

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

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Fiscal 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Fiscal 2021	Q1 2022
Net Revenues:											
<i>Clear Aligner Net Revenues ⁽¹⁾</i>											
Americas	\$ 255,607	\$ 123,268	\$ 304,131	\$ 327,206	\$ 1,010,212	\$ 357,481	\$ 400,467	\$ 408,422	\$ 378,382	\$ 1,544,752	\$ 376,240
International	195,824	155,243	281,240	333,110	965,417	353,294	389,704	375,513	380,152	1,498,663	371,082
Non-case ⁽²⁾	30,180	19,830	35,393	40,427	125,830	42,494	50,788	53,658	56,725	203,665	62,374
Total Clear Aligner Net Revenues	481,611	298,341	620,764	700,743	2,101,459	753,269	840,959	837,593	815,259	3,247,080	809,696
<i>Imaging Systems and CAD/CAM Services Net Revenues ⁽³⁾</i>	69,352	53,973	113,380	133,777	370,482	141,502	169,849	178,313	215,840	705,504	163,523
Total Worldwide Net Revenues	550,963	352,314	734,144	834,520	2,471,941	894,771	1,010,808	1,015,906	1,031,099	3,952,584	973,219
Cost of Net Revenues:											
Cost of net revenues Clear Aligner	130,119	105,975	157,017	176,218	569,329	168,735	194,294	199,424	210,254	772,707	204,000
Cost of net revenues Imaging Systems and CAD/CAM Services ⁽³⁾	26,488	22,011	43,039	47,839	139,377	48,938	57,976	61,326	76,282	244,522	59,873
Total cost of net revenues	156,607	127,986	200,056	224,057	708,706	217,673	252,270	260,750	286,536	1,017,229	263,873
Gross profit	394,356	224,328	534,088	610,463	1,763,235	677,098	758,538	755,156	744,563	2,935,355	709,346
Operating Expenses:											
Selling, general and administrative	282,906	256,967	312,492	348,392	1,200,757	397,115	431,921	428,409	451,195	1,708,640	439,457
Research and development	41,532	40,361	44,527	48,887	175,307	54,537	57,715	65,587	72,476	250,315	71,807
Total operating expenses	324,438	297,328	357,019	397,279	1,376,064	451,652	489,636	493,996	523,671	1,958,955	511,264
Operating Income (Loss)	69,918	(73,000)	177,069	213,184	387,171	225,446	268,902	261,160	220,892	976,400	198,082
Interest income and other income (expense), net:											
Interest income	1,986	473	329	337	3,125	1,643	383	401	676	3,103	677
Other income (expense), net	(18,549)	(966)	7,147	1,021	(11,347)	34,532	(483)	427	(1,556)	32,920	(11,273)
Total interest income and other income (expense), net	(16,563)	(493)	7,476	1,358	(8,222)	36,175	(100)	828	(880)	36,023	(10,596)
Net income (loss) before provision for (benefit from) income taxes	53,355	(73,493)	184,545	214,542	378,949	261,621	268,802	261,988	220,012	1,012,423	187,486
Provision for (benefit from) income taxes	(1,464,776)	(32,891)	45,174	55,554	(1,396,939)	61,245	69,088	81,019	29,051	240,403	53,188
Net Income (Loss)	\$ 1,518,131	\$ (40,602)	\$ 139,371	\$ 158,988	\$ 1,775,889	\$ 200,376	\$ 199,714	\$ 180,969	\$ 190,961	\$ 772,020	\$ 134,298
Net Income (loss) per share											
- basic	\$ 19.32	\$ (0.52)	\$ 1.77	\$ 2.02	\$ 22.55	\$ 2.54	\$ 2.53	\$ 2.29	\$ 2.42	\$ 9.78	\$ 1.70
- diluted	\$ 19.21	\$ (0.52)	\$ 1.76	\$ 2.00	\$ 22.41	\$ 2.51	\$ 2.51	\$ 2.28	\$ 2.40	\$ 9.69	\$ 1.71
Shares used in computing net income (loss) per share											
- basic	78,592	78,769	78,824	78,853	78,760	79,000	79,008	78,904	78,759	78,917	78,742
- diluted	79,028	78,769	79,163	79,505	79,230	79,798	79,638	79,516	79,431	79,670	79,193
Margin Analysis:											
Gross margin	71.6%	63.7%	72.7%	73.2%	71.3%	75.7%	75.0%	74.3%	72.2%	74.3%	72.9%
-Clear Aligner	73.0%	64.5%	74.7%	74.9%	72.9%	77.6%	76.9%	76.2%	74.2%	76.2%	74.8%
-Imaging Systems and CAD/CAM Services ⁽³⁾	61.8%	59.2%	62.0%	64.2%	62.4%	65.4%	65.9%	65.6%	64.7%	65.3%	63.4%
Selling, general and administrative	51.3%	72.9%	42.6%	41.7%	48.6%	44.4%	42.7%	42.2%	43.8%	43.2%	45.2%
Research and development	7.5%	11.5%	6.1%	5.9%	7.1%	6.1%	5.7%	6.5%	7.0%	6.3%	7.4%
Operating margin	12.7%	-20.7%	24.1%	25.5%	15.7%	25.2%	26.6%	25.7%	21.4%	24.7%	20.4%
Net margin	275.5%	-11.5%	19.0%	19.1%	71.8%	22.4%	19.8%	17.8%	18.5%	19.5%	13.8%
Year Over Year Analysis:											
Net Revenues	0.4%	-41.3%	20.9%	28.4%	2.7%	62.4%	186.9%	38.4%	23.6%	59.9%	8.8%
-Clear Aligner	2.6%	-39.9%	20.2%	28.9%	3.7%	56.4%	181.9%	34.9%	16.3%	54.5%	7.5%
-Imaging Systems and CAD/CAM Services ⁽³⁾	-13.1%	-48.1%	24.5%	26.0%	-2.8%	104.0%	214.7%	57.3%	61.3%	90.4%	15.6%
Gross profit	-1.9%	-48.1%	22.1%	29.3%	1.1%	71.7%	238.1%	41.4%	22.0%	68.5%	4.8%
Operating expense	3.2%	16.2%	15.0%	23.8%	1.5%	39.2%	64.7%	38.4%	31.8%	42.4%	13.2%
Operating income (loss)	-20.3%	-141.4%	39.3%	41.0%	-28.6%	222.4%	-468.4%	47.5%	3.6%	152.2%	-12.1%
Net income (loss)	2013.0%	-127.6%	35.9%	31.1%	301.1%	-86.8%	-591.9%	29.8%	20.1%	-56.5%	-33.0%
Quarter Over Quarter Analysis (Sequential):											
Net Revenues	-15.2%	-36.1%	108.4%	13.7%		7.2%	13.0%	0.5%	1.5%		-5.6%
-Clear Aligner	-11.4%	-38.1%	108.1%	12.9%		7.5%	11.6%	-0.4%	-2.7%		-0.7%
-Imaging Systems and CAD/CAM Services ⁽³⁾	-34.7%	-22.2%	110.1%	18.0%		5.8%	20.0%	5.0%	21.0%		-24.2%
Gross profit	-16.4%	-43.1%	138.1%	14.3%		10.9%	12.0%	-0.4%	-1.4%		-4.7%
Operating expense	1.1%	-8.4%	20.1%	11.3%		13.7%	8.4%	0.9%	6.0%		-2.4%
Operating income (loss)	-53.7%	-204.4%	-342.6%	20.4%		5.8%	19.3%	-2.9%	-15.4%		-10.3%
Net income (loss)	1151.9%	-102.7%	-443.3%	14.1%		26.0%	-0.3%	-9.4%	5.5%		-29.7%

(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.

(3) As of Q2'20, we have renamed the Scanner and Services segment to Imaging Systems & CAD/CAM Services or "Systems and Services" to reflect the addition of exocad dental CAD/CAM services into our financials.