

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

	Q4 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Fiscal 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Fiscal 2024
Clear Aligner Shipments:												
WW Teenagers	184,490	746,050	187,005	200,715	221,405	196,585	805,710	199,235	216,675	236,285	215,945	868,140
WW Adults	411,665	1,652,320	403,930	421,900	380,930	396,050	1,602,810	405,825	426,050	380,935	412,785	1,625,595
Total Shipments	596,155	2,398,370	590,935	622,615	602,335	592,635	2,408,520	605,060	642,725	617,220	628,730	2,493,735
Invisalign doctors cases shipped to WW												
Total Invisalign doctors cases shipped to WW	82,895	124,525	82,730	83,440	85,195	83,700	125,845	83,510	86,135	87,380	85,685	130,370
Net Revenues:												
<i>Clear Aligner Net Revenues ⁽¹⁾</i>												
Americas	\$ 349,411	\$ 1,471,930	\$ 366,513	\$ 381,145	\$ 366,606	\$ 348,716	\$ 1,462,980	\$ 372,313	\$ 371,836	\$ 349,196	\$ 333,001	\$ 1,426,346
International	319,004	1,348,968	354,201	378,385	355,302	361,565	1,449,453	370,640	383,027	361,538	385,314	1,500,519
Non-case ⁽²⁾	63,239	251,687	69,080	73,144	73,031	71,631	288,896	74,298	78,875	78,110	75,974	303,257
Total Clear Aligner Net Revenues	731,654	3,072,585	789,804	832,674	794,939	781,912	3,199,329	817,251	831,738	786,844	794,289	3,230,122
<i>Imaging Systems and CAD/CAM Services Net Revenues</i>	169,961	662,050	153,343	169,499	165,275	174,814	662,931	180,180	196,752	191,028	200,930	788,890
Total Worldwide Net Revenues	901,515	3,734,635	943,147	1,002,173	960,214	956,726	3,862,260	997,431	1,028,490	977,872	995,219	3,999,012
Cost of Net Revenues:												
Cost of net revenues Clear Aligner	213,812	844,415	223,665	229,423	232,608	225,595	911,291	238,105	243,201	234,003	236,827	952,136
Cost of net revenues Imaging Systems and CAD/CAM Services	70,002	286,445	58,828	59,141	64,530	61,607	244,106	61,810	62,661	62,095	61,451	247,717
Total cost of net revenues	283,814	1,100,860	282,493	288,564	297,138	287,202	1,155,397	299,915	305,862	296,098	298,278	1,199,853
Gross profit	617,701	2,633,775	660,654	713,609	663,076	669,524	2,706,863	697,816	722,628	681,774	696,941	2,799,159
Operating Expenses:												
Selling, general and administrative	410,067	1,674,469	439,691	453,193	407,992	402,503	1,703,379	451,822	452,262	434,138	424,971	1,763,193
Research and development	83,520	305,258	87,447	88,485	88,738	82,160	346,830	91,850	92,193	85,272	84,678	384,202
Restructuring and other charges	11,453	11,453	-	-	-	13,316	13,316	-	-	-	33,168	33,168
Legal settlement loss	-	-	-	-	-	-	-	-	31,127	66	(225)	30,968
Total operating expenses	505,040	1,991,180	527,138	541,678	496,730	487,979	2,063,525	543,681	575,882	519,476	562,792	2,191,531
Operating Income	112,661	642,595	133,516	171,931	166,346	171,545	643,338	154,135	147,046	162,298	144,149	607,628
Interest income and other income (expense), net:												
Interest income	2,760	5,367	2,337	4,421	5,522	4,978	17,258	4,392	3,301	4,003	8,522	20,218
Other income (expense), net	(100)	(48,905)	(1,229)	(4,763)	(9,737)	(3,643)	(19,392)	(141)	(6,481)	(371)	(11,894)	(18,887)
Total interest income and other income (expense), net	2,660	(43,538)	1,108	(342)	(4,235)	1,335	(2,134)	4,251	(3,180)	3,632	(3,372)	1,331
Net income before provision for (benefit from) income taxes	115,321	599,057	134,624	171,589	162,111	172,880	641,204	158,386	143,866	165,930	140,777	608,959
Provision for (benefit from) income taxes	73,546	237,484	46,826	59,775	40,684	48,866	196,151	53,358	47,302	49,967	36,970	187,597
Net income	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427	\$ 124,014	\$ 445,053	\$ 105,028	\$ 86,564	\$ 115,963	\$ 103,807	\$ 421,362
Net Income per share												
- basic	\$ 0.54	\$ 4.62	\$ 1.14	\$ 1.46	\$ 1.59	\$ 1.64	\$ 5.82	\$ 1.40	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.63
- diluted	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58	\$ 1.64	\$ 5.81	\$ 1.39	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.62
Shares used in computing net income per share												
- basic	77,541	78,190	76,921	76,524	76,569	75,703	76,426	75,175	75,184	74,736	74,419	74,877
- diluted	77,683	78,420	77,111	76,689	76,826	75,802	76,568	75,322	75,223	74,757	74,465	74,983
Margin Analysis:												
Gross margin	68.5%	70.5%	70.0%	71.2%	69.1%	70.0%	70.1%	70.0%	70.3%	69.7%	70.0%	70.0%
-Clear Aligner	70.8%	72.5%	71.7%	72.4%	70.7%	71.1%	71.5%	70.9%	70.8%	70.3%	70.2%	70.5%
-Imaging Systems and CAD/CAM Services	58.8%	61.3%	61.6%	65.1%	61.0%	64.8%	63.2%	65.9%	68.2%	67.5%	69.4%	67.8%
Selling, general and administrative	45.5%	44.8%	46.6%	45.2%	42.5%	42.1%	44.1%	45.3%	44.0%	44.4%	42.7%	44.1%
Research and development	9.3%	8.2%	9.3%	8.8%	9.2%	8.6%	9.0%	9.2%	9.0%	8.7%	9.5%	9.1%
Restructuring and other charges	1.3%	0.3%	0.0%	0.0%	0.0%	1.4%	0.3%	0.0%	0.0%	0.0%	3.3%	0.8%
Legal settlement loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%	0.8%
Operating margin	12.5%	17.2%	14.2%	17.2%	17.3%	17.9%	16.7%	15.5%	14.3%	16.6%	14.5%	15.2%
Net margin	4.6%	9.7%	9.3%	11.2%	12.6%	13.0%	11.5%	10.5%	9.4%	11.9%	10.4%	10.5%
Year Over Year Analysis:												
Clear Aligner shipments change YoY	-6.3%	-6.3%	-2.4%	2.4%	2.3%	-0.6%	0.4%	2.4%	3.2%	2.5%	6.1%	3.5%
Invisalign doctors cases shipment change YoY	-0.8%	1.6%	0.3%	1.4%	0.9%	1.0%	1.1%	0.9%	3.2%	2.6%	2.4%	3.6%
Net Revenues	-12.6%	-5.5%	-3.1%	3.4%	7.8%	6.1%	3.4%	5.8%	2.6%	1.8%	4.0%	3.5%
-Clear Aligner	-10.3%	-5.4%	-2.5%	4.3%	8.5%	6.9%	4.1%	3.5%	-0.1%	-1.0%	1.6%	1.0%
-Imaging Systems and CAD/CAM Services	-21.3%	-6.2%	-6.2%	-1.0%	4.9%	2.9%	0.1%	17.5%	16.1%	15.6%	14.9%	16.0%
Gross profit	-17.0%	-10.3%	-6.9%	3.8%	7.1%	8.4%	2.8%	5.6%	1.3%	2.8%	4.1%	3.4%
Operating expense	-3.6%	1.6%	3.1%	8.5%	4.5%	-1.4%	3.6%	3.1%	6.3%	4.6%	11.0%	6.2%
Operating income (loss)	-49.0%	-34.2%	-32.6%	-8.6%	15.8%	52.3%	0.1%	15.4%	-14.5%	-2.4%	-16.0%	-5.6%
Net income (loss)	-78.1%	-53.2%	-34.6%	-0.9%	67.0%	196.9%	23.1%	19.6%	-13.6%	-4.5%	-16.3%	-5.3%
Quarter Over Quarter Analysis (Sequential):												
Clear Aligner shipments change QoQ	1.3%	-	-0.9%	5.4%	-3.3%	-1.6%	-	2.1%	6.2%	-4.0%	1.9%	-
Invisalign doctors cases shipment change QoQ	-1.8%	-	-0.2%	0.9%	2.1%	-1.8%	-	-0.2%	3.1%	1.4%	-1.9%	-
Net Revenues	1.3%	4.6%	6.3%	-4.2%	-0.4%	-4.4%	4.3%	3.5%	3.1%	-4.9%	1.8%	4.6%
-Clear Aligner	-0.2%	7.9%	5.4%	-4.5%	-1.6%	-4.5%	4.5%	4.5%	1.8%	-5.4%	0.9%	5.4%
-Imaging Systems and CAD/CAM Services	7.8%	-9.7%	10.5%	-2.5%	5.8%	5.8%	3.1%	9.2%	-2.9%	5.2%	5.2%	5.2%
Gross profit	-0.2%	7.0%	8.0%	-7.1%	1.0%	-	4.2%	3.6%	-5.7%	2.2%	2.2%	2.2%
Operating expense	6.2%	4.4%	2.8%	-8.3%	0.3%	-	9.2%	5.9%	-9.7%	6.4%	6.4%	6.4%
Operating income	-21.6%	18.5%	28.8%	-3.2%	3.1%	-	-10.1%	-4.6%	10.4%	-11.2%	-11.2%	-11.2%
Net income	-42.8%	110.2%	27.4%	8.6%	2.1%	-	-15.3%	-8.1%	20.1%	-10.5%	-10.5%	-10.5%

(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,	
	2024	2023	2024	2023
GAAP gross profit	\$ 696,941	\$ 669,524	\$ 2,799,159	\$ 2,706,863
Stock-based compensation	(721)	1,780	6,995	7,462
Amortization of intangibles ⁽¹⁾	3,699	2,773	14,803	11,182
Restructuring charges ⁽²⁾	3,823	673	3,823	673
Other Non-GAAP items ⁽³⁾	1,410	-	1,410	-
Non-GAAP gross profit	\$ 705,152	\$ 674,750	2,826,190.0	\$ 2,726,180
GAAP gross margin	70.0%	70.0%	70.0%	70.1%
Non-GAAP gross margin	70.9%	70.5%	70.7%	70.6%
GAAP total operating expenses	\$ 552,792	\$ 497,979	\$ 2,191,531	\$ 2,063,525
Stock-based compensation	(39,569)	(37,049)	(166,708)	(146,564)
Amortization of intangibles ⁽¹⁾	(879)	(866)	(3,497)	(3,497)
Restructuring and other charges ⁽²⁾	(33,168)	(13,316)	(32,722)	(13,316)
Legal settlement loss	225	-	(30,968)	-
Other Non-GAAP items ⁽³⁾	(4,676)	-	(4,676)	-
Non-GAAP total operating expenses	\$ 474,725	\$ 446,748	\$ 1,952,960	\$ 1,900,148
GAAP income from operations	\$ 144,149	\$ 171,545	\$ 607,628	\$ 643,338
Stock-based compensation	38,848	38,829	173,703	154,026
Amortization of intangibles ⁽¹⁾	4,578	3,639	18,300	14,679
Restructuring and other charges ⁽²⁾	36,991	13,989	36,545	13,989
Legal settlement loss	(225)	-	30,968	-
Other Non-GAAP items ⁽³⁾	6,086	-	6,086	-
Non-GAAP income from operations	\$ 230,427	\$ 228,002	\$ 873,230	\$ 826,032
GAAP operating margin	14.5%	17.9%	15.2%	16.7%
Non-GAAP operating margin	23.2%	23.8%	21.8%	21.4%
GAAP net income before provision for income taxes	\$ 140,777	\$ 172,880	\$ 608,959	\$ 641,204
Stock-based compensation	38,848	38,829	173,703	154,026
Amortization of intangibles ⁽¹⁾	4,578	3,639	18,300	14,679
Restructuring and other charges ⁽²⁾	36,991	13,989	36,545	13,989
Legal settlement loss	(225)	-	30,968	-
Other Non-GAAP items ⁽³⁾	6,086	-	6,086	-
Non-GAAP net income before provision for income taxes	\$ 227,055	\$ 229,337	\$ 874,561	\$ 823,898
GAAP provision for income taxes	\$ 36,970	\$ 48,866	\$ 187,597	\$ 1,900,148
Tax impact on non-GAAP adjustments	8,441	(2,998)	(12,715)	(31,415)
Non-GAAP provision for income taxes	\$ 45,411	\$ 45,868	\$ 174,882	\$ 164,736
GAAP effective tax rate	26.3%	28.3%	30.8%	30.6%
Non-GAAP effective tax rate	20.0%	20.0%	20.0%	20.0%
GAAP net income	\$ 103,807	\$ 124,014	\$ 421,362	\$ 445,053
Stock-based compensation	38,848	38,829	173,703	154,026
Amortization of intangibles ⁽¹⁾	4,578	3,639	18,300	14,679
Restructuring and other charges ⁽²⁾	36,991	13,989	36,545	13,989
Legal settlement loss	(225)	-	30,968	-
Other Non-GAAP items ⁽³⁾	6,086	-	6,086	-
Tax impact on non-GAAP adjustments	(8,441)	2,998	12,715	31,415
Non-GAAP net income	\$ 181,644	\$ 183,469	\$ 699,679	\$ 659,162
GAAP diluted net income per share	\$ 1.39	\$ 1.64	\$ 5.62	\$ 5.81
Non-GAAP diluted net income per share	\$ 2.44	\$ 2.42	\$ 9.33	\$ 8.61
Shares used in computing diluted net income per share	74,465	75,802	74,993	76,568

Notes:

⁽¹⁾ Amortization of intangible assets related to certain acquisitions

⁽²⁾ During the fourth quarters of 2023 and 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.

⁽³⁾ Other Non-GAAP items from the fourth quarter of 2024 primarily include settlements of various indirect tax obligations related to prior years.

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 2022	Fiscal 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Fiscal 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Fiscal 2024
GAAP gross profit	\$ 617,701	\$ 2,633,775	\$ 660,654	\$ 713,609	\$ 663,076	\$ 669,524	\$ 2,706,863	\$ 697,816	\$ 722,628	\$ 681,774	\$ 696,941	\$ 2,799,159
Stock-based compensation	1,659	6,438	1,807	1,901	1,974	1,780	7,462	2,064	2,582	3,070	(721)	6,995
Amortization of intangibles ⁽¹⁾	2,610	10,134	2,774	2,810	2,825	2,773	11,182	3,724	3,678	3,702	3,699	14,803
Restructuring charges ⁽²⁾	2,866	2,866	(8)	-	-	673	673	-	-	-	-	3,823
Other Non-GAAP Items ⁽³⁾	-	-	-	-	-	-	-	-	-	-	1,410	1,410
Non-GAAP gross profit	\$ 624,836	\$ 2,653,213	\$ 665,227	\$ 718,320	\$ 667,875	\$ 674,750	\$ 2,726,180	\$ 703,604	\$ 728,888	\$ 688,546	\$ 705,152	\$ 2,826,190
GAAP gross margin	68.5%	70.5%	70.0%	71.2%	69.1%	70.0%	70.1%	70.0%	70.3%	69.7%	70.0%	70.0%
Non-GAAP gross margin	69.3%	71.0%	70.5%	71.7%	69.6%	70.5%	70.6%	70.5%	70.9%	70.4%	70.9%	70.7%
GAAP total operating expenses	\$ 505,040	\$ 1,991,180	\$ 527,138	\$ 541,678	\$ 496,730	\$ 497,979	\$ 2,063,525	\$ 543,681	\$ 575,582	\$ 519,476	\$ 552,792	\$ 2,191,531
Stock-based compensation	(33,029)	(126,929)	(35,928)	(35,959)	(37,628)	(37,049)	(146,564)	(36,724)	(44,446)	(45,969)	(39,569)	(166,708)
Amortization of intangibles ⁽¹⁾	(810)	(3,417)	(867)	(879)	(885)	(866)	(3,497)	(863)	(875)	(880)	(879)	(3,497)
Restructuring and other charges ^{(2),(3)}	(11,453)	(11,453)	177	123	-	(13,316)	(13,316)	-	357	89	(33,168)	(32,722)
Legal settlement loss	-	-	-	-	-	-	-	-	(31,127)	(66)	225	(30,968)
Other Non-GAAP Items ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	(4,676)	(4,676)
Non-GAAP total operating expenses	\$ 459,748	\$ 1,849,381	\$ 490,520	\$ 504,963	\$ 458,217	\$ 446,748	\$ 1,900,148	\$ 506,094	\$ 499,491	\$ 472,650	\$ 474,725	\$ 1,952,960
GAAP income from operations	\$ 112,661	\$ 642,595	\$ 133,516	\$ 171,931	\$ 166,346	\$ 171,545	\$ 643,338	\$ 154,135	\$ 147,046	\$ 162,298	\$ 144,149	\$ 607,628
Stock-based compensation	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788	47,028	49,039	38,848	173,703
Amortization of intangibles ⁽¹⁾	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587	4,553	4,582	4,578	18,300
Restructuring and other charges ^{(2),(3)}	14,319	14,319	(185)	(123)	-	13,989	13,989	-	(357)	(89)	36,991	36,545
Legal settlement loss	-	-	-	-	-	-	-	-	31,127	66	(225)	30,968
Other Non-GAAP Items ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	6,086	6,086
Non-GAAP income from operations	\$ 165,088	\$ 803,832	\$ 174,707	\$ 213,357	\$ 209,658	\$ 228,002	\$ 826,032	\$ 197,510	\$ 229,397	\$ 215,896	\$ 230,427	\$ 873,230
GAAP operating margin	12.5%	17.2%	14.2%	17.2%	17.3%	17.9%	16.7%	15.5%	14.3%	16.6%	14.5%	15.2%
Non-GAAP operating margin	18.3%	21.5%	18.5%	21.3%	21.8%	23.8%	21.4%	19.8%	22.3%	22.1%	23.2%	21.8%
GAAP net income before provision for income taxes	\$ 115,321	\$ 599,057	\$ 134,624	\$ 171,589	\$ 162,111	\$ 172,880	\$ 641,204	\$ 158,386	\$ 143,866	\$ 165,930	\$ 140,777	\$ 608,959
Stock-based compensation	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788	47,028	49,039	38,848	173,703
Amortization of intangibles ⁽¹⁾	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587	4,553	4,582	4,578	18,300
Restructuring and other charges ^{(2),(3)}	14,319	14,319	(185)	(123)	-	13,989	13,989	-	(357)	(89)	36,991	36,545
Legal settlement loss	-	-	-	-	-	-	-	-	31,127	66	(225)	30,968
Other Non-GAAP Items ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	6,086	6,086
Non-GAAP net income before provision for income taxes	\$ 167,748	\$ 760,294	\$ 176,815	\$ 213,015	\$ 206,423	\$ 229,337	\$ 823,898	\$ 201,761	\$ 226,217	\$ 219,528	\$ 227,055	\$ 874,561
GAAP provision for income taxes	\$ 73,546	\$ 237,484	\$ 46,826	\$ 59,775	\$ 40,684	\$ 48,866	\$ 196,151	\$ 53,358	\$ 47,302	\$ 49,967	\$ 36,970	\$ 187,597
Tax impact on non-GAAP adjustments	(39,997)	(85,426)	(11,626)	(17,209)	418	(2,998)	(31,415)	(13,036)	(2,059)	(6,061)	8,441	(12,715)
Non-GAAP provision for income taxes	\$ 33,549	\$ 152,058	\$ 35,200	\$ 42,566	\$ 41,102	\$ 45,868	\$ 164,736	\$ 40,322	\$ 45,243	\$ 43,906	\$ 45,411	\$ 174,882
GAAP effective tax rate	63.8%	39.6%	34.8%	34.8%	25.1%	28.3%	30.6%	33.7%	32.9%	30.1%	26.3%	30.8%
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	\$ 41,775	\$ 361,573	\$ 87,798	\$ 111,814	\$ 121,427	\$ 124,014	\$ 445,053	\$ 105,028	\$ 96,564	\$ 115,963	\$ 103,807	\$ 421,362
Stock-based compensation	34,688	133,367	37,735	37,860	39,602	38,829	154,026	38,788	47,028	49,039	38,848	173,703
Amortization of intangibles ⁽¹⁾	3,420	13,551	3,641	3,689	3,710	3,639	14,679	4,587	4,553	4,582	4,578	18,300
Restructuring and other charges ^{(2),(3)}	14,319	14,319	(185)	(123)	-	13,989	13,989	-	(357)	(89)	36,991	36,545
Legal settlement loss	-	-	-	-	-	-	-	-	31,127	66	(225)	30,968
Other Non-GAAP Items ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	6,086	6,086
Tax impact on non-GAAP adjustments	39,997	85,426	11,626	17,209	(418)	2,998	31,415	13,036	2,059	6,061	(8,441)	12,715
Non-GAAP net income	\$ 134,199	\$ 608,236	\$ 140,615	\$ 170,449	\$ 164,321	\$ 183,469	\$ 659,162	\$ 161,439	\$ 180,974	\$ 175,622	\$ 181,644	\$ 699,679
GAAP diluted net income per share	\$ 0.54	\$ 4.61	\$ 1.14	\$ 1.46	\$ 1.58	\$ 1.64	\$ 5.81	\$ 1.39	\$ 1.28	\$ 1.55	\$ 1.39	\$ 5.62
Non-GAAP diluted net income per share	\$ 1.73	\$ 7.76	\$ 1.82	\$ 2.22	\$ 2.14	\$ 2.42	\$ 8.61	\$ 2.14	\$ 2.41	\$ 2.35	\$ 2.44	\$ 9.33
Shares used in computing diluted net income per share	77,683	78,420	77,111	76,689	76,626	75,602	76,568	75,322	75,223	74,757	74,465	74,993

Notes:

⁽¹⁾ Amortization of intangible assets related to certain acquisitions

⁽²⁾ During the fourth quarters of 2022, 2023 and 2024, we initiated restructuring plans to reduce headcount and increase efficiencies across the organization and lower the overall cost structure. Restructuring charges recorded to Cost of net revenues in 2022 primarily relate to severance and other one-time post-employment benefits and impairment charges. Restructuring charges recorded to Cost of net revenues in 2023 and 2024 primarily relate to severance and other one-time post-employment benefits.

⁽³⁾ Restructuring charges recorded to Operating expenses in 2022 primarily relate to severance and other one-time post-employment benefits, lease termination charges and asset impairments. Restructuring charges recorded to Operating expenses in 2023 and 2024 primarily relate to severance and other one-time post-employment benefits.

⁽⁴⁾ Other Non-GAAP items from the fourth quarter of 2024 primarily include settlements of various indirect tax obligations related to prior years.

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