

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

	Q3 2020	Q4 2020	Fiscal 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Fiscal 2021	Q1 2022	Q2 2022	Q3 2022
Net Revenues:											
<i>Clear Aligner Net Revenues</i> ⁽¹⁾											
Americas	\$ 304,131	\$ 327,206	\$ 1,010,212	\$ 357,481	\$ 400,467	\$ 408,422	\$ 378,382	\$ 1,544,752	\$ 376,240	\$ 385,207	\$ 352,010
International	281,240	333,110	965,417	353,294	389,704	375,513	380,152	1,498,663	371,082	346,181	312,701
Non-case ⁽²⁾	35,393	40,427	125,830	42,494	50,788	53,658	56,725	203,665	62,374	67,010	68,126
Total Clear Aligner Net Revenues	620,764	700,743	2,101,459	753,269	840,959	837,593	815,259	3,247,080	809,696	798,398	732,837
<i>Imaging Systems and CAD/CAM Services Net Revenues</i>	113,380	133,777	370,482	141,502	169,849	178,313	215,840	705,504	163,523	171,155	157,511
Total Worldwide Net Revenues	734,144	834,520	2,471,941	894,771	1,010,808	1,015,906	1,031,099	3,952,584	973,219	969,553	890,348
Cost of Net Revenues:											
Cost of net revenues Clear Aligner	157,017	176,218	569,329	168,735	194,294	199,424	210,254	772,707	204,000	213,153	213,450
Cost of net revenues Imaging Systems and CAD/CAM Services	43,039	47,839	139,377	48,938	57,976	61,326	76,282	244,522	59,873	68,841	57,729
Total cost of net revenues	200,056	224,057	708,706	217,673	252,270	260,750	286,536	1,017,229	263,873	281,994	271,179
Gross profit	534,088	610,463	1,763,235	677,098	758,538	755,156	744,563	2,935,355	709,346	687,559	619,169
Operating Expenses:											
Selling, general and administrative	312,492	348,392	1,200,757	397,115	431,921	428,409	451,195	1,708,640	439,457	426,398	398,547
Research and development	44,527	48,887	175,307	54,537	57,715	65,587	72,476	250,315	71,807	72,965	76,966
Total operating expenses	357,019	397,279	1,376,064	451,652	489,636	493,996	523,671	1,958,955	511,264	499,363	475,513
Operating Income	177,069	213,184	387,171	225,446	268,902	261,160	220,892	976,400	198,082	188,196	143,656
Interest income and other income (expense), net:											
Interest income	329	337	3,125	1,643	383	401	676	3,103	677	245	1,685
Other income (expense), net	7,147	1,021	(11,347)	34,532	(483)	427	(1,556)	32,920	(11,273)	(14,832)	(22,700)
Total interest income and other income (expense), net	7,476	1,358	(8,222)	36,175	(100)	828	(880)	36,023	(10,596)	(14,587)	(21,015)
Net income before provision for (benefit from) income taxes	184,545	214,542	378,949	261,621	268,802	261,988	220,012	1,012,423	187,486	173,609	122,641
Provision for (benefit from) income taxes	45,174	55,554	(1,396,939)	61,245	69,088	81,019	29,051	240,403	53,188	60,809	49,941
Net Income	\$ 139,371	\$ 158,988	\$ 1,775,888	\$ 200,376	\$ 199,714	\$ 180,969	\$ 190,961	\$ 772,020	\$ 134,298	\$ 112,800	\$ 72,700
Net Income per share											
- basic	\$ 1.77	\$ 2.02	\$ 22.55	\$ 2.54	\$ 2.53	\$ 2.29	\$ 2.42	\$ 9.78	\$ 1.71	\$ 1.44	\$ 0.93
- diluted	\$ 1.76	\$ 2.00	\$ 22.41	\$ 2.51	\$ 2.51	\$ 2.28	\$ 2.40	\$ 9.69	\$ 1.70	\$ 1.44	\$ 0.93
Shares used in computing net income per share											
- basic	78,824	78,853	78,760	79,000	79,008	78,904	78,759	78,917	78,742	78,395	78,093
- diluted	79,163	79,505	79,230	79,798	79,638	79,516	79,431	79,670	79,193	78,545	78,237
Margin Analysis:											
Gross margin	72.7%	73.2%	71.3%	75.7%	75.0%	74.3%	72.2%	74.3%	72.9%	70.9%	69.5%
-Clear Aligner	74.7%	74.9%	72.9%	77.6%	76.9%	76.2%	74.2%	76.2%	74.8%	73.3%	70.9%
-Imaging Systems and CAD/CAM Services	62.0%	64.2%	62.4%	65.4%	65.9%	65.6%	64.7%	65.3%	63.4%	59.8%	63.3%
Selling, general and administrative	42.6%	41.7%	48.6%	44.4%	42.7%	42.2%	43.8%	43.2%	45.2%	44.0%	44.8%
Research and development	6.1%	5.9%	7.1%	6.1%	5.7%	6.5%	7.0%	6.3%	7.4%	7.5%	8.6%
Operating margin	24.1%	25.5%	15.7%	25.2%	26.6%	25.7%	21.4%	24.7%	20.4%	19.4%	16.1%
Net margin	19.0%	19.1%	7.8%	22.4%	19.8%	17.8%	18.5%	19.5%	13.8%	11.6%	8.2%
Year Over Year Analysis:											
Net Revenues	20.9%	28.4%	2.7%	62.4%	186.9%	38.4%	23.6%	59.9%	8.8%	-4.1%	-12.4%
-Clear Aligner	20.2%	28.9%	3.7%	56.4%	181.9%	34.9%	16.3%	54.5%	7.5%	-5.1%	-12.5%
-Imaging Systems and CAD/CAM Services	24.5%	26.0%	-2.8%	104.0%	214.7%	57.3%	61.3%	90.4%	15.6%	0.8%	-11.7%
Gross profit	22.1%	29.3%	1.1%	71.7%	238.1%	41.4%	22.0%	66.5%	4.8%	-9.4%	-18.0%
Operating expense	15.0%	23.8%	14.5%	39.2%	64.7%	38.4%	31.8%	42.4%	13.2%	2.0%	-3.7%
Operating income (loss)	39.3%	41.0%	-28.6%	222.4%	-468.4%	47.5%	3.6%	152.2%	-12.1%	-30.0%	-45.0%
Net income (loss)	35.9%	31.1%	301.1%	-86.8%	-591.9%	29.8%	20.1%	-56.5%	-33.0%	-43.5%	-59.8%
Quarter Over Quarter Analysis (Sequential):											
Net Revenues	108.4%	13.7%		7.2%	13.0%	0.5%	1.5%		-5.6%	-0.4%	-8.2%
-Clear Aligner	108.1%	12.9%		7.5%	11.6%	-0.4%	-2.7%		-0.7%	-1.4%	-8.2%
-Imaging Systems and CAD/CAM Services	110.1%	18.0%		5.8%	20.0%	5.0%	21.0%		-24.2%	4.7%	-8.0%
Gross profit	138.1%	14.3%		10.9%	12.0%	-0.4%	-1.4%		-4.7%	-3.1%	-9.9%
Operating expense	20.1%	11.3%		13.7%	8.4%	0.9%	6.0%		-2.4%	-2.3%	-4.8%
Operating income (loss)	-342.6%	20.4%		5.8%	19.3%	-2.9%	-15.4%		-10.3%	-5.0%	-23.7%
Net income (loss)	-443.3%	14.1%		26.0%	-0.3%	-9.4%	5.5%		-29.7%	-16.0%	-35.5%

(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. and Canada, a Doctor Subscription Program which is a monthly subscription program based on the doctor's monthly need for retention or limited treatment.