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

	Q3 2024	Q4 2024	Fiscal 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Fiscal 2025	Q1 2026	Q2 2026	Q3 2026
Clear Aligner Shipments:											
WW Teenagers	236,285	215,945	868,140	225,755	223,160	256,005	230,910	935,830	236,555	239,170	274,580
WW Adults	380,935	412,785	1,625,595	416,550	421,210	391,745	445,945	1,675,450	449,095	452,615	416,055
Total Shipments	617,220	628,730	2,493,735	642,305	644,370	647,750	676,855	2,611,280	685,650	691,785	690,635
Invisalign doctors cases shipped to WW											
Total Invisalign doctors cases shipped to WW	87,380	85,685	130,370	85,275	86,250	88,155	87,710	130,015	88,065	89,175	90,910
Net Revenues:											
Clear Aligner Net Revenues [(1)(3)]	786,844	794,289	3,230,122	796,843	804,617	805,799	838,145	3,245,404	856,024	870,874	839,272
Imaging Systems and CAD/CAM Services Net Revenues	191,028	200,930	768,890	182,419	207,832	189,893	209,416	789,560	184,063	185,318	175,491
Total Worldwide Net Revenues	977,872	995,219	3,999,012	979,262	1,012,449	995,692	1,047,561	4,034,964	1,040,087	1,056,192	1,014,763
Cost of Net Revenues:											
Cost of net revenues Clear Aligner	234,003	236,827	952,136	234,754	240,811	282,941	300,387	1,058,893	243,155	249,370	257,915
Cost of net revenues Imaging Systems and CAD/CAM Services	62,095	61,451	247,717	64,400	63,521	73,550	63,587	265,058	60,345	49,392	59,377
Total cost of net revenues	296,098	298,278	1,199,853	299,154	304,332	356,491	363,974	1,323,951	303,500	298,762	317,292
Gross profit	681,774	696,941	2,799,159	680,108	708,117	639,201	683,587	2,711,013	736,587	757,430	697,471
Operating Expenses:											
Selling, general and administrative	434,138	424,971	1,763,193	447,629	448,686	417,800	441,676	1,755,791	465,342	462,671	410,554
Research and development	85,272	94,878	364,202	97,201	96,398	93,276	83,036	369,911	98,658	102,032	93,873
Restructuring and other charges	-	33,168	33,168	-	-	31,827	3,551	35,378	-	-	17,231
Legal settlements and contingencies	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714	6,649
Total operating expenses	519,476	552,792	2,191,531	549,008	545,084	542,903	528,263	2,165,258	594,632	603,417	528,307
Operating Income	162,298	144,149	607,628	131,100	163,033	96,298	155,324	545,755	141,955	154,013	169,164
Interest income and other income (expense), net:											
Interest income	4,003	8,522	20,218	5,316	2,859	3,249	4,621	16,045	3,911	4,636	6,212
Other income (expense), net	(371)	(11,894)	(18,887)	4,026	7,624	(4,813)	16,650	23,487	3,020	(9,956)	(5,302)
Total interest income and other income (expense), net	3,632	(3,372)	1,331	9,342	10,483	(1,564)	21,271	39,532	6,931	(5,320)	910
Net income before provision for (benefit from) income taxes	165,930	140,777	608,959	140,442	173,516	94,734	176,595	585,287	148,886	148,693	170,074
Provision for (benefit from) income taxes	49,967	36,970	187,597	47,212	48,908	37,981	40,835	174,936	36,115	40,399	35,030
Net Income	$ 115,963	$ 103,807	$ 421,362	$ 93,230	$ 124,608	$ 56,753	$ 135,760	$ 410,351	$ 112,771	$ 108,294	$ 135,044
Net Income per share											
- basic	$ 1.55	$ 1.39	$ 5.63	$ 1.27	$ 1.72	$ 0.78	$ 1.89	$ 5.66	$ 1.58	$ 1.51	$ 1.90
- diluted	$ 1.55	$ 1.39	$ 5.62	$ 1.27	$ 1.72	$ 0.78	$ 1.89	$ 5.65	$ 1.57	$ 1.51	$ 1.90
Shares used in computing net income per share											
- basic	74,736	74,419	74,877	73,562	72,565	72,377	71,684	72,542	71,425	71,495	70,993
- diluted	74,757	74,465	74,993	73,615	72,593	72,419	71,757	72,588	71,614	71,520	71,015
Margin Analysis:											
Gross margin	69.7%	70.0%	70.0%	69.5%	69.9%	64.2%	65.3%	67.2%	70.8%	71.7%	68.7%
-Clear Aligner	70.3%	70.2%	70.5%	70.5%	70.1%	64.9%	64.2%	67.4%	71.6%	71.4%	69.3%
-Imaging Systems and CAD/CAM Services	67.5%	69.4%	67.8%	64.7%	69.4%	61.3%	69.6%	66.4%	67.2%	73.3%	66.2%
Selling, general and administrative	44.4%	42.7%	44.1%	45.7%	44.3%	42.0%	42.2%	43.5%	44.7%	43.8%	40.5%
Research and development	8.7%	9.5%	9.1%	9.9%	9.5%	9.4%	7.9%	9.2%	9.5%	9.7%	9.3%
Restructuring and other charges	0.0%	3.3%	0.8%	0.0%	0.0%	3.2%	0.3%	0.9%	0.0%	0.0%	1.7%
Legal settlements and contingencies	0.0%	0.0%	0.8%	0.4%	0.0%	0.0%	0.0%	0.1%	2.9%	3.7%	0.7%
Operating margin	16.6%	14.5%	15.2%	13.4%	16.1%	9.7%	14.8%	13.5%	13.6%	14.6%	16.7%
Net margin	11.9%	10.4%	10.5%	9.5%	12.3%	5.7%	13.0%	10.2%	10.8%	10.3%	13.3%
Year Over Year Analysis:											
Clear Aligner shipments change YoY	2.5%	6.1%	3.5%	6.2%	0.3%	4.9%	7.7%	4.7%	6.7%	7.4%	6.6%
Invisalign doctors cases shipment change YoY	2.6%	2.4%	3.6%	2.1%	0.1%	0.9%	2.4%	-0.3%	3.3%	3.4%	3.1%
Net Revenues	1.8%	4.0%	3.5%	-1.8%	-1.6%	1.8%	5.3%	0.9%	6.2%	4.3%	1.9%
-Clear Aligner	-1.0%	1.6%	1.0%	-2.5%	-3.3%	2.4%	5.5%	0.5%	7.4%	8.2%	4.2%
-Imaging Systems and CAD/CAM Services	15.6%	14.9%	16.0%	1.2%	5.6%	-0.6%	4.2%	2.7%	0.9%	-10.8%	-7.6%
Gross profit	2.8%	4.1%	3.4%	-2.5%	-2.0%	-6.2%	-1.9%	-3.1%	8.3%	7.0%	9.1%
Operating expense	4.6%	11.0%	6.2%	1.0%	-5.3%	4.5%	-4.4%	-1.2%	8.3%	10.7%	-2.7%
Operating income (loss)	-2.4%	-16.0%	-5.6%	-14.9%	10.9%	-40.7%	7.8%	-10.2%	8.3%	-5.5%	75.7%
Net income (loss)	-4.5%	-16.3%	-5.3%	-11.2%	29.0%	-51.1%	30.8%	-2.6%	21.0%	-13.1%	138.0%
Quarter Over Quarter Analysis (Sequential):											
Clear Aligner shipments change QoQ	-4.0%	1.9%		2.2%	0.3%	0.5%	4.5%		1.3%	0.9%	-0.2%
Invisalign doctors cases shipment change QoQ	1.4%	-1.9%		-0.5%	1.1%	2.2%	-0.5%		0.4%	1.3%	1.9%
Net Revenues	-4.9%	1.8%		-1.6%	3.4%	-1.7%	5.2%		-0.7%	1.5%	-3.9%
-Clear Aligner	-5.4%	0.9%		0.3%	1.0%	0.1%	4.0%		2.1%	1.7%	-3.6%
-Imaging Systems and CAD/CAM Services	-2.9%	5.2%		-9.2%	13.9%	-8.6%	10.3%		-12.1%	0.7%	-5.3%
Gross profit	-5.7%	2.2%		-2.4%	4.1%	-9.7%	6.9%		7.8%	2.8%	-7.9%
Operating expense	-9.7%	6.4%		-0.7%	-0.7%	-0.4%	-2.7%		12.6%	1.5%	-12.4%
Operating income	10.4%	-11.2%		-9.1%	24.4%	-40.9%	61.3%		-8.6%	8.5%	109.8%
Net income	20.1%	-10.5%		-10.2%	33.7%	-54.5%	139.2%		-16.9%	-4.0%	24.7%

(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.

ALIGN TECHNOLOGY, INC.
UNAUDITED GAAP TO NON-GAAP RECONCILIATION
(in thousands except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
GAAP gross profit	$ 697,471	$ 639,201	$ 2,191,488	$ 2,027,426
Stock-based compensation	1,819	1,540	5,285	4,714
Amortization of intangibles [1]	3,559	3,837	11,282	11,138
Restructuring and other charges [2]	11,230	4,792	11,308	7,045
Impairment loss on Assets held for sale[3]	-	23,142	-	23,142
Gain on Assets held for sale[3]	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale[4]	-	13,663	15,599	13,663
Impairment loss on inventory[5]	-	14,924	-	14,924
Other Non-GAAP items [6]	-	-	841	-
Non-GAAP gross profit	$ 714,079	$ 701,099	2,224,104	$ 2,102,052
GAAP gross margin	68.7%	64.2%	70.4%	67.9%
Non-GAAP gross margin	70.4%	70.4%	71.5%	70.4%
GAAP total operating expenses	$ 528,307	$ 542,903	$ 1,726,356	$ 1,636,995
Stock-based compensation	(37,208)	(46,837)	(120,226)	(136,868)
Amortization of intangibles [1]	(930)	(939)	(2,827)	(2,684)
Restructuring and other charges [2]	(17,231)	(31,827)	(16,476)	(31,630)
Legal settlements and contingencies [7]	(6,649)	-	(75,995)	(4,178)
Non-GAAP total operating expenses	$ 466,289	$ 463,300	$ 1,510,832	$ 1,461,635
GAAP income from operations	$ 169,164	$ 96,298	$ 465,132	$ 390,431
Stock-based compensation	39,027	48,377	125,511	141,582
Amortization of intangibles [1]	4,489	4,776	14,109	13,822
Restructuring and other charges [2]	28,461	36,619	27,784	38,675
Legal settlements and contingencies [7]	6,649	-	75,995	4,178
Impairment loss on Assets held for sale[3]	-	23,142	-	23,142
Gain on Assets held for sale[3]	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale[4]	-	13,663	15,599	13,663
Impairment loss on inventory[5]	-	14,924	-	14,924
Other Non-GAAP items [6]	-	-	841	-
Non-GAAP income from operations	247,790	237,799	713,272	640,417
GAAP operating margin	16.7%	9.7%	15.0%	13.1%
Non-GAAP operating margin	24.4%	23.9%	22.9%	21.4%
GAAP net income before provision for income taxes	$ 170,074	$ 94,734	$ 467,653	$ 408,692
Stock-based compensation	39,027	48,377	125,511	141,582
Amortization of intangibles [1]	4,489	4,776	14,109	13,822
Restructuring and other charges [2]	28,461	36,619	27,784	38,675
Legal settlements and contingencies [6]	6,649	-	75,995	4,178
Impairment loss on Assets held for sale[3]	-	23,142	-	23,142
Gain on Assets held for sale[3]	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale[4]	-	13,663	15,599	13,663
Impairment loss on inventory[5]	-	14,924	-	14,924
Other Non-GAAP items [5]	-	-	841	-
Non-GAAP net income before provision for income taxes	$ 248,700	$ 236,235	$ 715,793	$ 658,678
GAAP provision for income taxes	$ 35,030	$ 37,981	$ 111,544	$ 134,101
Tax impact on non-GAAP adjustments	14,763	9,266	31,614	(2,365)
Non-GAAP provision for income taxes	$ 49,793	$ 47,247	$ 143,158	$ 131,736
GAAP effective tax rate	20.6%	40.1%	23.9%	32.8%
Non-GAAP effective tax rate	20.0%	20.0%	20.0%	20.0%
GAAP net income	$ 135,044	$ 56,753	$ 356,109	$ 274,591
Stock-based compensation	39,027	48,377	125,511	141,582
Amortization of intangibles [1]	4,489	4,776	14,109	13,822
Restructuring and other charges [2]	28,461	36,619	27,784	38,675
Legal settlements and contingencies [6]	6,649	-	75,995	4,178
Impairment loss on Assets held for sale[3]	-	23,142	-	23,142
Gain on Assets held for sale[3]	-	-	(11,699)	-
Depreciation on assets disposed of other than by sale[4]	-	13,663	15,599	13,663
Impairment loss on inventory[5]	-	14,924	-	14,924
Other Non-GAAP items [5]	-	-	841	-
Tax impact on non-GAAP adjustments	(14,763)	(9,266)	(31,614)	2,365
Non-GAAP net income	198,907	188,988	572,635	526,942
GAAP diluted net income per share	$ 1.90	$ 0.78	$ 4.98	$ 3.77
Non-GAAP diluted net income per share	$ 2.80	$ 2.61	$ 8.01	$ 7.23
Shares used in computing diluted net income per share	71,015	72,419	71,473	72,880

Notes:

[1] Amortization of intangible assets.

[2] During the third quarter 2026 and third quarter 2025, we initiated restructuring plans to reduce headcount and increase efficiency across the organization and lower the overall cost structure. Restructuring charges are primarily related to involuntary termination benefits, including employee severance and other post-employment benefits.

[3] During the third quarter of 2025, we originally recorded an impairment loss related to a manufacturing facility disposal group that met the criteria to be classified as assets held for sale. During the first quarter of 2026, we recognized a gain of $11.7 million resulting from an increase in fair value less costs to sell related to theses assets held for sale.

[4] During the third quarter of 2025, we initiated the disposal, other than by sale, of certain manufacturing fixed assets. Accordingly, we revised the useful lives of these assets and recorded accelerated depreciation expense.

[5] During the third quarter of 2025, we recorded an impairment loss for obsolete inventory.

[6] During the first quarter of 2026, we recorded other non-recurring charges related to the disposal of certain manufacturing fixed assets.

[7] During the third quarter 2026 and second quarter 2026, we recorded approximately $5.6 million and $37.5 million, respectively related to UK VAT contingency loss, and approximately $1 million and $1.2 million, respectively relate to legal settlements.

[*] Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding. Refer to "*About Non-GAAP Financial Measures*" section of press release.

ALIGN TECHNOLOGY, INC.
UNAUDITED GAAP TO NON-GAAP RECONCILIATION
(in thousands except per share data)

	Q3 2024	Q4 2024	Fiscal 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Fiscal 2025	Q1 2026	Q2 2026	Q3 2026
GAAP gross profit	$ 681,774	$ 696,941	$ 2,799,159	$ 680,108	$ 708,117	$ 639,201	$ 683,587	$ 2,711,013	$ 736,587	$ 757,430	$ 697,471
Stock-based compensation	3,070	(721)	6,995	1,538	1,636	1,540	1,463	6,177	1,620	1,846	1,819
Amortization of intangibles [1]	3,702	3,699	14,803	3,549	3,752	3,837	3,841	14,979	3,880	3,843	3,559
Restructuring and other charges [2]	-	3,823	3,823	2,253	-	4,792	718	7,763	80	(2)	11,230
Impairment loss on Assets held for sale [3]						23,142	-	23,142	-	-	-
Gain on Assets held for sale [3]									(11,699)	-	-
Depreciation on assets disposed of other than by sale [4]						13,663	63,257	76,920	15,599	-	-
Impairment loss on inventory [5]		1,410	1,410			14,924	-	14,924	-	-	-
Other Non-GAAP items [6]							1,861	1,861	841	-	-
Non-GAAP gross profit	$ 688,546	$ 705,152	$ 2,826,190	$ 687,448	$ 713,505	$ 701,099	$ 754,727	$ 2,856,779	$ 746,908	$ 763,117	$ 714,079
GAAP gross margin	69.7%	70.0%	70.0%	69.5%	69.9%	64.2%	65.3%	67.2%	70.8%	71.7%	68.7%
Non-GAAP gross margin	70.4%	70.9%	70.7%	70.2%	70.5%	70.4%	72.0%	70.8%	71.8%	72.3%	70.4%
GAAP total operating expenses	$ 519,476	$ 552,792	$ 2,191,531	$ 549,008	$ 545,084	$ 542,903	$ 528,263	$ 2,165,258	$ 594,632	$ 603,417	$ 528,307
Stock-based compensation	(45,969)	(39,569)	(166,708)	(43,459)	(46,572)	(46,837)	(42,825)	(179,693)	(39,304)	(43,714)	(37,208)
Amortization of intangibles [1]	(880)	(879)	(3,497)	(841)	(904)	(939)	(940)	(3,624)	(957)	(940)	(930)
Restructuring and other charges [2]	89	(33,168)	(32,722)	197	-	(31,827)	(3,551)	(35,181)	(646)	1,401	(17,231)
Legal settlements and contingencies [7]	(66)	225	(30,968)	(4,178)	-	-	-	(4,178)	(30,632)	(38,714)	(6,649)
Other Non-GAAP items [6]	-	(4,676)	(4,676)	-	-	-	-	-	-	-	-
Non-GAAP total operating expenses	$ 472,650	$ 474,725	$ 1,952,960	$ 500,727	$ 497,608	$ 463,300	$ 480,947	$ 1,942,582	$ 523,093	$ 521,450	$ 466,289
GAAP income from operations	$ 162,298	$ 144,149	$ 607,628	$ 131,100	$ 163,033	$ 96,298	$ 155,324	$ 545,755	$ 141,955	$ 154,013	$ 169,164
Stock-based compensation	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870	40,924	45,560	39,027
Amortization of intangibles [1]	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603	4,837	4,783	4,489
Restructuring and other charges [2]	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944	726	(1,403)	28,461
Legal settlements and contingencies [7]	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714	6,649
Impairment loss on Assets held for sale [3]						23,142	-	23,142	-	-	-
Gain on Assets held for sale [3]									(11,699)	-	-
Depreciation on assets disposed of other than by sale [4]						13,663	63,257	76,920	15,599	-	-
Impairment loss on inventory [5]						14,924	-	14,924	-	-	-
Other Non-GAAP items [6]		6,086	6,086				1,861	1,861	841	-	-
Non-GAAP income from operations	$ 215,896	$ 230,427	$ 873,230	$ 186,721	$ 215,897	$ 237,799	$ 273,780	$ 914,197	$ 223,815	$ 241,667	$ 247,790
GAAP operating margin	16.6%	14.5%	15.2%	13.4%	16.1%	9.7%	14.8%	13.5%	13.6%	14.6%	16.7%
Non-GAAP operating margin	22.1%	23.2%	21.8%	19.1%	21.3%	23.9%	26.1%	22.7%	21.5%	22.9%	24.4%
GAAP net income before provision for income taxes	$ 165,930	$ 140,777	$ 608,959	$ 140,442	$ 173,516	$ 94,734	$ 176,595	$ 585,287	$ 148,886	$ 148,693	$ 170,074
Stock-based compensation	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870	40,924	45,560	39,027
Amortization of intangibles [1]	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603	4,837	4,783	4,489
Restructuring and other charges [2]	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944	726	(1,403)	28,461
Legal settlements and contingencies [7]	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714	6,649
Impairment loss on Assets held for sale [3]						23,142	-	23,142	-	-	-
Gain on Assets held for sale [3]									(11,699)	-	-
Depreciation on assets disposed of other than by sale [4]						13,663	63,257	76,920	15,599	-	-
Impairment loss on inventory [5]						14,924	-	14,924	-	-	-
Other Non-GAAP items [6]		6,086	6,086				1,861	1,861	841	-	-
Non-GAAP net income before provision for income taxes	$ 219,528	$ 227,055	$ 874,561	$ 196,063	$ 226,380	$ 236,235	$ 295,051	$ 953,729	$ 148,886	$ 236,347	$ 248,700
GAAP provision for income taxes	$ 49,967	$ 36,970	$ 187,597	$ 47,212	$ 48,908	$ 37,981	$ 40,835	$ 174,936	$ 36,115	$ 40,399	$ 35,030
Tax impact on non-GAAP adjustments	(6,061)	8,441	(12,715)	(8,000)	(3,631)	9,266	18,175	15,810	10,034	6,817	14,763
Non-GAAP provision for income taxes	$ 43,906	$ 45,411	$ 174,882	$ 39,212	$ 45,277	$ 47,247	$ 59,010	$ 190,746	$ 46,149	$ 47,216	$ 49,793
GAAP effective tax rate	30.1%	26.3%	30.8%	33.6%	28.2%	40.1%	23.1%	29.9%	24.3%	27.2%	20.6%
Non-GAAP effective tax rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	31.0%	20.0%	20.0%
GAAP net income	$ 115,963	$ 103,807	$ 421,362	$ 93,230	$ 124,608	$ 56,753	$ 135,760	$ 410,351	$ 112,771	$ 108,294	$ 135,044
Stock-based compensation	49,039	38,848	173,703	44,997	48,208	48,377	44,288	185,870	40,924	45,560	39,027
Amortization of intangibles [1]	4,582	4,578	18,300	4,390	4,656	4,776	4,781	18,603	4,837	4,783	28,461
Restructuring and other charges [2]	(89)	36,991	36,545	2,056	-	36,619	4,269	42,944	726	(1,403)	28,461
Legal settlements and contingencies [7]	66	(225)	30,968	4,178	-	-	-	4,178	30,632	38,714	-
Impairment loss on Assets held for sale [3]						23,142	-	23,142	-	-	-
Gain on Assets held for sale [3]									(11,699)	-	-
Depreciation on assets disposed of other than by sale [4]						13,663	63,257	76,920	15,599	-	-
Impairment loss on inventory [5]						14,924	-	14,924	-	-	-
Other Non-GAAP items [6]		6,086	6,086				1,861	1,861	841	-	-
Tax impact on non-GAAP adjustments	6,061	(8,441)	12,715	8,000	3,631	(9,266)	(18,175)	(15,810)	(10,034)	(6,817)	(14,763)
Non-GAAP net income	$ 175,622	$ 181,644	$ 699,679	$ 156,851	$ 181,103	$ 188,988	$ 236,041	$ 762,983	$ 184,597	$ 189,131	$ 198,907
GAAP diluted net income per share	$ 1.55	$ 1.39	$ 5.62	$ 1.27	$ 1.72	$ 0.78	$ 1.89	$ 5.65	$ 1.57	$ 1.51	$ 1.90
Non-GAAP diluted net income per share	$ 2.35	$ 2.44	$ 9.33	$ 2.13	$ 2.49	$ 2.61	$ 3.29	$ 10.51	$ 2.58	$ 2.64	$ 2.80
Shares used in computing diluted net income per share	74,757	74,465	74,993	73,615	72,593	72,419	71,757	72,588	71,614	71,520	71,015

Notes:

[1] Amortization of intangible assets.

[2] During the fourth quarter 2024 and third quarters 2025 and third quarter 2026, we initiated restructuring plans to reduce headcount and increase efficiencies across the organization and lower the overall cost structure. Restructuring charges are primarily related to involuntary termination benefits, including employee severance and other post-employment benefits.

[3] During the third quarter of 2025, we recorded an impairment loss related to a manufacturing facility that met the criteria to be classified as assets held for sale during the quarter. During the first quarter of 2026, we recognized a gain of $11.7 million resulting from an increase in fair value less costs to sell related to these assets held for sale.

[4] During the third quarter of 2025, we initiated the disposal, other than by sale, of certain manufacturing fixed assets. Accordingly, we revised the useful lives of these assets and recorded accelerated depreciation expense.

[5] During the third quarter of 2025, we recorded an impairment loss for obsolete inventory.

[6] During the fourth quarter of 2025 and the first quarter of 2026, we recorded other non-recurring charges related to dispose of certain manufacturing fixed assets. Other Non-GAAP items from the fourth quarter of 2024 primarily include settlements of various indirect tax obligations related to prior years.

[7] During the third quarter 2026 and second quarter 2026, we recorded approximately $5.6 million and $37.5 million, respectively, related to UK VAT contingency loss, and approximately $1.0 million and $1.2 million, respectively, related to legal settlements.

[*] Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding. Refer to "*About Non-GAAP Financial Measures*" section of press release