

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

	Q2 2022	Q3 2022	Q4 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Fiscal 2023	Q1 2024	Q2 2024
<b>Clear Aligner Shipments:</b>											
WW Teenagers	180,290	203,980	184,490	746,050	187,005	200,715	221,405	196,585	805,710	199,235	216,675
WW Adults	427,960	384,595	411,665	1,652,320	403,930	421,900	380,930	396,050	1,602,810	405,825	426,050
Total Shipments	608,250	588,575	596,155	2,398,370	590,935	622,615	602,335	592,635	2,408,520	605,060	642,725
<b>Invisalign doctors cases shipped to WW</b>											
Total Invisalign doctors cases shipped to WW	82,290	84,430	82,895	124,525	82,730	83,440	85,195	83,700	125,845	83,510	86,135
<b>Net Revenues:</b>											
<i>Clear Aligner Net Revenues <sup>(1)</sup></i>											
Americas	\$ 388,292	\$ 355,791	\$ 349,411	\$ 1,471,930	\$ 366,513	\$ 381,145	\$ 366,606	\$ 348,716	\$ 1,462,980	\$ 372,313	\$ 371,836
International	346,161	312,701	319,004	1,348,969	354,201	378,385	355,302	361,565	1,449,453	370,640	393,027
Non-case <sup>(2)</sup>	63,925	64,345	63,299	251,687	69,090	73,144	73,031	71,631	286,896	74,298	76,875
Total Clear Aligner Net Revenues	798,398	732,837	731,654	3,072,585	789,804	832,674	794,939	781,912	3,199,329	817,251	831,738
<i>Imaging Systems and CAD/CAM Services Net Revenues</i>	171,155	157,511	169,861	662,050	153,343	169,499	165,275	174,814	662,931	180,180	196,752
<b>Total Worldwide Net Revenues</b>	969,553	890,348	901,515	3,734,635	943,147	1,002,173	960,214	956,726	3,862,260	997,431	1,028,490
<b>Cost of Net Revenues:</b>											
Cost of net revenues Clear Aligner	213,153	213,450	213,812	844,415	223,665	229,423	232,608	225,595	911,291	238,105	243,201
Cost of net revenues Imaging Systems and CAD/CAM Services	68,841	57,729	70,002	256,445	58,828	59,141	64,530	61,607	244,106	61,510	62,661
Total cost of net revenues	281,994	271,179	283,814	1,100,860	282,493	288,564	297,138	287,202	1,155,397	299,615	305,862
Gross profit	687,559	619,169	617,701	2,633,775	660,654	713,609	663,076	669,524	2,706,863	697,816	722,628
<b>Operating Expenses:</b>											
Selling, general and administrative	426,398	396,547	410,067	1,674,469	439,691	453,193	407,992	402,503	1,703,379	451,822	452,262
Research and development	72,965	76,966	83,520	305,258	87,447	88,485	88,738	82,160	346,830	91,859	92,193
Restructuring and other charges	-	-	11,453	11,453	-	-	-	13,316	13,316	-	-
Litigation settlement loss	-	-	-	-	-	-	-	-	-	-	31,127
Total operating expenses	499,363	473,513	505,040	1,991,180	527,138	541,678	496,730	497,979	2,063,525	543,681	575,582
<b>Operating Income</b>	188,196	143,656	112,661	642,595	133,516	171,931	166,346	171,545	643,338	154,135	147,046
<b>Interest income and other income (expense), net:</b>											
Interest income	245	1,685	2,760	5,367	2,337	4,421	5,522	4,978	17,258	4,392	3,301
Other income (expense), net	(14,832)	(22,700)	(100)	(48,905)	(1,229)	(4,763)	(9,757)	(3,643)	(19,392)	(141)	(6,481)
Total interest income and other income (expense), net	(14,587)	(21,015)	2,660	(43,538)	1,108	(342)	(4,235)	1,335	(2,134)	4,251	(3,180)
<b>Net income before provision for (benefit from) income taxes</b>	173,609	122,641	115,321	599,057	134,624	171,589	162,111	172,880	641,204	158,388	143,866
Provision for (benefit from) income taxes	60,809	49,941	73,546	237,484	46,826	59,775	40,684	48,866	196,151	53,358	47,302
<b>Net Income</b>	\$ 112,800	\$ 72,700	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427	\$ 124,014	\$ 445,053	\$ 105,028	\$ 96,564
Net Income per share											
- basic	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.62	\$ 1.14	\$ 1.46	\$ 1.59	\$ 1.64	\$ 5.82	\$ 1.40	\$ 1.28
- diluted	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58	\$ 1.64	\$ 5.81	\$ 1.39	\$ 1.28
Shares used in computing net income per share											
- basic	78,395	78,093	77,541	78,190	76,921	76,524	76,569	75,703	76,426	75,175	75,184
- diluted	78,545	78,237	77,683	78,420	77,111	76,689	76,826	75,802	76,568	75,322	75,223
<b>Margin Analysis:</b>											
Gross margin	70.9%	69.5%	68.5%	70.5%	70.0%	71.2%	69.1%	70.0%	70.1%	70.0%	70.3%
-Clear Aligner	73.3%	70.9%	70.8%	72.5%	71.7%	72.4%	70.7%	71.1%	71.5%	70.9%	70.8%
-Imaging Systems and CAD/CAM Services	59.8%	63.3%	58.8%	61.3%	61.6%	65.1%	61.0%	64.8%	63.2%	65.9%	68.2%
Selling, general and administrative	44.0%	44.8%	45.5%	44.8%	46.6%	45.2%	42.5%	42.1%	44.1%	45.3%	44.0%
Research and development	7.5%	8.6%	9.3%	8.2%	9.3%	8.8%	9.2%	8.6%	9.0%	9.2%	9.0%
Restructuring and other charges	0.0%	0.0%	1.3%	0.3%	0.0%	0.0%	0.0%	1.4%	0.3%	0.0%	0.0%
Litigation settlement loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%
Operating margin	19.4%	16.1%	12.5%	17.2%	14.2%	17.2%	17.3%	17.9%	16.7%	15.5%	14.3%
Net margin	11.6%	8.2%	4.6%	9.7%	9.3%	11.2%	12.6%	13.0%	11.5%	10.5%	9.4%
<b>Year Over Year Analysis:</b>											
Clear Aligner shipments change YoY	-8.9%	-10.6%	-6.3%	-6.3%	-2.4%	2.4%	2.3%	-0.6%	0.4%	2.4%	3.2%
Invisalign doctors cases shipment change YoY	-1.4%	-1.3%	-0.8%	1.6%	0.3%	1.4%	0.9%	1.0%	1.1%	0.9%	3.2%
Net Revenues	-4.1%	-12.4%	-12.6%	-5.5%	-3.1%	3.4%	7.8%	6.1%	3.4%	5.8%	2.6%
-Clear Aligner	-5.1%	-12.5%	-10.3%	-5.4%	-2.5%	4.3%	8.5%	6.9%	4.1%	3.5%	-0.1%
-Imaging Systems and CAD/CAM Services	0.8%	-11.7%	-21.3%	-6.2%	-6.2%	-1.0%	4.9%	2.9%	0.1%	17.5%	16.1%
Gross profit	-9.4%	-18.0%	-17.0%	-10.3%	-6.9%	3.8%	7.1%	8.4%	2.8%	5.8%	1.3%
Operating expense	2.0%	-3.7%	-3.6%	1.6%	3.1%	8.5%	4.5%	-1.4%	3.6%	3.1%	6.3%
Operating income (loss)	-30.0%	-45.0%	-49.0%	-34.2%	-32.6%	-8.6%	15.8%	52.3%	0.1%	15.4%	-14.5%
Net income (loss)	-43.5%	-59.8%	-78.1%	-53.2%	-34.6%	-0.9%	67.0%	196.9%	23.1%	19.6%	-13.6%
<b>Quarter Over Quarter Analysis (Sequential):</b>											
Clear Aligner shipments change QoQ	0.5%	-3.2%	1.3%	-	-0.9%	5.4%	-3.3%	-1.6%	-	2.1%	6.2%
Invisalign doctors cases shipment change QoQ	-0.2%	2.6%	-1.8%	-	-0.2%	0.9%	2.1%	-1.8%	-	-0.2%	3.1%
Net Revenues	-0.4%	-8.2%	1.3%	-	4.6%	6.3%	-4.2%	-0.4%	-	4.3%	3.1%
-Clear Aligner	-1.4%	-8.2%	-0.2%	-	7.9%	5.4%	-4.5%	-1.6%	-	4.5%	1.8%
-Imaging Systems and CAD/CAM Services	4.7%	-8.0%	7.8%	-	-9.7%	10.5%	-2.5%	5.8%	-	3.1%	9.2%
Gross profit	-3.1%	-9.9%	-0.2%	-	7.0%	8.0%	-7.1%	1.0%	-	4.2%	3.6%
Operating expense	-2.3%	-4.8%	6.2%	-	4.4%	2.8%	-8.3%	0.3%	-	9.2%	5.9%
Operating income	-5.0%	-23.7%	-21.6%	-	18.5%	28.8%	-3.2%	3.1%	-	-10.1%	-4.6%
Net income	-16.0%	-35.5%	-42.5%	-	110.2%	27.4%	8.6%	2.1%	-	-15.3%	-8.1%

(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.

(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		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>GAAP gross profit</b>	\$ 722,628	\$ 713,609	\$ 1,420,444	\$ 1,374,263
Stock-based compensation	2,582	1,901	4,646	3,708
Amortization of intangibles <sup>(1)</sup>	3,678	2,810	7,402	5,584
Restructuring charges <sup>(2)</sup>	-	-	-	(8)
<b>Non-GAAP gross profit</b>	\$ 728,888	\$ 718,320	\$ 1,432,492	\$ 1,383,547
<b>GAAP gross margin</b>	70.3%	71.2%	70.1%	70.6%
<b>Non-GAAP gross margin</b>	70.9%	71.7%	70.7%	71.1%
<b>GAAP total operating expenses</b>	\$ 575,582	\$ 541,678	\$ 1,119,263	\$ 1,068,816
Stock-based compensation	(44,446)	(35,959)	(81,170)	(71,887)
Amortization of intangibles <sup>(1)</sup>	(875)	(879)	(1,738)	(1,746)
Restructuring and other charges <sup>(3)</sup>	357	123	357	300
Litigation settlement loss	(31,127)	-	(31,127)	-
<b>Non-GAAP total operating expenses</b>	\$ 499,491	\$ 504,963	\$ 1,005,585	\$ 995,483
<b>GAAP income from operations</b>	\$ 147,046	\$ 171,931	\$ 301,181	\$ 305,447
Stock-based compensation	47,028	37,860	85,816	75,595
Amortization of intangibles <sup>(1)</sup>	4,553	3,689	9,140	7,330
Restructuring and other charges <sup>(2),(3)</sup>	(357)	(123)	(357)	(308)
Litigation settlement loss	31,127	-	31,127	-
<b>Non-GAAP income from operations</b>	\$ 229,397	\$ 213,357	\$ 426,907	\$ 388,064
<b>GAAP operating margin</b>	14.3%	17.2%	14.9%	15.7%
<b>Non-GAAP operating margin</b>	22.3%	21.3%	21.1%	19.9%
<b>GAAP net income before provision for income taxes</b>	\$ 143,866	\$ 171,589	\$ 302,252	\$ 306,213
Stock-based compensation	47,028	37,860	85,816	75,595
Amortization of intangibles <sup>(1)</sup>	4,553	3,689	9,140	7,330
Restructuring and other charges <sup>(2),(3)</sup>	(357)	(123)	(357)	(308)
Litigation settlement loss	31,127	-	31,127	-
<b>Non-GAAP net income before provision for income taxes</b>	\$ 226,217	\$ 213,015	\$ 427,978	\$ 388,830
<b>GAAP provision for income taxes</b>	\$ 47,302	\$ 59,775	\$ 100,660	\$ 106,601
Tax impact on non-GAAP adjustments	(2,059)	(17,209)	(15,095)	(28,835)
<b>Non-GAAP provision for income taxes</b>	\$ 45,243	\$ 42,566	\$ 85,565	\$ 77,766
<b>GAAP effective tax rate</b>	32.9%	34.8%	33.3%	34.8%
<b>Non-GAAP effective tax rate</b>	20.0%	20.0%	20.0%	20.0%
<b>GAAP net income</b>	\$ 96,564	\$ 111,814	\$ 201,592	\$ 199,612
Stock-based compensation	47,028	37,860	85,816	75,595
Amortization of intangibles <sup>(1)</sup>	4,553	3,689	9,140	7,330
Restructuring and other charges <sup>(2),(3)</sup>	(357)	(123)	(357)	(308)
Litigation settlement loss	31,127	-	31,127	-
Tax impact on non-GAAP adjustments	2,059	17,209	15,095	28,835
<b>Non-GAAP net income</b>	\$ 180,974	\$ 170,449	\$ 342,413	\$ 311,064
<b>GAAP diluted net income per share</b>	\$ 1.28	\$ 1.46	\$ 2.68	\$ 2.60
<b>Non-GAAP diluted net income per share</b>	\$ 2.41	\$ 2.22	\$ 4.55	\$ 4.05
<b>Shares used in computing diluted net income per share</b>	75,223	76,689	75,315	76,897

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

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 2022	Q3 2022	Q4 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Fiscal 2023	Q1 2024	Q2 2024
<b>GAAP gross profit</b>	\$ 687,559	\$ 619,169	\$ 617,701	\$ 2,633,775	\$ 660,654	\$ 713,609	\$ 663,076	\$ 669,524	\$ 2,706,863	\$ 697,816	\$ 722,628
Stock-based compensation	1,614	1,651	1,659	6,438	1,807	1,901	1,974	1,780	7,462	2,064	2,582
Amortization of intangibles <sup>(1)</sup>	2,393	2,644	2,610	10,134	2,774	2,810	2,825	2,773	11,182	3,724	3,678
Restructuring charges <sup>(2)</sup>	-	-	2,866	-	(8)	-	-	673	-	-	-
<b>Non-GAAP gross profit</b>	\$ 691,566	\$ 623,464	\$ 624,836	\$ 2,653,213	\$ 665,227	\$ 718,320	\$ 667,875	\$ 674,750	\$ 2,726,180	\$ 703,604	\$ 728,888
<b>GAAP gross margin</b>	70.9%	69.5%	68.5%	70.5%	70.0%	71.2%	69.1%	70.0%	70.1%	70.0%	70.3%
<b>Non-GAAP gross margin</b>	71.3%	70.0%	69.3%	71.0%	70.5%	71.7%	69.6%	70.5%	70.6%	70.5%	70.9%
<b>GAAP total operating expenses</b>	\$ 499,363	\$ 475,513	\$ 505,040	\$ 1,991,180	\$ 527,138	\$ 541,678	\$ 496,730	\$ 497,979	\$ 2,063,625	\$ 543,681	\$ 575,582
Stock-based compensation	(32,526)	(31,267)	(33,029)	(126,929)	(35,928)	(35,959)	(37,628)	(37,049)	(146,564)	(36,724)	(44,446)
Amortization of intangibles <sup>(1)</sup>	(872)	(825)	(810)	(3,417)	(867)	(879)	(885)	(866)	(3,497)	(863)	(875)
Restructuring and other charges <sup>(3)</sup>	-	-	(11,453)	(11,453)	177	123	-	(13,316)	(13,316)	-	357
Acquisition-related costs <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	-	-
Litigation settlement loss	-	-	-	-	-	-	-	-	-	-	(31,127)
<b>Non-GAAP total operating expenses</b>	\$ 465,965	\$ 443,421	\$ 459,748	\$ 1,849,381	\$ 490,520	\$ 504,963	\$ 458,217	\$ 446,748	\$ 1,900,148	\$ 506,094	\$ 499,491
<b>GAAP income from operations</b>	\$ 188,196	\$ 143,656	\$ 112,661	\$ 642,595	\$ 133,516	\$ 171,931	\$ 166,346	\$ 171,545	\$ 643,338	\$ 154,135	\$ 147,046
Stock-based compensation	34,140	32,918	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788	47,028
Amortization of intangibles <sup>(1)</sup>	3,265	3,469	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587	4,553
Restructuring and other charges <sup>(2),(3)</sup>	-	-	14,319	14,319	(185)	(123)	-	13,989	13,989	-	(357)
Litigation settlement loss	-	-	-	-	-	-	-	-	-	-	31,127
<b>Non-GAAP income from operations</b>	\$ 225,601	\$ 180,043	\$ 165,088	\$ 803,832	\$ 174,707	\$ 213,357	\$ 209,658	\$ 228,002	\$ 826,032	\$ 197,510	\$ 229,397
<b>GAAP operating margin</b>	19.4%	16.1%	12.5%	17.2%	14.2%	17.2%	17.3%	17.9%	16.7%	15.5%	14.3%
<b>Non-GAAP operating margin</b>	23.3%	20.2%	18.3%	21.5%	18.5%	21.3%	21.8%	23.8%	21.4%	19.8%	22.3%
<b>GAAP net income before provision for income taxes</b>	\$ 173,609	\$ 122,641	\$ 115,321	\$ 599,057	\$ 134,624	\$ 171,589	\$ 162,111	\$ 172,880	\$ 641,204	\$ 158,386	\$ 143,866
Stock-based compensation	34,140	32,918	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788	47,028
Amortization of intangibles <sup>(1)</sup>	3,265	3,469	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587	4,553
Restructuring and other charges <sup>(2),(3)</sup>	-	-	14,319	14,319	(185)	(123)	-	13,989	13,989	-	(357)
Litigation settlement loss	-	-	-	-	-	-	-	-	-	-	31,127
<b>Non-GAAP net income before provision for income taxes</b>	\$ 211,014	\$ 159,028	\$ 167,748	\$ 760,294	\$ 175,815	\$ 213,015	\$ 205,423	\$ 229,337	\$ 823,898	\$ 201,761	\$ 226,217
<b>GAAP provision for income taxes</b>	\$ 60,809	\$ 49,941	\$ 73,546	\$ 237,484	\$ 46,826	\$ 59,775	\$ 40,684	\$ 48,866	\$ 196,151	\$ 53,358	\$ 47,302
Tax impact on non-GAAP adjustments	(18,606)	(18,136)	(39,997)	(85,426)	(11,626)	(17,209)	418	(2,998)	(31,415)	(13,036)	(2,059)
<b>Non-GAAP provision for income taxes</b>	\$ 42,203	\$ 31,805	\$ 33,549	\$ 152,058	\$ 35,200	\$ 42,566	\$ 41,102	\$ 45,868	\$ 164,736	\$ 40,322	\$ 45,243
<b>GAAP effective tax rate</b>	35.0%	40.7%	63.8%	39.6%	34.8%	34.8%	25.1%	28.3%	30.6%	33.7%	32.9%
<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>	\$ 112,800	\$ 72,700	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427	\$ 124,014	\$ 445,053	\$ 105,028	\$ 96,564
Stock-based compensation	34,140	32,918	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788	47,028
Amortization of intangibles <sup>(1)</sup>	3,265	3,469	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587	4,553
Restructuring and other charges <sup>(2),(3)</sup>	-	-	14,319	14,319	(185)	(123)	-	13,989	13,989	-	(357)
Litigation settlement loss	-	-	-	-	-	-	-	-	-	-	31,127
Tax impact on non-GAAP adjustments	18,606	18,136	39,997	85,426	11,626	17,209	(418)	2,998	31,415	13,036	2,059
<b>Non-GAAP net income</b>	\$ 168,811	\$ 127,223	\$ 134,199	\$ 608,236	\$ 140,615	\$ 170,449	\$ 164,321	\$ 183,469	\$ 659,162	\$ 161,439	\$ 180,974
<b>GAAP diluted net income per share</b>	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58	\$ 1.64	\$ 5.81	\$ 1.39	\$ 1.28
<b>Non-GAAP diluted net income per share</b>	\$ 2.15	\$ 1.63	\$ 1.73	\$ 7.78	\$ 1.82	\$ 2.22	\$ 2.14	\$ 2.42	\$ 8.61	\$ 2.14	\$ 2.41
<b>Shares used in computing diluted net income per share</b>	78,545	78,237	77,683	78,420	77,111	76,689	76,826	75,802	76,568	75,322	75,223

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

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