

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

	Q4 2023	Fiscal 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Fiscal 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Fiscal 2025
Clear Aligner Shipments:												
WW Teenagers	196,585	805,710	199,235	216,675	236,285	215,945	868,140	225,755	223,160	256,005	230,910	935,830
WW Adults	396,050	1,602,810	405,825	426,050	380,935	412,785	1,625,595	416,550	421,210	391,745	445,945	1,675,450
Total Shipments	592,635	2,408,520	605,060	642,725	617,220	628,730	2,493,735	642,305	644,370	647,750	676,855	2,611,280
Invisalign doctors cases shipped to WW												
Total Invisalign doctors cases shipped to WW	83,700	125,845	83,510	86,135	87,380	85,685	130,370	85,275	86,250	88,155	87,710	130,015
Net Revenues:												
Clear Aligner Net Revenues ⁽¹⁾⁽³⁾	781,912	3,199,329	817,251	831,738	786,844	794,289	3,230,122	796,843	804,617	805,799	838,145	3,245,404
Imaging Systems and CAD/CAM Services Net Revenues	174,814	662,931	180,180	196,752	191,028	200,930	768,890	182,419	207,832	189,893	209,416	789,560
Total Worldwide Net Revenues	956,726	3,862,260	997,431	1,028,490	977,872	995,219	3,999,012	979,262	1,012,449	995,692	1,047,561	4,034,964
Cost of Net Revenues:												
Cost of net revenues Clear Aligner	225,595	911,291	238,105	243,201	234,003	236,827	952,136	234,754	240,811	282,941	300,387	1,058,893
Cost of net revenues Imaging Systems and CAD/CAM Services	61,607	244,106	61,510	62,861	62,095	61,451	247,717	64,400	63,521	73,550	63,587	265,058
Total cost of net revenues	287,202	1,155,397	299,615	305,862	296,098	298,278	1,199,853	299,154	304,332	356,491	363,974	1,323,951
Gross profit	669,524	2,706,863	697,816	722,628	681,774	696,941	2,799,159	680,108	708,117	639,201	683,587	2,711,013
Operating Expenses:												
Selling, general and administrative	402,503	1,703,379	451,822	452,262	434,138	424,971	1,763,193	447,629	448,686	417,600	441,676	1,755,791
Research and development	82,160	346,630	91,859	92,193	85,272	94,878	364,202	97,201	96,398	93,276	83,036	369,911
Restructuring and other charges	13,316	13,316	-	-	-	33,168	33,168	-	-	31,827	3,551	35,378
Legal settlement loss	-	-	-	31,127	66	(225)	30,968	4,178	-	-	-	4,178
Total operating expenses	497,979	2,063,525	543,681	575,582	519,476	552,792	2,191,531	549,008	545,084	542,903	528,263	2,165,258
Operating income	171,545	643,338	154,135	147,046	162,298	144,149	607,628	131,100	163,033	96,298	155,324	545,755
Interest income and other income (expense), net:												
Interest income	4,978	17,258	4,392	3,301	4,003	8,522	20,218	5,316	2,859	3,249	4,621	16,045
Other income (expense), net	(3,643)	(19,392)	(141)	(6,481)	(371)	(11,894)	(18,887)	4,026	7,624	(4,813)	16,650	23,487
Total interest income and other income (expense), net	1,335	(2,134)	4,251	(3,180)	3,632	(3,372)	1,331	9,342	10,483	(1,564)	21,271	39,532
Net income before provision for (benefit from) income taxes	172,880	641,204	158,386	143,866	165,930	140,777	608,959	140,442	173,516	94,734	176,595	585,287
Provision for (benefit from) income taxes	48,866	196,151	53,358	47,302	49,967	36,970	187,597	47,212	48,908	37,981	40,835	174,936
Net income	\$ 124,014	\$ 445,053	\$ 105,028	\$ 96,564	\$ 115,963	\$ 103,807	\$ 421,362	\$ 93,230	\$ 124,608	\$ 56,753	\$ 135,760	\$ 410,351
Net income per share												
- basic	\$ 1.64	\$ 5.92	\$ 1.40	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.63	\$ 1.27	\$ 1.72	\$ 0.78	\$ 1.89	\$ 5.96
- diluted	\$ 1.64	\$ 5.91	\$ 1.39	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.62	\$ 1.27	\$ 1.72	\$ 0.76	\$ 1.89	\$ 5.95
Shares used in computing net income per share												
- basic	75,703	76,426	75,175	75,184	74,736	74,419	74,877	73,562	72,565	72,377	71,684	72,542
- diluted	75,802	76,568	75,322	75,223	74,757	74,465	74,993	73,615	72,583	72,419	71,757	72,588
Margin Analysis:												
Gross margin	70.0%	70.1%	70.0%	70.3%	69.7%	70.0%	70.0%	69.5%	69.9%	64.2%	65.3%	67.2%
-Clear Aligner	71.1%	71.5%	70.9%	70.8%	70.3%	70.2%	70.5%	70.5%	70.1%	64.9%	64.2%	67.4%
-Imaging Systems and CAD/CAM Services	64.8%	63.2%	65.9%	68.2%	67.5%	69.4%	67.8%	64.7%	69.4%	61.3%	69.6%	66.4%
Selling, general and administrative	42.1%	44.1%	45.3%	44.0%	44.4%	42.7%	44.1%	45.7%	44.3%	42.0%	42.2%	43.5%
Research and development	8.6%	9.0%	9.2%	9.0%	8.7%	9.5%	9.1%	9.9%	9.5%	9.4%	7.9%	9.2%
Restructuring and other charges	1.4%	0.3%	0.0%	0.0%	0.0%	3.3%	0.8%	0.0%	0.0%	3.2%	0.3%	0.9%
Legal settlement loss	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%	0.8%	0.4%	0.0%	0.0%	0.0%	0.1%
Operating margin	17.9%	16.7%	15.5%	14.3%	16.6%	14.5%	15.2%	13.4%	16.1%	9.7%	14.8%	13.5%
Net margin	13.0%	11.5%	10.5%	9.4%	11.9%	10.4%	10.5%	9.5%	12.3%	5.7%	13.0%	10.2%
Year Over Year Analysis:												
Clear Aligner shipments change YoY	-0.6%	0.4%	2.4%	3.2%	2.5%	6.1%	3.5%	6.2%	0.3%	4.9%	7.7%	4.7%
Invisalign doctors cases shipment change YoY	1.0%	1.1%	0.9%	3.2%	2.6%	2.4%	3.6%	2.1%	0.1%	0.9%	2.4%	-0.3%
Net Revenues	6.1%	3.4%	5.8%	2.6%	1.8%	4.0%	3.5%	-1.8%	-1.6%	1.8%	5.3%	0.9%
-Clear Aligner	6.9%	4.1%	3.5%	-0.1%	-1.0%	1.6%	1.0%	-2.5%	-1.0%	-3.3%	5.5%	0.5%
-Imaging Systems and CAD/CAM Services	2.9%	0.1%	17.5%	16.1%	15.6%	14.9%	16.0%	1.2%	5.6%	-0.6%	4.2%	2.7%
Gross profit	8.4%	2.8%	5.6%	1.3%	2.8%	4.1%	3.4%	-2.5%	-2.0%	-6.2%	-1.9%	-3.1%
Operating expense	-1.4%	3.6%	3.1%	6.3%	4.6%	11.0%	6.2%	1.0%	-5.3%	4.5%	-4.4%	-1.2%
Operating income (loss)	52.3%	0.1%	15.4%	-14.5%	-2.4%	-16.0%	-5.6%	-14.9%	10.9%	-40.7%	7.8%	-10.2%
Net income (loss)	196.9%	23.1%	19.6%	-13.6%	-4.5%	-16.3%	-5.3%	-11.2%	29.0%	-51.1%	30.8%	-2.6%
Quarter Over Quarter Analysis (Sequential):												
Clear Aligner shipments change QoQ	-1.6%		2.1%	6.2%	-4.0%	1.9%		2.2%	0.3%	0.5%	4.5%	
Invisalign doctors cases shipment change QoQ	-1.8%		-0.2%	3.1%	1.4%	-1.9%		-0.5%	1.1%	2.2%	-0.5%	
Net Revenues	-0.4%		4.3%	3.1%	-4.9%	1.8%		-1.6%	3.4%	-1.7%	5.2%	
-Clear Aligner	-1.6%		4.5%	1.8%	-5.4%	0.9%		0.3%	1.0%	0.1%	4.0%	
-Imaging Systems and CAD/CAM Services	5.8%		3.1%	9.2%	-2.9%	6.2%		-9.2%	13.9%	-8.6%	10.3%	
Gross profit	1.0%		4.2%	3.6%	-5.7%	2.2%		-2.4%	4.1%	-9.7%	6.9%	
Operating expense	0.3%		9.2%	5.9%	-9.7%	6.4%		-0.7%	-0.7%	-0.4%	-2.7%	
Operating income	3.1%		-10.1%	-4.6%	10.4%	-11.2%		-9.1%	24.4%	-40.9%	61.3%	
Net income	2.1%		-15.3%	-8.1%	20.1%	-10.5%		-10.2%	33.7%	-54.5%	139.2%	

(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 December 31,		Year Ended December 31,	
	2025	2024	2025	2024
GAAP gross profit	\$ 683,587	\$ 696,941	\$ 2,711,013	\$ 2,799,159
Stock-based compensation	1,463	(721)	6,177	6,995
Amortization of intangibles ⁽¹⁾	3,841	3,699	14,979	14,803
Restructuring and other charges ⁽²⁾	718	3,823	7,763	3,823
Impairment loss on Assets held for sale ⁽³⁾	-	-	23,142	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	63,257	-	76,920	-
Impairment loss on inventory ⁽⁵⁾	-	-	14,924	-
Other Non-GAAP items ⁽⁶⁾	1,861	1,410	1,861	1,410
Non-GAAP gross profit	\$ 754,727	\$ 705,152	\$ 2,856,779	\$ 2,826,190
GAAP gross margin	65.3%	70.0%	67.2%	70.0%
Non-GAAP gross margin	72.0%	70.9%	70.8%	70.7%
GAAP total operating expenses	\$ 528,263	\$ 552,792	\$ 2,165,258	\$ 2,191,531
Stock-based compensation	(42,825)	(39,569)	(179,693)	(166,708)
Amortization of intangibles ⁽¹⁾	(940)	(879)	(3,624)	(3,497)
Restructuring and other charges ⁽²⁾	(3,551)	(33,168)	(35,181)	(32,722)
Legal settlement loss	-	225	(4,178)	(30,968)
Other Non-GAAP items ⁽³⁾	-	(4,676)	-	(4,676)
Non-GAAP total operating expenses	\$ 480,947	\$ 474,725	\$ 1,942,582	\$ 1,952,960
GAAP income from operations	\$ 155,324	\$ 144,149	\$ 545,755	\$ 607,628
Stock-based compensation	44,288	38,848	185,870	173,703
Amortization of intangibles ⁽¹⁾	4,781	4,578	18,603	18,300
Restructuring and other charges ⁽²⁾	4,269	36,991	42,944	36,545
Impairments and other (gains) charges	-	-	-	-
Legal settlement loss	-	(225)	4,178	30,968
Impairment loss on Assets held for sale ⁽³⁾	-	-	23,142	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	63,257	-	76,920	-
Impairment loss on inventory ⁽⁵⁾	-	-	14,924	-
Other Non-GAAP items ⁽⁶⁾	1,861	6,086	1,861	6,086
Non-GAAP income from operations	\$ 273,780	\$ 230,427	\$ 914,197	\$ 873,230
GAAP operating margin	14.8%	14.5%	13.5%	15.2%
Non-GAAP operating margin	26.1%	23.2%	22.7%	21.8%
GAAP net income before provision for income taxes	\$ 176,595	\$ 140,777	\$ 585,287	\$ 608,959
Stock-based compensation	44,288	38,848	185,870	173,703
Amortization of intangibles ⁽¹⁾	4,781	4,578	18,603	18,300
Restructuring and other charges ⁽²⁾	4,269	36,991	42,944	36,545
Legal settlement loss	-	(225)	4,178	30,968
Impairment loss on Assets held for sale ⁽³⁾	-	-	23,142	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	63,257	-	76,920	-
Impairment loss on inventory ⁽⁵⁾	-	-	14,924	-
Other Non-GAAP items ⁽⁶⁾	1,861	6,086	1,861	6,086
Non-GAAP net income before provision for income taxes	\$ 295,051	\$ 227,055	\$ 953,729	\$ 874,561
GAAP provision for income taxes	\$ 40,835	\$ 36,970	\$ 174,936	\$ 187,597
Tax impact on non-GAAP adjustments	18,175	8,441	15,810	(12,715)
Non-GAAP provision for income taxes	\$ 59,010	\$ 45,411	\$ 190,746	\$ 174,882
GAAP effective tax rate	23.1%	26.3%	29.9%	30.8%
Non-GAAP effective tax rate	20.0%	20.0%	20.0%	20.0%
GAAP net income	\$ 135,760	\$ 103,807	\$ 410,351	\$ 421,362
Stock-based compensation	44,288	38,848	185,870	173,703
Amortization of intangibles ⁽¹⁾	4,781	4,578	18,603	18,300
Restructuring and other charges ⁽²⁾	4,269	36,991	42,944	36,545
Impairments and other (gains) charges	-	-	-	-
Legal settlement loss	-	(225)	4,178	30,968
Impairment loss on Assets held for sale ⁽³⁾	-	-	23,142	-
Depreciation on assets disposed of other than by sale ⁽⁴⁾	63,257	-	76,920	-
Impairment loss on inventory ⁽⁵⁾	-	-	14,924	-
Other Non-GAAP items ⁽⁶⁾	1,861	6,086	1,861	6,086
Tax impact on non-GAAP adjustments	(18,175)	(8,441)	(15,810)	12,715
Non-GAAP net income	\$ 236,041	\$ 181,644	\$ 762,983	\$ 699,679
GAAP diluted net income per share	\$ 1.89	\$ 1.39	\$ 5.65	\$ 5.62
Non-GAAP diluted net income per share	\$ 3.29	\$ 2.44	\$ 10.51	\$ 9.33
Shares used in computing diluted net income per share	71,757	74,465	72,588	74,993

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 recorded an impairment loss related to a manufacturing facility that met the criteria to be classified as assets held for sale during the quarter.

⁽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, 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.

⁽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)

	Q4 2023	Fiscal 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Fiscal 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Fiscal 2025
GAAP gross profit	\$ 669,524	\$ 2,706,863	\$ 697,816	\$ 722,828	\$ 681,774	\$ 696,941	\$ 2,799,159	\$ 680,108	\$ 708,117	\$ 639,201	\$ 683,587	\$ 2,711,013
Stock-based compensation	1,780	7,462	2,064	2,582	3,070	(721)	6,995	1,538	1,636	1,540	1,463	6,177
Amortization of intangibles ⁽¹⁾	2,773	11,192	3,724	3,678	3,702	3,699	14,603	3,649	3,752	3,837	3,841	14,979
Restructuring and other charges ⁽²⁾	673	673	-	-	-	3,823	3,823	2,283	-	4,792	718	7,763
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	-	-	-	23,142	-	23,142
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	13,663	63,257	76,920
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	1,410	1,410	-	-	14,924	-	14,924
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	1,981	1,861
Non-GAAP gross profit	\$ 674,750	\$ 2,726,180	\$ 703,604	\$ 728,888	\$ 688,546	\$ 705,152	\$ 2,826,190	\$ 687,448	\$ 713,505	\$ 701,099	\$ 754,727	\$ 2,856,779
GAAP gross margin	70.0%	70.1%	70.0%	70.3%	69.7%	70.0%	70.0%	69.5%	69.9%	64.2%	65.3%	67.2%
Non-GAAP gross margin	70.5%	70.6%	70.5%	70.9%	70.4%	70.9%	70.7%	70.2%	70.5%	70.4%	72.0%	70.8%
GAAP total operating expenses	\$ 497,979	\$ 2,063,525	\$ 543,681	\$ 575,582	\$ 519,478	\$ 552,792	\$ 2,191,531	\$ 549,008	\$ 545,084	\$ 542,903	\$ 528,263	\$ 2,165,259
Stock-based compensation	(37,045)	(146,564)	(36,724)	(44,446)	(45,969)	(39,669)	(166,708)	(43,459)	(46,572)	(46,837)	(42,825)	(179,693)
Amortization of intangibles ⁽¹⁾	(866)	(3,497)	(863)	(875)	(880)	(879)	(3,497)	(841)	(904)	(938)	(940)	(3,624)
Restructuring and other charges ⁽²⁾	(13,316)	(13,316)	-	357	69	(33,168)	(32,722)	197	-	(31,827)	(3,551)	(35,181)
Legal settlement loss	-	-	-	(31,127)	(86)	(225)	(30,968)	(4,178)	-	-	-	(4,178)
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	-	-	-	23,142	-	23,142
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	13,663	63,257	76,920
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	6,086	6,086	-	-	14,924	-	14,924
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	1,981	1,861
Non-GAAP total operating expenses	\$ 446,748	\$ 1,900,148	\$ 506,094	\$ 499,491	\$ 472,650	\$ 474,725	\$ 1,952,960	\$ 500,727	\$ 497,608	\$ 463,300	\$ 480,947	\$ 1,942,582
GAAP income from operations	\$ 171,545	\$ 643,338	\$ 154,135	\$ 147,046	\$ 162,298	\$ 144,149	\$ 607,628	\$ 131,100	\$ 163,033	\$ 96,298	\$ 155,324	\$ 545,755
Stock-based compensation	38,829	154,026	38,788	47,028	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870
Amortization of intangibles ⁽¹⁾	3,639	14,679	4,587	4,553	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603
Restructuring and other charges ⁽²⁾	13,989	13,989	-	(357)	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944
Legal settlement loss	-	-	-	31,127	66	(225)	30,968	4,178	-	-	-	4,178
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	-	-	-	23,142	-	23,142
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	13,663	63,257	76,920
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	6,086	6,086	-	-	14,924	-	14,924
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	1,981	1,861
Non-GAAP income from operations	\$ 228,002	\$ 826,032	\$ 197,510	\$ 229,397	\$ 215,896	\$ 230,427	\$ 873,230	\$ 186,721	\$ 215,897	\$ 237,799	\$ 273,780	\$ 914,197
GAAP operating margin	17.9%	16.7%	15.5%	14.3%	16.6%	14.5%	15.2%	13.4%	16.1%	9.7%	14.8%	13.5%
Non-GAAP operating margin	23.8%	21.4%	19.8%	22.3%	22.1%	23.2%	21.8%	19.1%	21.3%	23.9%	26.1%	22.7%
GAAP net income before provision for income taxes	\$ 172,880	\$ 641,204	\$ 158,396	\$ 143,866	\$ 165,930	\$ 140,777	\$ 608,959	\$ 140,442	\$ 173,516	\$ 94,734	\$ 176,595	\$ 585,287
Stock-based compensation	38,829	154,026	38,788	47,028	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870
Amortization of intangibles ⁽¹⁾	3,639	14,679	4,587	4,553	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603
Restructuring and other charges ⁽²⁾	13,989	13,989	-	(357)	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944
Legal settlement loss	-	-	-	31,127	66	(225)	30,968	4,178	-	-	-	4,178
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	-	-	-	23,142	-	23,142
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	13,663	63,257	76,920
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	6,086	6,086	-	-	14,924	-	14,924
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	1,981	1,861
Non-GAAP net income before provision for income taxes	\$ 229,337	\$ 823,898	\$ 201,761	\$ 226,217	\$ 219,528	\$ 227,055	\$ 874,561	\$ 196,063	\$ 226,380	\$ 236,235	\$ 295,051	\$ 953,729
GAAP provision for income taxes	\$ 48,866	\$ 196,151	\$ 53,358	\$ 47,302	\$ 49,967	\$ 36,970	\$ 187,597	\$ 47,212	\$ 48,908	\$ 37,981	\$ 40,835	\$ 174,936
Tax impact on non-GAAP adjustments	(2,998)	(31,415)	(13,036)	(2,059)	(6,061)	8,441	(12,715)	(8,000)	(3,631)	9,266	(18,175)	(15,810)
Non-GAAP provision for income taxes	\$ 45,868	\$ 164,736	\$ 40,322	\$ 45,243	\$ 43,906	\$ 45,411	\$ 174,882	\$ 39,212	\$ 45,277	\$ 47,247	\$ 59,010	\$ 190,746
GAAP effective tax rate	28.3%	30.6%	33.7%	32.9%	30.1%	26.3%	30.8%	33.6%	28.2%	40.1%	23.1%	29.9%
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%	20.0%
GAAP net income	\$ 124,014	\$ 445,053	\$ 105,028	\$ 96,564	\$ 115,963	\$ 103,807	\$ 421,362	\$ 93,230	\$ 124,608	\$ 56,753	\$ 135,760	\$ 410,351
Stock-based compensation	38,829	154,026	38,788	47,028	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870
Amortization of intangibles ⁽¹⁾	3,639	14,679	4,587	4,553	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603
Restructuring and other charges ⁽²⁾	13,989	13,989	-	(357)	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944
Legal settlement loss	-	-	-	31,127	66	(225)	30,968	4,178	-	-	-	4,178
Impairment loss on Assets held for sale ⁽³⁾	-	-	-	-	-	-	-	-	-	23,142	-	23,142
Depreciation on assets disposed of other than by sale ⁽⁴⁾	-	-	-	-	-	-	-	-	-	13,663	63,257	76,920
Impairment loss on inventory ⁽⁵⁾	-	-	-	-	-	6,086	6,086	-	-	14,924	-	14,924
Other Non-GAAP items ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	1,981	1,861
Tax impact on non-GAAP adjustments	2,998	31,415	13,036	2,059	6,061	(8,441)	12,715	8,000	3,631	(9,266)	(18,175)	(15,810)
Non-GAAP net income	\$ 183,469	\$ 659,162	\$ 161,459	\$ 180,974	\$ 175,622	\$ 181,644	\$ 699,679	\$ 156,851	\$ 181,103	\$ 188,988	\$ 236,041	\$ 762,983
GAAP diluted net income per share	\$ 1.64	\$ 5.81	\$ 1.39	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.62	\$ 1.27	\$ 1.72	\$ 0.78	\$ 1.89	\$ 5.65
Non-GAAP diluted net income per share	\$ 2.42	\$ 8.61	\$ 2.14	\$ 2.41	\$ 2.35	\$ 2.44	\$ 9.33	\$ 2.13	\$ 2.49	\$ 2.61	\$ 3.29	\$ 10.51
Shares used in computing diluted net income per share	75,802	76,568	75,322	75,223	74,757	74,465	74,993	73,615	72,593	72,419	71,757	72,588

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.
- ⁽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, 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.
- ⁽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