

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

	Q2 2024	Q3 2024	Q4 2024	Fiscal 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Fiscal 2025	Q1 2026	Q2 2026
Clear Aligner Shipments:											
WW Teenagers	216,675	236,285	215,945	868,140	225,755	223,160	256,005	230,910	935,830	236,555	239,170
WW Adults	426,050	380,935	412,785	1,625,595	416,550	421,210	391,745	445,945	1,675,450	449,095	452,615
Total Shipments	642,725	617,220	628,730	2,493,735	642,305	644,370	647,750	676,855	2,611,280	685,650	691,785
Invisalign doctors cases shipped to WW											
Total Invisalign doctors cases shipped to WW	86,135	87,380	85,685	130,370	85,275	86,250	88,155	87,710	130,015	88,065	89,175
Net Revenues:											
Clear Aligner Net Revenues ⁽¹⁾⁽³⁾	831,738	786,844	794,289	3,230,122	796,843	804,617	805,799	838,145	3,245,404	856,024	870,874
Imaging Systems and CAD/CAM Services Net Revenues	196,752	191,028	200,930	768,890	182,419	207,832	189,893	209,416	789,560	184,063	185,318
Total Worldwide Net Revenues	1,028,490	977,872	995,219	3,999,012	979,262	1,012,449	995,692	1,047,561	4,034,964	1,040,087	1,056,192
Cost of Net Revenues:											
Cost of net revenues Clear Aligner	243,201	234,003	236,827	952,136	234,754	240,811	282,941	300,387	1,058,893	243,155	249,370
Cost of net revenues Imaging Systems and CAD/CAM Services	62,661	62,095	61,451	247,717	64,400	63,521	73,550	63,587	265,058	60,345	49,392
Total cost of net revenues	305,862	296,098	298,278	1,199,853	299,154	304,332	356,491	363,974	1,323,951	303,500	298,762
Gross profit	722,628	681,774	696,941	2,799,159	680,108	708,117	639,201	683,587	2,711,013	736,587	757,430
Operating Expenses:											
Selling, general and administrative	452,262	434,138	424,971	1,763,193	447,629	448,686	417,800	441,676	1,755,791	465,342	462,671
Research and development	92,193	85,272	94,878	364,202	97,201	96,398	93,276	83,036	369,911	98,658	102,032
Restructuring and other charges	-	-	33,168	33,168	-	-	31,827	3,551	35,378	-	-
Legal settlements and contingencies	31,127	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714
Total operating expenses	575,582	519,476	552,792	2,191,531	549,008	545,084	542,903	528,263	2,165,258	594,632	603,417
Operating Income	147,046	162,298	144,149	607,628	131,100	163,033	96,298	155,324	545,755	141,955	154,013
Interest income and other income (expense), net:											
Interest income	3,301	4,003	8,522	20,218	5,316	2,859	3,249	4,621	16,045	3,911	4,636
Other income (expense), net	(6,481)	(371)	(11,894)	(18,887)	4,026	7,624	(4,813)	16,650	23,487	3,020	(9,956)
Total interest income and other income (expense), net	(3,180)	3,632	(3,372)	1,331	9,342	10,483	(1,564)	21,271	39,532	6,931	(5,320)
Net income before provision for (benefit from) income taxes	143,866	165,930	140,777	608,959	140,442	173,516	94,734	176,595	585,287	148,886	148,693
Provision for (benefit from) income taxes	47,302	49,967	36,970	187,597	47,212	48,908	37,981	40,835	174,936	36,115	40,399
Net Income	\$ 96,564	\$ 115,963	\$ 103,807	\$ 421,362	\$ 93,230	\$ 124,608	\$ 56,753	\$ 135,760	\$ 410,351	\$ 112,771	\$ 108,294
Net income per share											
- basic	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.63	\$ 1.27	\$ 1.72	\$ 0.78	\$ 1.89	\$ 5.66	\$ 1.58	\$ 1.51
- diluted	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.62	\$ 1.27	\$ 1.72	\$ 0.78	\$ 1.89	\$ 5.65	\$ 1.57	\$ 1.51
Shares used in computing net income per share											
- basic	75,184	74,736	74,419	74,877	73,562	72,565	72,377	71,684	72,542	71,425	71,495
- diluted	75,223	74,757	74,465	74,993	73,615	72,593	72,419	71,757	72,588	71,614	71,520
Margin Analysis:											
Gross margin	70.3%	69.7%	70.0%	70.0%	69.5%	69.9%	64.2%	65.3%	67.2%	70.8%	71.7%
-Clear Aligner	70.8%	70.3%	70.2%	70.5%	70.5%	70.1%	64.9%	64.2%	67.4%	71.6%	71.4%
-Imaging Systems and CAD/CAM Services	68.2%	67.5%	69.4%	67.8%	64.7%	69.4%	61.3%	69.6%	66.4%	67.2%	73.3%
Selling, general and administrative	44.0%	44.4%	42.7%	44.1%	45.7%	44.3%	42.0%	42.2%	43.5%	44.7%	43.8%
Research and development	9.0%	8.7%	9.5%	9.1%	9.9%	9.5%	9.4%	7.9%	9.2%	9.5%	9.7%
Restructuring and other charges	0.0%	0.0%	3.3%	0.8%	0.0%	0.0%	3.2%	0.3%	0.9%	0.0%	0.0%
Legal settlements and contingencies	3.0%	0.0%	0.0%	0.8%	0.4%	0.0%	0.0%	0.0%	0.1%	2.9%	3.7%
Operating margin	14.3%	16.6%	14.5%	15.2%	13.4%	16.1%	9.7%	14.8%	13.5%	13.6%	14.6%
Net margin	9.4%	11.9%	10.4%	10.5%	9.5%	12.3%	5.7%	13.0%	10.2%	10.8%	10.3%
Year Over Year Analysis:											
Clear Aligner shipments change YoY	3.2%	2.5%	6.1%	3.5%	6.2%	0.3%	4.9%	7.7%	4.7%	6.7%	7.4%
Invisalign doctors cases shipment change YoY	3.2%	2.6%	2.4%	3.6%	2.1%	0.1%	0.9%	2.4%	-0.3%	3.3%	3.4%
Net Revenues	2.6%	1.8%	4.0%	3.5%	-1.8%	-1.6%	1.8%	5.3%	0.9%	6.2%	4.3%
-Clear Aligner	-0.1%	-1.0%	1.6%	1.0%	-2.5%	-3.3%	2.4%	5.5%	0.5%	7.4%	8.2%
-Imaging Systems and CAD/CAM Services	16.1%	15.6%	16.0%	16.0%	1.2%	5.6%	-0.6%	4.2%	2.7%	0.9%	-10.8%
Gross profit	1.3%	2.8%	4.1%	3.4%	-2.5%	-2.0%	-6.2%	-1.9%	-3.1%	8.3%	7.0%
Operating expense	6.3%	4.6%	11.0%	6.2%	1.0%	-5.3%	4.5%	-4.4%	-1.2%	8.3%	10.7%
Operating income (loss)	-14.5%	-2.4%	-16.0%	-5.6%	-14.9%	10.9%	-40.7%	7.8%	-10.2%	8.3%	-5.5%
Net income (loss)	-13.6%	-4.5%	-16.3%	-5.3%	-11.2%	29.0%	-51.1%	30.8%	-2.6%	21.0%	-13.1%
Quarter Over Quarter Analysis (Sequential):											
Clear Aligner shipments change QoQ	6.2%	-4.0%	1.9%		2.2%	0.3%	0.5%	4.5%		1.3%	0.9%
Invisalign doctors cases shipment change QoQ	3.1%	1.4%	-1.9%		-0.5%	1.1%	2.2%	-0.5%		0.4%	1.3%
Net Revenues	3.1%	-4.9%	1.8%		-1.6%	3.4%	-1.7%	5.2%		-0.7%	1.5%
-Clear Aligner	1.8%	-5.4%	0.9%		0.3%	1.0%	0.1%	4.0%		2.1%	1.7%
-Imaging Systems and CAD/CAM Services	9.2%	-2.9%	5.2%		-9.2%	13.9%	-8.6%	10.3%		-12.1%	0.7%
Gross profit	3.6%	-5.7%	2.2%		-2.4%	4.1%	-9.7%	6.9%		7.8%	2.8%
Operating expense	5.9%	-9.7%	6.4%		-0.7%	-0.7%	-0.4%	-2.7%		12.6%	1.5%
Operating income	-4.6%	10.4%	-11.2%		-9.1%	24.4%	-40.9%	61.3%		-8.6%	8.5%
Net income	-8.1%	20.1%	-10.5%		-10.2%	33.7%	-54.5%	139.2%		-16.9%	-4.0%

(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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
GAAP gross profit	\$ 757,430	\$ 708,117	\$ 1,494,017	\$ 1,388,225
Stock-based compensation	1,846	1,636	3,466	3,174
Amortization of intangibles ⁽¹⁾	3,843	3,752	7,723	7,301
Restructuring and other charges ⁽²⁾	(2)	-	78	2,253
Gain on Assets held for sale ⁽³⁾	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	15,599	-
Other Non-GAAP items ⁽⁵⁾	-	-	841	-
Non-GAAP gross profit	\$ 763,117	\$ 713,505	\$ 1,510,025	\$ 1,400,953
GAAP gross margin	71.7%	69.9%	71.3%	67.7%
Non-GAAP gross margin	72.3%	70.5%	72.0%	68.2%
GAAP total operating expenses	\$ 603,417	\$ 545,084	\$ 1,198,049	\$ 1,094,092
Stock-based compensation	(43,714)	(46,572)	(83,018)	(90,031)
Amortization of intangibles ⁽¹⁾	(940)	(904)	(1,897)	(1,745)
Restructuring and other charges ⁽²⁾	1,401	-	755	197
Legal settlements and contingencies ⁽⁶⁾	(38,714)	-	(69,346)	(4,178)
Non-GAAP total operating expenses	\$ 521,450	\$ 497,608	\$ 1,044,543	\$ 998,335
GAAP income from operations	\$ 154,013	\$ 163,033	\$ 295,968	\$ 294,133
Stock-based compensation	45,560	48,208	86,484	93,205
Amortization of intangibles ⁽¹⁾	4,783	4,656	9,620	9,046
Restructuring and other charges ⁽²⁾	(1,403)	-	(677)	2,056
Legal settlements and contingencies ⁽⁶⁾	38,714	-	69,346	4,178
Gain on Assets held for sale ⁽³⁾	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	15,599	-
Other Non-GAAP items ⁽⁵⁾	-	-	841	-
Non-GAAP income from operations	241,667	215,897	465,482	402,618
GAAP operating margin	14.6%	16.1%	14.1%	14.8%
Non-GAAP operating margin	22.9%	21.3%	22.2%	20.2%
GAAP net income before provision for income taxes	\$ 148,693	\$ 173,516	\$ 297,579	\$ 313,958
Stock-based compensation	45,560	48,208	86,484	93,205
Amortization of intangibles ⁽¹⁾	4,783	4,656	9,620	9,046
Restructuring and other charges ⁽²⁾	(1,403)	-	(677)	2,056
Legal settlements and contingencies ⁽⁶⁾	38,714	-	69,346	4,178
Gain on Assets held for sale ⁽³⁾	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	15,599	-
Other Non-GAAP items ⁽⁵⁾	-	-	841	-
Non-GAAP net income before provision for income taxes	\$ 236,347	\$ 226,380	\$ 467,093	\$ 442,443
GAAP provision for income taxes	\$ 40,399	\$ 48,908	\$ 76,514	\$ 96,120
Tax impact on non-GAAP adjustments	6,817	(3,631)	16,851	(11,631)
Non-GAAP provision for income taxes	\$ 47,216	\$ 45,277	\$ 93,365	\$ 84,489
GAAP effective tax rate	27.2%	28.2%	25.7%	30.6%
Non-GAAP effective tax rate	20.0%	20.0%	20.0%	20.0%
GAAP net income	\$ 108,294	\$ 124,608	\$ 221,065	\$ 217,838
Stock-based compensation	45,560	48,208	86,484	93,205
Amortization of intangibles ⁽¹⁾	4,783	4,656	9,620	9,046
Restructuring and other charges ⁽²⁾	(1,403)	-	(677)	2,056
Legal settlements and contingencies ⁽⁶⁾	38,714	-	69,346	4,178
Gain on Assets held for sale ⁽³⁾	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	15,599	-
Other Non-GAAP items ⁽⁵⁾	-	-	841	-
Tax impact on non-GAAP adjustments	(6,817)	3,631	(16,851)	11,631
Non-GAAP net income	189,131	181,103	373,728	337,954
GAAP diluted net income per share	\$ 1.51	\$ 1.72	\$ 3.09	\$ 2.98
Non-GAAP diluted net income per share	\$ 2.64	\$ 2.49	\$ 5.22	\$ 4.62
Shares used in computing diluted net income per share	71,520	72,593	71,629	73,098

Notes:

⁽¹⁾ Amortization of intangible assets related to certain acquisitions

⁽²⁾ During the fourth quarter of 2024 and the third quarter of 2025, we initiated restructuring plans to reduce headcount and increase efficiency across the organization and lower the overall cost structure. Restructuring charges are primarily related to involuntary termination benefits, including employee severance and other post-employment benefits.

⁽³⁾ During the third quarter of 2025, we originally recorded an impairment loss related to a manufacturing facility disposal group that met the criteria to be classified as assets held for sale. During the first quarter of 2026, we recognized a gain of \$11.7 million resulting from an increase in fair value less costs to sell related to these assets held for sale.

⁽⁴⁾ During the third quarter of 2025, we initiated the disposal, other than by sale, of certain manufacturing fixed assets. Accordingly, we revised the useful lives of these assets and recorded accelerated depreciation expense.

⁽⁵⁾ During the first quarter of 2026, we recorded other non-recurring charges related to the disposal of certain manufacturing fixed assets.

⁽⁶⁾ During the fourth quarter of 2025, we recorded costs to dispose of certain manufacturing fixed assets. Other Non-GAAP items from the fourth quarter of 2024 primarily include settlements of various indirect tax obligations related to prior years.

⁽⁸⁾ During the second quarter of 2026, we recorded approximately \$37.5 million related to UK VAT contingency loss, and approximately \$1.2 million relate to legal settlements.

⁽⁷⁾ Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding. Refer to "About Non-GAAP Financial Measures" section of press release.

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

	Q2 2024	Q3 2024	Q4 2024	Fiscal 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Fiscal 2025	Q1 2026	Q2 2026
GAAP gross profit	\$ 722,828	\$ 681,774	\$ 696,941	\$ 2,799,159	\$ 680,108	\$ 708,117	\$ 639,201	\$ 683,587	\$ 2,711,013	\$ 736,587	\$ 757,430
Stock-based compensation	2,582	3,070	(721)	6,995	1,538	1,636	1,540	1,463	6,177	1,620	1,846
Amortization of intangibles ⁽¹⁾	3,678	3,702	3,699	14,803	3,549	3,752	3,837	3,841	14,979	3,880	3,843
Restructuring and other charges ⁽²⁾	-	-	3,623	3,623	2,253	-	4,792	718	7,763	80	(2)
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	23,142	-	23,142	-	-
Gain on Assets held for sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	13,663	63,257	76,920	15,599	-
Impairment loss on inventory ⁽⁵⁾	-	-	1,410	1,410	-	-	14,924	-	14,924	-	-
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	1,861	-	841	-
Non-GAAP gross profit	\$ 728,888	\$ 688,546	\$ 705,152	\$ 2,826,190	\$ 687,448	\$ 713,505	\$ 701,099	\$ 754,727	\$ 2,856,779	\$ 746,908	\$ 763,117
GAAP gross margin	70.3%	69.7%	70.0%	70.0%	69.5%	69.9%	64.2%	65.3%	67.2%	70.8%	71.7%
Non-GAAP gross margin	70.9%	70.4%	70.9%	70.7%	70.2%	70.5%	70.4%	72.0%	70.8%	71.8%	72.3%
GAAP total operating expenses	\$ 575,592	\$ 519,470	\$ 552,792	\$ 2,191,531	\$ 549,008	\$ 545,084	\$ 542,903	\$ 528,263	\$ 2,105,298	\$ 594,632	\$ 603,417
Stock-based compensation	(44,446)	(45,969)	(30,569)	(166,708)	(43,459)	(46,572)	(46,837)	(42,625)	(179,693)	(39,304)	(43,714)
Amortization of intangibles ⁽¹⁾	(875)	(880)	(879)	(3,497)	(841)	(904)	(939)	(940)	(3,634)	(957)	(940)
Restructuring and other charges ⁽²⁾	357	89	(33,168)	(32,722)	197	-	(31,827)	(3,551)	(35,181)	(646)	1,401
Legal settlements and contingencies ⁽⁷⁾	(31,127)	(66)	225	(30,968)	(4,178)	-	-	-	(4,178)	(30,632)	(38,714)
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	(4,678)	-	-	-	-	-	-	-
Gain on Assets held for sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	13,663	63,257	76,920	15,599	-
Impairment loss on inventory ⁽⁵⁾	-	-	6,086	6,086	-	-	14,924	-	14,924	-	-
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	1,861	-	841	-
Non-GAAP total operating expenses	\$ 499,491	\$ 472,650	\$ 474,725	\$ 1,952,960	\$ 500,727	\$ 497,608	\$ 463,300	\$ 480,947	\$ 1,942,582	\$ 523,093	\$ 521,450
GAAP income from operations	\$ 147,046	\$ 162,298	\$ 144,149	\$ 607,628	\$ 131,100	\$ 163,033	\$ 96,298	\$ 155,324	\$ 545,705	\$ 141,955	\$ 154,013
Stock-based compensation	47,028	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870	40,924	45,560
Amortization of intangibles ⁽¹⁾	4,553	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603	4,837	4,783
Restructuring and other charges ⁽²⁾	(357)	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944	726	(1,403)
Legal settlements and contingencies ⁽⁷⁾	31,127	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	23,142	-	23,142	-	-
Gain on Assets held for sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	13,663	63,257	76,920	15,599	-
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	-	14,924	-	14,924	-	-
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	1,861	-	841	-
Non-GAAP income from operations	\$ 229,397	\$ 215,896	\$ 230,427	\$ 873,230	\$ 186,721	\$ 215,887	\$ 237,799	\$ 273,780	\$ 914,197	\$ 223,815	\$ 241,667
GAAP operating margin	14.3%	16.6%	14.5%	15.2%	13.4%	16.1%	9.7%	14.8%	13.5%	13.6%	14.6%
Non-GAAP operating margin	22.3%	22.1%	23.2%	21.8%	19.1%	21.3%	23.9%	26.1%	22.7%	21.5%	22.9%
GAAP net income before provision for income taxes	\$ 143,866	\$ 165,930	\$ 140,777	\$ 608,959	\$ 140,442	\$ 173,516	\$ 94,734	\$ 176,595	\$ 585,287	\$ 148,886	\$ 148,693
Stock-based compensation	47,028	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870	40,924	45,560
Amortization of intangibles ⁽¹⁾	4,553	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603	4,837	4,783
Restructuring and other charges ⁽²⁾	(357)	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944	726	(1,403)
Legal settlements and contingencies ⁽⁷⁾	31,127	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	23,142	-	23,142	-	-
Gain on Assets held for sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	13,663	63,257	76,920	15,599	-
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	-	14,924	-	14,924	-	-
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	1,861	-	841	-
Non-GAAP net income before provision for income taxes	\$ 228,217	\$ 219,528	\$ 227,055	\$ 874,561	\$ 196,063	\$ 226,380	\$ 236,235	\$ 295,051	\$ 953,729	\$ 230,748	\$ 236,347
GAAP provision for income taxes	\$ 47,302	\$ 49,967	\$ 36,970	\$ 187,597	\$ 47,212	\$ 48,908	\$ 37,981	\$ 40,835	\$ 174,936	\$ 36,115	\$ 40,399
Tax impact on non-GAAP adjustments	(2,059)	(6,061)	8,441	(12,715)	(8,000)	(3,631)	9,266	18,175	15,810	10,034	6,817
Non-GAAP provision for income taxes	\$ 45,243	\$ 43,906	\$ 45,411	\$ 174,882	\$ 39,212	\$ 45,277	\$ 47,247	\$ 59,010	\$ 190,746	\$ 46,149	\$ 47,216
GAAP effective tax rate	32.9%	30.1%	26.3%	30.8%	33.6%	28.2%	40.1%	23.1%	29.9%	24.3%	27.2%
Non-GAAP effective tax rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
GAAP net income	\$ 96,564	\$ 115,963	\$ 103,807	\$ 421,362	\$ 93,230	\$ 124,608	\$ 56,753	\$ 135,760	\$ 410,351	\$ 112,771	\$ 108,294
Stock-based compensation	47,028	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870	40,924	45,560
Amortization of intangibles ⁽¹⁾	4,553	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603	4,837	4,783
Restructuring and other charges ⁽²⁾	(357)	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944	726	(1,403)
Legal settlements and contingencies ⁽⁷⁾	31,127	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	23,142	-	23,142	-	-
Gain on Assets held for sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	13,663	63,257	76,920	15,599	-
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	-	14,924	-	14,924	-	-
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	1,861	-	841	-
Tax impact on non-GAAP adjustments	2,059	6,061	(8,441)	12,715	8,000	3,631	(9,266)	(18,175)	(15,810)	(10,034)	(6,817)
Non-GAAP net income	\$ 180,974	\$ 175,622	\$ 181,644	\$ 699,679	\$ 156,851	\$ 181,103	\$ 188,988	\$ 236,041	\$ 762,983	\$ 184,597	\$ 189,131
GAAP diluted net income per share	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.62	\$ 1.27	\$ 1.72	\$ 0.78	\$ 1.89	\$ 5.06	\$ 1.57	\$ 1.51
Non-GAAP diluted net income per share	\$ 2.41	\$ 2.35	\$ 2.44	\$ 9.33	\$ 2.13	\$ 2.49	\$ 2.61	\$ 3.29	\$ 10.51	\$ 2.58	\$ 2.64
Shares used in computing diluted net income per share	75,223	74,757	74,465	74,993	73,615	72,593	72,419	71,757	72,588	71,614	71,520

Notes:

⁽¹⁾ Amortization of intangible assets related to certain acquisitions.

⁽²⁾ During the fourth quarters of 2023 and 2024 and the third quarter of 2025, we initiated restructuring plans to reduce headcount and increase efficiencies across the organization and lower the overall cost structure. Restructuring charges are primarily related to involuntary termination benefits, including employee severance and other post-employment benefits.

⁽³⁾ During the third quarter of 2025, we recorded an impairment loss related to a manufacturing facility that met the criteria to be classified as assets held for sale during the quarter. During the first quarter of 2026, we recognized a gain of \$11.7 million resulting from an increase in fair value less costs to sell related to these assets held for sale.

⁽⁴⁾ During the third quarter of 2025, we initiated the disposal, other than by sale, of certain manufacturing fixed assets. Accordingly, we revised the useful lives of these assets and recorded accelerated depreciation expense.

⁽⁵⁾ During the third quarter of 2025, we recorded an impairment loss for obsolete inventory.

⁽⁶⁾ During the fourth quarter of 2025 and the first quarter of 2026, we recorded other non-recurring charges related to dispose of certain manufacturing fixed assets. Other Non-GAAP items from the fourth quarter of 2024 primarily include settlements of various indirect tax obligations related to prior years.

⁽⁷⁾ During the second quarter 2026, we recorded approximately \$37.5 million related to UK VAT contingency loss, and approximately \$1.2 million related to legal settlements.

⁽⁸⁾ Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding. Refer to "About Non-GAAP Financial Measures" section of press release