

# Q1 2025 Financial Results

Align Technology, Inc.

April 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 control our business and operations and pursue our strategic growth drivers, our expectations regarding our stock repurchase programs, our expectations for market opportunities, our expectations regarding the applicability of VAT to our Clear Aligner sales in the UK, our expectations for implemented or proposed tariffs, worldwide revenues, Clear Aligner volume, Clear Aligner ASP, Systems and Services revenues, GAAP and non-GAAP operating margin, Q2'25 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 war 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 the South China Sea and our operations and assets in Israel and Russia;
- 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. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

# About Non-GAAP Financial Measures

- To supplement our consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we may provide investors with certain non-GAAP financial measures which may include constant currency net revenues, constant currency gross profit, constant currency gross margin, constant currency income from operations, constant currency operating margin, gross profit, gross margin, operating expenses, income from operations, operating margin, net income before provision for income taxes, provision for income taxes, effective tax rate, net income and/or diluted net income per share, which excludes certain items that may not be indicative of our fundamental operating performance including, foreign currency exchange rate impacts and discrete cash and non-cash charges or gains that are included in the most directly comparable GAAP measure. Unless otherwise indicated, when we refer to non-GAAP financial measures they will exclude the effects of stock-based compensation, amortization of certain acquired intangibles, restructuring and other charges, acquisition-related costs and associated tax impacts.
- 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 both 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 limitations to using non-GAAP financial measures as they are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. 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 a GAAP as well as a non-GAAP basis and also by providing GAAP 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 or in isolation from, the directly comparable financial measures prepared in accordance with 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, please see the tables captioned "Unaudited GAAP to Non-GAAP Reconciliation."

# Q1 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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**20M SMILES. 20M STORIES.  
ENDLESS POSSIBILITIES.**



Making clear aligner treatment available  
for **EVERYONE**  
through **DOCTORS**

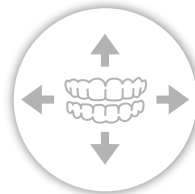
**INTERNATIONAL  
EXPANSION**



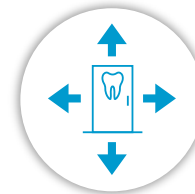
**PATIENT  
DEMAND**



**ORTHODONTIST  
UTILIZATION**



**GP DENTIST  
TREATMENT**



Focused Execution  
**STRATEGIC  
GROWTH DRIVERS**

# ENORMOUS OPPORTUNITY



600M  
Consumer  
Opportunity

15M teens

22M  
Annual ortho starts

7M adults



**600M**  
POTENTIAL PATIENTS  
through  
**+2M**  
DOCTORS

with an  
iTero™ scanner at  
**EVERY CHAIR**



# align™ digital platform

TRANSFORMING SMILES, CHANGING LIVES



Connect



Scan



Diagnose



Plan



Treat



Monitor



Retain



CONSUMERS  
& PATIENTS



DOCTORS



DENTAL LABS

# Q1 2025 CEO Opening Commentary

We are pleased to report first quarter revenues, operating margin, and earnings in line with our outlook. Fiscal 2025 is off to a good start with Q1 Clear Aligner volumes up both sequentially and year-over-year, reflecting strength in both the teens and adult patient segments, across all regions, driven by year-over-year strength across the Asia Pacific and EMEA regions, and growth in North America. It is worth noting that Q1 is our highest year-over-year growth rate for both adult and teen patients since 2021. From a channel perspective, Q1 Clear Aligner volumes in the orthodontic and GP dentist channels increased year-over-year with a record number of total submitters and utilization for GP dentists for a first quarter. For our Systems and Services business, Q1 revenues were down sequentially, reflecting Q1 seasonality as well as unfavorable foreign exchange. On a year-over-year basis, Q1 Systems and Services revenues were up slightly, reflecting continued adoption of the iTero™ Lumina scanner platform, as well as the launch of the iTero Lumina with restorative software at the end of March. The first quarter also marked a significant milestone for Align as we reached the 20 million Invisalign® patient “smilestone”, which kicks off a yearlong celebration recognizing our doctor customers, their patients, and our employees who have made this major achievement possible. The milestone is a testament to the confidence doctors and consumers worldwide have in the Invisalign brand and Invisalign treatment, and we are grateful for their trust and their choice for transforming smiles. We will share more about our “20 Million Smiles, 20 Million Stories, Unlimited Possibilities” campaign in the coming weeks.

# Q1 2025 Highlights

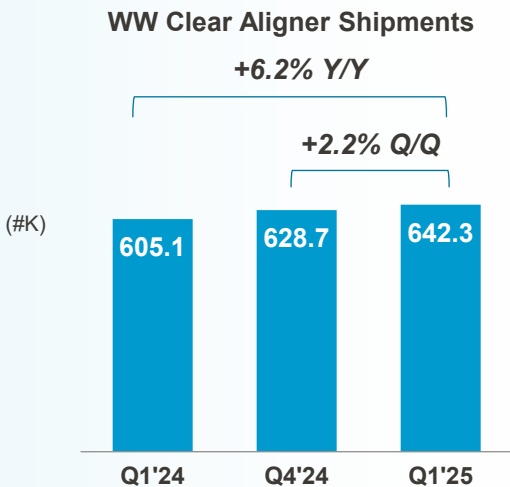
# Q1 2025 Revenues and Operating Margin

TOTAL REVENUES	TOTAL SYSTEMS AND SERVICES REVENUES	TOTAL CLEAR ALIGNER REVENUES	GAAP OPERATING PROFIT / OPERATING MARGIN
<b>Q1'25</b>	<b>Q1'25</b>	<b>Q1'25</b>	<b>Q1'25</b>
<b>\$979.3M</b>	<b>\$182.4M</b>	<b>\$796.8M</b>	<b>\$131.1M   13.4%</b>
Q/Q (1.6%)      Y/Y (1.8)%	Q/Q (9.2%)      Y/Y +1.2%	Q/Q +0.3%      Y/Y (2.5)%	Q/Q (1.1)% pts      Y/Y (2.1)% pts
<b>Q1'24</b>	<b>Q1'24</b>	<b>Q1'24</b>	<b>Q1'24</b>
<b>\$997.4M</b>	<b>\$180.2M</b>	<b>\$817.3M</b>	<b>\$154.1M   15.5%</b>
Q/Q +4.3%      Y/Y +5.8%	Q/Q +3.1%      Y/Y +17.5%	Q/Q +4.5%      Y/Y +3.5%	Q/Q (2.5)% pts      Y/Y +1.3% pts
<b>Q1'25 FX Impact:</b>	<b>Q1'25 FX Impact:</b>	<b>Q1'25 FX Impact:</b>	<b>Q1'25 FX Impact:</b>
<ul style="list-style-type: none"> <li>Q/Q: ~\$21.4M unfavorable impact from FX<sup>(1)</sup></li> <li>Y/Y: ~\$31.1M unfavorable impact from FX<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Q/Q: ~\$3.5M unfavorable impact from FX<sup>(1)</sup></li> <li>Y/Y: ~\$5.3M unfavorable impact from FX<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Q/Q: ~\$17.9M unfavorable impact from FX<sup>(1)</sup></li> <li>Y/Y: ~\$25.8M unfavorable impact from FX<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Q/Q: ~1.1 pts unfavorable impact from FX<sup>(1)</sup></li> <li>Y/Y: ~1.4 pts unfavorable impact from FX<sup>(1)</sup></li> </ul>

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

# Q1 2025 Clear Aligner segment

## WW CLEAR ALIGNER METRICS



### Total Utilization\*

7.2	7.3	7.5
Q1'24	Q4'24	Q1'25

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

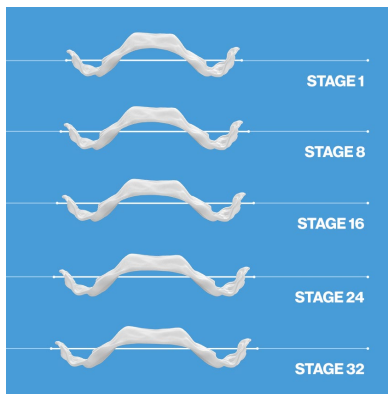


*Powered by nearly 30 years of experience and now more than 20 million\* patients worldwide, the Invisalign® System leverages more data, insights, and innovations than any other brand on the market – so every smile is treated with the utmost precision and care*

\*Data on file at Align Technology, as of March 31, 2025

# The Invisalign® System: latest innovations

## Invisalign® Palatal Expander System



During the quarter, we continued to commercialize the Invisalign® Palatal Expander System with continued momentum for doctor submitters and shipments.

In Q1, we announced that Align's Invisalign® Palatal Expander System is commercially available in Turkey and, today, we received regulatory clearance in China.

*In addition to our recent regulatory approvals for Turkey and China, the Invisalign® Palatal Expander is available in the U.S., Canada, Brazil, Australia, New Zealand, Hong Kong, Japan, Singapore, Thailand, Vietnam, EU, UK, UAE, and Switzerland, and is expected to be available in additional markets following regulatory clearances.*

## Invisalign® System with mandibular advancement featuring occlusal blocks



This month, we announced the commercial availability of the Invisalign® System with mandibular advancement featuring occlusal blocks designed specifically to address Class II skeletal and dental correction by simultaneously advancing the mandible while aligning the teeth

Class II malocclusion is one of the most common orthodontic issues, characterized by a discrepancy in jaw alignment where the lower jaw is positioned too far back relative to the upper jaw – it represents approximately 30-45% of malocclusions globally. Left untreated, this condition can lead to functional, aesthetic, and other challenges for patients

*The Invisalign® System with mandibular advancement featuring occlusal blocks is available to Invisalign-trained doctors in the U.S., Canada, Australia and New Zealand, and was just launched in most EMEA countries this week. We expect it to be introduced in additional markets through 2025, pending regulatory clearance.*

Along with the Invisalign® Palatal Expander System and Invisalign First™, Invisalign® System with mandibular advancement featuring occlusal blocks is the latest innovation that supports the commitment to establishing a unique and differentiated portfolio that supports growing patients throughout their continuum of care

# INVISALIGN® SMILES

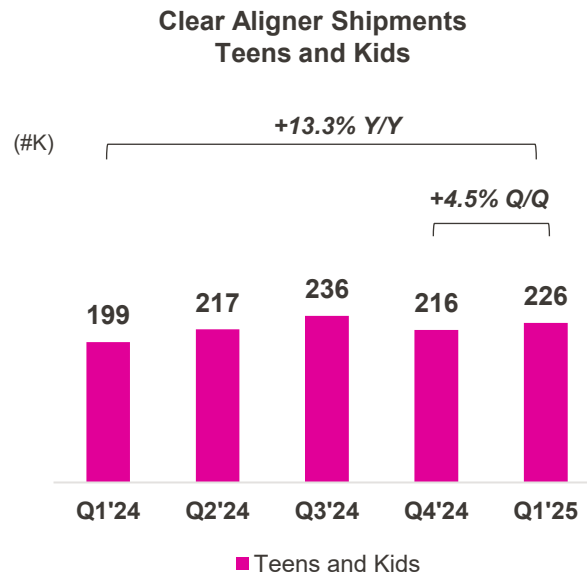
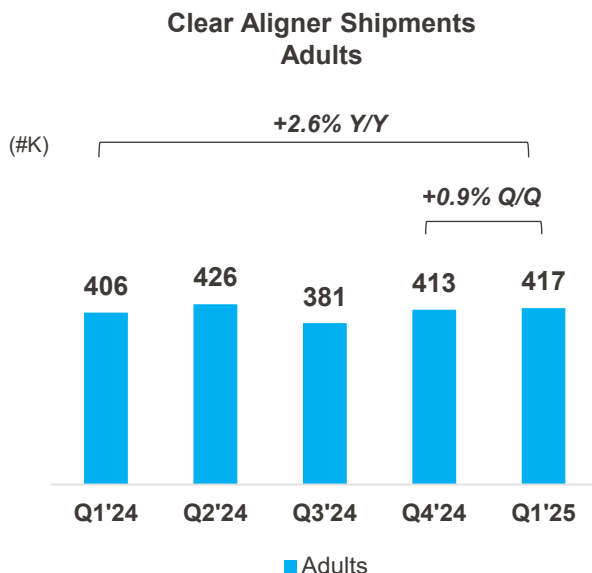
Invisalign patients treated

~20.1M\* + 5.8M\*

Teens & Kids

# +5.8M Teens and Kids treated with the Invisalign® System, to date

- In the teen and growing kids' segment, approximately 226K teens and kids started treatment with Invisalign clear aligners during the first quarter, an increase of 4.5% q/q, and an increase of 13.3% y/y, reflecting growth across regions, especially from Invisalign First™ in the APAC and EMEA regions, and North America, as well as growth from the Invisalign® Palatal Expander System in North America
- For Q1, the number of doctors submitting case starts for teens or kids was up 6.2% y/y, led by continued strength from doctors treating young kids or growing patients



# Q1 2025 Invisalign® Brand Consumer Marketing

## AMERICAS

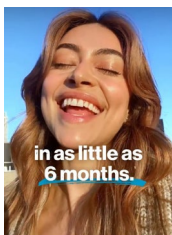
23.2M

Website Visitors

5.8B

impressions

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



## EMEA

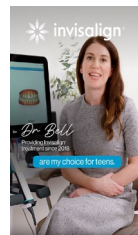
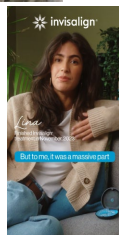
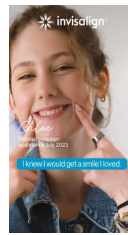
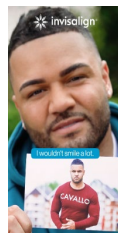
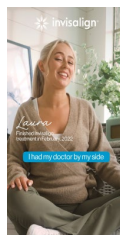
12.1M

Website Visitors

2.5B

impressions

Real stories. Real patients.



## APAC

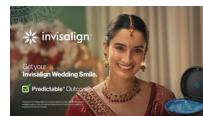
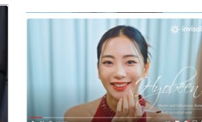
23.3M

Website Visitors

7.6B

impressions

Real stories. Real patients shared  
across omnichannel media



# Q1 2025 Consumer Demand Creation and Digital Tools



Invisalign® is the most trusted brand 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 Q1'25, we delivered 15.87B impressions, representing a 10% Y/Y increase and had 59M 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 from parents and orthodontists 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 kicked off the year highlighting the transformational stories of real people whose smiles have been transformed with Invisalign clear aligners, including a partnership with NFL quarterback Patrick Mahomes. Throughout our programming, we focused on the stories of women across various beauty, health and fashion who transformed their smiles with Invisalign treatment including fashion designer, Kristin Juszczyk and flag football quarterback Diana Flores. And we continue to partner with real teens using Invisalign aligners who have chosen Invisalign treatment for their smiles including high school sports athletes via a collaboration with OverTime. Our campaigns are designed to not only create awareness for Invisalign treatment but also to highlight the confidence that comes from a healthy beautiful smile to adults, parents, and teens. As a result, our campaigns delivered more than 5.8B impressions and 23.2M unique visitors to our consumer websites across the Americas.

In the EMEA region, our campaigns focused on sharing real patient stories showcasing the transformational stories of real teens and adults. Additionally, we partnered with influencers to reach consumers across social media platforms including TikTok and Meta. Our campaigns delivered more than 2.49B media impressions and 12.1M visitors to our website.

We continued to invest in consumer advertising across the APAC region, resulting in more than 7.59B impressions and 23.3M visitors to our websites, a 45% increase Y/Y. We increased our focus on telling real patient stories to accelerate consideration with consumers while expanding our reach in Japan and India via Meta and YouTube and partnered with key influencers. As a result, we saw increased brand interest from consumers as evidenced by a 68% Y/Y increase in unique visitors to our website in India and an 84% increase in Japan.

Finally, digital tools such as My Invisalign Consumer and Patient app continued to increase with +5.33M downloads to-date and over 468K monthly active users, a 22% Y/Y growth. Usage of our other digital tools also continued to increase. ClinCheck@ Live Update was used by 54.6K doctors on more than 786.8K cases in Q1, reducing time spent in modifying treatment by 20%. Invisalign™ Practice app is increasing in adoption with 70K doctors who are actively using this app and 6.2M photos were uploaded in Q1 via the Invisalign Practice app, an 11% Y/Y growth.

# 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

100K+ scanners sold

5M+ restorative scans/year

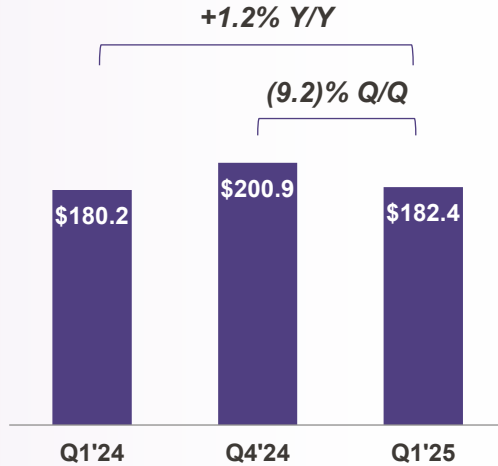
20K+ labs

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

# Q1 2025 Systems and Services segment

## IMAGING SYSTEMS AND CAD/CAM SERVICES

(\$M) Systems and Services Revenues



CAD/CAM and Services revenues represent 49.8%\* of our Systems and Services business.



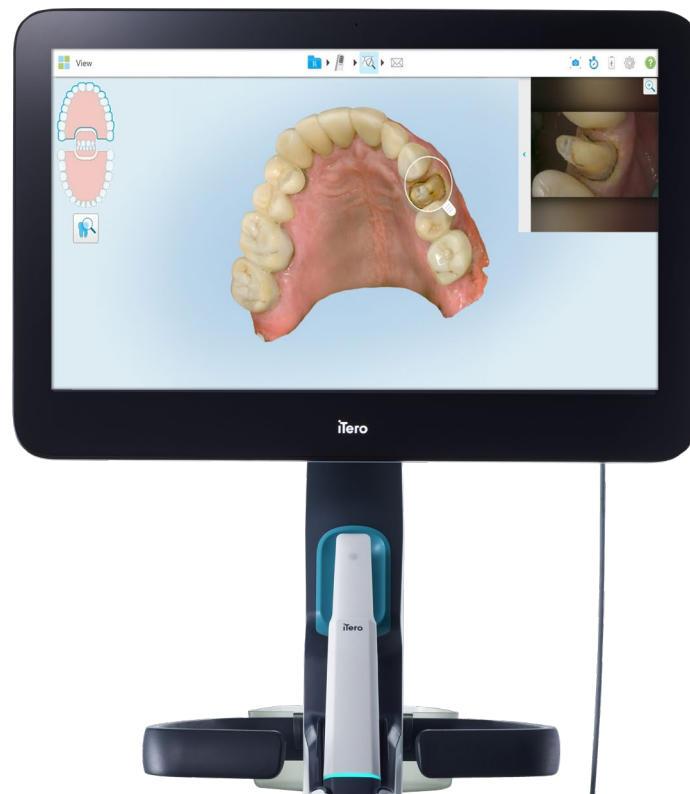
# Next generation iTero Lumina™ Intraoral scanner and New iTero Lumina™ Pro Dental Imaging System

In Q1, we launched the new restorative capabilities in our next-generation iTero Lumina™ intraoral scanner and the new iTero Lumina™ Pro dental imaging system with iTero NIRI technology to enable efficient restorative and multidisciplinary workflows and support the diagnosis of interproximal caries above the gingiva. The new restorative capabilities of the iTero Lumina improve GP dentists' ability to diagnose and develop treatment plans that deliver exceptional clinical outcomes, while concurrently helping GPs collaborate more effectively with their restorative labs, deliver incredibly precise, custom-fitting restorations, and reach new levels of practice efficiency and growth.

Following regulatory clearances in applicable countries, starting earlier this month, existing iTero Lumina™ scanner owners began receiving the new software which includes restorative and diagnostic support capabilities (without iTero NIRI technology). The iTero Lumina™ Pro dental imaging system in cart and mobile configurations is commercially available in the United States, Canada, Australia, New Zealand, Japan, Hong Kong, Singapore, and Vietnam.

The iTero Lumina™ scanner cart and mobile configuration is commercially available in the United States, Canada, European Union countries, United Kingdom, Northern Ireland, South Africa, Kenya, Ghana, Australia, New Zealand, Japan, Hong Kong, India, Singapore, Vietnam, Korea, Taiwan, and Thailand.

The iTero Lumina™ scanner and iTero Lumina™ Pro dental imaging system are expected to be available pending regulatory approvals in other locations throughout 2025.



We are excited about the continued technology evolution we deliver with the iTero Lumina™ system, and the depth of tools and features it offers for imaging, diagnostics, treatment planning, visualization, restorations, and so much more. iTero has always been more than just a PVS replacement, and with iTero Lumina it has truly become the gateway to digital treatment for orthodontics and any type of GP practice, from family dentistry to high-end aesthetic practices.

# Q1 2025 exocad Highlights

exocad presented numerous new products, services and features at the International Dental Show (IDS) in Cologne, Germany

With **exocad ART**, we presented a new concept combining tooth alignment with restorative and surgical treatments in exocad software. exocad ART brings the world of restorative and orthodontics together.

This new treatment concept helps to improve oral health by reducing immediate tooth mass loss by introducing orthodontic adjustments as part of restorative procedures designed and planned by labs for GPs.

Together with exocad labs and their GPs, we will offer ortho-restorative treatments as a standard of minimally invasive care, helping to improve patient satisfaction.

With exocad's AI Design, users can receive cost-effective design suggestions for single crowns in minutes tailored to the unique patient anatomy, including adjacent teeth and occlusion.

New AI-enabled services enhance productivity and craft compelling smile makeover visualizations: TruSmile™ Video and TruSmile™ Photo. Dental labs can use these services to provide added value to their dentist clients, while dentists can inspire confidence and excitement in their patients.

At IDS, exocad also unveiled its new marketing campaign, launched **TruDesign™ Design Services**, and celebrated 15 years of excellence in digital dentistry

exocad unveiled its **new global testimonial campaign** featuring six renowned dental professionals, all exocad users. The new hero campaign highlights how digital dentistry and teamwork support transformation, putting the focus on **collaboration between clinics and labs**.

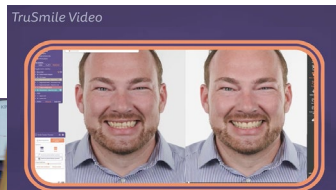
For **designs created by exocad** design experts, the company launched **TruDesign™ design services**. Labs can send cases and receive their CAD design back within 24 hours via **dentalshare**.

**exocad** celebrated its **15th anniversary** at IDS, marking a significant milestone in the company's history.

## New exocad education hub: launch of excellence center in North America

The new **excellence center** in Wakefield, MA, opened at the end of March 2025.

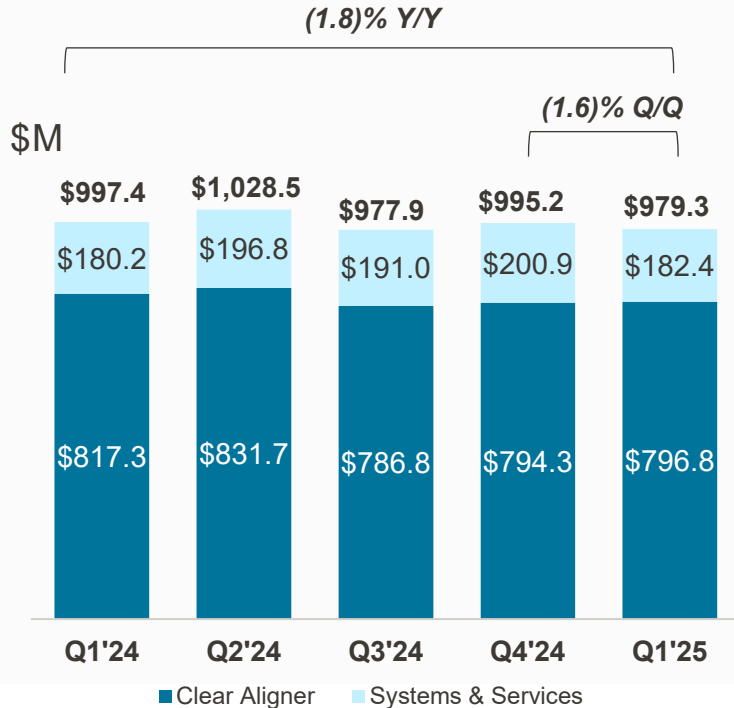
The 4,900-sq.-ft. center features state-of-the-art equipment and offers **hands-on exocad software seminars for lab technicians, dentists and their teams, exocad trainers, and industry partners**.



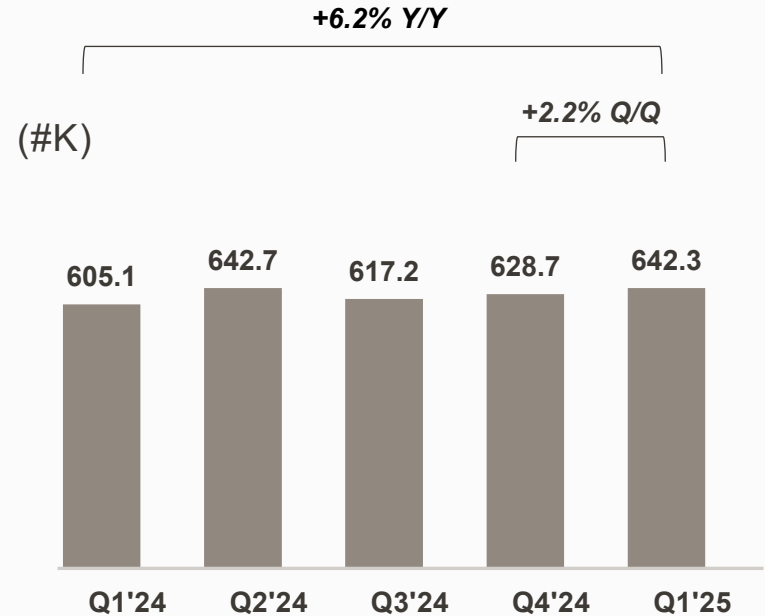
# Q1 2025 Financial Review

# Q1 2025 Trended Revenues and Volumes

## Q1'25 NET REVENUES



## Q1'25 CLEAR ALIGNER CASE VOLUME

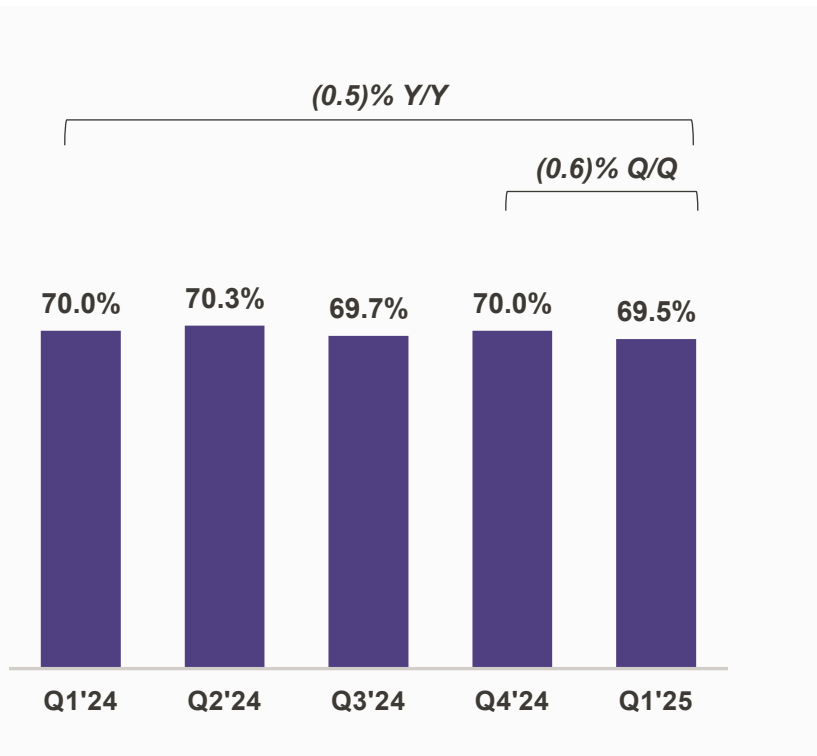


# Q1 2025 Financial Summary Commentary

- **Q1'25 Total revenues of \$979.3M, (1.6)% Q/Q and (1.8)% Y/Y**
  - Q/Q, Q1'25 revenues were unfavorably impacted by FX of ~\$21.4M or ~2.1%\*
  - Y/Y, Q1'25 revenues were unfavorably impacted by FX of ~\$31.1M or ~3.1%\*
- **Q1'25 Clear Aligners revenues of \$796.8M, +0.3% Q/Q and (2.5)% Y/Y**
  - Q/Q, Q1'25 increase primarily from higher volumes, partially offset by the impact of unfavorable foreign exchange
  - Q/Q, Q1'25 revenues were unfavorably impacted by FX of ~\$17.9M or ~2.2%\*
  - Q1'25 Clear Aligner average per case shipment price of \$1,240 decreased by \$25 on a sequential basis, primarily due to the impact of unfavorable foreign exchange
  - Y/Y, Q1'25 decrease primarily due to unfavorable foreign exchange of \$25.8 million, or approximately 3.1%\*, and lower ASPs due to product mix shift to lower priced products and discounts partially offset by higher volumes
  - Q1'25 Clear Aligner average per case shipment price of \$1,240 was down \$110 on a year-over-year basis primarily due to higher discounts, product mix shift to lower priced products, and the impact from unfavorable foreign exchange, partially offset by price increases
- **Q1'25 Systems and Services revenues of \$182.4M, (9.2)% Q/Q and +1.2% Y/Y**
  - Q/Q, decrease primarily due to lower scanner system revenues and unfavorable foreign exchange. This was partially offset by increased scanner wand revenues mostly due to iTero Lumina wand upgrades
  - Y/Y, increase primarily due to higher iTero Lumina scanner wand revenues, partially offset by lower scanner systems revenues, and unfavorable foreign exchange
  - Q/Q, Q1'25 revenues were unfavorably impacted by FX of ~\$3.5M or ~1.9%\*
  - Y/Y, Q1'25 revenues were unfavorably impacted by FX of ~\$5.3M or ~2.8%\*

\*See table: Unaudited GAAP to Non-GAAP Reconciliation

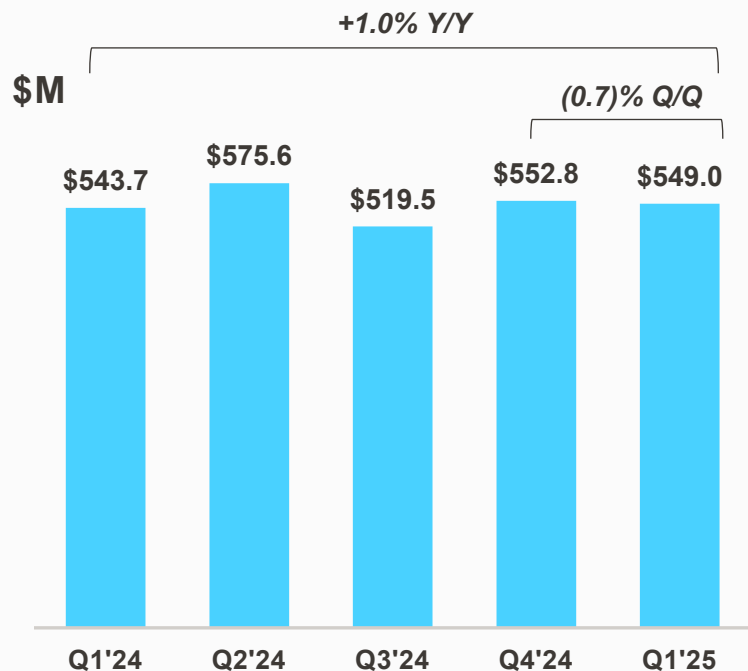
# Q1 2025 Trended GAAP Gross Margins



- Overall, Q1'25 gross margin was 69.5%, (0.6) pts Q/Q and (0.5) pts Y/Y
  - Q/Q, Q1'25 total gross margin was negatively impacted by FX by ~0.7 pts\*
  - Y/Y, Q1'25 total gross margin was negatively impacted by FX by ~0.9 pts\*
- Q1'25 non-GAAP gross margin was 70.2%, (0.7) pts Q/Q and (0.3) pts Y/Y\*
- Q1'25 Clear Aligner gross margin was 70.5%
  - +0.4 pts Q/Q due primarily to lower manufacturing costs and lower restructuring expenses, partially offset by unfavorable foreign exchange of 0.6 points
  - (0.3) pts Y/Y due primarily unfavorable foreign exchange of 0.9 points, partially offset by lower manufacturing spend
- Q1'25 Systems and Services gross margin was 64.7%
  - (4.7) pts Q/Q primarily due to lower wand ASPs and unfavorable foreign exchange of 0.7 points, partially offset by manufacturing efficiencies
  - (1.2) pts Y/Y primarily due to lower scanner and wand ASPs and unfavorable foreign exchange of 1 point, partially offset by manufacturing and services efficiencies

\*See table: Unaudited GAAP to Non-GAAP Reconciliation

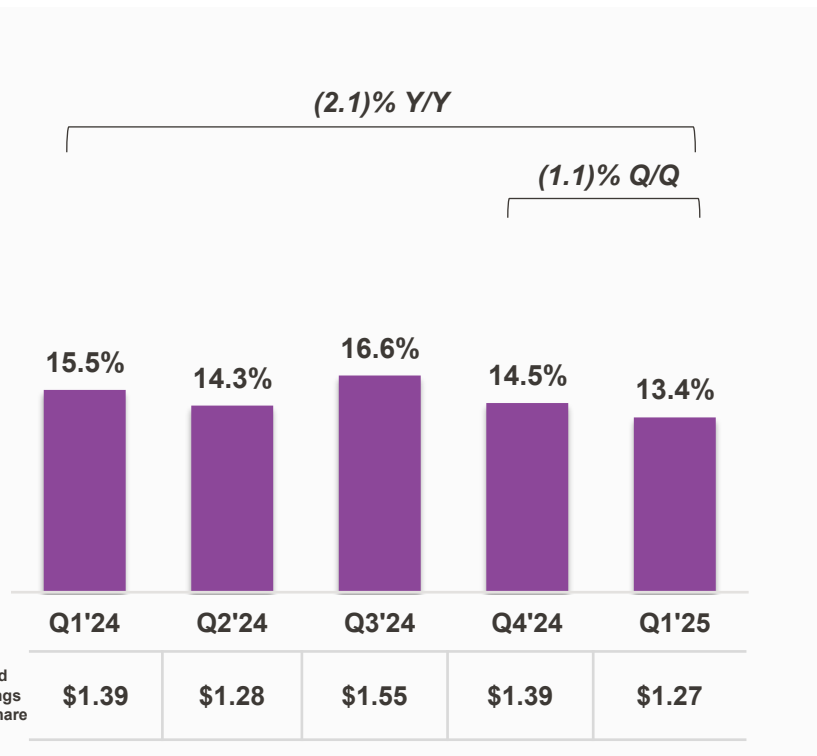
# Q1 2025 Trended GAAP Operating Expense



- Q1'25 Operating expenses were \$549.0M, (0.7)% Q/Q and +1.0% Y/Y
- Q/Q, Q1'25 operating expenses \$(3.8)M, primarily due to lower restructuring and other non-recurring charges in Q1, which were partially offset by consumer marketing spend
- Y/Y, Q1'25 operating expenses +\$5.3M, primarily due to our continued investments in R&D activities
- On a non-GAAP basis, excluding stock-based compensation, restructuring and other charges, and amortization of acquired intangibles related to certain acquisitions, and legal settlement loss, operating expenses were \$500.7M, +5.5% Q/Q and (1.1)% Y/Y\*

\*See table: Unaudited GAAP to Non-GAAP Reconciliation

# Q1 2025 Trended GAAP Operating Margin and Earnings Per Share



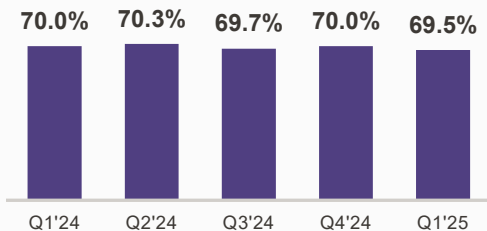
- Q1'25 Operating income of \$131.1M resulting in a Q1'25 operating margin of 13.4%, (1.1) pts Q/Q and (2.1) pts Y/Y
  - Q1'25 Operating margin was negatively impacted from FX by ~1.1 pts Q/Q and negatively impacted by ~1.4 pts Y/Y\*
  - Q1'25 non-GAAP Operating margin, which excludes stock-based compensation, restructuring and other charges, amortization of intangibles related to certain acquisitions, and legal settlement loss, was 19.1%, (4.1) pts Q/Q, and (0.7) pts Y/Y\*
- Interest and other income & expense, net for the first quarter was an income of \$9.3M, compared to an expense of \$3.4M in Q4'24, primarily driven by favorable foreign exchange movements, partially offset by lower interest income and gain on investments from last quarter (Q4'24)
- Y/Y, Q1 interest and other income and expense were favorable compared to income of \$4.3M in Q1'24, primarily driven by favorable foreign exchange movements partially offset by gain on investments in the first quarter of prior year (Q1'24)
- The GAAP effective tax rate in the first quarter was 33.6%, compared to 26.3% in the fourth quarter of last year and 33.7% in the first quarter of the prior year.
- The first quarter GAAP effective tax rate was higher than the fourth quarter effective tax rate primarily due to the tax expense recognized related to stock-based compensation and the release of uncertain tax position reserves in Q4'24, partially offset by a one-time deferred tax adjustment in foreign jurisdictions in Q4'24
- The first quarter GAAP effective tax rate was roughly in-line with the first quarter effective tax rate of the prior year
- Our non-GAAP effective tax rate in the first quarter was 20%, which reflects our long-term projected tax rate
- Q1'25 net income per diluted share was \$1.27, down \$0.13 Q/Q and down \$0.13 compared to the prior year. Our EPS was negatively impacted by \$0.08 on a Q/Q basis and \$0.12 on a Y/Y basis due to FX
- On a non-GAAP basis, net income per diluted share was \$2.13 for Q1, down \$0.31 Q/Q and down \$0.01 Y/Y

\*See table: Unaudited GAAP to Non-GAAP Reconciliation

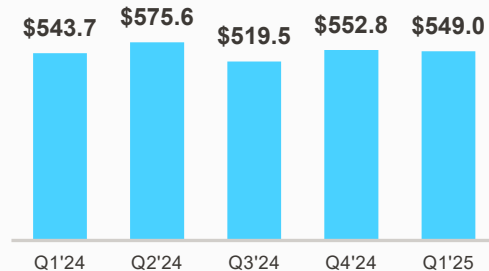
# Trended Quarterly Financials

## GAAP

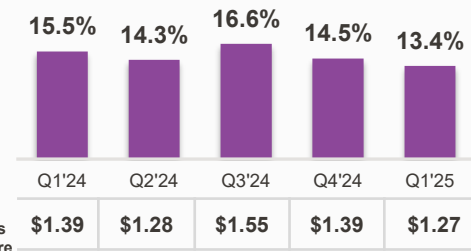
Gross Margin %



Operating Expense (\$M)

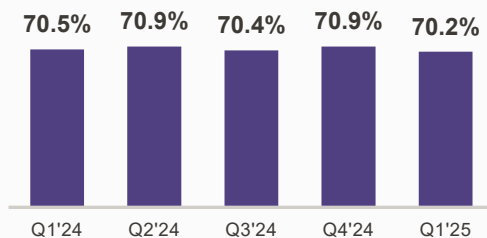


Operating Margin % & Diluted EPS

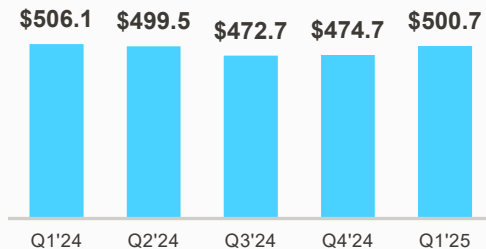


## Non-GAAP

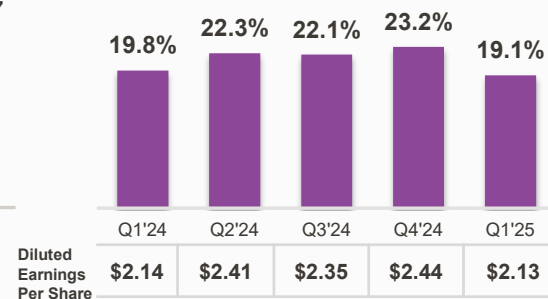
Gross Margin %



Operating Expense (\$M)



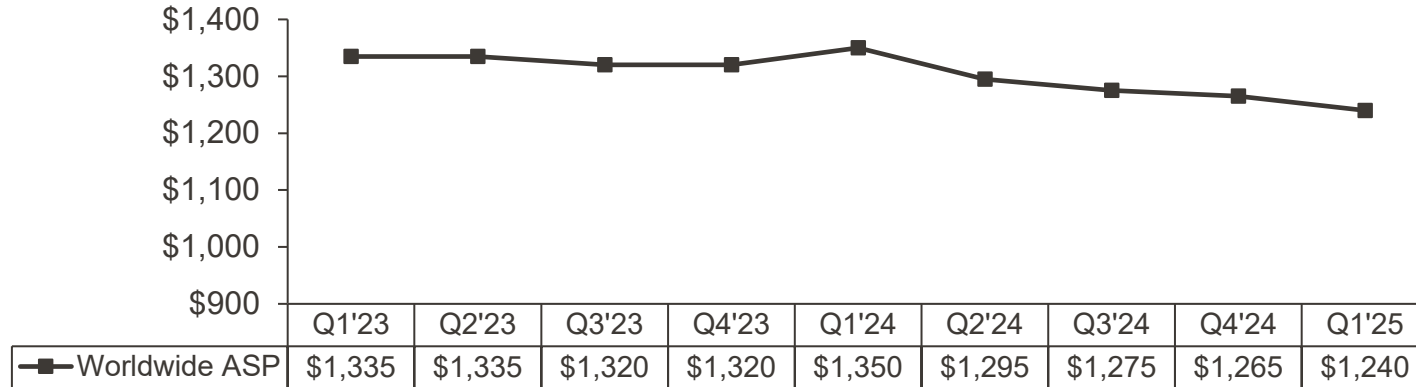
Operating Margin % & Diluted EPS



\*See table: Unaudited GAAP to Non-GAAP Reconciliation

# Q1 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)	Q1'24	Q4'24	Q1'25
Accounts Receivables, net	\$950.7	\$995.7	<b>\$1,062.0</b>
DSO	86 days	90 days	<b>97 days</b>
Cash, Cash Equivalents, and Short-Term and Long-Term Marketable Securities	\$902.5	\$1,043.9	<b>\$873.0</b>
Cash Flow from Operations	\$28.7	\$286.1	<b>\$52.7</b>
Capital Expenditures	\$(9.4)	\$(23.0)	<b>\$(25.3)</b>
Free Cash Flow*	\$19.3	\$263.1	<b>\$27.4</b>

\*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 March 31, 2025, cash and cash equivalents were \$873.0M, down Q/Q \$170.9M, and up \$7.2M y/y. Of our \$873.M balance, \$133.1M was held in the U.S. and \$739.9M was held by our international entities
- During Q1'25, we repurchased the remaining \$72.1M of the \$275.0M open market repurchase initiated in Q4'24
- In Q1, we initiated a new plan to repurchase the remaining \$225.0M of our common stock under our January 2023 approved Stock Repurchase Program of \$1.0 billion through open market repurchases. As of March 31, 2025, we had repurchased \$129.0M. Once completed, this open market repurchase will complete our \$1.0B stock repurchase program approved in January 2023
- Clear Aligner deferred revenues on the balance sheet as of March 31, 2025, decreased \$9.3M, or (0.8)% Q/Q, and decreased \$74.7M, or (5.8)% Y/Y, and will be recognized as additional aligners are shipped under each sales contract
- Systems and Services deferred revenues decreased \$11.3M or (5.1)% Q/Q and decreased \$37.2M or (15.2)% Y/Y, primarily due to the decline in deferred revenues due in part to shorter duration of service contracts applicable to initial scanner system purchases

# Closing Comments



# Business Trends Commentary

Before we turn to our Q2 and fiscal 2025 outlook, we'd like to provide the following comments remarks regarding the UK VAT and US tariffs as of April 30.

## **UK VAT Update as of April 30, 2025:**

- As previously disclosed in our Q4'24 earnings release and conference call, we anticipated receiving a ruling regarding the applicability of VAT to our Clear Aligner sales in the UK. On April 24, 2025, we received a favorable ruling in which the tribunal determined that our Clear Aligners are “dental prostheses for the purposes of VAT in the UK,” which is a key condition to be considered exempt from VAT. This outcome reaffirms our commitment to enhancing patients' access to oral health, leveraging digital technology.
- HMRC has until June 19<sup>th</sup> to appeal the tribunal's ruling. HMRC may also attempt to challenge the applicability of VAT on a different basis.

## **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.

# Fiscal 2025 Business Outlook

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

## Q2'25:

- We expect Q2'25 worldwide revenues to be in the range of \$1,050M to \$1,070M, up sequentially from Q1'25.
- We expect Q2'25 Clear Aligner volume to be up sequentially and Q2'25 Clear Aligner ASPs to also be up sequentially, due to favorable foreign exchange at current spot rates, partially offset by the continued product mix shift to non-comprehensive clear aligner products with lower list prices.
- We expect Q2'25 Systems and Services revenues to be up sequentially as we continue to ramp up the iTero Lumina™ scanner with restorative software.
- We expect Q2'25 worldwide gross margin to be up sequentially primarily from higher ASPs and Clear Aligner volume.
- We expect our Q2'25 GAAP operating margin and Q2'25 non-GAAP operating margin to be up sequentially by approximately 3 points each for GAAP and non-GAAP operating margin.

## For fiscal 2025:

- We expect 2025 Clear Aligner volume growth to be up approximately mid-single digits year-over-year.
- We expect 2025 Clear Aligner ASPs to be down year-over-year due to continued product mix shift to non-comprehensive clear aligner products with lower list prices and continued growth in our emerging markets where those products may carry lower list prices.
- We expect 2025 Systems and Services year-over-year revenues to grow faster than Clear Aligner revenues.
- We expect 2025 year-over-year revenue growth to be in the range of 3.5% to 5.5% at current spot rates.
- We expect fiscal 2025 GAAP operating margin to be approximately 2 points above the 2024 GAAP operating margin, and we expect the 2025 non-GAAP operating margin to be approximately 22.5%.
- We expect our investments in capital expenditures for fiscal 2025 to be between \$100 million and \$150 million. Capital expenditures primarily relate to technology upgrades as well as manufacturing capacity in support of our ongoing business.

# Q1'25 Earnings Call CEO Closing Commentary

We're pleased with the results of our first quarter – the strength of the clear aligner business, including return to stability in the U.S., and the response to our recent innovations such as the Invisalign® Palatal Expander System and iTero™ Lumina.

All of us are aware of global economic uncertainty and the headwinds that tariffs or changes in consumer sentiment may bring. Align is focused on what we can control. As we mentioned last quarter, that means building on the innovations introduced in 2024 that drive efficiency and growth for our customers' practices, while delivering the best customer and patient experiences in the industry.

First, through our digital scanning technology. While iTero™ has long been valued in orthodontic and GP practices as much more than a replacement for PVS impressions, our next-generation iTero Lumina solution with comprehensive dentistry capabilities provides transformative solutions for GP dental practices to enable diagnostic, restorative, and multidisciplinary ortho-restorative workflows — including NIRI technology in the iTero Lumina Pro dental imaging system. With iTero Lumina, we truly have a gateway to any type of digital orthodontic and dental treatment.

Second, to drive practice transformation to a fully digital practices it requires 2 key variables: doctor AND patient efficiency through less chair time which increases practice profitability.

We're helping customers drive efficiency and create more time and capacity in their practices with our digital treatment planning software, delivering “ClinCheck® in minutes” for most treatment plans. The latest innovations in the ClinCheck signature experience combines automation of each doctor's clinical preferences with AI powered tools that deliver customized treatment plans in near real-time. Based on doctors' built-in, personalized treatment preferences or pre-populated templates, a doctor chooses our almost touchless digital workflows, “ClinCheck in minutes” technology which is revolutionizing treatment planning for doctors, enabling chairside treatment planning, improving patient conversion, and getting patients started in treatment within days.

Next, we're building on the world's most advanced clear aligner system to make it even more effective and efficient for all patients, with innovations such as the Invisalign® system with mandibular advancement featuring occlusal blocks that expands Align's Class II treatment portfolio for growing patients with a comprehensive solution for treating growing patients with Class II malocclusions caused by mandibular retrusion.

Finally, we are delivering on the promise of 3D technology that is part of Align's DNA with direct 3D-printed orthodontic devices - demonstrating our commitment to pushing the boundaries of digital orthodontics. The first example is the Invisalign® Palatal Expander System, a series of removable devices that expand a patient's palate without traditional metal expanders and screws in a way that is both effective clinically, comfortable and easy to use for kids and parents. This is the first direct 3D printed appliance Align has commercialized. With others in development – we believe direct 3D printing will give doctors new levels of precision in appliance fit and shape to deliver the best possible outcomes for patients.

As we celebrate 28 years of digital innovation this year, we are also proud and grateful to highlight that we have met a significant milestone with over 20 million Invisalign patients treated globally - representing 20 million smiles, 20 million stories, and 20 million lives transformed – a testament to the passion and purpose of our employees, our doctor customers, and their patients.

With that – we thank you for your time today and we look forward to speaking to you at our upcoming Investor Day meeting on May 6<sup>th</sup>.

# 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
	March 31, 2025	December 31, 2024	
<b>GAAP net revenues</b>	\$ 979,262	\$ 995,219	
Constant currency impact <sup>(1)</sup>	21,406		2.1 %
<b>Constant currency net revenues <sup>(1)</sup></b>	<u>\$ 1,000,668</u>		
<b>GAAP Clear Aligner net revenues</b>	\$ 796,843	\$ 794,289	
Clear Aligner constant currency impact <sup>(1)</sup>	17,935		2.2 %
<b>Clear Aligner constant currency net revenues <sup>(1)</sup></b>	<u>\$ 814,778</u>		
<b>GAAP Imaging Systems and CAD/CAM Services net revenues</b>	\$ 182,419	\$ 200,930	
Imaging Systems and CAD/CAM Services constant currency impact <sup>(1)</sup>	3,471		1.9 %
<b>Imaging Systems and CAD/CAM Services constant currency net revenues <sup>(1)</sup></b>	<u>\$ 185,890</u>		

Year-over-year constant currency analysis:

	Three Months Ended		Impact % of Revenue
	March 31,		
	2025	2024	
<b>GAAP net revenues</b>	\$ 979,262	\$ 997,431	
Constant currency impact <sup>(1)</sup>	31,056		3.1 %
<b>Constant currency net revenues <sup>(1)</sup></b>	<u>\$ 1,010,318</u>		
<b>GAAP Clear Aligner net revenues</b>	\$ 796,843	\$ 817,251	
Clear Aligner constant currency impact <sup>(1)</sup>	25,795		3.1 %
<b>Clear Aligner constant currency net revenues <sup>(1)</sup></b>	<u>\$ 822,638</u>		
<b>GAAP Imaging Systems and CAD/CAM Services net revenues</b>	\$ 182,419	\$ 180,180	
Imaging Systems and CAD/CAM Services constant currency impact <sup>(1)</sup>	5,261		2.8 %
<b>Imaging Systems and CAD/CAM Services constant currency net revenues <sup>(1)</sup></b>	<u>\$ 187,680</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	
	March 31, 2025	December 31, 2024
<b>GAAP gross profit</b>	\$ 680,108	\$ 696,941
Constant currency impact on net revenues	21,406	
<b>Constant currency gross profit</b>	<u>\$ 701,514</u>	

	Three Months Ended	
	March 31, 2025	December 31, 2024
<b>GAAP gross margin</b>	69.5 %	70.0 %
Gross margin constant currency impact <sup>(1)</sup>	0.7	
<b>Constant currency gross margin <sup>(1)</sup></b>	<u>70.1 %</u>	

Year-over-year constant currency analysis:

	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>GAAP gross profit</b>	\$ 680,108	\$ 697,816
Constant currency impact on net revenues	31,056	
<b>Constant currency gross profit</b>	<u>\$ 711,164</u>	

	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>GAAP gross margin</b>	69.5 %	70.0 %
Gross margin constant currency impact <sup>(1)</sup>	0.9	
<b>Constant currency gross margin <sup>(1)</sup></b>	<u>70.4 %</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	
	March 31, 2025	December 31, 2024
<b>GAAP income from operations</b>	\$ 131,100	\$ 144,149
Income from operations constant currency impact <sup>(1)</sup>	14,112	
<b>Constant currency income from operations <sup>(1)</sup></b>	<u>\$ 145,211</u>	

	Three Months Ended	
	March 31, 2025	December 31, 2024
<b>GAAP operating margin</b>	13.4 %	14.5 %
Operating margin constant currency impact <sup>(2)</sup>	1.1	
<b>Constant currency operating margin <sup>(2)</sup></b>	<u>14.5 %</u>	

Year-over-year constant currency analysis:

	Three Months Ended	
	March 31,	
	2025	2024
<b>GAAP income from operations</b>	\$ 131,100	\$ 154,135
Income from operations constant currency impact <sup>(1)</sup>	18,278	
<b>Constant currency income from operations <sup>(1)</sup></b>	<u>\$ 149,377</u>	

	Three Months Ended	
	March 31,	
	2025	2024
<b>GAAP operating margin</b>	13.4 %	15.5 %
Operating margin constant currency impact <sup>(2)</sup>	1.4	
<b>Constant currency operating margin <sup>(2)</sup></b>	<u>14.8 %</u>	

# 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 quarters of 2023 and 2024, we initiated a restructuring plan 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.
- (3) Other Non-GAAP items from the fourth quarter of 2024 primarily include settlements of various indirect tax obligations related to prior years.
- (+) 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	
	March 31,	
	2025	2024
<b>GAAP gross profit</b>	\$ 680,108	\$ 697,816
Stock-based compensation	1,538	2,064
Amortization of intangibles <sup>(1)</sup>	3,549	3,724
Restructuring charges <sup>(2)</sup>	2,253	—
<b>Non-GAAP gross profit</b>	\$ 687,448	\$ 703,604
<b>GAAP gross margin</b>	69.5 %	70.0 %
<b>Non-GAAP gross margin</b>	70.2 %	70.5 %
<b>GAAP total operating expenses</b>	\$ 549,008	\$ 543,681
Stock-based compensation	(43,459)	(36,724)
Amortization of intangibles <sup>(1)</sup>	(841)	(863)
Restructuring and other charges <sup>(2)</sup>	197	—
Legal settlement loss	(4,178)	—
<b>Non-GAAP total operating expenses</b>	\$ 500,727	\$ 506,094
<b>GAAP income from operations</b>	\$ 131,100	\$ 154,135
Stock-based compensation	44,997	38,788
Amortization of intangibles <sup>(1)</sup>	4,390	4,587
Restructuring and other charges <sup>(2)</sup>	2,056	—
Legal settlement loss	4,178	—
<b>Non-GAAP income from operations</b>	\$ 186,721	\$ 197,510
<b>GAAP operating margin</b>	13.4 %	15.5 %
<b>Non-GAAP operating margin</b>	19.1 %	19.8 %
<b>GAAP net income before provision for income taxes</b>	\$ 140,442	\$ 158,386
Stock-based compensation	44,997	38,788
Amortization of intangibles <sup>(1)</sup>	4,390	4,587
Restructuring and other charges <sup>(2)</sup>	2,056	—
Legal settlement loss	4,178	—
<b>Non-GAAP net income before provision for income taxes</b>	\$ 196,063	\$ 201,761
<b>GAAP provision for income taxes</b>	\$ 47,212	\$ 53,358
Tax impact on non-GAAP adjustments	(8,000)	(13,036)
<b>Non-GAAP provision for income taxes</b>	\$ 39,212	\$ 40,322
<b>GAAP effective tax rate</b>	33.6 %	33.7 %
<b>Non-GAAP effective tax rate</b>	20.0 %	20.0 %
<b>GAAP net income</b>	\$ 93,230	\$ 105,028
Stock-based compensation	44,997	38,788
Amortization of intangibles <sup>(1)</sup>	4,390	4,587
Restructuring and other charges <sup>(2)</sup>	2,056	—
Legal settlement loss	4,178	—
Tax impact on non-GAAP adjustments	8,000	13,036
<b>Non-GAAP net income</b>	\$ 156,851	\$ 161,439
<b>GAAP diluted net income per share</b>	\$ 1.27	\$ 1.39
<b>Non-GAAP diluted net income per share</b>	\$ 2.13	\$ 2.14
<b>Shares used in computing diluted net income per share</b>	73,615	75,322

# Q2 2025 and Fiscal 2025 Outlook – GAAP to Non-GAAP Reconciliation

Notes:

- (1) Amortization of intangible assets related to certain acquisitions.
- (2) Restructuring charges primarily related to severance.
- (3) Legal settlement loss from Q1'25.

## ALIGN TECHNOLOGY, INC. Q2 2025 OUTLOOK - GAAP TO NON-GAAP RECONCILIATION

<b>GAAP operating margin</b>	<b>Approximately 17.0%</b>
Stock-based compensation	~4.5%
Amortization of intangibles <sup>(1)</sup>	~0.5%
<b>Non-GAAP operating margin</b>	<b>Approximately 22.0%</b>

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

<b>GAAP operating margin</b>	<b>Approximately 17.0%</b>
Stock-based compensation	~5.0%
Amortization of intangibles <sup>(1)</sup>	~0.5%
Restructuring charges <sup>(2)</sup>	~0.1%
Legal settlement loss <sup>(3)</sup>	~0.1%
<b>Non-GAAP operating margin</b>	<b>Approximately 22.5%</b>

*Percentages do not add up due to rounding.*

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