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# Align To Acquire Global CAD/CAM Software Leader exocad

March 4, 2020

# Align Technology, Inc.

## Conference Call

- Speakers:
  - Joe Hogan, President and CEO
  - John Morici, CFO
  - Shirley Stacy, VP, Corporate Communications & Investor Relations
- Replay and Webcast Archive:
  - Telephone replay will be available through 5:30pm ET March 18, 2020
  - Domestic callers: 877-660-6853
  - International callers: 201-612-7415
  - Conference # 13699954
  - Audio web cast archive will be available at <http://investor.aligntech.com> for one month

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# Safe harbor and forward-looking statement

- This presentation, including the tables below and other information publicly disseminated by us, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including quotations from management, statements regarding (i) expected transaction benefits and synergies as a result of the acquisition, (ii) anticipated dilution and accretion, respectively, from the transaction, and (iii) expectations regarding the purchase price and timing of the transaction, in addition to other matters discussed in this press release that are not purely historical data. We do not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise. Forward-looking statements contained in this news release and the tables below relating to expectations about future events or results are based upon information available to Align as of the date hereof. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. As a result, actual results may differ materially and adversely from those expressed in any forward-looking statement.
- Among the factors that could cause actual results to differ materially from those contemplated include, without limitation:
  - the ability to: (i) realize expected synergies or benefits in connection with the proposed transaction within the expected timeframes or not at all and (ii) timely, cost-efficiently and effectively integrate exocad's business without adversely impacting operations of either Align or exocad;
  - the effect of the announcement or closing of the proposed transaction on (i) Align's and exocad's relationships with their respective customers, suppliers, strategic partners and competitors and their operating results and businesses generally (including the diversion of management time on transaction-related issues) and (ii) the ability to retain and hire key personnel;
  - uncertainties associated with any aspect of the proposed transaction, including those related to (i) fluctuations in foreign exchange rates and transaction costs, and (ii) litigation in connection with the transaction itself or ongoing matters acquired from exocad;
  - the potential that our due diligence did not uncover risks and potential liabilities associated with the exocad;
  - risks relating to financial reporting including those resulting from the implementation of new or changed accounting policies and practices as well as associated system implementation in the context of the transaction as well as our ability to forecast financial results;
  - the potential impact of the transaction on our future tax rate and payments based on the consolidation of the global group and our ability to integrate foreign operations;
  - the potential negative effects of the announcement of the proposed transaction on the market price of the Company's common stock;
  - difficulties predicting customer and consumer purchasing behavior;
  - expectations regarding the continued growth of our international markets;
  - increasing competition from existing and new competitors;
  - rapidly evolving and groundbreaking advances that are fundamentally changing the dental industry and the way new and existing participants market and provide products and services to consumers;
  - our ability to protect our intellectual property rights;
  - our expectations regarding sales growth of our intra-oral scanner sales in international markets and our belief that technology features and functionality of the iTero scanners will increase adoption of Invisalign and increase sales of our intra-oral scanners;
  - the possibility that the development and release of new products or enhancements to existing products do not proceed in accordance with the anticipated timeline or may themselves contain bugs or errors requiring remediation and that the market for the sale of these new or enhanced products may not develop as expected, or that the expected benefits of new or existing business relationships will not be achieved as anticipated;
  - the compromise of employee, customer and/or patient data for any reason;
  - changes in consumer spending habits as a result of, among other things, prevailing economic conditions, levels of employment, salaries and wages and consumer confidence; and
  - foreign operational, political and other risks relating to our international manufacturing operations.
- The foregoing and other risks are detailed from time to time in our periodic reports filed with the Securities and Exchange Commission, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the Securities and Exchange Commission (SEC) on February 28, 2020. Securities and Exchange Commission filings can be accessed over the Internet at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

# Align to acquire exocad announcement summary

- On March 4, Align announced that it had signed a definitive agreement to acquire privately-held exocad Global Holdings GmbH (exocad) for approximately EUR 376 million in cash. The majority of exocad is owned by Carlyle Europe Technology Partners (CETP).
- The acquisition is expected to close during the second quarter of 2020.
- exocad will continue to operate as it exists today, enabling it to support a broad ecosystem of partners and end-users and continue to deliver hardware-independent software solutions. exocad co-founders Tillmann Steinbrecher and Maik Gerth, along with their team, will remain after the transaction closes and will report into John Morici, Align Technology, senior vice president and CFO.
- Align anticipates that the acquisition of exocad is expected to be gross margin accretive, reflecting the strength of exocad's software business, and expects GAAP EPS to be dilutive for the fiscal year 2020, due to acquisition-related costs.

# Key messages

- Dentistry today is evolving digitally, with technology advances and consumer awareness driving new opportunities in ortho-restorative and comprehensive treatment. Align is in a unique position to lead digital transformation in dentistry by reimagining comprehensive treatment planning and by reinventing the way orthodontists and GPs practice with our digital platform for transforming smiles.
- The acquisition of exocad allows us to broaden and deepen Align's digital platform and adds technology and expertise that benefits all Align customers. It is an essential enabler to our digital transformation because it addresses critical needs in our end-to-end restorative workflow with their CAD/CAM solutions, brings valuable customer and partner relationships to Align, and expands our competitive advantage in ortho-restorative comprehensive dentistry.
- As a result of this announcement, we can accelerate iTero and Invisalign relevance and growth, particularly among GPs, getting us closer to the 300 million consumer opportunity, and add technology and expertise that benefits all Align customers.
- Further, the addition of visionary founders and an experienced, passionate software team steeped in restorative dentistry will enhance our technical skills and enable future software-driven innovation.

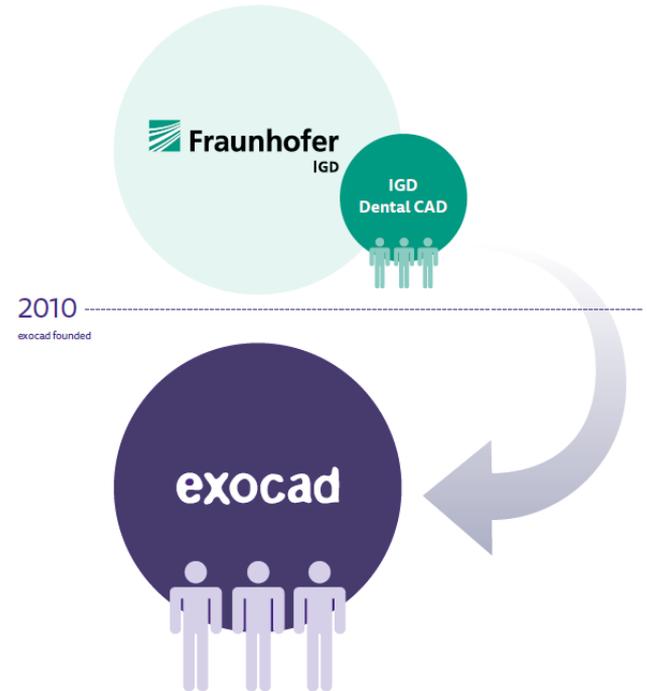
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 exocad at a glance

# Background

- exocad GmbH: Spin-off company from Fraunhofer Society
- At Fraunhofer IGD: Dental CAD related research since 1989
- 2009: DentalCAD Product launch
- 2010: exocad founded. All Fraunhofer DentalCAD technology permanently transferred to exocad.



# exocad: A global player

- HQ in Darmstadt (near Frankfurt)
- Five offices worldwide
- Users in over 150 countries
- First Class 3<sup>rd</sup>-level support



# exocad Technology

- A leading OEM-branded dental CAD/CAM software
- ISO 13485 certified medical device developer, CE, MDSAP certification ongoing, 510(k) pending
- Software sold only via manufacturers and distributors
- Future-proof software architecture
- 10 years proven track record of innovation
- Over 35,000 DentalCAD software installations in more than 150 countries



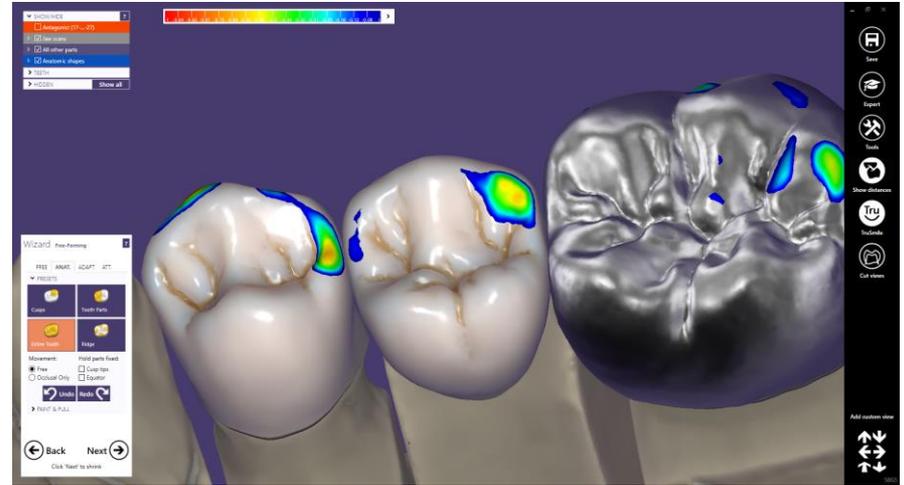
⊕ Disrupting dental CAD/CAM industry  
exocad today

# The complete software solution for digital dentistry



# The exocad advantage

- Intuitive, integrated user interface
- Minimizes training and support costs
- Robust and well-established platform
- Fast reaction to changing market demands
- Flexible pricing models  
(Buy or lease, open or closed)



# CAD/CAM system components

- CAD software is a **key differentiator** in every CAD/CAM system. exocad's **hardware agnostic solution** leads in its ability to integrate with OEMs,
- exocad is the **leader in 3<sup>rd</sup> party integration.**
- exocad integrates with the **widest range of 3<sup>rd</sup> party scanners and production equipment**

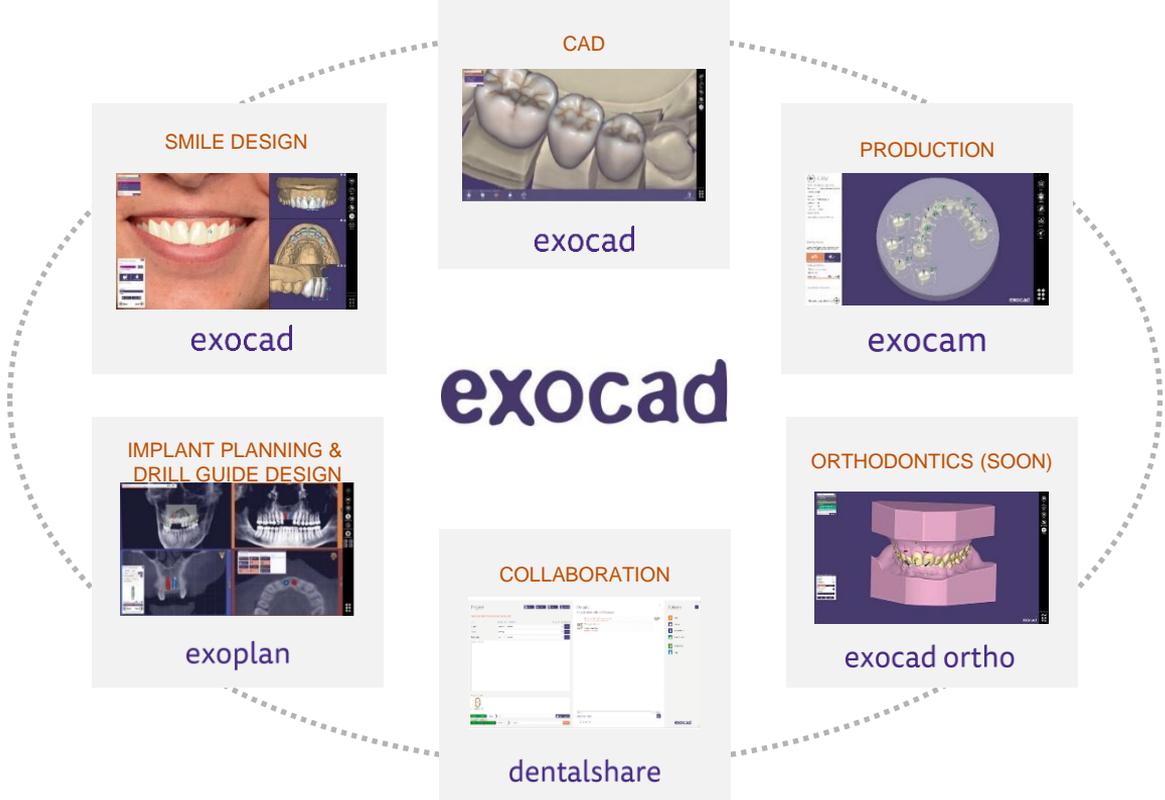
## Market leading open system CAD/CAM software



### Selected partners



# One fully integrated platform for digital dentistry





# Our product portfolio

exocad software

# exocad DentalCAD lab software

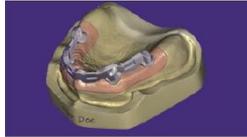


DentalCAD dongle



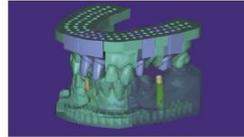
## Implant Module

Design abutments and screw-retained bridges.



## Bar Module

Advanced bar design for both standard and complex bars.



## Model Creator

Create physical models from digital impression scans.



## FullDenture Module

Digital design of full dentures.



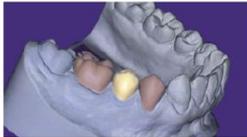
## PartialCAD

Design removable partial denture frameworks.



## Bite Splint Module

Design night guards, bite splints and simple appliances.



## Provisional Module

Create eggshell temporaries based on pre-op scans.



## TruSmile Module

Realistic rendering of dental restorations.



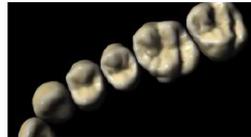
## Smile Creator

Next generation smile design: the best of 2D and 3D.



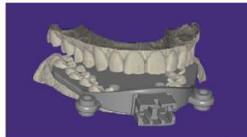
## Virtual Articulator

Simulate jaw movement and analyze dynamic occlusion.



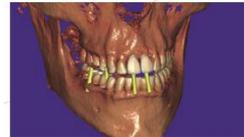
## Tooth Library

Extensive library of beautiful natural teeth.



## Jaw Motion Import

Import jaw measurement from devices.



## DICOM Viewer

Visualize voxel CT data during the design.

# exocad ChairsideCAD clinical software

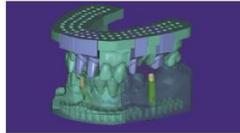


ChairsideCAD  
dongle



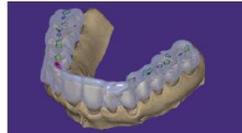
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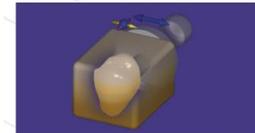
### Model Creator

Create physical models from digital impression scans.



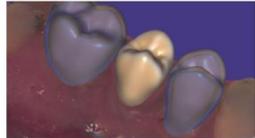
### Bite Splint Module

Design night guards, bite splints and simple appliances.



### In-CAD Nesting Module

Position restorations in milling blanks.



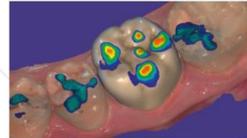
### Provisional Module

Create eggshell temporaries from pre-op scans.



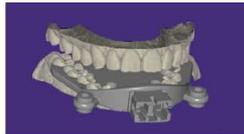
### Smile Creator

Next generation smile design: the best of 2D and 3D.



### Auto Articulator Module

Automatically simulate jaw movements for accurate dynamic occlusion.



### Jaw Motion Import

Import jaw measurement from devices.



### DICOM Viewer

Visualize voxel CT data during the design



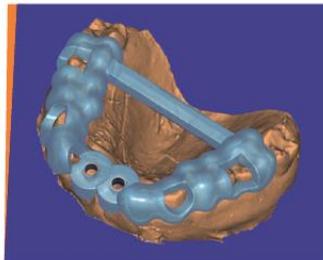
### TruSmile Module

Realistic rendering of dental restorations.

# exocad exoplan for guided surgery



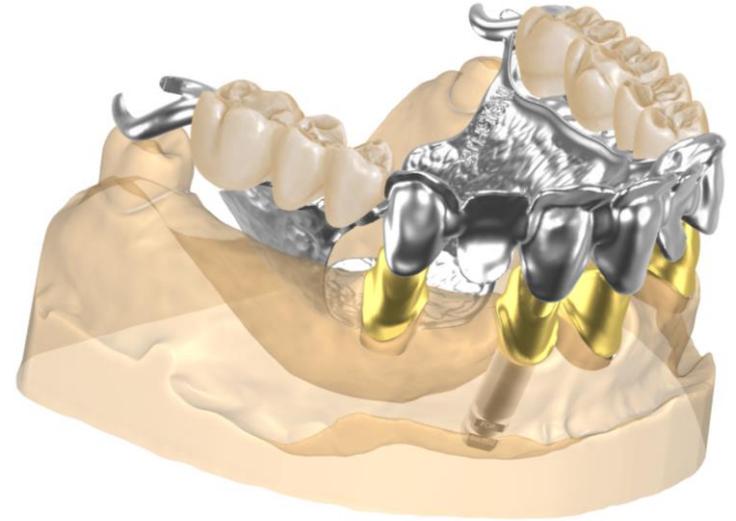
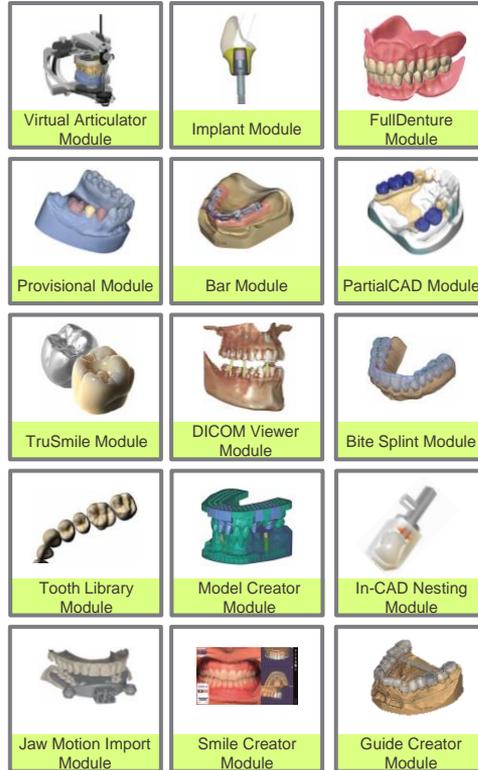
exoplan dongle



In-house surgical guides - with  
Guide Creator module

# Unparalleled offering with best in class functionality and modularity

- With **over 15 modules** on its platform - which is the broadest set of offering in the industry - exocad offers **enhanced options and services**
- All Modules are **fully integrated** and provide users with one smooth, stable and seamless workflow
- Users enjoy **greater functionality** according to their needs while remaining fully flexible and cost-efficient



**From quick volume production to the most complex, customized solutions – everything is possible with exocad’s modular CAD software solutions**

# exocad software overview

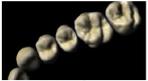
## LAB



**Bar Module**  
Advanced bar design for both standard and complex bars.



**Virtual Articulator**  
Simulate jaw movement and analyze dynamic occlusion.



**Tooth Library**  
Extensive library of beautiful natural teeth.



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Digital design of full dentures.



**PartialCAD**  
Design removable partial denture frameworks.

## CLINICAL



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Design abutments and screw-retained bridges.



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Design night guards, bite splints and simple appliances.



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Visualize voxel CT data during the design.



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## IMPLANTOLOGY



**In-house surgical guides - with Guide Creator module**

## STAND-ALONE

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