Financial Results

Q4 and Year End 2017

Align Technology, Inc.

Align Technology, Inc. – Q4 and Year End 2017 Financial Results

Conference Call

- Speakers:
  - Joe Hogan, President and CEO
  - John Morici, CFO
  - Shirley Stacy, VP, Corporate Communications & Investor Relations
- Replay and Webcast Archive
  - Telephone replay will be available through 5:30pm ET February 13, 2018
  - Domestic callers: 877-660-6853
  - International callers: 201-612-7415
  - Conference # 13674959
  - Audio web cast archive will be available at http://investor.aligntech.com for 12 months

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Safe Harbor and Forward Looking Statement

- This presentation contains forward-looking statements, including statements regarding certain business metrics for the first quarter of 2018 year end, including, but not limited to, anticipated net revenues, gross margin, operating expenses, operating profit, diluted earnings per share, tax rate and case shipments. Forward-looking statements contained in this news release and the tables below 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 are only predictions 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, difficulties predicting customer and consumer purchasing behavior, Align's ability to protect its intellectual property rights, continued compliance with regulatory requirements, competition from existing and new competitors, the willingness and ability of our customers to maintain and/or increase product utilization in sufficient numbers, the possibility that the development and release of new products does not proceed in accordance with the anticipated timeline, the possibility that the market for the sale of these new products may not develop as expected, or that the expected benefits of new or existing business relationships will not be achieved as anticipated, the risks relating to Align's ability to sustain or increase profitability or revenue growth in future periods while controlling expenses, growth related risks, including capacity constraints and pressure on our internal systems and personnel, the security of customer and/or patient data is compromised for any reason, continued customer demand for our existing and new products, changes in consumer spending habits as a result of, among other things, prevailing economic conditions, levels of employment, salaries and wages and consumer confidence, the timing of case submissions from our doctors within a quarter, acceptance of our products by consumers and dental professionals, foreign operational, political and other risks relating to Align's international manufacturing operations, Align's ability to develop and successfully introduce new products and product enhancements and the loss of key personnel. These and other risks are detailed from time to time in Align's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the Securities and Exchange Commission (SEC) on February 28, 2017, and its latest Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, which was filed with the SEC on November 2, 2017. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

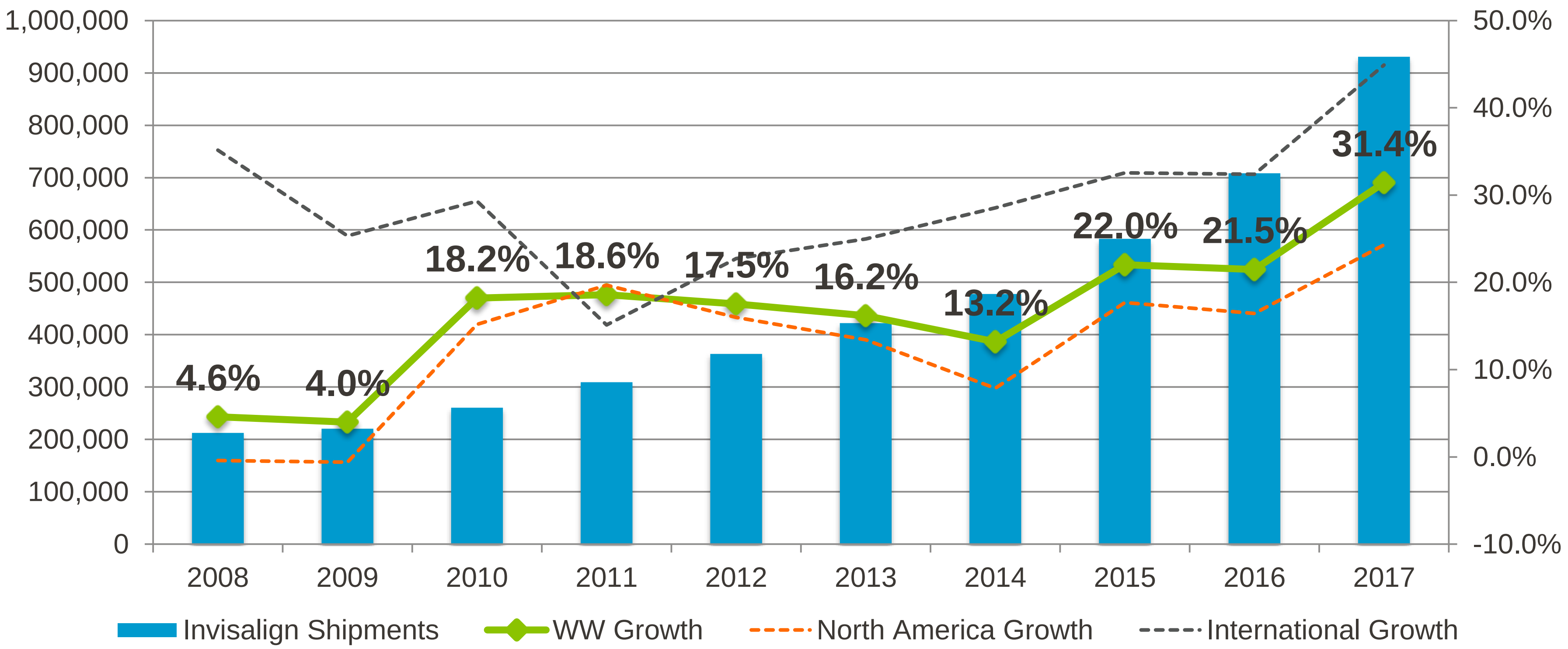
Q4 and Year End 2017 Financial Highlights

- Q4 was a strong finish to another outstanding year for Align, with better than expected revenues, volumes and operating income.
- Record Q4 revenues were up 43.7% Y/Y driven by increased Invisalign volumes across all geographies and customer channels, as well as by record iTero scanner revenue.
- Q4 Invisalign volume was up 34.2% Y/Y reflecting strong international growth from increased utilization and expansion of our customer base - which included over 4,000 new customers for the 3rd consecutive quarter.
- Notwithstanding this strong performance, our Q4 results were impacted by the new U.S. Tax Cut and Jobs Act which reduced our reported net income and EPS. However, Q4 operating income was a record $109.6M or 26.0%.
- 2017 revenues of $1.5B increased 36.4% Y/Y driven by record Invisalign revenue which surpassed the $1B mark for the first time ever and record iTero scanner revenues.

	Q4'17	*QoQ*	*YoY*	**2017**	*YoY*
Total Net Revenues	**$421.3M**	*+9.4%*	*+43.7%*	**$1.5B**	*+36.4%*
- Clear Aligner*	**$364.2M**	*+6.6%*	*+44.8%*	**$1.3B**	*+36.6%*
- Scanner & Services	**$57.1M**	*+30.8%*	*+37.0%*	**$164.2M**	*+35.1%*
Invisalign Case Shipments	**255.0K**	*+8.0%*	*+34.2%*	**931.0K**	*+31.4%*
EPS**, diluted	**$0.13**	*$(0.88)*	*$(0.46)*	**$2.83**	*+$0.50*

**Clear aligner revenue includes revenues from Invisalign clear aligners and SmileDirectClub aligners. Invisalign shipments do not include SmileDirectClub aligners.*
***Q4 and 2017 net profit and diluted EPS includes $86.6 million tax expense, or $1.06 per diluted share negative impact due to the new U.S. Tax Cut and Jobs Act.*

2017 Invisalign Shipments and Strong Growth Trend



Invisalign shipments do not include SmileDirectClub aligners.

Global Strategic Priorities

2017 results reflect continued progress and execution of our strategic priorities

01 International Expansion

02 Orthodontist Utilization

03 GP Dentist Treat & Refer

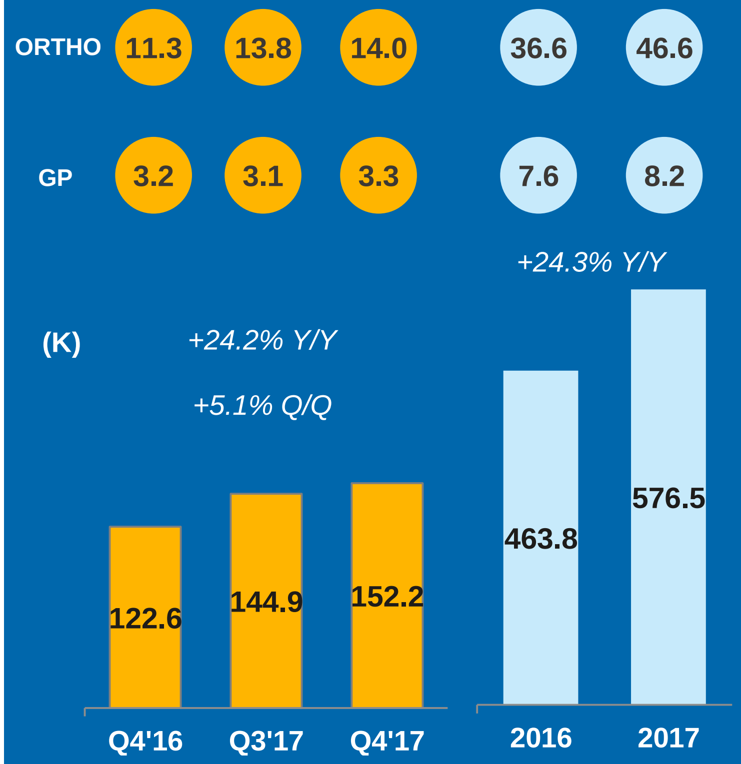
04 Patient Demand & Conversion

Q4 and 2017 Financial Highlights

North America

- Invisalign case volume +5.1% Q/Q and +24.2% Y/Y.
- Q/Q reflects a seasonally stronger period for GP Dentists as patient activity in their offices increased after summer holidays. Ortho customers treated more adult patients following the busy teen season.
- Q4 Invisalign utilization increased to 3.3 cases per GP Dentist and Orthos achieved a record 14 cases per doctor reflecting continued confidence and uptake of the Invisalign system.
- Y/Y strong growth was driven primarily by increased Ortho utilization and continued expansion of our GP customer base.
- 2017 both Orthos and GP Dentists achieved record annualized utilization of 46.6 and 8.2 cases per doctor, respectively.

North America Invisalign Utilization* & Shipments



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

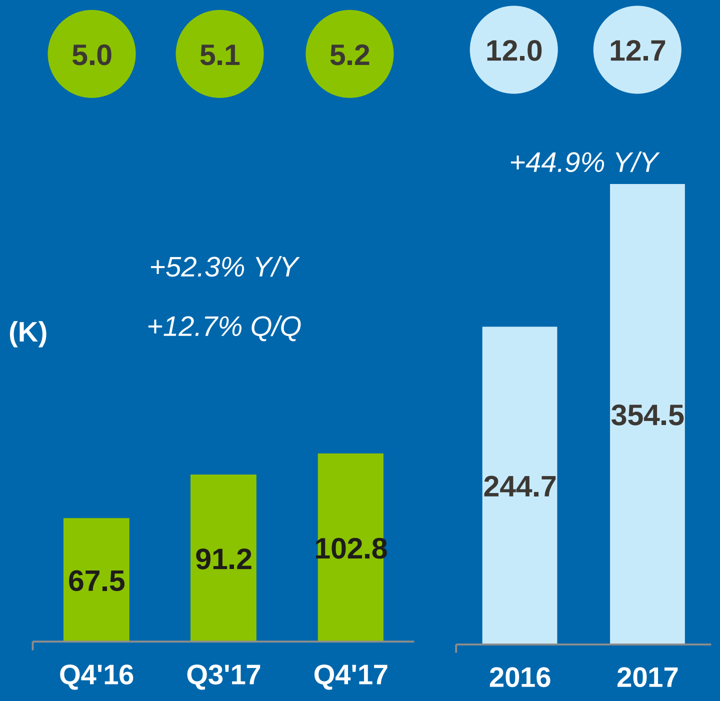
Invisalign shipments do not include SmileDirectClub aligners.

Q4 and 2017 Financial Highlights

International

- Invisalign case volume +12.7% Q/Q and +52.3% Y/Y
- Q/Q growth reflects a seasonally stronger quarter for the EMEA region following summer holidays for doctors and patients, which offset expected decreases from seasonality in APAC, particularly as the greater China market observed local holidays.
- Y/Y strong Invisalign volume was driven by growth from both EMEA and the Asia Pacific region.
- EMEA case volume +42.9% Y/Y
  - Led by Spain, France, and the UK.
  - Strong growth across all of our smaller expansion markets, which include Central & Eastern Europe, and the Middle East and Africa.
- APAC case volume +63.0% Y/Y
  - Led by China, Japan and Australia with record Invisalign volume in most APAC countries.
- 2017 Invisalign case volume +44.9% Y/Y
  - Led by growth from China and our core EMEA country markets.
  - International volume represented 38% of worldwide Invisalign case shipments.

International Invisalign Utilization* & Shipments



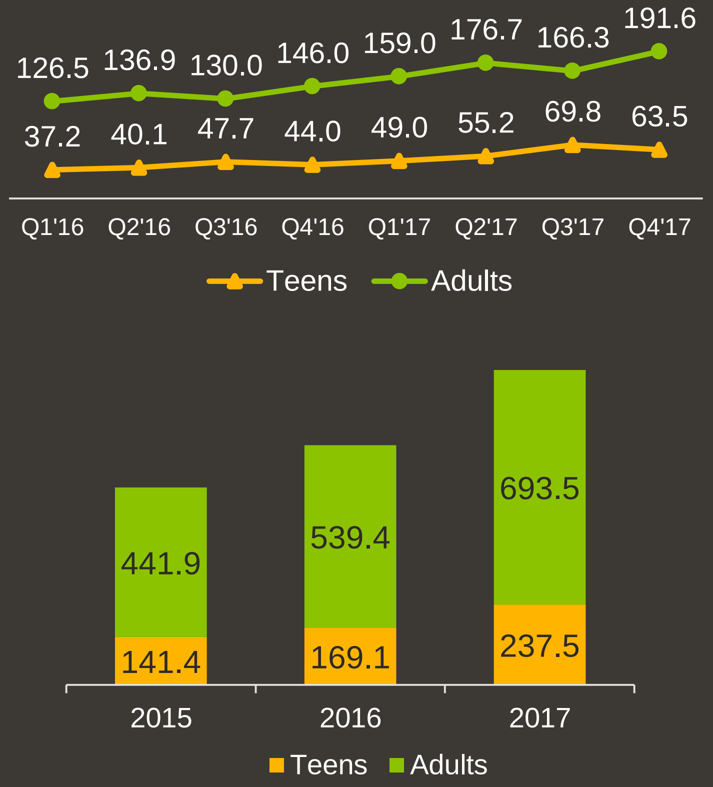
* number of cases shipped/number of doctors to whom cases were shipped

Invisalign shipments do not include SmileDirectClub aligners.

Q4 and 2017 Financial Highlights
Teens and Adults

- 63,465+ teenagers started treatment with Invisalign clear aligners, +44.1% Y/Y driven by continued strong adoption across all major regions and increasingly for younger teens and tweens
  - NA Orthos teen volume +37.8% Y/Y and International teen volume +64.7% Y/Y.
  - 5th consecutive quarter that Invisalign teenage patient volumes grew faster than adults Y/Y.
  - Q/Q NA Ortho teen cases were down as expected as our Ortho customers shifted their focus toward adult patient case starts following a very busy summer teen season.
- 2017, a total of 237.5K teenagers, or 26% of total volume, started treatment with Invisalign clear aligners, +40.4% from 2016

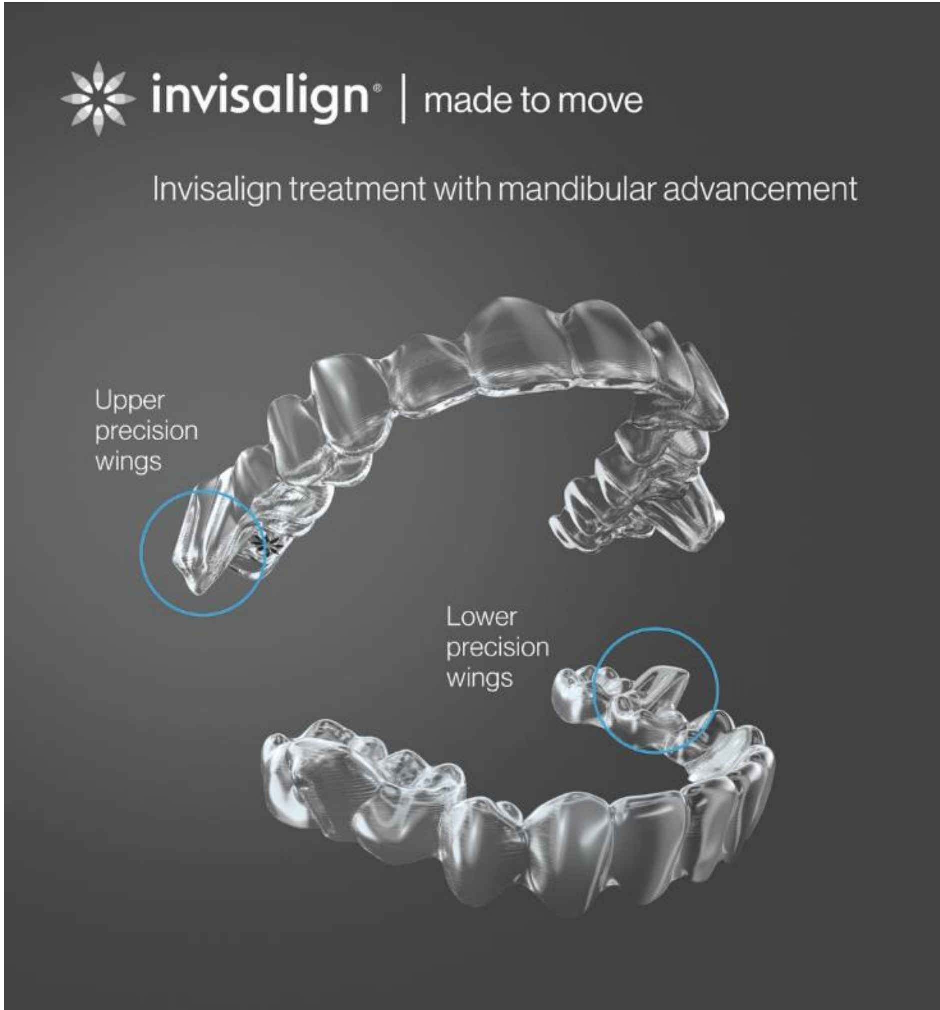
Worldwide Invisalign Case Shipments Teen versus Adult Mix



Invisalign shipments do not include SmileDirectClub aligners.

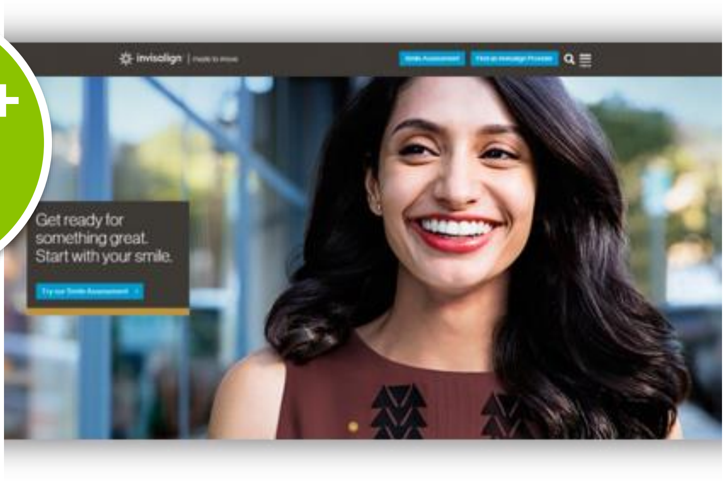
Invisalign Treatment with Mandibular Advancement

- At the beginning of 2017, we launched the first clear aligner solution for Class II correction that combines the benefits of the most advanced clear aligner system in the world, with features for moving the lower jaw forward while simultaneously aligning the teeth.
- Invisalign Teen with Mandibular Advancement offers a simpler, more efficient and patient-friendly option than functional appliances. Launched in certain country markets in Canada, EMEA and APAC, it's ramping nicely across the board, especially in China.
- To date we've shipped over 5,000 cases outside of the U.S., half of which were in Q4 alone.
- Very excited about the potential for Invisalign with Mandibular Advancement worldwide. However, we do not expect any material contribution in the U.S. from Mandibular Advancement until the back half of 2018 as we continue to work through the 510k regulatory approval process with the FDA, which includes collecting additional data and analysis.



*Data on file at Align.

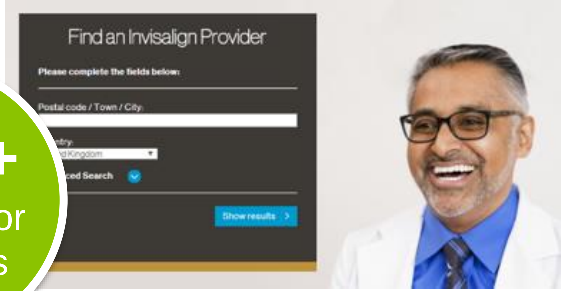
2017 Worldwide Consumer Highlights



15.0M+ Website Visitors

745K+ Social Media Fans

600K+ Smile Assessments



1.8M+ Doc Locator Searches

2017 Consumer Marketing

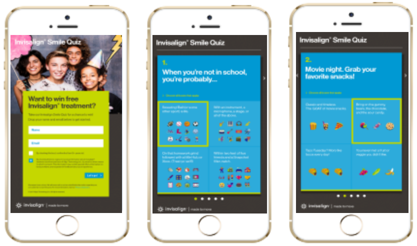
Focus on “Made to Move” Invisalign Campaign

North America

9.8M
Website Visitors

670K
Doc Locator Searches

- Expanded media campaigns to target both adult men and women including ongoing optimizations using digital media.
- Partnered with key teen brand AwesomenessTV to create engaging content for teens and position the Invisalign brand as a cool brand for teens.
- Engaging Teen Smile Quiz coupled with SnapChat drove deep engagement with Teens driving significant uplift in all metrics.

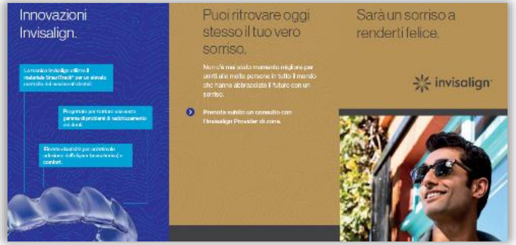


EMEA

2.5M
Website Visitors

530K
Doc Locator Searches

- Made to Move in core EMEA markets followed by Eastern Europe, Benelux and Scandinavia.
- Strong performance from consumer launches across both core and expansion markets, driving strong awareness and conversions.
- Roll-out of Patient Experience Program
- Therapy-led marketing approach for key markets where branded consumer communication is restricted.

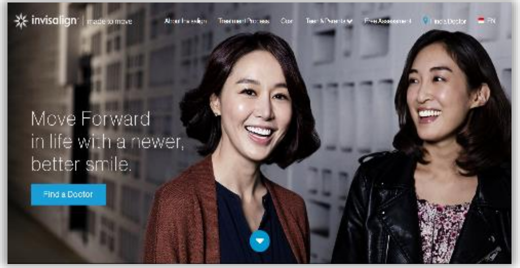


APAC

2.0M
Website Visitors

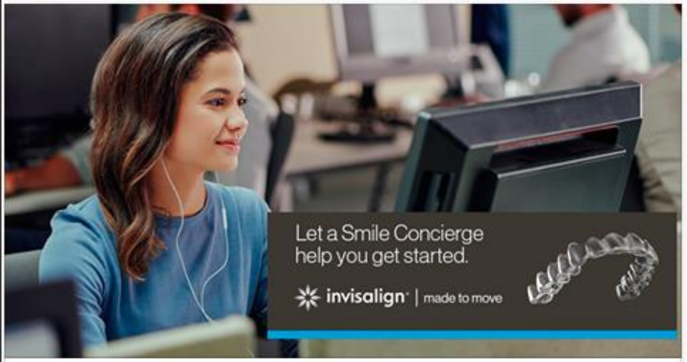
490K
Doc Locator Searches

- New Made to Move campaign with clear target consumer and localized program at receptive touch-points continued to create the growth momentum and consumer demand.
- Renewed consumer website launch across APAC countries drove the quality conversion.



Invisalign Consumer Marketing Program
Smile Concierge Team
Launched in January 2017

- Continue to see incredible potential as our doctor's offices are implementing changes to better engage with the consumers that we send to them every day.
- Started to expand the Smile Concierge service outside of the U.S. with first teams in Singapore, Brazil, and Australia.
- In 2018, our Smile Concierge Team will be very closely linked to the new Invisalign Store pilot which opened in November and will utilize our consumer insights to better capture leads coming out of the store experience.
    - Smile Concierge team will be utilizing our touch point learnings to reach out to consumers who received a scan but didn't schedule an appointment with a doctor.
    - Use our automated text and email services to remind consumers when and where to pick up their aligners or to see a doctor as scheduled.



- **Smile Concierge** team in North Carolina
- Goal is to reach more consumers one-on-one, and ensure that anyone that contacts us directly has the best experience with the Invisalign brand – beginning to end.

scheduled
26K
consultations

to date
6,500
patients have started Invisalign treatment

Interactive Invisalign Brand Experience with Invisalign Store Pilot

Pilot Launched November 2017

- Invisalign store pilot program is an extension of our long-standing direct-to-consumer marketing programs that connect potential patients directly to doctors for Invisalign treatment.
  - Pilot store model relies on the doctor and the doctor's office for treatment. We are not treating patients in the store.
  - We are educating consumers on how Invisalign works, showing them a scan-driven simulation of how they might look with straighter teeth, and offering to connect interested consumers with a doctor of their choice should they subsequently decide to pursue treatment.
- Learned a lot about creating the right consumer experience with the Invisalign system through a store front and are continuing to evolve and make continued progress.
- Additional Upcoming Pilot Locations
  - Q1 pilot store in San Jose, California near our corporate headquarters
  - Planning to open 2 additional pilot stores on the East Coast in 2H2018
  - Look forward to continuing to learn more from these four locations and sharing our progress throughout the year.

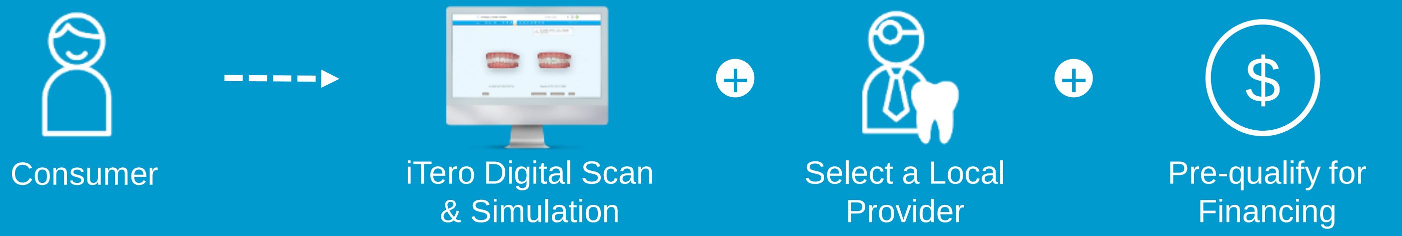
invisalign®

- Pilot testing first ever Invisalign store in November 2017, located in San Francisco.
- Goal to reach consumers who may not be actively considering teeth straightening and help them learn more about how Invisalign treatment can improve their smiles in a convenient retail environment.

Invisalign Store Pilot Experience for Consumers

Launched November 2017 in San Francisco, CA

- Consumers receive a complimentary iTero intraoral digital scan of their teeth that will include a simulation of how they could look with a better smile.
- Consumers who subsequently elect to pursue Invisalign treatment will then select a local Invisalign provider and can also be pre-qualified for financing with the ability to customize their down payment, monthly payment, and interest rate in a way that can fit into their budget.
- Invisalign pilot store is designed to remove common barriers to seeking a better smile through customized information, financing help, and a quick start to treatment with a local Invisalign provider.
- Pilot program builds on Invisalign Smile Concierge program.

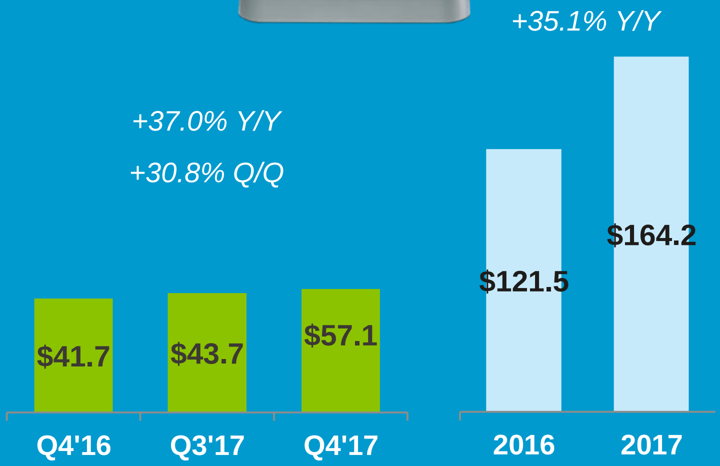


Q4 and 2017 Financial Highlights
Scanner and Services

- Scanner revenues +30.8% Q/Q and +37.0% Y/Y with record iTero scanner shipments.
- Q4 results reflect continued strength in our GP channel following our GP Summit in September, as well as sales to our major DSO partners and through our iTero distributor Patterson Dental. The iTero scanner business was also strong in EMEA and has been growing rapidly in Asia Pacific, especially Japan where we received certification for iTero in Q3.
- In 2017, iTero scanner volumes +37.5% Y/Y.
- Over 6.3 million orthodontic scans and 2.4 million restorative scans have started with iTero scanners.
- Invisalign cases submitted with a digital scanner:

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
North America	51.3%	54.4%	59.3%	61.9%	64.1%
International	24.9%	28.9%	31.9%	34.6%	40.8%

Scanner and Services Revenues



iTero Scanner & Services

2017 Announcements

- Expanded restorative digital workflow solutions for iTero Element® scanner to include iTero Chairside CAD, a chairside prosthetics design software application that will support same-day dentistry as part of collaboration with Exocad GmbH.
- Signed distribution agreement with Glidewell Dental for the iTero Element® intraoral scanning system in North America with glidewell.io™ In-Office Solution, a chairside restorative ecosystem designed to simplify the process of prescribing and delivering laboratory-quality dental restorations.
- Signed distribution agreement Patterson Dental for iTero Element® intraoral scanning system in U.S. and Canada.
- Launched TimeLapse technology for digital scan comparisons and ability to complete a scan in as little as 1 minute as part of a software upgrade for its iTero Element® intraoral scanners.
- Achieved over 1M scans submitted with iTero Element® scanner since its introduction in 2015.
- Expanded digital implant workflow options for the iTero® intraoral scanner with Nobel Biocare implants and ELOS Medtech scan bodies.

COMPACT
1.1lb
LIGHT-WEIGHT HANDPIECE

SPEED
1min
FOR FULL-ARCH SCAN*

Doctor-Directed at Home Channel

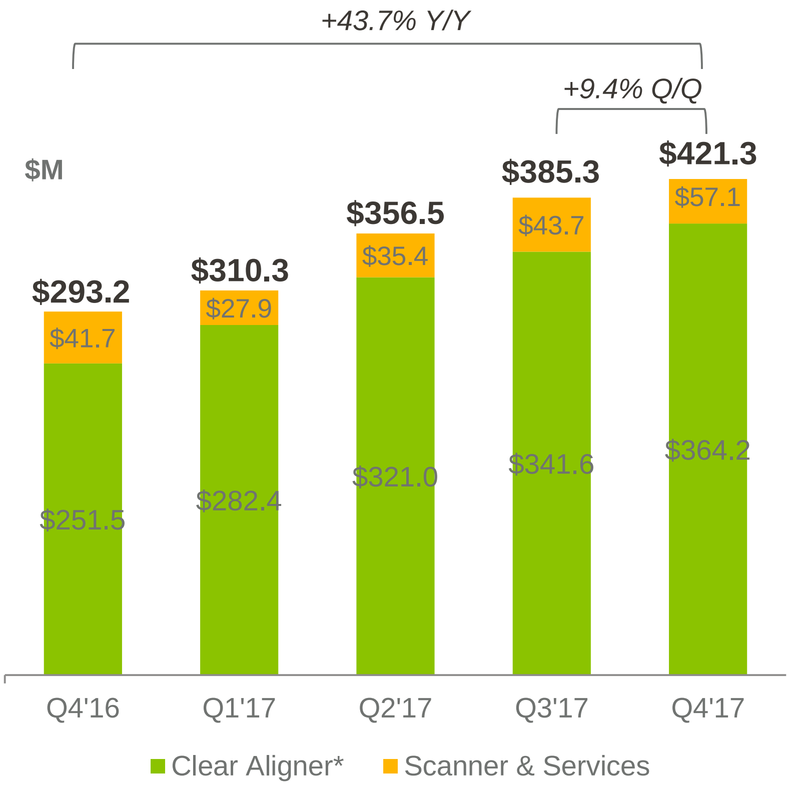
Exclusive third-party supplier of Smile Direct Club (SDC)

- Align is a third-party supplier to SDC and has a 19% equity investment in the company.
- We manufacture a portion of SDC aligners with non-Invisalign clear aligners.
- Q4 aligner shipments to SDC were down sequentially as expected as SDC increased their own aligner capacity.
- As an investor and supplier to SDC, Align is focused on:
    - Expanding the market for orthodontic treatment and providing greater access to simple teeth straightening solutions to millions of people who prioritize convenience and affordability.
    - Creating new opportunities for Invisalign doctors by connecting consumers who aren’t candidates for SDC’s limited protocols to an Invisalign practice.

Q4 2017 Financial Review

Net Revenues Trend

Q4’17 Highlights

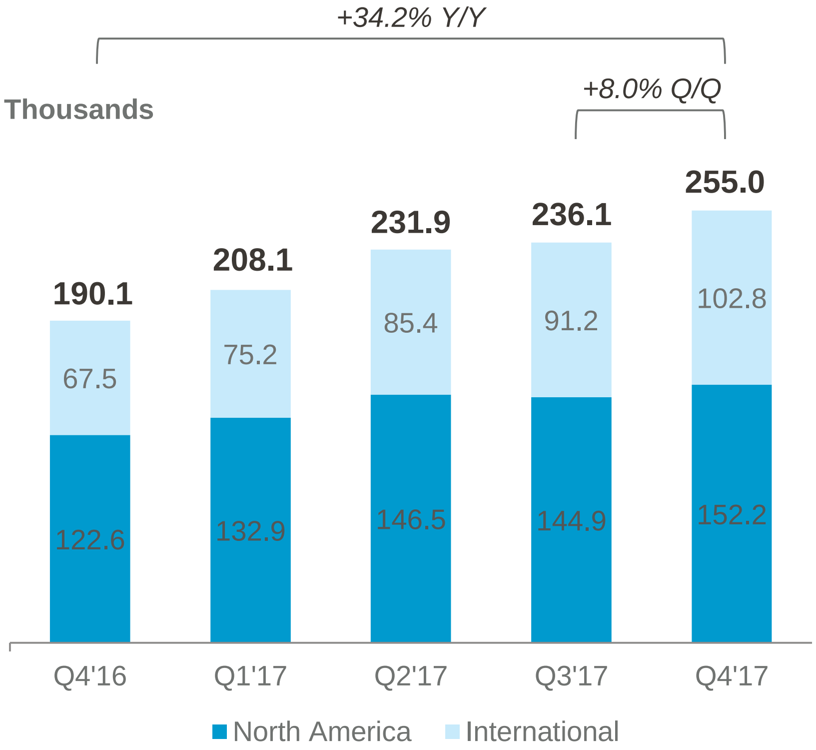


- Clear Aligner* net revenues, +6.6% Q/Q, +44.8% Y/Y.
  - Q/Q increase on higher than expected volume.
  - Y/Y increase reflecting strong Invisalign shipment growth across all customer channels and geographies and increased Invisalign prices.
  - Invisalign ASPs down ~$(5) Q/Q, to $1305 reflecting higher deferrals related to Additional Aligners, and higher promotional discounts, partially offset by International price increases.
  - Invisalign ASPs up ~$75 Y/Y reflecting price increases, favorable foreign exchange, product mix, as well as the impact of discontinuing distribution and going direct in several regions, partially offset by increased promotional discounts and higher deferrals related to Additional Aligners.
- Scanner & Services net revenues, +30.8% Q/Q, +37.0% Y/Y.
  - Q/Q and Y/Y increase primarily due to continued global investment in go-to-market activities and sales promotions, as well as shipments to key DSO partners and our U.S. distributor Patterson Dental.

**Clear aligner revenue includes revenues from Invisalign clear aligners and SmileDirectClub aligners. Q/Q and Y/Y percentages are based on actual values. Rounding may affect totals.*

Invisalign Shipments Trend

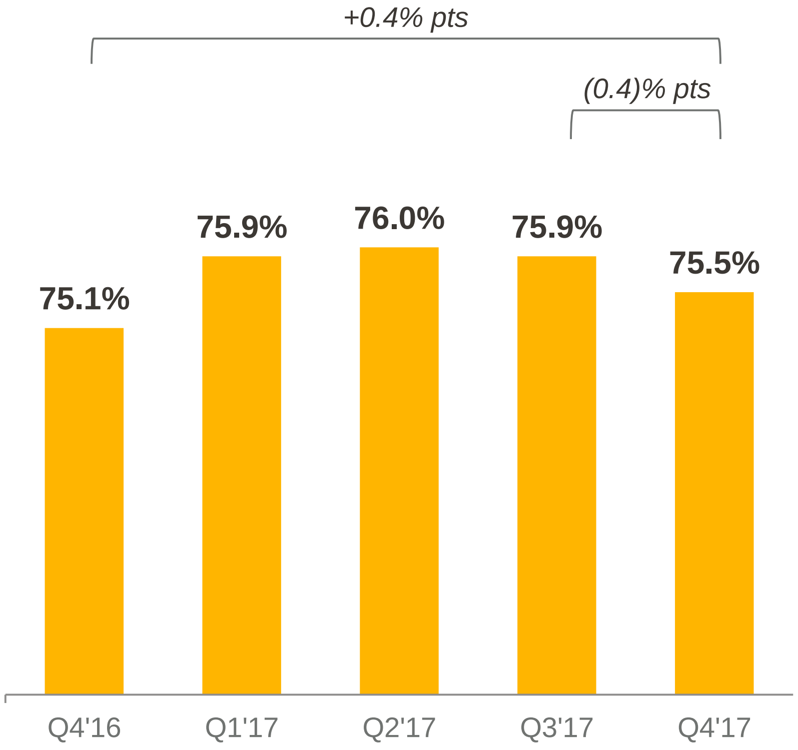
Q4’17 Highlights



- Q/Q driven by our EMEA and North American customers.
- Y/Y driven by growth across all regions.
- Invisalign Channel Highlights
  - NA Orthodontists, +2.3% Q/Q and +30.7% Y/Y.
  - NA GP Dentists, +9.2% Q/Q and +16.1% Y/Y.
  - International, +12.7% Q/Q and +52.3% Y/Y.

Invisalign shipments do not include SmileDirectClub aligners.
Q/Q and Y/Y percentages are based on actual values. Rounding may affect totals.

Gross Margin Trend
Q4’17 Highlights

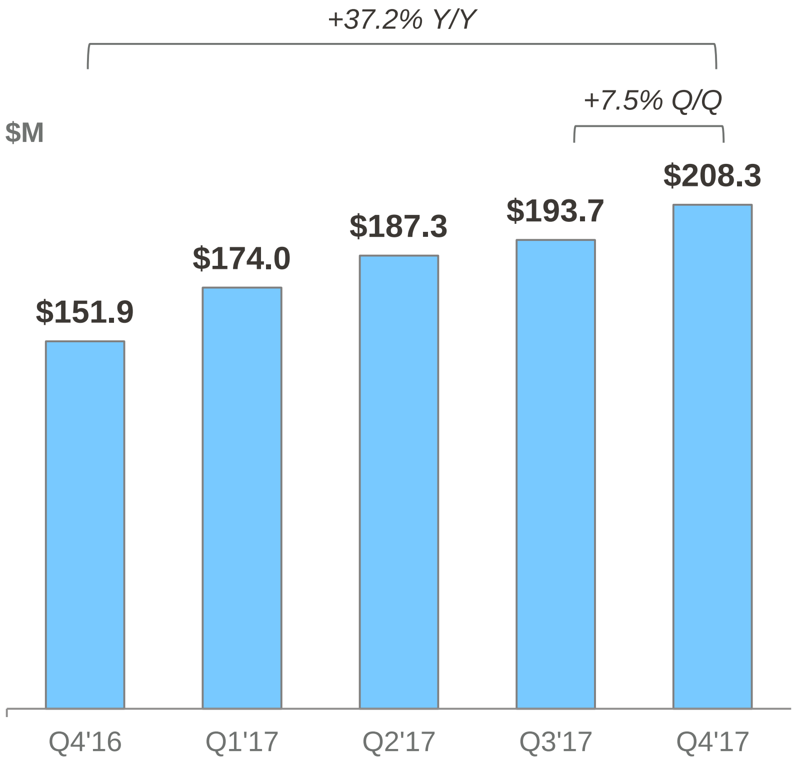


- Gross profit was $317.9M or 75.5% gross margin.
- Includes stock based compensation expense of $804K.
- Clear Aligner* Gross Margin was 77.6%.
  - (0.3) points Q/Q, primarily due to higher manufacturing spend driven by operational expansion activities.
  - +0.1 points Y/Y primarily due to increased ASPs and partially offset by higher manufacturing spend.
- Scanners & Services Gross Margin was 62.0%.
  - +2.0 points Q/Q and +1.0 points Y/Y due to to higher manufacturing efficiencies.

**Clear aligner revenue includes revenues from Invisalign clear aligners and SmileDirectClub aligners. Q/Q and Y/Y percentages are based on actual values. Rounding may affect totals.*

Operating Expense Trend

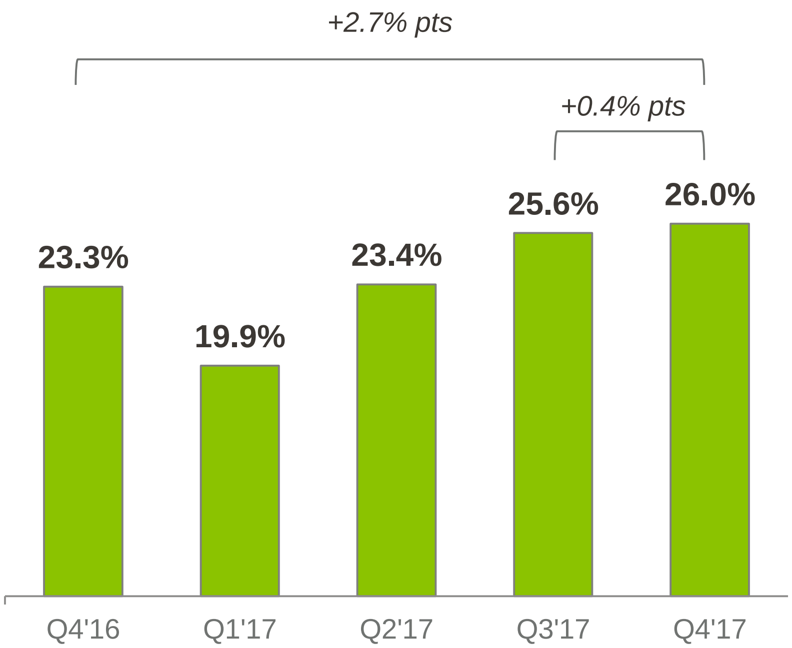
Q4’17 Highlights



- Q4 operating expenses were $208.3 million, +7.5% Q/Q and +37.2% Y/Y.
  - Primarily due to increased employee headcount and continued investment in our go-to-market activities critical to the growth of our business.
- Includes stock-based compensation expense of $14.0M.

Operating Margin and EPS Trend

Q4’17 Highlights



Diluted EPS	$0.59	$0.85	$0.85	$1.01	$0.13

- Operating income record $109.6 million, +11.0% Q/Q and +60.3% Y/Y.
  - Q/Q increase primarily reflects to leveraged operating spend in sales and marketing off higher volumes, partially offset by lower gross margin due to operational expansion activities.
  - Y/Y increase primarily reflects higher revenues from both Clear Aligner and Scanner and Services which created operating expense leverage.
- Tax rate was 92.4% and is up by 72.6 points compared to 19.8% in the same quarter last year, which includes $86.6M in tax expense as a result of the US Tax Cuts and Jobs Act enacted on December 22, 2017. (refer to Tax Provision slide 25)
- Diluted EPS includes $86.6M, or $1.06 per diluted share impact due to the new U.S. Tax Cut and Jobs Act.

Tax Provision

- Q4 tax rate was 92.4% and is up by 72.6 points compared to 19.8% in Q416 and includes $86.6M in tax expense as a result of the US Tax Cuts and Jobs Act enacted on December 22, 2017, comprised of
  - $76.6M mandatory deemed repatriation tax on accumulated foreign earnings not previously taxed by the US, that we expect to pay over the next 8 years, and a
  - $10.0M non-cash write-down of our deferred tax assets due to the statutory tax rate decrease from 35% to 21%.
- Going forward, we may repatriate cash back to the U.S. to invest in market expansion opportunities, provide additional working capital, and have greater flexibility to fund our stock repurchase program.
- SEC Staff Accounting Bulletin No. 118
  - Recorded provisional amounts in the Q4 financial statements for certain income tax effects of the Act based on reasonable estimates and information available as of the close of the period.
  - May adjust and refine the provisional amounts over the next year, when additional information, analysis, and legislative guidance becomes available.

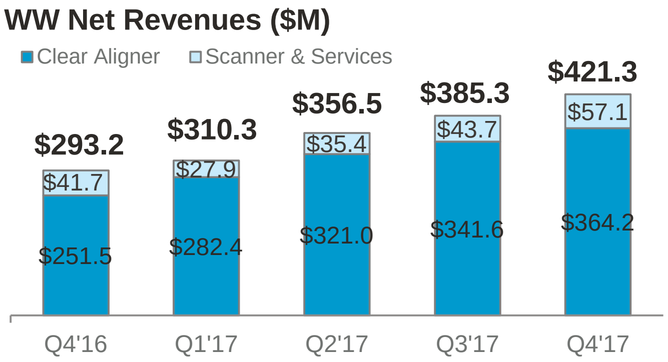
Balance Sheet Highlights

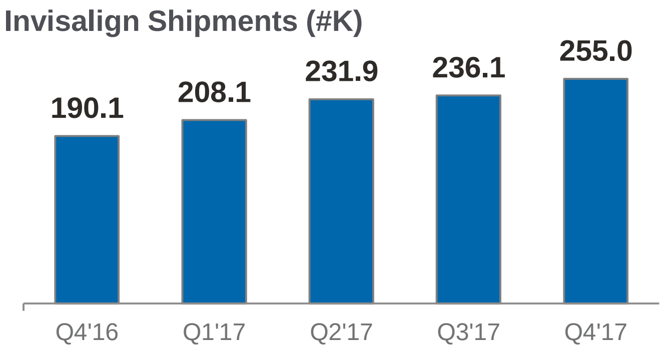
- $761.5M Cash and Cash Equivalent Balance
  - Increase of ~$61.5M primarily related to earnings growth compared to $700.0M at end of 2016.
  - $271.4M held by the U.S. and $490.1M held by our international entities.
- Days Sales Outstanding (DSO) was 69 days, down Q/Q and Y/Y as a result of improved collection activities across all regions.
- Q4 capital expenditures were $69.5M, primarily relating to building purchases and improvements, equipment purchases for additional manufacturing capacity, as well as our global expansion efforts including a new manufacturing facility in Ziyang, China which will open in 2H2018.
- Stock Repurchases
  - During Q4, repurchased ~0.2M shares of stock for $50.0M under the April 2016 Repurchase Program.
  - $200.0M remaining available for repurchases under the existing stock repurchase authorization.

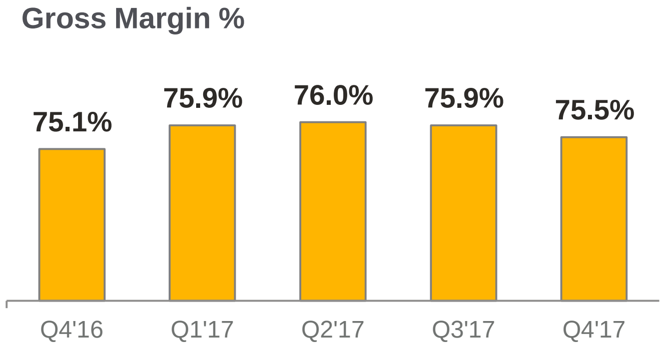
($ in millions except for DSOs)	Q4’16	Q3’17	Q4’17
Accounts Receivables, net	$247.4	$321.3	$322.8
DSOs	76 days	75 days	69 days
Cash, Cash Equivalent & Short-Term and Long-Term Marketable Securities	$700.0	$737.9	$761.5
Cash Flow from Operations	$81.0	$118.1	$162.3
Capital Expenditures	$(14.2)	$(48.1)	$(69.5)
Free Cash Flow*	$66.8	$70.0	$92.8

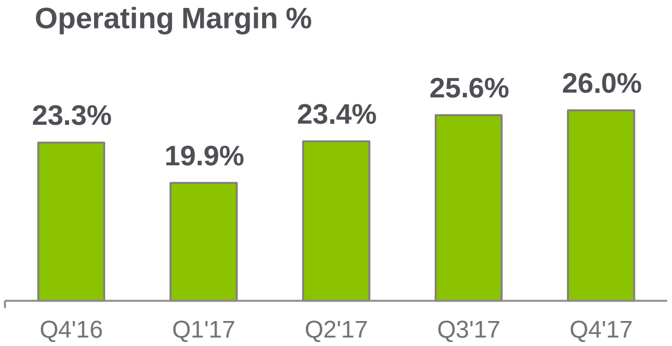
**Free cash flow is defined as cash flow from operations less purchase of property, plant and equipment and is a non-GAAP measure*

Trended Financials









**Clear aligner revenue includes revenues from Invisalign clear aligners and SmileDirectClub aligners*
Invisalign shipments do not include SmileDirectClub aligners
Q/Q and Y/Y percentages are based on actual values. Rounding may affect totals.

2017 Financial Overview

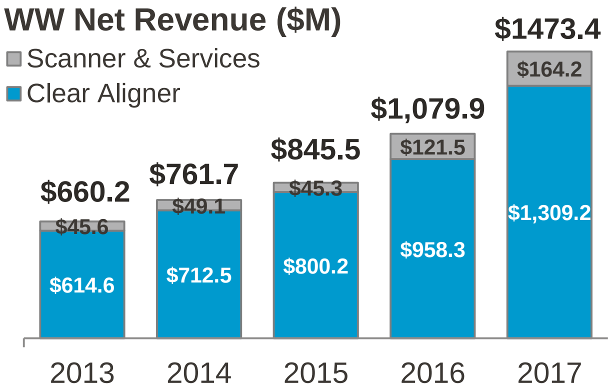
2017 Financial Highlights

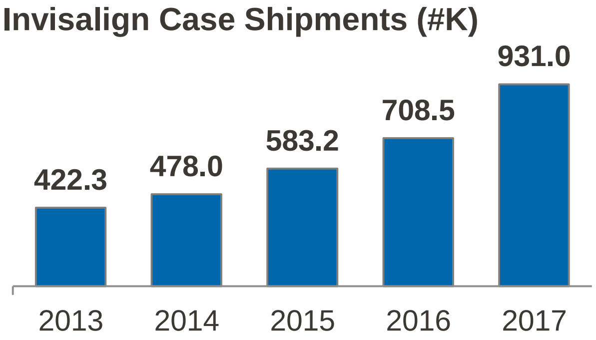
- Record 931.0K Invisalign cases, +31.4% Y/Y.
  - 44.9% volume growth from our International doctors.
  - 24.3% volume growth from our NA doctors.
- Shipments of our iTero scanner were up 37.5% over 2016.
- Total revenue was a record $1.5B, up 36.4% Y/Y, with Invisalign revenues breaking above $1B for the first time.
- Operating income of $353.6M, up 42.1% Y/Y and operating margin at 24.0%, up 0.9 pts vs prior year.
- Free cash flow was $242.8M.
- Repurchased 0.6M shares for $103.8M.
- Diluted EPS was $2.83, which includes $86.6 million, or $1.06 per diluted share impact due to the new U.S. Tax Cut and Jobs Act, comprised of
  - $10.0M write-down of our deferred tax assets
  - Mandatory deemed repatriation tax of $76.6M

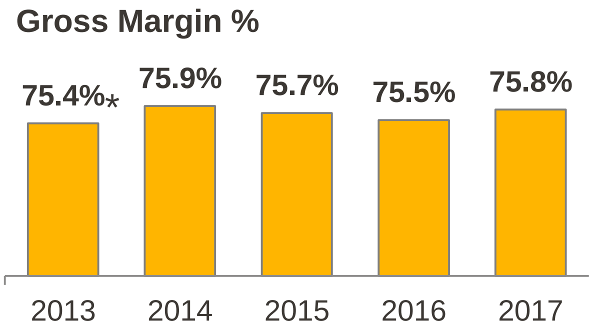
	2017	*YoY*
Total Net Revenues	$1.5B	*+36.4%*
- Clear Aligners*	$1.3B	*+36.6%*
- Scanner & Services	$164.2M	*+35.1%*
Invisalign Shipments	931.0K	*+31.4%*
EPS, diluted	$2.83	*+$0.50*

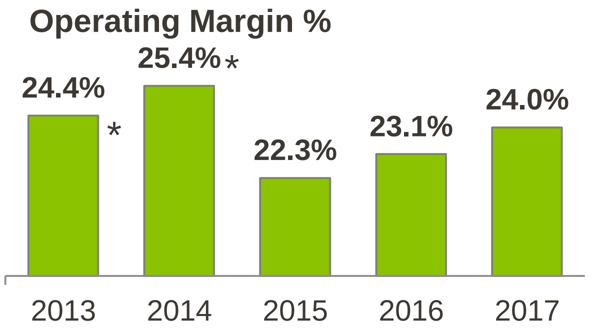
**Clear aligner revenue includes revenues from Invisalign clear aligners and SmileDirectClub aligners.*

2017 Trended Financials









*Non-GAAP

- Notes: Align implemented its new Additional Aligners policy on July 18, 2015. 2015 reported net revenues and pre tax income was lower by approx $14M and diluted EPS was lower by approx $0.13 per share, due to this change.
- 2015 Operating Margin included 1.6 points of impact from Additional Aligners and foreign exchange rates on a constant currency basis. Operating results also included approx $12M of costs related to ERP implementation, and a one-time refund of $6.8M for MDET refund.
- Invisalign shipments exclude SmileDirectClub aligners

Balance Sheet Highlights

(in millions except for DSOs)	2016	2017
Accounts Receivables, net	$247.4	$322.8
Cash, Cash Equivalent & Short-Term and Long Term Marketable Securities	$700.0	$761.5

Cash Flow from Operations	$247.7	$438.5
Capital Expenditures	$(70.6)	$(195.7)
Free Cash Flow*	$177.1	$242.8

For the full year 2017, we bought back $103.8 million or 0.6 million shares of Align stock.

*Free cash flow is defined as cash flow from operations less purchase of property, plant and equipment and is a non-GAAP measure

Q1 2018 Outlook

- Expect our International business to continue to grow sequentially.
- For North America, expect Q1 to be seasonally up for both GP Dentists & Orthos.
- For our Scanner business, expect a sequential decrease following a strong year end. In addition, capital equipment purchases are seasonally slower in Q1.
- Supplied fewer aligners to SDC in Q417 compared to prior quarters. We are anticipating this trend to continue as SDC continue to ramp up their own manufacturing capacity.

	Q1 2018	
Invisalign Case Shipments	264 K – 269 K	
Net Revenues	$400 M - $410 M	
Gross Margin	74.3 % - 75.0 %	
Operating Expenses	$223.5 M - $227.5 M	
Operating Margin	18.5 % - 19.5 %	
Effective Tax Rate	2.0 %	(1)
EPS, diluted	$0.94- $0.98	(1)
Stock Based Compensation	$16.2 M	
Diluted Shares Outstanding	82.0 M	(2)
Capital Expenditure	$65 M - $70 M	

(1) Includes the benefit from the adoption of the accounting standard update 2016-09 related to share-based compensation expense
(2) Excludes any stock repurchases during the quarter

Invisalign shipments do not include SmileDirectClub aligners.

2018 Financial Outlook Commentary

- Anticipate 2018 revenue to be at the high-end of our long-term operating model range of 15%-25%.
- Expect Invisalign revenue and volume growth to be close to the high-end of that model.
- While we expect the scanner business to do well and continue to grow, we would not expect the same rate of growth of volume and revenue as we saw in 2017.
- Expect operating margins to be approximately flat to 2017 results as we plan to continue to fund our investments to fuel growth.
- Expect the equity loss for our investment in SmileDirectClub to be $1M to $2M per quarter.
- Expect our tax rate for 2018 to be approximately 18%, which includes approximately $24 million of excess tax benefits.
- As we've seen historically, we expect our earnings power in the second half of the year to be stronger than the first half - with second half operating income to account for somewhere in the range of 56% to 58% of our full year results.
- Expect capital expenditures for 2018 to be in a range of $200M to $230M primarily due to operational expansion and ongoing growth of the business.
- New revenue recognition standard ASC 606, plan to adopt the standard in Q1 2018 by applying the full retrospective method. We have assessed the financial statement impact of adoption including, but not limited to, volume-based discount programs, sales commissions and the identification of performance obligations, and are continuing to evaluate the transition and disclosure requirements of the standard. We anticipate the adoption of this standard will not have a material impact to our consolidated financial statements.

Summary and Closing Comments

2017

- Great year for Align with strong performance across all key regions, customer channels, and product lines.
- Celebrate our 20th year in business, also achieved several major milestones:
  - Reached our 1 Millionth Invisalign Teen and our 5 Millionth Invisalign patient milestones.
  - Invisalign volume in EMEA exceeded 200,000 cases for the first time.
  - Opened our first Treatment Planning operations in China and Germany.
  - China became our second largest country market next to the U.S.
  - Invisalign revenues exceeded $1B for the first time.

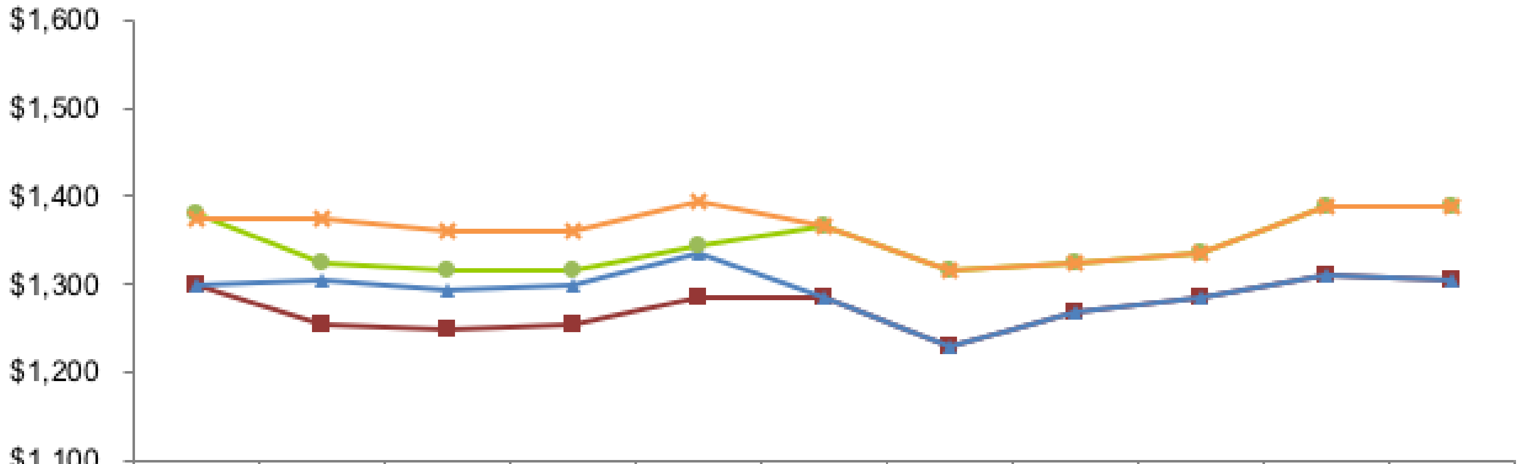
2018

- Continue to focus on and execute our 4 key strategic priorities.
  1. Continuing to expand our business in EMEA, APAC, and will accelerate investment in LATAM and Canada – bringing more resources closer to our customers and launching direct to consumer advertising in some markets, like Canada, for the first time.
  2. Teenage market remains the #1 priority across our Ortho channel, and for the first time we will focus on Teens and their Moms in our consumer marketing programs in the EMEA region.
  3. Making it easier for GP Dentists to treat more cases also enables them to refer more complex ones to the specialist. So we are creating dedicated GP resources across our sales and marketing organizations to ensure we have a better understanding of how to drive Invisalign adoption among GP Dentists and support their unique customer needs including restorative and aesthetic dentistry.
  4. Invisalign brand and our consumer marketing programs are key differentiators for the company so we will continue to invest in and build capabilities that enable us to talk directly to consumers, improve the overall experience with our brand, connect more people than ever with Invisalign practices and ensure that they get started in treatment with Invisalign clear aligners, every time.

Appendix

Invisalign Average Selling Price (ASP)

Worldwide and International



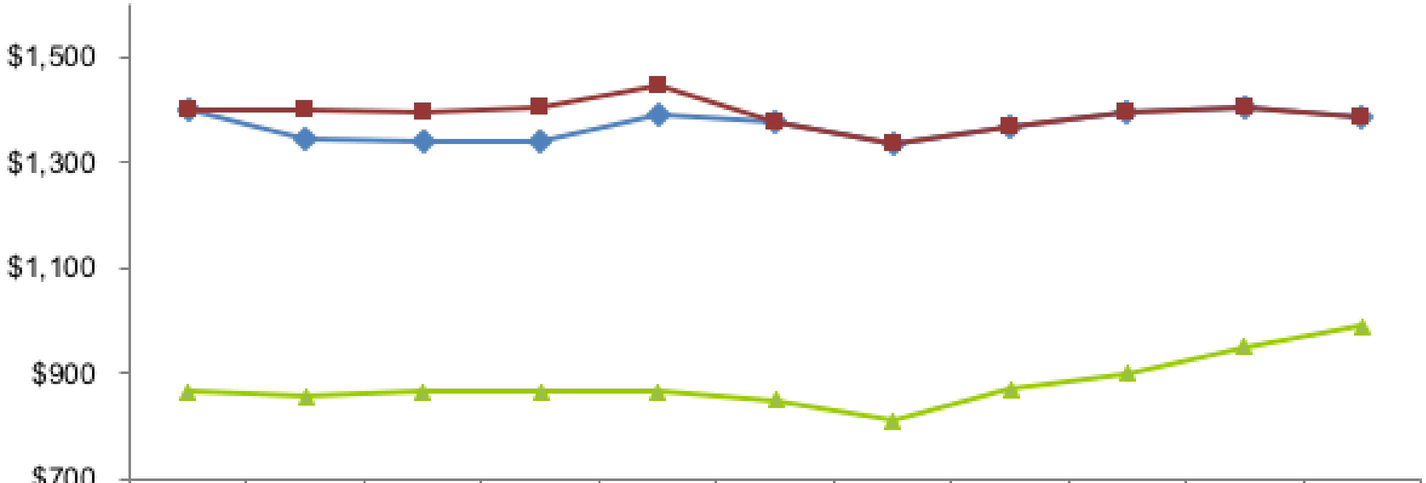
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Worldwide	$1,300	$1,255	$1,250	$1,255	$1,285	$1,285	$1,230	$1,270	$1,285	$1,310	$1,305
Worldwide, adjusted	$1,300	$1,305	$1,295	$1,300	$1,335	$1,285	$1,230	$1,270	$1,285	$1,310	$1,305
International	$1,380	$1,325	$1,315	$1,315	$1,345	$1,365	$1,315	$1,325	$1,335	$1,390	$1,390
International, adjusted	$1,375	$1,375	$1,360	$1,360	$1,395	$1,365	$1,315	$1,325	$1,335	$1,390	$1,390

ASP: Invisalign case revenue / Invisalign case shipments

ASP adjusted: adjusted for impact of Additional Aligners at No Charge policy launched in July 18, 2015, effective for all new Invisalign Full, Teen, and Assist products, our Full Product Group, as well as any cases that were open as of this date.

Invisalign Average Selling Price (ASP)

Product Groups



	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Comprehensive Products	$1,400	$1,345	$1,340	$1,340	$1,390	$1,380	$1,335	$1,370	$1,395	$1,405	$1,385
Comprehensive Products, adj	$1,400	$1,400	$1,395	$1,405	$1,445	$1,380	$1,335	$1,370	$1,395	$1,405	$1,385
Non-comprehensive Products	$865	$855	$865	$865	$865	$850	$810	$870	$900	$950	$990

Comprehensive Products: Invisalign Full, Invisalign Teen, Invisalign Assist

Non-Comprehensive Products: Invisalign Express 10, Invisalign Express 5, Invisalign Lite, Invisalign i7, Invisalign Go

ASP: Invisalign case revenue / Invisalign case shipments
ASP adjusted: adjusted for impact of Additional Aligners at No Charge policy launched in July 18, 2015, effective for all new Invisalign Full, Teen, and Assist products, our Full Product Group, as well as any cases that were open as of this date.

3 to 5 Year Financial Model Targets

	Q4’16 Actual	Q3’17 Actual	Q4’17 Actual	3 – 5 Year Model
Revenue CAGR%				15 - 25%
Gross Margin	75.1%	75.9%	75.5%	73% - 78%
Operating Expense %	51.8%	50.3%	49.4%	45% - 50%
Operating Margin	23.3%	25.6%	26.0%	25% - 30%
Free Cash Flow	22.8%	18.2%	22.0%	20% - 25%

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