



Q2 2025 Financial Results

Align Technology, Inc.

July 30, 2025

Safe Harbor and Forward-Looking Statements

This presentation, including the tables below, contains forward-looking statements, including statements of beliefs and expectations regarding our ability to successfully manage our business and operations, reduce costs, manage investments and pursue our strategic growth drivers, our expectations regarding the potential continued economic uncertainty and spending hesitancy of consumers, our expectations regarding our stock repurchase programs, our expectations for market opportunities, our expectations regarding a series of actions in the second half of fiscal 2025 to streamline operations and reallocate resources to better align our long-term growth with our profitability objectives and the expected timing and financial impact of any such actions, our expectations regarding the applicability of VAT to our Clear Aligner sales in the UK, our expectations for implemented or proposed tariffs, and our expectations for Q3'25 and fiscal year 2025 worldwide revenues, Clear Aligner volume, Clear Aligner ASPs, Systems and Services revenues, GAAP and non-GAAP operating margin, GAAP and non-GAAP gross margin, and 2025 capital expenditures. Forward-looking statements contained in this press release 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 reflect our best judgments based on currently known facts and circumstances 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.

Factors that might cause such a difference include, but are not limited to:

- macroeconomic conditions, including inflation, fluctuations in currency exchange rates, higher interest rates, market volatility, threats or actual imposition of tariffs, customs duties and fees by nations and retaliatory actions, threats of or actual economic slowdowns or recessions or escalating trade wars and geopolitical tensions;
- customer and consumer purchasing behavior and changes in consumer spending habits as a result of, among other things, prevailing macroeconomic conditions, levels of employment, health insurance coverage, wages, debt obligations, discretionary income, inflationary pressure, and declining consumer confidence;
- implemented or proposed tariffs and retaliatory actions or other trade restrictions or measures taken by the United States and other countries that have or could impact our products and product sales;
- variations in our geographic, channel and product mix, product launches, product pilots and product adoption, and selling prices regionally and globally, including product mix shifts to lower priced products or to products with a higher percentage of deferred revenue;
- competition from existing and new competitors;
- declines in, or the slowing of the growth of, sales of our clear aligners and intraoral scanners domestically and/or internationally and the impact either would have on the adoption of Invisalign products;
- the economic and geopolitical ramifications of the military conflicts in the Middle East and Ukraine, and tensions involving Taiwan and South China Sea and our operations and assets in Israel and Russia;
- our ability to implement and realize the anticipated benefits currently expected from actions to streamline operations and reallocate resources to better align our long-term growth with our profitability objectives;
- 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, errors, or defects in software or hardware requiring remediation and that the market for the sale of these new or enhanced products may not develop as expected;
- the timing and availability and cost of raw materials, components, products and other shipping and supply chain constraints and disruptions;
- unexpected or rapid changes in the growth or decline of our domestic and/or international markets;
- rapidly evolving and groundbreaking advances that fundamentally alter the dental industry or the way new and existing customers market and provide products and services to consumers;
- our ability to protect our intellectual property rights;
- continued compliance with regulatory requirements;
- the willingness and ability of our customers to maintain and/or increase product utilization in sufficient numbers;
- our ability to sustain or increase profitability or revenue growth in future periods (or minimize declines) while controlling expenses;
- expansion of our business and products;
- the impact of excess or constrained capacity at our manufacturing and treat operations facilities and pressure on our internal systems and personnel;
- the compromise of our systems or networks, including any customer and/or patient data contained therein, for any reason;
- the timing of case submissions from our doctor customers within a quarter as well as an increased manufacturing costs per case; and
- the loss of key personnel, labor shortages, or work stoppages for us or our suppliers.

The foregoing and other risks are detailed from time to time in our periodic reports filed with the Securities and Exchange Commission ("SEC"), including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 28, 2025 and our latest Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, which was filed with the SEC on May 8, 2025. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

About Non-GAAP Financial Measures

- To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles ("GAAP") in the United States ("U.S. GAAP"), we use the following non-GAAP financial measures: constant currency net revenues, constant currency gross profit, constant currency gross margin, constant currency income from operations, constant currency operating margin, non-GAAP gross profit, non-GAAP gross margin, non-GAAP total operating expenses, non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income before provision for income taxes, non-GAAP provision for income taxes, non-GAAP effective tax rate, non-GAAP net income and non-GAAP diluted net income per share.
- These non-GAAP financial measures exclude certain items that may not be indicative of our fundamental operating performance, including foreign currency exchange rate impacts, the effects of stock-based compensation, amortization of intangible assets related to certain acquisitions, restructuring and other charges, acquisition-related costs, associated tax impacts and discrete cash and non-cash charges or gains that are included in the most directly comparable GAAP financial measure.
- Our management believes that the use of certain non-GAAP financial measures provides meaningful supplemental information regarding our recurring core operating performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. We believe these non-GAAP financial measures are useful to investors because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making, and (2) they are used by our institutional investors and the analyst community to help them analyze the performance of our business.
- There are material limitations to using non-GAAP financial measures as they are not prepared in accordance with U.S. GAAP and may be different from similarly titled non-GAAP financial measures used by other companies. Non-GAAP financial measures exclude certain items that may have a material impact upon our reported financial results, which can limit their usefulness for comparison purposes. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which charges are excluded from the non-GAAP financial measures. We compensate for these limitations by analyzing current and future results on both a GAAP and non-GAAP basis and by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures in our public disclosures. The presentation of non-GAAP financial information is meant to be considered in addition to, not as a substitute for, superior to, or in isolation from, the directly comparable financial measures prepared in accordance with U.S. GAAP. We urge investors to review the reconciliation of our GAAP financial measures to the comparable non-GAAP financial measures included herein and not to rely on any single financial measure to evaluate our business. For more information on these non-GAAP financial measures and a reconciliation of GAAP to non-GAAP measures, please see the tables captioned "Unaudited GAAP to Non-GAAP Reconciliation."

Q2 2025 Conference Call Details



Transforming smiles, changing lives.

Conference Call

Speakers:

- Joe Hogan, President and CEO
- John Morici, CFO
- Shirley Stacy, VP, Finance, Investor Relations and Corporate Communications

Webcast Archive:

- Audio webcast archive will be available at <http://investor.aligntech.com> for one month

Contacts

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Email: investorinfo@aligntech.com

Tel: (602) 742-2000

Corporate and Investor Communications:

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- Madelyn Valente, mvalente@aligntech.com



GLOBAL OPPORTUNITY

+600M

Potential patients in GP Dentists

+22M

Orthodontic starts

+2M

Doctors

Making **Tooth Movement** Standard of Care



8M
AMERICAS

6M
EMEA

8M
APAC

22M

Annual Orthodontic Starts

DIGITAL Only Way to Treat the Population



Prevalence of Malocclusion **75%**



Digital Scanner **OPPORTUNITY**

2M Doctors

It Starts with
iTero™ scanner at
EVERY CHAIR

100K+
iTero Scanners*



align™ digital platform

TRANSFORMING SMILES, CHANGING LIVES



Connect



Scan



Diagnose



Plan



Treat



Monitor



Retain



CONSUMERS
& PATIENTS



DOCTORS



DENTAL LABS

Q2 2025 CEO Opening Commentary

Our second quarter results were mixed. Total Q2 revenues of \$1,012.4 million reflect solid year-over-year revenue growth for Systems and Services, driven primarily by stronger than expected sales of iTero Lumina™ scanner wand upgrades-offset by lower-than-expected sales of full iTero Lumina Systems, and a slight year-over-year decrease in Clear Aligner revenues driven primarily by lower-than-expected volumes in Europe and North America. As a result, Q2 worldwide revenues and operating margins were below our Q2 outlook.

During Q2, we continued to see strong consumer interest in Invisalign® treatment, as reflected by iTero scans and Invisalign doctor case submissions. However, we experienced uneven patient case conversion, which led to a lower than typical seasonal uptick in case starts which historically occurs late in the quarter.

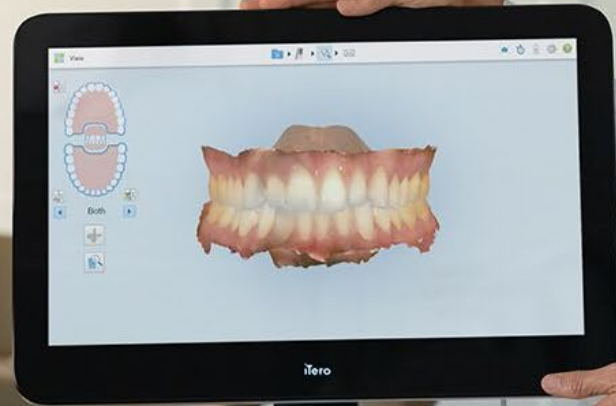
As we assessed our Q2 results and the activity in our customers' offices, we believe it was impacted in part by U.S. tariff turmoil in and outside of the U.S. and less affordable financing options for orthodontic treatment, as well as for capital equipment purchases.

Recent dental industry surveys for the second quarter suggest there was less overall patient traffic, fewer orthodontic case starts, and patient hesitation toward elective procedures. 2025 marks the fourth consecutive year orthodontic starts are down, and third-party research reports indicate that practices that use both wires and brackets and clear aligners may have shifted more of their case starts to metal braces in Q2. Uncertainty not only impacts consumer purchasing decisions – but also the decisions that doctors make, especially practices who still use wires & brackets and weigh the sunk cost of their inventory and their available time over investing in digital solutions during times of financial uncertainty.

As we begin the third quarter and plan for the remainder of the year, our outlook anticipates the potential continued economic uncertainty and spending hesitancy that impacted demand for our clear aligners and new iTero scanner systems in the second quarter, even though we know consumer interest in Invisalign treatment remains strong*. We are evaluating actions to reduce costs and thoughtfully manage our investments while we continue to drive engagement and effectiveness of commercial and marketing programs that leverage our innovation and new product cycle across our clear aligners and scanners, especially those for teens and kids.

*Data source: Google Trends

Q2 2025 Highlights



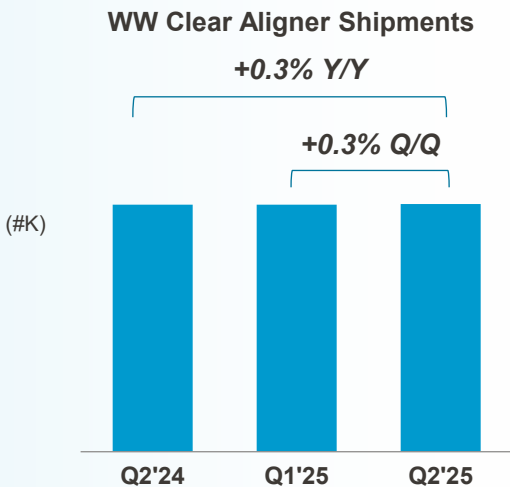
Q2 2025 Revenues and Operating Margin

TOTAL REVENUES	TOTAL SYSTEMS AND SERVICES REVENUES	TOTAL CLEAR ALIGNER REVENUES	GAAP OPERATING PROFIT / OPERATING MARGIN
Q2'25	Q2'25	Q2'25	Q2'25
\$1,012.4M	\$207.8M	\$804.6M	\$163.0M 16.1%
Q/Q +3.4% Y/Y (1.6)%	Q/Q +13.9% Y/Y +5.6%	Q/Q +1.0% Y/Y (3.3)%	Q/Q +2.7% pts Y/Y +1.8% pts
Q2'24	Q2'24	Q2'24	Q2'24
\$1,028.5M	\$196.8M	\$831.7M	\$147.0 14.3%
Q/Q +3.1% Y/Y +2.6%	Q/Q +9.2% Y/Y +16.1%	Q/Q +1.8% Y/Y (0.1)%	Q/Q (1.2)% pts Y/Y (2.9)% pts
Q2'25 FX Impact:	Q2'25 FX Impact:	Q2'25 FX Impact:	Q2'25 FX Impact:
<ul style="list-style-type: none"> Q/Q: ~\$26.4M favorable impact from FX⁽¹⁾ Y/Y: ~\$5.6M favorable impact from FX⁽¹⁾ 	<ul style="list-style-type: none"> Q/Q: ~\$4.8M favorable impact from FX⁽¹⁾ Y/Y: ~\$1.0M favorable impact from FX⁽¹⁾ 	<ul style="list-style-type: none"> Q/Q: ~\$21.6M favorable impact from FX⁽¹⁾ Y/Y: ~\$4.5M favorable impact from FX⁽¹⁾ 	<ul style="list-style-type: none"> Q/Q: ~1.2 pts favorable impact from FX⁽¹⁾ Y/Y: ~0.2 pts favorable impact from FX⁽¹⁾

(1) See table: Unaudited GAAP to Non-GAAP Reconciliation

Q2 2025 Clear Aligner segment

WW CLEAR ALIGNER METRICS



Total Utilization*

7.5	7.5	7.5
Q2'24	Q1'25	Q2'25

*Number of cases shipped/number of doctors to whom cases were shipped



Powered by nearly 30 years of experience and now approximately 20.8 million* patients worldwide, the Invisalign® System leverages more data, insights, and innovations than any other brand on the market – so every smile is treated with the utmost precision and care

*Data on file at Align Technology, as of June 30, 2025

Invisalign[®] SMILES

Invisalign patients treated

~20.8M*

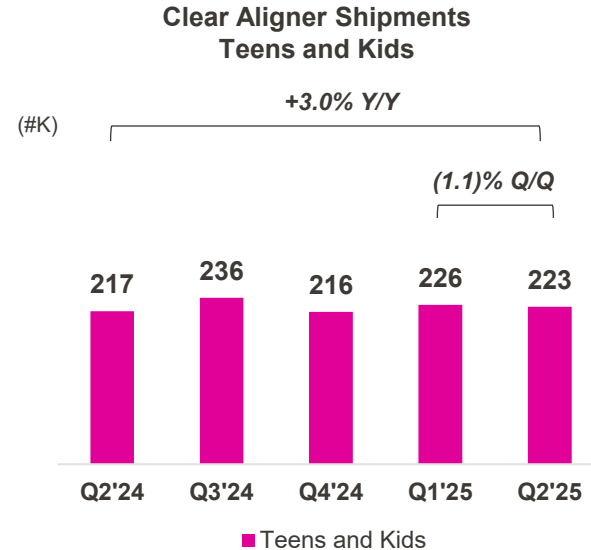
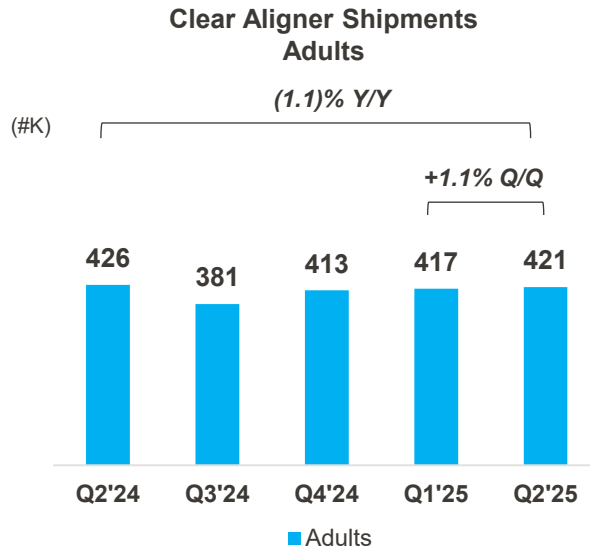
including

~6.1M*

Teens & Kids

~6.1M Teens and Kids treated with the Invisalign® System, to date

- In Q2, +223K teens and growing kids started treatment with Invisalign Clear Aligners, (1.1)% Q/Q, primarily due to softer performance in EMEA and APAC, despite continued strength in the Americas, and +3.0% Y/Y, driven by growth in APAC, EMEA, and Latin America, partially offset by North America.
- From a product standpoint, Invisalign First™ was a key Y/Y growth driver across all regions. Additionally, the Invisalign® Palatal Expander System contributed to Y/Y growth in North America.
- For Q2, the number of doctors submitting case starts for teens or kids was up 3.5% Y/Y, led by continued strength from doctors treating young kids or growing patients with Invisalign First and Invisalign Palatal Expander.



Q2 2025 Invisalign® Brand Consumer Marketing

AMERICAS

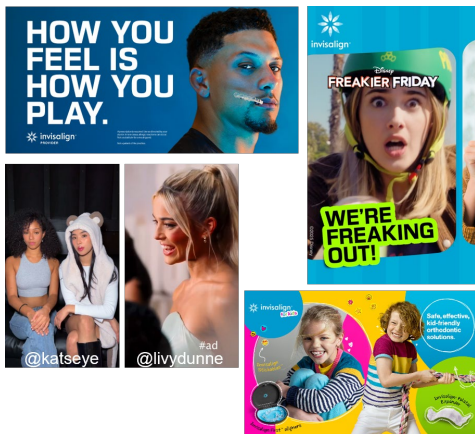
22.7M

Website Visitors

5B

impressions

Social media and influencer marketing
Teen, Adult and Moms of teens



EMEA

7.6M

Website Visitors

1.4B

impressions

Real patient stories. Authentic treatment.



APAC

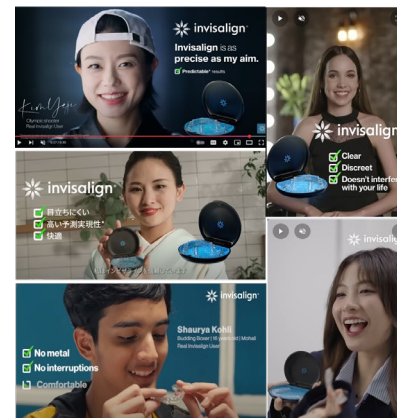
23.8M

Website Visitors

5.7B

impressions

Real stories. Real patients shared
across omnichannel media



Q2 2025 Consumer Demand Creation and Digital Tools



The Invisalign® brand is the most trusted in the Orthodontic industry globally and it is important we continue to create demand for Invisalign clear aligners, especially given macro-economic pressures on doctors and their patients. The underlying market opportunity for clear aligner treatment, especially for teens and kids, remains huge and significantly underpenetrated. We know Invisalign clear aligner treatment is as effective as braces and faster than braces, yet the vast majority of orthodontic cases are still treated using brackets and wires.

In Q2'25, we delivered 12.1B impressions and 54M visits to our websites globally.

To increase awareness and educate young adults, parents and teens about the benefits of the Invisalign brand, we continued to invest and create campaigns in top media platforms such as TikTok, Instagram, YouTube, SnapChat, WeChat, and Douyin across markets.

Differentiation and communicating superiority continue to be key to increasing Invisalign share of orthodontic case starts – especially among teens and their parents. We are continuing to differentiate through novel creative executions by collaborating with influencers that teens and parents trust in addition to real patient stories, celebrating our 20M patient milestone, from parents, teens, and doctors to help elevate awareness and education about the benefits of Invisalign treatment.

Similarly, to differentiate Invisalign treatment for adults, we continued to expand campaigns globally using powerful patient testimonials that share how important a smile delivered by an Invisalign trained doctor is and how Invisalign treatment increases self-confidence that transforms lives.

Reaching young adults as well as teens and their parents also requires the right engagement through Invisalign influencers and creator-centric campaigns.

In the Americas, we ramped up activation and programming for teens and parents of teens and kids with the launch of a new brand Invisalign for Kids to drive immediate recognition, trust and credibility with parents that we have a range of Invisalign products to meet specific needs of children. We continue to partner with smile ambassadors and real Invisalign patients including athletes Patrick Mahomes, Olivia Dunne, global girl KPop group Katseye and Rebeca Andrade in Brazil, to highlight the confidence that comes from to adults, parents, and teens. As a result, the campaigns delivered more than 5B impressions and 22.7M unique visitors to our consumer websites across the Americas.

In the EMEA region, our campaigns continued to focus on sharing real patient stories showcasing the transformational stories of real teens and adults. Additionally, we launched the 20M smiles with a robust 20M stories campaign and encouraged our influencer and content creator community to share their stories. Our campaigns delivered more than 1.4B media impressions and 7.6M visitors to our website.

APAC delivered 5.7B impressions and 23.8M website visits in Q2 - this includes strong locally relevant campaigns featuring real transformation stories across Japan, India, Australia, and major APAC celebrities including Olympian Kim Yeji from Korea, Bolly wood celebrities from India endorsing the brand, athletes from Singapore, and top influencers across APAC including Shi Qi SEA, Sam Vietnam, and Tik Tokers in Thailand and Kimono Mom in Japan

Finally, digital tools such as My Invisalign™ Consumer and Patient app continued to increase with +5.66M downloads to-date and +494K monthly active users, a 29% Y/Y growth. Usage of our other digital tools also continued to increase. ClinCheck® Live Update was used by 57.4K doctors on more than 813.1K cases in Q2, reducing time spent in modifying treatment by 20%. Invisalign® Practice App is increasing in adoption with 73.4K doctors who are actively using this app and 6.9M photos were uploaded in Q2 via the Practice app, a 17% Y/Y growth.

Q2 2025 Regional Highlights

AMERICAS

North America: Advanced Practice with Invisalign® Treatment (API) Courses

We hosted +400 doctors and +90 practiced team leaders at 3 API courses in Q2'25 focused on clinical efficiency and practice growth. 20% of attendees across each course were new to the Invisalign® System including new grads/recent grads/early career associates

- Clinical: ClinCheck® treatment planning guidance including staging and biomechanical considerations; best practices for predictably treating a variety of Class II/III malocclusions; successfully treating growing kids with Invisalign First™ and Invisalign® Palatal Expander; treating ortho-restorative patient cases using Invisalign Smile Architect & CBCT
- Practice growth: Marketing strategies; new patient experience leveraging Align digital tools; key orthodontic industry and consumer trends; advanced training in leadership development, digital workflow integration, operational efficiency, and change management

Latin America:

- Invisalign® Doctor Subscription Program (DSP) Touch-up: Following the Q4'24 pilot, DSP is being well received among customers in Brazil.
- Invisalign Pay: System integration in Q2'25 aims to provide a seamless experience to customers in Brazil, focusing on affordability.

EMEA

French Invisalign® and iTero® Summit, June 12-13, 2025

+130 doctors from France attended, +200 attendees overall. Focused on the future of orthodontics, Align speakers presented the latest innovations that are shaping the industry, especially for the treatment of kids and adolescents.



UKI Live Summit, June 21-22, 2025



625 general dentists, orthodontists & practice teams attended. Sessions focused on the latest clinical content and practical knowledge. Align also hosted a "Women in Dentistry" panel discussion.

Morocco Roadshow, June 26-28, 2025



+60 doctors gathered to learn more about improving clinical outcomes using the Align® Digital Platform and shaping the future of Class II treatment with growing patients.

Invisalign® System with mandibular advancement featuring occlusal blocks for Class II skeletal and dental correction was launched in most markets in EMEA during the quarter.

APAC

2025 Invisalign® APAC Summit, June 5-7, 2025

+2K doctors and practice staff members, with +60 expert speakers and +50 immersive breakout lectures and hands-on workshops, all designed to help doctors elevate clinical outcomes, streamline workflows, and grow their practices.



2025 Align™ APAC University Forum, June 8, 2025

Hosted at Chulalongkorn University, +300 delegates from 78 universities across APAC with keynotes and case-based discussions, to panels on integrating Invisalign® aligner therapy and digital workflows into university curricula.



Invisalign® System with mandibular advancement featuring occlusal blocks for Class II skeletal and dental correction was launched in ANZ, Japan, Hong Kong, Macau, and Korea during the quarter.

iTero® Lumina Pro was introduced in the Philippines, China, and Korea during the quarter.

iTero™ intraoral scanners

Accelerating digital practice transformation

The iTero scanner is at the front end of digital dentistry. Today, we have over 100K iTero scanners sold or roughly half of the intraoral scanning market globally. We have a scanner portfolio that consists of value to premium products, having introduced breakthrough technologies in the last few years, making the iTero scanner a comprehensive oral health system.



iTero
Element Flex™
& CPO



iTero
Element™ 2



iTero
Element™ 5D



iTero
Element™ Plus Series



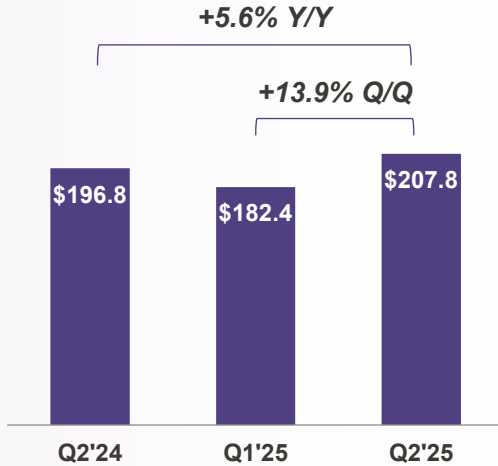
iTero
Lumina™ scanner

*iTero Lumina™ intraoral scanner with ortho capabilities has been available since February 2024. The iTero Lumina scanner with restorative software became available in March 2025.
iTero Element™ 5D Plus Series scanner is available in U.S., Canada, the majority of EMEA and selected APAC and LATAM markets
iTero Lumina™ scanner is available in U.S., Canada, the majority of Europe and selected APAC and Africa markets*

Q2 2025 Systems and Services segment

IMAGING SYSTEMS AND CAD/CAM SERVICES

(\$M) Systems and Services Revenues



CAD/CAM and Services revenues represent ~45%* of our Systems and Services business.

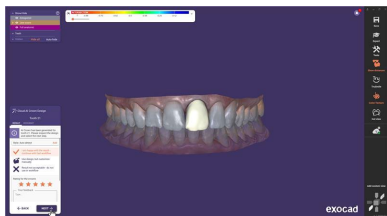
*Q2'25



Q2 2025 exocad Highlights

exocad announces exocad Credits for customers to access AI-enabled services

- *DentalCAD 3.2 Elefsina Feature Release* users in the European Union and United States who hold a qualifying license will automatically receive a fixed monthly amount of exocad Credits
- These credits can be used for exocad's AI-enabled services, which currently include *TruSmile™ Photo*, *TruSmile™ Video*, and *AI Design*
- Additional exocad Credits can be purchased



More than 70,000 licenses sold

- exocad achieved another milestone: **+70K licenses** have been sold worldwide
- The new milestone highlights exocad's stable growth and continued customer confidence in its software solutions



Q2 2025 Financial Review

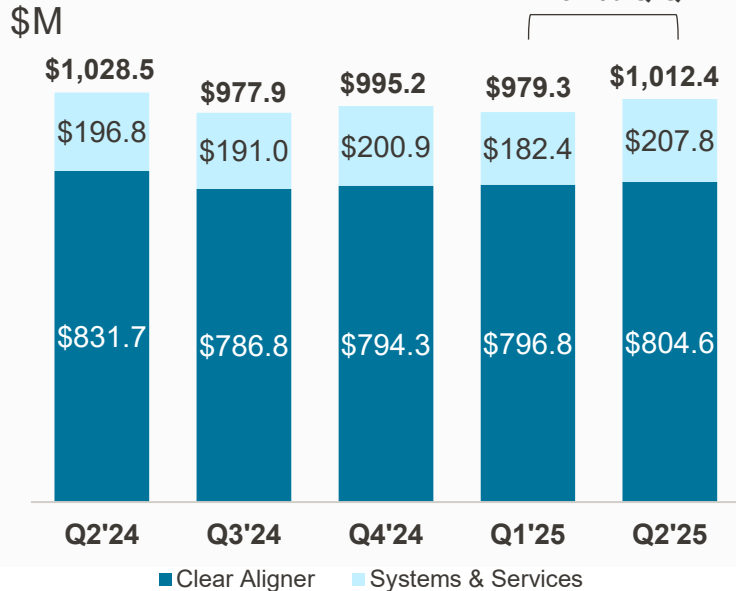


Q2 2025 Trended Revenues and Volumes

Q2'25 NET REVENUES

(1.6)% Y/Y

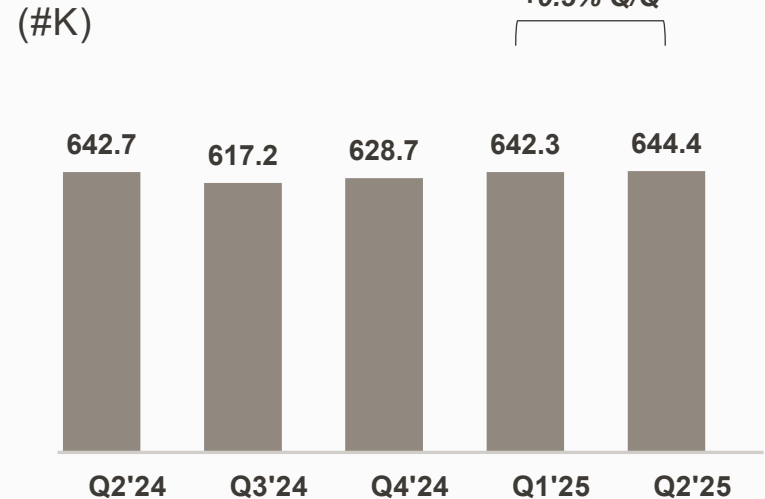
+3.4% Q/Q



Q2'25 CLEAR ALIGNER CASE VOLUME

+0.3% Y/Y

+0.3% Q/Q

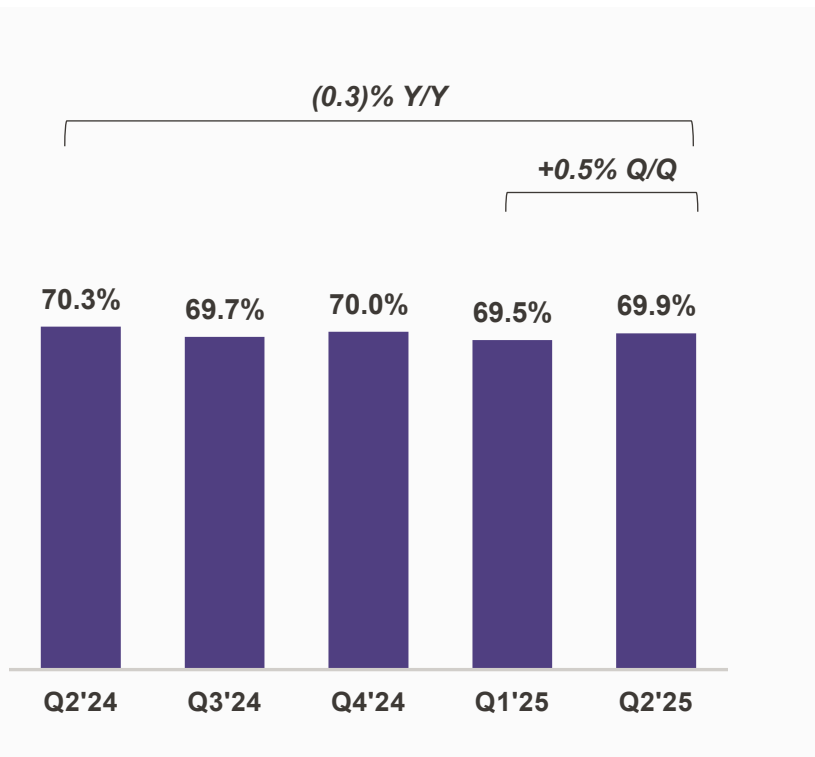


Q2 2025 Financial Summary Commentary

- **Q2'25 Total revenues of \$1,012.4M, +3.4% Q/Q and (1.6)% Y/Y**
 - Q/Q, Q2'25 revenues were favorably impacted by FX of ~\$26.4M or ~2.7%*
 - Y/Y, Q2'25 revenues were favorably impacted by FX of ~\$5.6M or ~0.6%*
- **Q2'25 Clear Aligners revenues of \$804.6M, +1.0% Q/Q and (3.3)% Y/Y**
 - Q/Q, Q2'25 increase primarily from favorable foreign exchange partially offset by higher discounts
 - Q/Q, Q2'25 revenues were favorably impacted by FX of ~\$21.6M or ~2.8%*
 - Q2'25 Clear Aligner average per case shipment price of \$1,250 increased by \$10 on a sequential basis, primarily due to the impact of favorable FX
 - Y/Y, Q2'25 decrease primarily due to lower ASPs from discounts and product mix shift to lower-priced products partially offset by price increases
 - Y/Y, Q2'25 revenues were favorably impacted by FX of ~\$4.5M or ~0.6%*
 - Q2'25 Clear Aligner average per case shipment price of \$1,250 was down \$45 on a year-over-year basis primarily due to discounts and a product mix shift to lower priced products, partially offset by price increase in Q1'25 and favorable FX
- **Q2'25 Systems and Services revenues of \$207.8M, +13.9% Q/Q and +5.6% Y/Y**
 - Q/Q, increase primarily due to higher scanner system revenue and favorable FX
 - Y/Y, increase primarily due to an increase in scanner wand upgrade revenue, higher non-system revenues and favorable FX, partially offset by lower scanner system sales
 - Q/Q, Q2'25 revenues were favorably impacted by FX of ~\$4.8M or ~2.3%*
 - Y/Y, Q2'25 revenues were favorably impacted by FX of ~\$1.0M or ~0.5%*

*See table: Unaudited GAAP to Non-GAAP Reconciliation

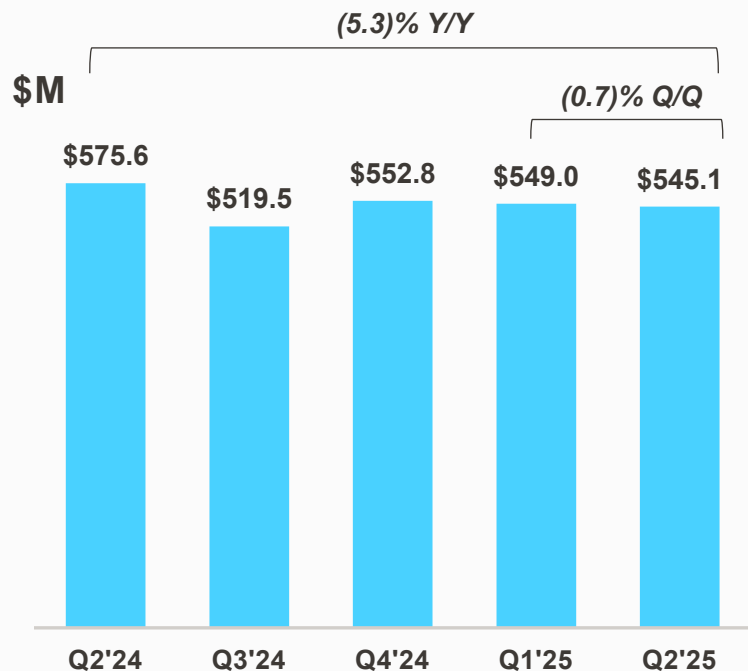
Q2 2025 Trended GAAP Gross Margins



- **Overall, Q2'25 gross margin was 69.9%, +0.5 pts Q/Q and (0.3) pts Y/Y**
 - Q/Q, Q2'25 total gross margin was favorably impacted by FX by ~0.8 pts*
 - Y/Y, Q2'25 total gross margin was favorably impacted by FX by ~0.2 pts*
- **Q2'25 non-GAAP gross margin was 70.5%, +0.3 pts Q/Q and (0.4) pts Y/Y***
- **Q2'25 Clear Aligner gross margin was 70.1%**
 - (0.5) pts Q/Q primarily due to higher manufacturing costs, partially offset by freight savings. FX favorably impacted Clear Aligner gross margin by ~0.8 points Q/Q
 - (0.7) pts Y/Y due primarily to lower ASP, partially offset by freight savings. FX favorably impacted Clear Aligner gross margin by ~0.2 points Y/Y
- **Q2'25 Systems and Services gross margin was 69.4%**
 - +4.7 pts Q/Q due to higher scanner system ASP and manufacturing efficiencies, partially offset by tariffs. FX favorably impacted the Systems and Services gross margin by ~0.7 points Q/Q
 - +1.3 pts Y/Y due to manufacturing efficiencies, partially offset by tariffs and lower scanner ASP. FX favorably impacted the Systems and Services gross margin by ~0.1 points Y/Y

*See table: Unaudited GAAP to Non-GAAP Reconciliation

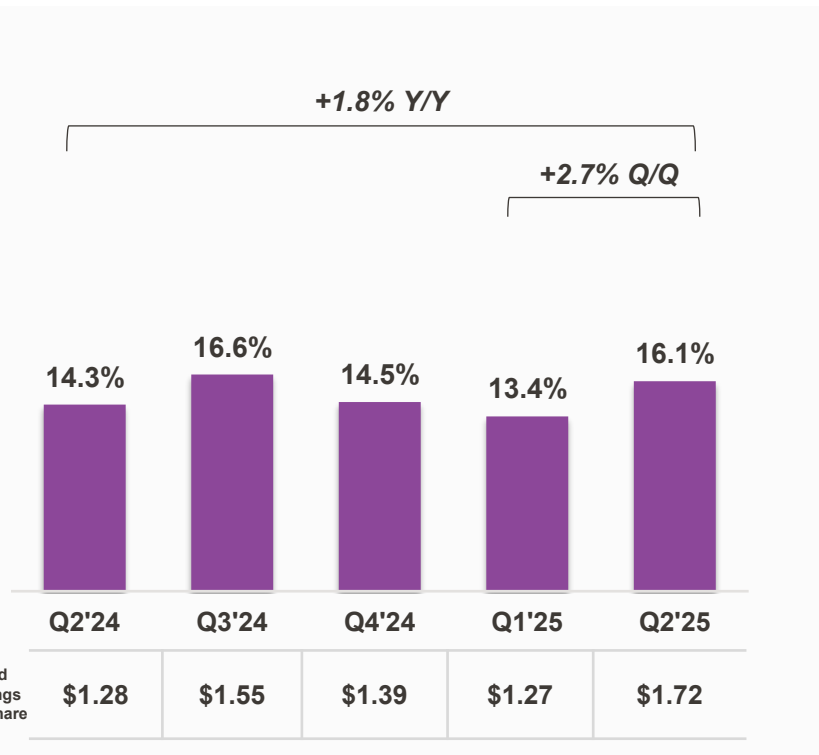
Q2 2025 Trended GAAP Operating Expense



- Q2'25 Operating expenses were \$545.1M, (0.7)% Q/Q and (5.3)% Y/Y
- Q/Q, Q2'25 operating expenses \$(3.9)M, primarily due to lower legal settlements not recurring in Q2'25
- Y/Y, Q2'25 operating expenses \$(30.5)M, primarily due to legal settlements not recurring in Q2'25
- On a non-GAAP basis, excluding stock-based compensation, legal settlements and amortization of acquired intangibles related to certain acquisitions, operating expenses were \$497.6M, (0.6)% Q/Q and (0.4)% Y/Y*

*See table: Unaudited GAAP to Non-GAAP Reconciliation

Q2 2025 Trended GAAP Operating Margin and Earnings Per Share



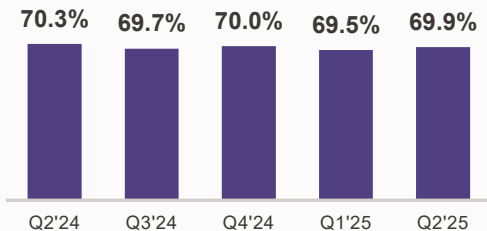
- Q2'25 Operating income of \$163.0M resulting in a Q2'25 operating margin of 16.1%, +2.7 pts Q/Q and +1.8 pts Y/Y
 - Q2'25 Operating margin was favorably impacted from FX by ~1.2 pts Q/Q and favorably impacted by ~0.2 pts Y/Y*
 - Q2'25 non-GAAP Operating margin, which excludes stock-based compensation, legal settlements and amortization of intangibles related to certain acquisitions, was 21.3%, +2.3 pts Q/Q, and (1.0) pts Y/Y*
- Interest and other income & expense, net for the second quarter was an income of \$10.5M, compared to an income of \$9.3M in Q1'25, primarily driven by favorable foreign exchange movements of \$10.1M in Q2, partially offset by lower interest income
- Y/Y, Q2 interest and other income and expense were favorable compared to an expense of \$3.2M in Q2'24, primarily driven by favorable foreign exchange movements
- The GAAP effective tax rate in the second quarter was 28.2%, compared to 33.6% in the first quarter, and 32.9% in the second quarter of the prior year
- The second quarter GAAP effective tax rate was lower than the first quarter effective tax rate primarily due to discrete tax expenses related to stock-based compensation recognized in Q1'25, that did not recur in Q2'25
- The second quarter GAAP effective tax rate was lower than the second quarter effective tax rate of the prior year primarily due to a decrease in U.S. taxes on foreign earnings, partially offset by a change in our jurisdictional mix of income
- Our non-GAAP effective tax rate in the second quarter was 20%, which reflects our long-term projected tax rate
- Q2'25 net income per diluted share was \$1.72, up \$0.45 Q/Q and up \$0.43 compared to the prior year. Our EPS was favorably impacted by \$0.26 on a Q/Q basis and \$0.13 on a Y/Y basis due to FX
- On a non-GAAP basis, net income per diluted share was \$2.49 for Q2, up \$0.36 Q/Q and up \$0.09 Y/Y

*See table: Unaudited GAAP to Non-GAAP Reconciliation

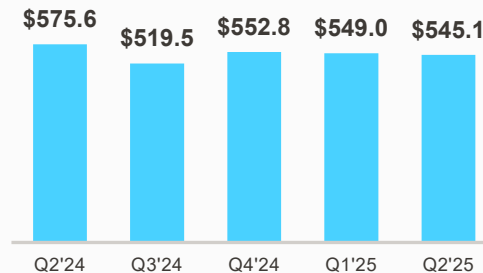
Trended Quarterly Financials

GAAP

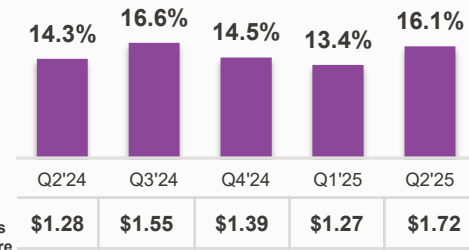
Gross Margin %



Operating Expense (\$M)

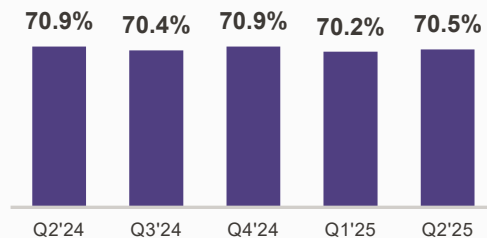


Operating Margin % & Diluted EPS

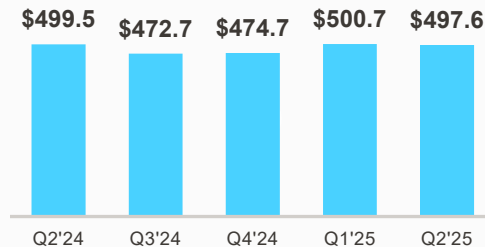


Non-GAAP

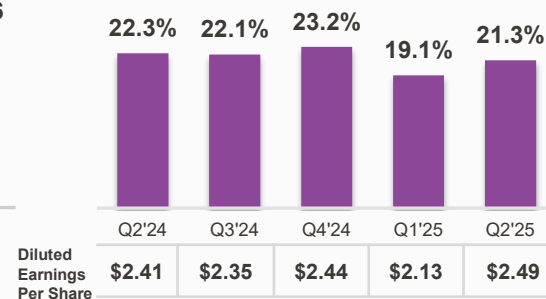
Gross Margin %



Operating Expense (\$M)



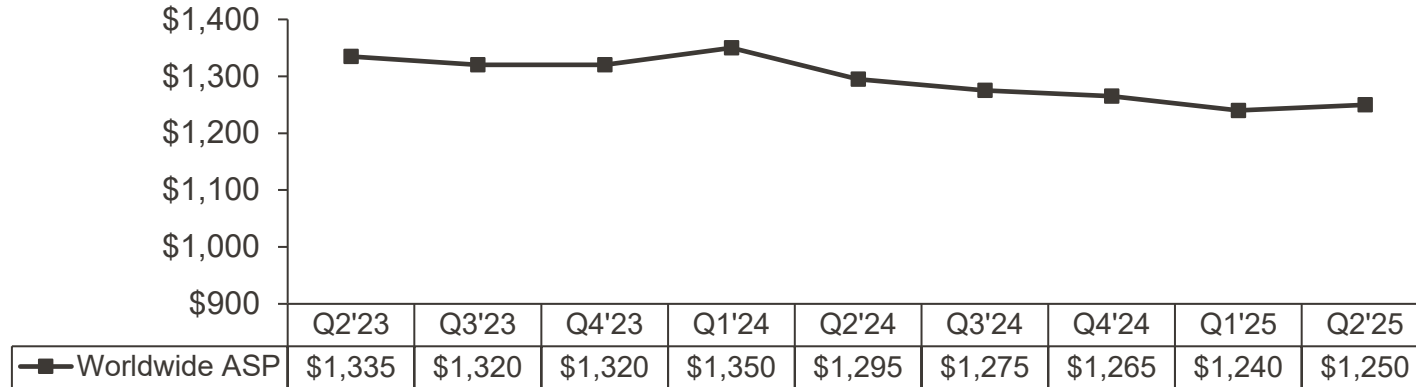
Operating Margin % & Diluted EPS



*See table: Unaudited GAAP to Non-GAAP Reconciliation

Q2 2025 Clear Aligner Revenue Per Case Shipment

Clear Aligner Revenue Per Case Shipment



- **Average Selling Price ("ASP"):** Clear aligner revenues / Case shipments

*As of Q3'23, Doctor Subscription Program Touch-Up cases are included in Clear Aligner shipments in North America and EMEA. Prior periods have been recast.

Balance Sheet, Cash Flow & Stock

(\$ in millions except for DSO)	Q2'24	Q1'25	Q2'25
Accounts Receivables, net	\$1,020.1	\$1,062.0	\$1,116.2
DSO	89 days	97 days	99 days
Cash, Cash Equivalents, and Short-Term and Long-Term Marketable Securities	\$782.1	\$873.0	\$901.2
Cash Flow from Operations	\$159.8	\$52.7	\$128.7
Capital Expenditures	\$(53.5)	\$(25.3)	\$(21.5)
Free Cash Flow*	\$106.4	\$27.4	\$107.2

*Free cash flow is defined as cash flow from operations less capital expenditures and is a non-GAAP measure
Rounding may affect totals

- As of June 30, 2025, cash and cash equivalents were \$901.2M, up Q/Q \$28.1M, and up \$139.7M Y/Y. Of the \$901.2M, \$193.5M was held in the U.S. and \$707.7M was held by our international entities
- During Q2'25, we repurchased ~585.1K shares of our common stock at an average price of \$164.14 per share, completing the \$225.0M open market repurchase initiated in Q1'25. This completed our \$1.0 billion stock repurchase program approved in January 2023, in its entirety
- Over the last 12 months, we have purchased \$500 million of our common stock. Over the last 24 months, we have repurchased \$1B of our common stock.
- In April 2025, our Board of Directors authorized a plan to repurchase up to \$1.0 billion of our common stock ("April 2025 Repurchase Program"), none of which has been utilized. The April 2025 Repurchase Program is expected to be completed over a period of up to three years
- Clear Aligner deferred revenues on the balance sheet as of June 30, 2025, increased \$1.4M, or 0.1% Q/Q, and decreased \$65.5M, or (5.2)% Y/Y, and will be recognized as additional aligners are shipped under each sales contract
- Systems and Services deferred revenues decreased \$7.6M or (3.7)% Q/Q and decreased \$24.5M or (10.9)% Y/Y, due in part to shorter duration of service contracts selected by customers on initial scanner system purchases

Closing Comments



Business Trends Commentary

Before we turn to our Q3 and fiscal 2025 outlook, Align is also announcing today that we expect to take a series of actions in the second half of fiscal 2025 to streamline operations and reallocate resources to better align with our long-term growth and profitability objectives. These actions are intended to sharpen operational focus, reduce ongoing costs, and enhance capital efficiency. First, we expect to realign certain business groups and reduce our global workforce. Second, we are looking to optimize our manufacturing footprint and dispose of certain manufacturing capital assets as we transition to next-generation manufacturing technologies, increase automation, and regionalize manufacturing to be closer to our customers. We expect these actions will incur one-time charges of approximately \$150 million to \$170 million in the second half of 2025, primarily for the write-down of assets, accelerated depreciation expense, and restructuring charges. We expect approximately \$40 million of these charges to be in cash, with the remainder in non-cash charges. We expect approximately \$50 million to \$60 million of these charges in Q3'25. We expect these actions to deliver cost savings that will allow us to achieve a GAAP operating margin of approximately 13.0%–14.0% and a non-GAAP operating margin slightly above 22.5% in FY 2025. For FY 2026, we expect these actions to improve the GAAP and non-GAAP operating margins by at least 100 basis points year-over-year.

We are evaluating these difficult but, we believe, necessary actions to position us for sustainable, long-term success and improved profitability. While these decisions may impact valued members of our team, we believe they are essential to ensure we are positioned for upcoming technology changes and to remain agile and focused in a rapidly evolving market. We are committed to executing our strategy with discipline and purpose.

Business Trends Commentary, continued

We'd like to provide the following comments remarks regarding the UK VAT and US tariffs as of July 30.

UK VAT Update as of July 30, 2025:

- As previously disclosed in our Q1'25 earnings release and conference call, on April 24, 2025, we received a favorable ruling in which the UK tribunal determined that our clear aligners are exempt from VAT.
- In June of 2025, HMRC filed a Petition to Appeal to the Upper Tribunal to attempt to challenge the First-tier Tribunal's decision. On July 15, HMRC was given permission to appeal and has until August 15, 2025 to do so.
- For impacted customers, effective August 1, 2025, Align invoices will no longer include the United Kingdom VAT rate of 20% for all Invisalign treatment packages that are ClinCheck® approved on or after August 1, 2025, and for refinement and replacement aligners, Vivera™ retainers, PVS processing fees, and additional aligners orders placed on or after August 1, 2025. At the same time, we will simultaneously adjust prices for our clear aligners and retainers to keep the overall price consistent.

Tariff Update as of July 30, 2025:

- There is no material change to the expected impact of U.S. tariffs and we refer you to our Q1'25 press release and earnings materials, as well as our Q2'25 webcast slides which include specifics regarding potential impacts of U.S. tariffs.

Fiscal 2025 Business Outlook

Assuming no circumstances occur beyond our control, such as foreign exchange, macroeconomic conditions, and changes to currently applicable tariffs that could impact our business:

Q3'25:

- We expect Q3'25 worldwide revenues to be in the range of \$965 million to \$985 million, down sequentially from Q2'25.
- We expect Q3'25 Clear Aligner volume to be down sequentially as a result of Q3 seasonality and Q3'25 Clear Aligner average selling price ("ASP") to be slightly up sequentially due to favorable foreign exchange at current spot rates, partially offset by a continued product mix shift to non-comprehensive clear aligner products with lower list prices.
- We expect Q3'25 Systems and Services revenues to be down sequentially because of Q3 seasonality.
- We expect Q3'25 worldwide GAAP gross margin to be 64% to 65%, down sequentially by approximately 5 to 6 points, due to the incurrence of one-time charges expected to be approximately \$45 to \$55 million primarily for the write-down of assets, accelerated depreciation expense, and restructuring charges in Q3'25 and lower Clear Aligner volume. We expect non-GAAP gross margin to be flat from Q2'25.
- We expect Q3'25 GAAP operating margin to be 10.5% to 11.5%, down sequentially by approximately 5 to 6 points, due to the incurrence of one-time charges expected to be approximately \$50 to \$60 million primarily for the write-down of assets, accelerated depreciation expense, and restructuring charges in Q3'25 and lower Clear Aligner volume. We expect the majority of these charges to be non-cash charges, with approximately \$5 million in cash charges. We expect Q3'25 Non-GAAP operating margin to be approximately 22%.

For fiscal 2025:

- We expect 2025 Clear Aligner volume growth to be low-single digits and revenue growth to be flat to slightly up from 2024, assuming foreign exchange at current spot rates.
- We expect 2025 Clear Aligner ASPs to be down year-over-year due to a continued product mix shift to non-comprehensive clear aligners with lower list prices and continued growth in our emerging markets with products that may carry lower list prices, partially offset by favorable foreign exchange at current spot rates.
- We expect 2025 Systems and Services year-over-year revenues to grow faster than Clear Aligner revenues.
- We expect the 2025 GAAP gross margin to be 67% - 68%, down year-over-year by approximately 2 to 3 points, due to the incurrence of one-time charges expected to be approximately \$115 to \$130 million primarily for the write-down of assets, accelerated depreciation expense, and restructuring charges in the second half of 2025 and lower Clear Aligner volume. We expect the 2025 non-GAAP gross margin to be flat to slightly lower than the 2024 non-GAAP gross margin.
- We expect the fiscal 2025 GAAP operating margin to be 13% - 14%, down year-over-year, by approximately 1 to 2 points below the 2024 GAAP operating margin due to the incurrence of one-time charges expected to be approximately \$150 to \$170 million primarily for the write-down of assets, accelerated depreciation expense, and restructuring charges in the second half of 2025. Most of the one-time charges will be non-cash with the expected cash outlay for 2025 estimated at around \$40 million. We expect the 2025 non-GAAP operating margin to be slightly above 22.5%.
- We expect our investments in capital expenditures for fiscal 2025 to be between \$100 million and \$125 million. Capital expenditures primarily relate to technology upgrades as well as maintenance.

Q2'25 Earnings Call CEO Closing Commentary

In the face of a challenging and uncertain macroeconomic backdrop—one characterized by global tariff volatility, ongoing inflation, elevated interest rates, and an unstable consumer confidence—we are navigating with a clear focus: to control what we can and to continue to invest with discipline in the areas that will define our future.

In Q2 our customers reported reduced patient traffic, fewer orthodontics case starts, and delayed case acceptance. But despite significant headwinds across the consumer discretionary spend landscape, our consumer interest metrics remain strong. Patients are still prioritizing care that delivers meaningful, visible results, even if timing and affordability concerns are reshaping how and when they choose to commit to treatment. This underscores the opportunity: those who invest in customer trust, seamless experience, and value-based innovation will be best positioned for the long run.

We are doubling down on the levers within our reach—execution, efficiency, and engagement:

We continue to invest in next-generation technologies and treatment platforms that meet today's patient expectations for fast, effective, and personalized treatment while also providing value and growth opportunities for our doctor customers. We believe that these innovations are not only improving outcomes in Invisalign practices but also expanding our addressable market and strengthening our competitive differentiation

We have recalibrated our commercial engine to be more targeted and data-informed. Our field teams are engaging practices with tools that improve case conversion at the point of care. Through digital channels, we're activating more prospective patients and connecting them directly to providers. In the face of lower consumer confidence and delayed spending, our engagement with potential patients remains high and we are continuing to refine and scale our integrated consumer marketing programs

In a fragmented, choice-heavy market, we are continuing to make it easier for providers to succeed with our solutions. Whether it's clinical training, financing tools, or personalized marketing support, our strategy is simple—surround our customers with the right support at every stage of their growth journey. We believe this commitment is helping drive greater adoption and turning one-time users into repeat champions

At the same time, we recognize the importance of operating with discipline and taking steps now to mitigate the impact of potential continued headwinds and volatility in the market. We are considering actions that right size parts of our organization, aligning resources to current demand realities and eliminating redundancy to drive leaner, faster execution across our organization, especially in areas where we can integrate innovation teams and take global decision-making and support closer to our customers in each region. These tough decisions are being made to preserve our investment in core technologies and protect the teams building our long-term growth

While we believe that the macroeconomic uncertainty will likely persist into the foreseeable future, we are confident in our ability to adapt and lead. Our long-term strategic initiatives and opportunities remain intact, as does our commitment to focused execution and to transforming treatment for doctors and patients

Appendix



Unaudited GAAP to Non-GAAP Reconciliation Constant Currency Net Revenues

Note:

1) We define constant currency net revenues as total net revenues excluding the effect of foreign exchange rate movements and use it to determine the percentage for the constant currency impact on net revenues on a sequential, year-over-year and current year versus prior year basis. Constant currency impact in dollars is calculated by translating the current period GAAP net revenues using the foreign currency exchange rates that were in effect during the previous comparable period and subtracting it by the current period GAAP net revenues. The percentage for the constant currency impact on net revenues is calculated by dividing the constant currency impact in dollars (numerator) by constant currency net revenues in dollars (denominator).

(+) 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 presentation.

ALIGN TECHNOLOGY, INC.
UNAUDITED GAAP TO NON-GAAP RECONCILIATION*
CONSTANT CURRENCY NET REVENUES
(in thousands, except percentages)

Sequential constant currency analysis:

	Three Months Ended		Impact % of Revenue
	June 30, 2025	March 31, 2025	
GAAP net revenues	\$ 1,012,449	\$ 979,262	
Constant currency impact ⁽¹⁾	(26,388)		(2.7)%
Constant currency net revenues ⁽¹⁾	<u>\$ 986,061</u>		
GAAP Clear Aligner net revenues	\$ 804,617	\$ 796,843	
Clear Aligner constant currency impact ⁽¹⁾	(21,629)		(2.8)%
Clear Aligner constant currency net revenues ⁽¹⁾	<u>\$ 782,988</u>		
GAAP Imaging Systems and CAD/CAM Services net revenues	\$ 207,832	\$ 182,419	
Imaging Systems and CAD/CAM Services constant currency impact ⁽¹⁾	(4,759)		(2.3)%
Imaging Systems and CAD/CAM Services constant currency net revenues ⁽¹⁾	<u>\$ 203,073</u>		

Year-over-year constant currency analysis:

	Three Months Ended		Impact % of Revenue
	June 30,		
	2025	2024	
GAAP net revenues	\$ 1,012,449	\$ 1,028,490	
Constant currency impact ⁽¹⁾	(5,553)		(0.6)%
Constant currency net revenues ⁽¹⁾	<u>\$ 1,006,896</u>		
GAAP Clear Aligner net revenues	\$ 804,617	\$ 831,738	
Clear Aligner constant currency impact ⁽¹⁾	(4,545)		(0.6)%
Clear Aligner constant currency net revenues ⁽¹⁾	<u>\$ 800,072</u>		
GAAP Imaging Systems and CAD/CAM Services net revenues	\$ 207,832	\$ 196,752	
Imaging Systems and CAD/CAM Services constant currency impact ⁽¹⁾	(1,008)		(0.5)%
Imaging Systems and CAD/CAM Services constant currency net revenues ⁽¹⁾	<u>\$ 206,824</u>		

Unaudited GAAP to Non-GAAP Reconciliation

Constant Currency Gross Profit and Gross Margin

Note:

- 1) We define constant currency gross margin as constant currency gross profit as a percentage of constant currency net revenues. Gross margin constant currency impact is the increase or decrease in constant currency gross margin compared to the GAAP gross margin.
- (+) 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 presentation.

ALIGN TECHNOLOGY, INC.
UNAUDITED GAAP TO NON-GAAP RECONCILIATION CONTINUED*
CONSTANT CURRENCY GROSS PROFIT AND GROSS MARGIN
(in thousands, except percentages)

Sequential constant currency analysis:

	Three Months Ended	
	June 30, 2025	March 31, 2025
GAAP gross profit	\$ 708,117	\$ 680,108
Constant currency impact on net revenues	(26,388)	
Constant currency gross profit	<u>\$ 681,728</u>	

	Three Months Ended	
	June 30, 2025	March 31, 2025
GAAP gross margin	69.9 %	69.5 %
Gross margin constant currency impact ⁽¹⁾	(0.8)	
Constant currency gross margin ⁽¹⁾	<u>69.1 %</u>	

Year-over-year constant currency analysis:

	Three Months Ended	
	June 30, 2025	June 30, 2024
GAAP gross profit	\$ 708,117	\$ 722,628
Constant currency impact on net revenues	(5,553)	
Constant currency gross profit	<u>\$ 702,564</u>	

	Three Months Ended	
	June 30, 2025	June 30, 2024
GAAP gross margin	69.9 %	70.3 %
Gross margin constant currency impact ⁽¹⁾	(0.2)	
Constant currency gross margin ⁽¹⁾	<u>69.8 %</u>	

Unaudited GAAP to Non-GAAP Reconciliation

Constant Currency Income from Operations and Operating Margin

Notes:

- 1) We define constant currency income from operations as GAAP income from operations excluding the effect of foreign exchange rate movements for GAAP net revenues and operating expenses on a sequential and year-over-year basis. Constant currency impact in dollars is calculated by translating the current period GAAP net revenues and operating expenses using the foreign currency exchange rates that were in effect during the previous comparable period and subtracting it by the current period GAAP net revenues and operating expenses.
- 2) We define constant currency operating margin as constant currency income from operations as a percentage of constant currency net revenues. Operating margin constant currency impact is the increase or decrease in constant currency operating margin compared to the GAAP operating margin.
- (+) 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 presentation.

ALIGN TECHNOLOGY, INC.
UNAUDITED GAAP TO NON-GAAP RECONCILIATION CONTINUED*
CONSTANT CURRENCY INCOME FROM OPERATIONS AND OPERATING MARGIN
(in thousands, except percentages)

Sequential constant currency analysis:

	Three Months Ended	
	June 30, 2025	March 31, 2025
GAAP income from operations	\$ 183,033	\$ 131,100
Income from operations constant currency impact ⁽¹⁾	(16,128)	
Constant currency income from operations ⁽¹⁾	\$ 146,905	

	Three Months Ended	
	June 30, 2025	March 31, 2025
GAAP operating margin	16.1 %	13.4 %
Operating margin constant currency impact ⁽²⁾	(1.2)	
Constant currency operating margin ⁽²⁾	14.9 %	

Year-over-year constant currency analysis:

	Three Months Ended	
	June 30,	
	2025	2024
GAAP income from operations	\$ 183,033	\$ 147,046
Income from operations constant currency impact ⁽¹⁾	(3,232)	
Constant currency income from operations ⁽¹⁾	\$ 159,801	

	Three Months Ended	
	June 30,	
	2025	2024
GAAP operating margin	16.1 %	14.3 %
Operating margin constant currency impact ⁽²⁾	(0.2)	
Constant currency operating margin ⁽²⁾	15.9 %	

Unaudited GAAP to Non-GAAP Reconciliation Financial Measures Other Than Constant Currency

Notes:

- (1) Amortization of intangible assets related to certain acquisitions.
- (2) During the fourth quarter 2024, 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 severance and other post-employment one-time benefits.
- (+) 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 presentation.

ALIGN TECHNOLOGY, INC.
UNAUDITED GAAP TO NON-GAAP RECONCILIATION CONTINUED*
FINANCIAL MEASURES OTHER THAN CONSTANT CURRENCY
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP gross profit	\$ 708,117	\$ 722,628	\$1,388,225	\$1,420,444
Stock-based compensation	1,636	2,582	3,174	4,646
Amortization of intangibles ⁽¹⁾	3,752	3,678	7,301	7,402
Restructuring charges ⁽²⁾	—	—	2,253	—
Non-GAAP gross profit	\$ 713,505	\$ 728,888	\$1,400,953	\$1,432,492
GAAP gross margin	69.9 %	70.3 %	69.7 %	70.1 %
Non-GAAP gross margin	70.5 %	70.9 %	70.3 %	70.7 %
GAAP total operating expenses	\$ 545,084	\$ 575,582	\$1,094,092	\$1,119,263
Stock-based compensation	(46,572)	(44,446)	(90,031)	(81,170)
Amortization of intangibles ⁽¹⁾	(904)	(875)	(1,745)	(1,738)
Restructuring and other charges ⁽²⁾	—	357	197	357
Legal settlement loss	—	(31,127)	(4,178)	(31,127)
Non-GAAP total operating expenses	\$ 497,608	\$ 499,491	\$ 998,335	\$1,005,585
GAAP income from operations	\$ 163,033	\$ 147,046	\$ 294,133	\$ 301,181
Stock-based compensation	48,208	47,028	93,205	85,816
Amortization of intangibles ⁽¹⁾	4,656	4,553	9,046	9,140
Restructuring and other charges ⁽²⁾	—	(357)	2,056	(357)
Legal settlement loss	—	31,127	4,178	31,127
Non-GAAP income from operations	\$ 215,897	\$ 229,397	\$ 402,618	\$ 426,907
GAAP operating margin	16.1 %	14.3 %	14.8 %	14.9 %
Non-GAAP operating margin	21.3 %	22.3 %	20.2 %	21.1 %
GAAP net income before provision for income taxes	\$ 173,516	\$ 143,866	\$ 313,958	\$ 302,252
Stock-based compensation	48,208	47,028	93,205	85,816
Amortization of intangibles ⁽¹⁾	4,656	4,553	9,046	9,140
Restructuring and other charges ⁽²⁾	—	(357)	2,056	(357)
Legal settlement loss	—	31,127	4,178	31,127
Non-GAAP net income before provision for income taxes	\$ 226,380	\$ 226,217	\$ 422,443	\$ 427,978
GAAP provision for income taxes	\$ 48,908	\$ 47,302	\$ 96,120	\$ 100,660
Tax impact on non-GAAP adjustments	(3,631)	(2,059)	(11,631)	(15,095)
Non-GAAP provision for income taxes	\$ 45,277	\$ 45,243	\$ 84,489	\$ 85,565
GAAP effective tax rate	28.2 %	32.9 %	30.6 %	33.3 %
Non-GAAP effective tax rate	20.0 %	20.0 %	20.0 %	20.0 %
GAAP net income	\$ 124,608	\$ 96,564	\$ 217,838	\$ 201,592
Stock-based compensation	48,208	47,028	93,205	85,816
Amortization of intangibles ⁽¹⁾	4,656	4,553	9,046	9,140
Restructuring and other charges ⁽²⁾	—	(357)	2,056	(357)
Legal settlement loss	—	31,127	4,178	31,127
Tax impact on non-GAAP adjustments	3,631	2,059	11,631	15,095
Non-GAAP net income	\$ 181,103	\$ 180,974	\$ 337,954	\$ 342,413
GAAP diluted net income per share	\$ 1.72	\$ 1.28	\$ 2.98	\$ 2.68
Non-GAAP diluted net income per share	\$ 2.49	\$ 2.41	\$ 4.62	\$ 4.55
Shares used in computing diluted net income per share	72,593	75,223	73,098	75,315

Q3 2025 and Fiscal 2025 Outlook – GAAP to Non-GAAP Reconciliation

Notes:

- (1) Amortization of intangible assets related to certain acquisitions.
- (2) Asset write-down, accelerated depreciation and restructuring charges.
- (3) Legal settlement loss from Q1'25.

ALIGN TECHNOLOGY, INC. Q3 2025 OUTLOOK - GAAP TO NON-GAAP RECONCILIATION

GAAP gross margin	64.0% - 65.0%
Stock-based compensation	~0.1%
Amortization of intangibles ⁽¹⁾	~0.5%
Asset write-down and Restructuring charges ⁽²⁾	~5.0% - 6.0%
Non-GAAP gross margin	Approximately 70.5%

GAAP operating margin	10.5% - 11.5%
Stock-based compensation	~5.0%
Amortization of intangibles ⁽¹⁾	~0.5%
Asset write-down and Restructuring charges ⁽²⁾	~5.0% - 6.0%
Non-GAAP operating margin	Approximately 22.0%

ALIGN TECHNOLOGY, INC. FISCAL 2025 OUTLOOK - GAAP TO NON-GAAP RECONCILIATION

GAAP gross margin	67.0% - 68.0%
Stock-based compensation	~0.1%
Amortization of intangibles ⁽¹⁾	~0.5%
Asset write-down and Restructuring charges ⁽²⁾	~2.0% - 3.0%
Non-GAAP gross margin	Approximately 70.5%

Percentages do not add up due to rounding.

GAAP operating margin	13.0% - 14.0%
Stock-based compensation	~4.5%
Amortization of intangibles ⁽¹⁾	~0.5%
Asset write-down and Restructuring charges ⁽²⁾	~3.5% - 4.5%
Legal settlement loss ⁽³⁾	~0.1%
Non-GAAP operating margin	Approximately 22.5%

Percentages do not add up due to rounding.

Tariff Update as of April 30, 2025:

- Align Technology has Clear Aligner manufacturing operations in Mexico, Poland, and China. For the U.S. domestic market, we currently manufacture Clear Aligners in Mexico prior to shipment to the U.S.
- Align does not currently ship Clear Aligners from Poland or China to the U.S. We currently manufacture Clear Aligners for the Chinese market in China.
- Our Clear Aligners and Intraoral Scanners made in Mexico that are imported into the U.S. are compliant with the United States-Mexico-Canada Agreement (“USMCA”).
- As noted in President Trump’s Executive Order (“EO”) dated April 2, 2025, USMCA compliant goods are exempt from the tariffs under the EO. However, the US/Mexico tariff situation remains fluid, and we are unable to predict whether USMCA compliant products will remain exempt, whether there will be other changes to the announced EO, or if additional tariffs will be imposed in the future.
- We expect an incremental tariff, if implemented, to be applied to transfer prices on goods shipped from Mexico.
- With respect to our Clear Aligners made in China, all manufacturing for China takes place in China. We have assessed the potential impact of China’s retaliatory tariffs and believe that we are able to mitigate most of the tariff exposure through adjustments in our supply chain. Based on the current situation, we do not expect a significant impact to our costs from these retaliatory tariffs.
- We have also assessed the potential direct impact of the additional U.S. tariffs on China on our business and currently do not expect to realize a significant impact from these retaliatory tariffs.
- Our Intraoral Scanner manufacturing primarily occurs in Israel, with Scanners shipped from there to our worldwide locations. We produce a small number of Scanners in China, primarily for that market. Regarding tariffs on Israeli goods imported into the U.S., at the current baseline 10% tariff, we estimate the average monthly potential impact to be about \$1 million, which we have considered in our guidance for Q2 and Fiscal 2025.

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