	361,655	1,449,453	370,640
Non-case <sup>(2)</sup>	60,178	63,925	64,345	63,239	251,687	69,090	73,144	73,031	71,631	286,896	74,298
Total Clear Aligner Net Revenues	809,696	798,398	732,837	731,654	3,072,585	789,804	832,674	794,939	781,912	3,199,329	817,251
<i>Imaging Systems and CAD/CAM Services Net Revenues</i>	163,523	171,155	157,511	169,861	662,050	153,343	169,499	165,275	174,814	662,931	180,180
<b>Total Worldwide Net Revenues</b>	973,219	969,553	890,348	901,515	3,734,635	943,147	1,002,173	960,214	956,726	3,862,260	997,431
<b>Cost of Net Revenues:</b>											
Cost of net revenues Clear Aligner	204,000	213,153	213,450	213,812	844,415	223,665	228,423	232,608	225,595	911,291	238,105
Cost of net revenues Imaging Systems and CAD/CAM Services	59,873	68,841	57,729	70,002	256,445	58,828	59,141	64,530	61,607	244,106	61,510
Total cost of net revenues	263,873	281,994	271,179	283,814	1,100,860	282,493	288,564	297,138	287,202	1,155,397	299,615
Gross profit	709,346	687,559	619,169	617,701	2,633,775	660,654	713,609	663,076	669,524	2,706,863	697,816
<b>Operating Expenses:</b>											
Selling, general and administrative	439,457	426,398	398,547	410,067	1,674,469	439,691	453,193	407,992	402,503	1,703,379	451,822
Research and development	71,807	72,965	76,966	83,520	305,258	67,447	86,485	86,738	62,160	346,830	91,859
Restructuring and other charges				11,453	11,453					13,316	
Total operating expenses	511,264	499,363	475,513	505,040	1,991,180	527,138	541,678	496,730	497,979	2,063,525	543,681
<b>Operating Income</b>	198,082	188,196	143,656	112,661	642,595	133,516	171,931	166,346	171,545	643,338	154,135
<b>Interest income and other income (expense), net:</b>											
Interest income	677	245	1,685	2,760	5,367	2,337	4,421	5,522	4,978	17,258	4,392
Other income (expense), net	(11,273)	(14,832)	(22,700)	(100)	(48,905)	(1,229)	(4,763)	(9,757)	(3,643)	(19,392)	(141)
Total interest income and other income (expense), net	(10,596)	(14,587)	(21,015)	2,660	(43,538)	1,108	(342)	(4,235)	1,335	(2,134)	4,251
<b>Net income before provision for (benefit from) income taxes</b>	187,486	173,609	122,641	115,321	599,057	134,624	171,589	162,111	172,880	641,204	158,386
Provision for (benefit from) income taxes	53,188	60,809	49,941	73,546	237,484	46,826	59,775	40,684	48,866	196,151	53,358
<b>Net Income</b>	\$ 134,298	\$ 112,800	\$ 72,700	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427	\$ 124,014	\$ 445,053	\$ 105,028
Net Income per share											
- basic	\$ 1.71	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.62	\$ 1.14	\$ 1.46	\$ 1.59	\$ 1.64	\$ 5.82	\$ 1.40
- diluted	\$ 1.70	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58	\$ 1.64	\$ 5.81	\$ 1.39
Shares used in computing net income per share											
- basic	78,742	78,395	78,093	77,541	78,190	76,921	76,524	76,569	75,703	76,426	75,175
- diluted	79,193	78,545	78,237	77,683	78,420	77,111	76,689	76,826	75,802	76,568	75,322
<b>Margin Analysis:</b>											
Gross margin	72.9%	70.9%	69.5%	68.5%	70.5%	70.0%	71.2%	69.1%	70.0%	70.1%	70.0%
-Clear Aligner	74.8%	73.3%	70.9%	70.8%	72.5%	71.7%	72.4%	70.7%	71.1%	71.5%	70.9%
-Imaging Systems and CAD/CAM Services	63.4%	59.8%	63.3%	58.8%	61.3%	61.6%	65.1%	61.0%	64.8%	63.2%	65.9%
Selling, general and administrative	45.2%	44.0%	44.8%	45.5%	44.8%	46.6%	45.2%	42.5%	42.1%	44.1%	45.3%
Research and development	7.4%	7.5%	6.6%	9.3%	8.2%	9.3%	8.8%	9.2%	8.6%	9.0%	9.2%
Restructuring and other charges	0.0%	0.0%	0.0%	1.3%	0.3%	0.0%	0.0%	0.0%	1.4%	0.3%	0.0%
Operating margin	20.4%	19.4%	16.1%	12.5%	17.2%	14.2%	17.2%	17.3%	17.9%	16.7%	15.5%
Net margin	13.8%	11.6%	8.2%	4.6%	9.7%	9.3%	11.2%	12.6%	13.0%	11.5%	10.5%
<b>Year Over Year Analysis:</b>											
Clear Aligner shipments change YoY	1.4%	-8.9%	-10.7%	-6.3%	-6.3%	-2.4%	2.4%	2.3%	-0.6%	0.4%	2.4%
Invisalign doctors cases shipment change YoY	4.9%	-1.4%	-1.3%	-0.8%	1.6%	0.3%	1.4%	0.9%	1.0%	1.1%	0.9%
Net Revenues	8.8%	-4.1%	-12.4%	-12.6%	-5.5%	-3.1%	3.4%	7.8%	6.1%	3.4%	5.8%
-Clear Aligner	7.5%	-5.1%	-12.5%	-10.3%	-5.4%	-2.5%	4.3%	6.5%	6.9%	4.1%	3.5%
-Imaging Systems and CAD/CAM Services	15.6%	0.8%	-11.7%	-21.3%	-6.2%	-1.0%	-1.0%	4.9%	2.9%	0.1%	17.5%
Gross profit	4.8%	-9.4%	-18.0%	-17.0%	-10.3%	-6.9%	3.8%	7.1%	8.4%	2.8%	5.6%
Operating expense	13.2%	2.0%	-3.7%	-3.6%	1.6%	3.1%	8.5%	4.5%	-1.4%	3.6%	3.1%
Operating income (loss)	-12.1%	-30.0%	-45.0%	-49.0%	-34.2%	-32.6%	-8.6%	15.8%	52.3%	0.1%	15.4%
Net income (loss)	-33.0%	-43.5%	-59.8%	-78.1%	-53.2%	-34.6%	-0.9%	67.0%	196.9%	23.1%	19.6%
<b>Quarter Over Quarter Analysis (Sequential):</b>											
Clear Aligner shipments change QoQ	-4.8%	0.5%	-3.2%	1.3%		-0.9%	5.4%	-3.3%	-1.6%		2.1%
Invisalign doctors cases shipment change QoQ	-1.3%	-0.2%	2.6%	-1.8%		-0.2%	0.9%	2.1%	-1.8%		-0.2%
Net Revenues	-5.6%	-0.4%	-8.2%	1.3%		4.6%	6.3%	-4.2%	-0.4%		4.3%
-Clear Aligner	-0.7%	-1.4%	-8.2%	-0.2%		7.9%	5.4%	-4.5%	-1.6%		4.5%
-Imaging Systems and CAD/CAM Services	-24.2%	4.7%	-8.0%	7.8%		-9.7%	10.5%	-2.5%	5.8%		3.1%
Gross profit	-4.7%	-3.1%	-9.9%	-0.2%		7.0%	8.0%	-7.1%	1.0%		4.2%
Operating expense	-2.4%	-2.3%	-4.8%	6.2%		4.4%	2.8%	-8.3%	0.3%		9.2%
Operating income	-10.3%	-5.0%	-23.7%	-21.6%		18.5%	28.8%	-3.2%	3.1%		-10.1%
Net income	-29.7%	-16.0%	-35.5%	-42.5%		110.2%	27.4%	8.6%	2.1%		-15.3%

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

(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.

(3) During the third quarter of 2023, we began including Touch Up cases revenues that were previously included in Non-Case revenues and have recast business metrics for the periods presented above accordingly.

ALIGN TECHNOLOGY, INC.  
UNAUDITED GAAP TO NON-GAAP RECONCILIATION  
(in thousands except per share data)

	Three Months Ended	
	March 31,	
	2024	2023
<b>GAAP gross profit</b>	\$ 697,816	\$ 660,654
Stock-based compensation	2,064	1,807
Amortization of intangibles <sup>(1)</sup>	3,724	2,774
Restructuring charges <sup>(2)</sup>	-	(8)
<b>Non-GAAP gross profit</b>	\$ 703,604	\$ 665,227
<b>GAAP gross margin</b>	70.0%	70.0%
<b>Non-GAAP gross margin</b>	70.5%	70.5%
<b>GAAP total operating expenses</b>	\$ 543,681	\$ 527,138
Stock-based compensation	(36,724)	(35,928)
Amortization of intangibles <sup>(1)</sup>	(863)	(867)
Restructuring and other charges <sup>(3)</sup>	-	177
<b>Non-GAAP total operating expenses</b>	\$ 506,094	\$ 490,520
<b>GAAP income from operations</b>	\$ 154,135	\$ 133,516
Stock-based compensation	38,788	37,735
Amortization of intangibles <sup>(1)</sup>	4,587	3,641
Restructuring and other charges <sup>(2),(3)</sup>	-	(185)
<b>Non-GAAP income from operations</b>	\$ 197,510	\$ 174,707
<b>GAAP operating margin</b>	15.5%	14.2%
<b>Non-GAAP operating margin</b>	19.8%	18.5%
<b>GAAP net income before provision for income taxes</b>	\$ 158,386	\$ 134,624
Stock-based compensation	38,788	37,735
Amortization of intangibles <sup>(1)</sup>	4,587	3,641
Restructuring and other charges <sup>(2),(3)</sup>	-	(185)
<b>Non-GAAP net income before provision for income taxes</b>	\$ 201,761	\$ 175,815
<b>GAAP provision for income taxes</b>	\$ 53,358	\$ 46,826
Tax impact on non-GAAP adjustments	(13,036)	(11,626)
<b>Non-GAAP provision for income taxes</b>	\$ 40,322	\$ 35,200
<b>GAAP effective tax rate</b>	33.7%	34.8%
<b>Non-GAAP effective tax rate</b>	20.0%	20.0%
<b>GAAP net income</b>	\$ 105,028	\$ 87,798
Stock-based compensation	38,788	37,735
Amortization of intangibles <sup>(1)</sup>	4,587	3,641
Restructuring and other charges <sup>(2),(3)</sup>	-	(185)
Tax impact on non-GAAP adjustments	13,036	11,626
<b>Non-GAAP net income</b>	\$ 161,439	\$ 140,615
<b>GAAP diluted net income per share</b>	<u>\$ 1.39</u>	<u>\$ 1.14</u>
<b>Non-GAAP diluted net income per share</b>	<u>\$ 2.14</u>	<u>\$ 1.82</u>
<b>Shares used in computing diluted net income per share</b>	<u>75,322</u>	<u>77,111</u>

**Notes:**

<sup>(1)</sup> Amortization of intangible assets related to certain acquisitions

<sup>(2)</sup> During the fourth quarter of 2022, we initiated a restructuring plan to reduce headcount and increase efficiencies across the organization and lower the overall cost structure. Restructuring charges recorded to Cost of net revenues relate primarily to severance costs and impairment charges.

<sup>(3)</sup> Restructuring and other charges recorded to Operating expenses primarily relate to severance costs, lease termination charges and asset impairments.

<sup>(4)</sup> Acquisition-related costs for professional fees related to our 2020 exocad acquisition

<sup>(5)</sup> Gain from the SDC arbitration award regarding the value of Align's capital account balance

ALIGN TECHNOLOGY, INC.  
UNAUDITED GAAP TO NON-GAAP RECONCILIATION  
(in thousands except per share data)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Fiscal 2023	Q1 2024
<b>GAAP gross profit</b>	\$ 709,346	\$ 687,559	\$ 619,169	\$ 617,701	\$ 2,633,775	\$ 660,654	\$ 713,609	\$ 663,076	\$ 669,524	\$ 2,706,863	\$ 697,816
Stock-based compensation	1,514	1,614	1,651	1,659	6,438	1,807	1,901	1,974	1,780	7,462	2,064
Amortization of intangibles <sup>(1)</sup>	2,487	2,393	2,644	2,610	10,134	2,774	2,810	2,825	2,773	11,182	3,724
Restructuring charges <sup>(2)</sup>	-	-	-	2,866	2,866	(8)	-	-	673	673	-
<b>Non-GAAP gross profit</b>	\$ 713,347	\$ 691,566	\$ 623,464	\$ 624,836	\$ 2,653,213	\$ 665,227	\$ 718,320	\$ 667,875	\$ 674,750	\$ 2,726,180	\$ 703,604
<b>GAAP gross margin</b>	72.9%	70.9%	69.5%	68.5%	70.5%	70.0%	71.2%	69.1%	70.0%	70.1%	70.0%
<b>Non-GAAP gross margin</b>	73.3%	71.3%	70.0%	69.3%	71.0%	70.5%	71.7%	69.6%	70.5%	70.6%	70.5%
<b>GAAP total operating expenses</b>	\$ 511,264	\$ 499,363	\$ 475,513	\$ 505,040	\$ 1,991,180	\$ 527,138	\$ 541,678	\$ 496,730	\$ 497,979	\$ 2,063,525	\$ 543,681
Stock-based compensation	(30,107)	(32,526)	(31,267)	(33,029)	(126,929)	(35,928)	(35,959)	(37,628)	(37,049)	(146,564)	(36,724)
Amortization of intangibles <sup>(1)</sup>	(910)	(872)	(825)	(810)	(3,417)	(867)	(879)	(885)	(866)	(3,497)	(863)
Restructuring and other charges <sup>(2)</sup>	-	-	-	(11,453)	(11,453)	177	123	-	(13,316)	(13,316)	-
<b>Non-GAAP total operating expenses</b>	\$ 480,247	\$ 465,965	\$ 443,421	\$ 459,748	\$ 1,849,381	\$ 490,520	\$ 504,963	\$ 458,217	\$ 446,748	\$ 1,900,148	\$ 506,094
<b>GAAP income from operations</b>	\$ 198,082	\$ 188,196	\$ 143,656	\$ 112,661	\$ 642,595	\$ 133,516	\$ 171,931	\$ 166,346	\$ 171,545	\$ 643,338	\$ 154,135
Stock-based compensation	31,621	34,140	32,918	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788
Amortization of intangibles <sup>(1)</sup>	3,397	3,265	3,469	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587
Restructuring and other charges <sup>(2),(3)</sup>	-	-	-	14,319	14,319	(185)	(123)	-	13,989	13,989	-
<b>Non-GAAP income from operations</b>	\$ 233,100	\$ 225,601	\$ 180,043	\$ 165,088	\$ 803,832	\$ 174,707	\$ 213,357	\$ 209,658	\$ 228,002	\$ 826,032	\$ 197,510
<b>GAAP operating margin</b>	20.4%	19.4%	16.1%	12.5%	17.2%	14.2%	17.2%	17.3%	17.9%	16.7%	15.5%
<b>Non-GAAP operating margin</b>	24.0%	23.3%	20.2%	18.3%	21.5%	18.5%	21.3%	21.8%	23.8%	21.4%	19.8%
<b>GAAP net income before provision for income taxes</b>	\$ 187,486	\$ 173,609	\$ 122,641	\$ 115,321	\$ 599,057	\$ 134,624	\$ 171,589	\$ 162,111	\$ 172,880	\$ 641,204	\$ 158,386
Stock-based compensation	31,621	34,140	32,918	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788
Amortization of intangibles <sup>(1)</sup>	3,397	3,265	3,469	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587
Restructuring and other charges <sup>(2),(3)</sup>	-	-	-	14,319	14,319	(185)	(123)	-	13,989	13,989	-
<b>Non-GAAP net income before provision for income taxes</b>	\$ 222,504	\$ 211,014	\$ 159,028	\$ 167,748	\$ 760,294	\$ 175,815	\$ 213,015	\$ 205,423	\$ 229,337	\$ 823,898	\$ 201,761
<b>GAAP provision for income taxes</b>	\$ 53,188	\$ 60,809	\$ 49,941	\$ 73,546	\$ 237,484	\$ 46,826	\$ 59,775	\$ 40,684	\$ 48,866	\$ 196,151	\$ 53,358
Tax impact on non-GAAP adjustments	(8,687)	(18,606)	(18,136)	(39,997)	(85,426)	(11,626)	(17,209)	418	(2,998)	(31,415)	(13,036)
<b>Non-GAAP provision for income taxes</b>	\$ 44,501	\$ 42,203	\$ 31,805	\$ 33,549	\$ 152,058	\$ 35,200	\$ 42,566	\$ 41,102	\$ 45,868	\$ 164,736	\$ 40,322
<b>GAAP effective tax rate</b>	28.4%	35.0%	40.7%	63.8%	39.6%	34.8%	34.8%	25.1%	28.3%	30.6%	33.7%
<b>Non-GAAP effective tax rate</b>	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
<b>GAAP net income</b>	\$ 134,298	\$ 112,800	\$ 72,700	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427	\$ 124,014	\$ 445,053	\$ 105,028
Stock-based compensation	31,621	34,140	32,918	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788
Amortization of intangibles <sup>(1)</sup>	3,397	3,265	3,469	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587
Restructuring and other charges <sup>(2),(3)</sup>	-	-	-	14,319	14,319	(185)	(123)	-	13,989	13,989	-
Acquisition-related costs <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	0	-
Arbitration award gain <sup>(5)</sup>	-	-	-	-	-	-	-	-	-	0	-
Tax impact on non-GAAP adjustments	8,687	18,606	18,136	39,997	85,426	11,626	17,209	(418)	2,998	31,415	13,036
<b>Non-GAAP net income</b>	\$ 178,003	\$ 168,811	\$ 127,223	\$ 134,199	\$ 608,236	\$ 140,615	\$ 170,449	\$ 164,321	\$ 183,469	\$ 659,162	\$ 161,439
<b>GAAP diluted net income per share</b>	\$ 1.70	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58	\$ 1.64	\$ 5.81	\$ 1.39
<b>Non-GAAP diluted net income per share</b>	\$ 2.25	\$ 2.15	\$ 1.63	\$ 1.73	\$ 7.76	\$ 1.82	\$ 2.22	\$ 2.14	\$ 2.42	\$ 8.61	\$ 2.14
<b>Shares used in computing diluted net income per share</b>	79,193	78,545	78,237	77,683	78,420	77,111	76,689	76,826	75,802	76,568	75,322

Notes:

<sup>(1)</sup> Amortization of intangible assets related to certain acquisitions

<sup>(2)</sup> During the fourth quarter of 2022, we initiated a restructuring plan to reduce headcount and increase efficiencies across the organization and lower the overall cost structure. Restructuring charges recorded to Cost of net revenues relate primarily to severance costs and impairment charges.

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<sup>(4)</sup> Acquisition-related costs for professional fees related to our 2020 exocad acquisition

<sup>(5)</sup> Gain from the SDC arbitration award regarding the value of Align's capital account balance

Refer to "About Non-GAAP Financial Measures" section of press release.