Align Technology, Inc.

Financial Results
Q3 2015

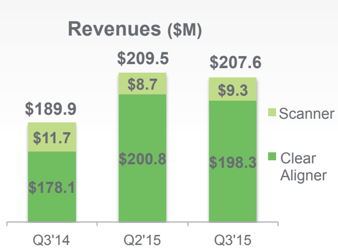
Align Technology Q3 2015 Conference Call

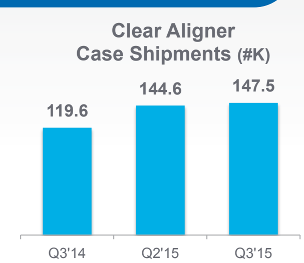
- Speakers:
  - Joe Hogan, President and CEO
  - David White, CFO
- Moderator:
  - Shirley Stacy, Vice President, Investor and Corporate Communications
- Replay and Web cast Archive
  - Telephone replay will be available through 5:30pm ET October 29, 2015
    - Domestic callers: 877-660-6853
    - International callers: 201-612-7415
    - Conference # 13621393
  - Audio web cast archive will be available at http://investor.aligntech.com for approximately 12 months

Safe Harbor and Forward Looking Statement

This presentation contains forward-looking statements, including statements regarding the expected impact that the “Additional Aligners at No Charge” policy will have on net revenues in the fourth quarter of 2015, in addition to certain business metrics for the fourth quarter of 2015, including, but not limited to, anticipated net revenues, deferrals, gross margin, operating expenses, operating profit, diluted earnings per share, 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, 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, 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, our ability to successfully achieve the anticipated benefits from the scanner and services business, 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 protect its intellectual property rights, continued compliance with regulatory requirements, competition from existing and new competitors, 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, 2014, which was filed with the Securities and Exchange Commission on February 26, 2015. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Q3 2015 Financial Highlights

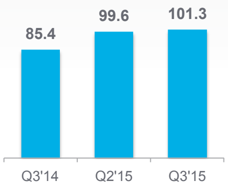




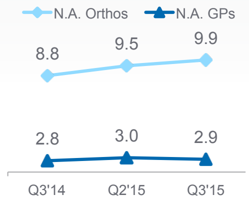
- Revenue (0.9)% Q/Q, +9.4% Y/Y
- Q3 was another good quarter, with revenue and EPS above the high-end of guidance.
- Results were driven by strong Invisalign case volume with growth across all customer channels and geographies.
- Shipments +2.0% Q/Q, +23.3% Y/Y
- North America volumes grew 18.6% Y/Y and international geographies were up 35.1% compared to last year, reflecting continued momentum in EMEA and APAC, expansion in low-stage product segment, and seasonally strong up-tick in teenage patients.

Q3 2015 Clear Aligner Highlights
Geographic Shipments and Utilization

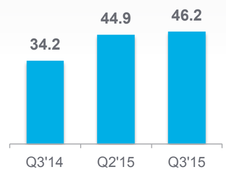
North America Case Shipments (#K)



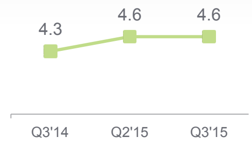
N.A. Utilization



International Case Shipments (#K)



International Utilization



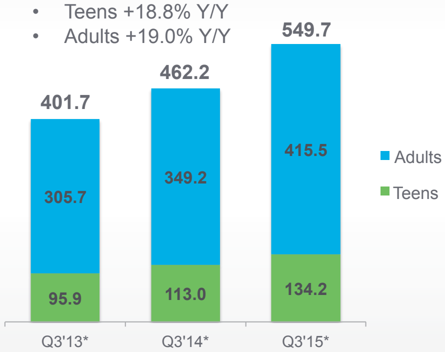
- North America shipments +1.6% Q/Q, +18.6% Y/Y, highest Y/Y growth rate in 3 years.
- Q/Q: seasonally strong teenage demand in the Ortho channel with 3rd consecutive quarter of record utilization.
- Y/Y: driven by both Orthos and GPs, reflecting continued adoption by existing Ortho customers and expansion of our GP Dentist base.
- Investments in sales force effectiveness are producing good results.

- International shipments +2.9% Q/Q, +35.1% Y/Y
- EMEA +31.5% Y/Y – strong performance by Spain, Portugal, France, and the UK. Increased coverage and sales execution continues to build strong momentum.
- APAC +41.2% Y/Y – another record quarter in most every major country, with China and Japan leading the growth. China now represents our 6th largest country market globally.

Q3 2015 Clear Aligner Highlights
Teens and Adults

Teens & Adults Mix (#K)

Rolling 12 month growth
- Teens +18.8% Y/Y
- Adults +19.0% Y/Y



* Rolling 12 months case shipments

Teens – Q3 Highlights

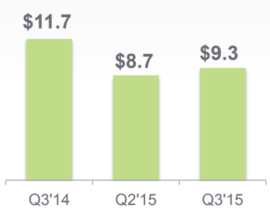
- Teen cases +22%Y/Y reflecting continued adoption across our customer channels
- N.A. Ortho Teen cases +22% Y/Y

Adults – Q3 Highlights

- Adult cases +24% Y/Y

Q3 2015 Scanner and Services Highlights

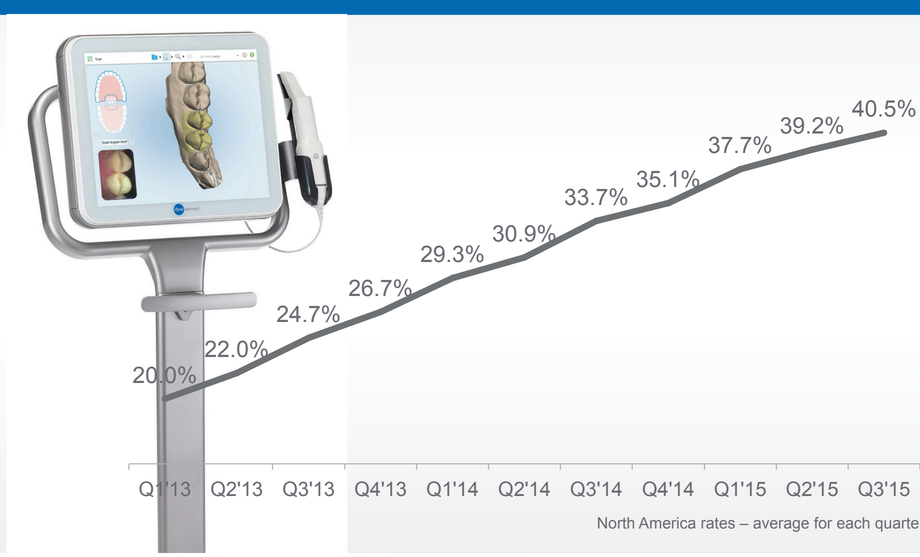
Scanner Revenues ($M)



- Revenues +7.8% Q/Q and (20.4)% Y/Y
- Q/Q: up from higher sales of iTero scanners
- Y/Y: down as expected and in line with our guidance as a result of the transition to our new iTero Element Scanner.

- Initial market release of the iTero Element Orthodontic Scanner with shipments starting in September.
- 2,000+ Invisalign cases have been initiated with the new iTero Element with scan acceptance rate of 99.8%
- Expand market release for iTero Element to include restorative applications in Q4’15.

Growth in Digitally Submitted Invisalign Cases



North America rates – average for each quarter

Q3 2015 Clear Aligner Consumer Highlights
North America and International Consumer Demand

North America

- 1.3M unique visitors to Invisalign.com and more than 112K Invisalign Doc Locator searches
- Invisalign Teen Confidence Campaign launched in May. Campaign generated more than 385M consumer impressions across 20 key markets, and drove moms to the Invisalign.com Parent Page with unique visits up 102% during the campaign period.

International

- EMEA
  - Over 480K people visiting EMEA websites
  - Find a Doctor searches +250% Y/Y
  - Social media fans +200% Y/Y
- APAC
  - New Practice Marketing Resources
  - Demand generation campaigns in Japan, Australia, Hong Kong, South East Asia

Global #Real Smile Campaign

- Top Engagement by Country:
  - Twitter: US, UK, Spain
  - Instagram: Spain, US, Italy
- Impressions: 42.9M
- Reach: 18.9M

Litigation Announcements

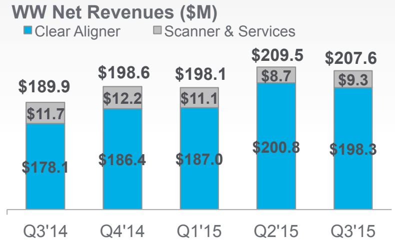
- October 21, 2015 Align dismissed a California State lawsuit originally filed against ClearCorrect in 2011. That suit alleged unlawful business practices regarding pricing and has no bearing on our outstanding patent infringement case against ClearCorrect through the International Trade Commission (ITC), who previously found ClearCorrect to infringe our valid patents. ClearCorrect also dismissed a related cross-claim against us in California.
- October 22, 2015 Align filed a patent infringement and false advertising lawsuit against SmileCareClub, Sharper Image, and Brookstone, companies involved in the sale of a “do it yourself at home” clear aligner product sold directly to consumers.
  - While this is a new lawsuit, we believe ClearCorrect is treatment planning and manufacturing aligners for SmileCareClub using the same methods that the ITC previously found to infringe Align’s valid patents. We anticipate that additional information regarding this relationship will come to light during discovery.
  - SmileCareClub not only markets and sells its aligners directly to consumers, but it also supplies aligners to resellers Sharper Image and Brookstone stores, who are named in the lawsuit as retailers of the SmileCareClub system.
  - This situation is of particular concern in that it not only involves the marketing and sale of a product we believe infringes Align’s patents, SmileCareClub also promotes a treatment option that seeks to eliminate the critical role played by the doctor in the patient’s treatment. Align has always believed that orthodontists and dentists play a critical role in successful orthodontic treatment using clear aligners, which is why the Invisalign system is so tightly integrated with the treating dental professional.
- With over 640 patents worldwide, litigation is part of doing business as an innovative growth company and we will continue to assert and defend our intellectual property rights. The ITC has already found that ClearCorrect’s product infringes Align’s valid patents, and we are confident that the final outcome in both cases will be a win for Align.

Q3 2015 Financial Review

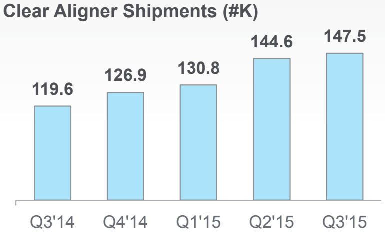
David White
CFO

Q3 2015 Trended Financials

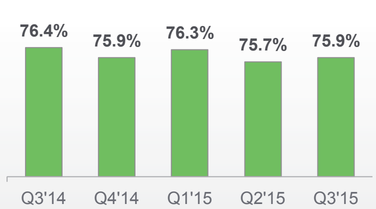
WW Net Revenues ($M)



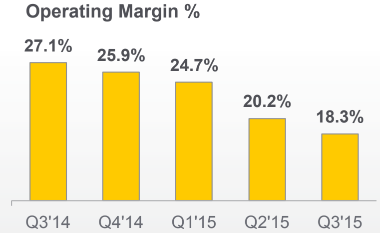
Clear Aligner Shipments (#K)



Gross Margin %



Operating Margin %



Note: Rounding may effect totals.

Q3 2015 Income Statement Highlights

(in millions except per share data and percentages)	Year/Year Change	Q3'14	Sequential Change	Q2'15	Q3'15
Net Revenues	+9.4%	$189.9	(0.9)%	$209.5	$207.6
Gross Margin	(0.5)% pts	76.4%	+0.2% pts	75.7%	75.9%
Operating Expenses	+27.8%	$93.5	+2.8%	$116.3	$119.5
Operating Margin	(8.8)% pts	27.1%	(1.9)% pts	20.2%	18.3%
EPS, diluted	$(0.13)	$0.47	$(0.05)	$0.39	$0.34

Q3'15 revenues included a reduction of approximately $7 million and Q3'15 diluted EPS was impacted by approximately $0.06 per share related to Align's new Additional Aligners policy, which took effect July 18, 2015.

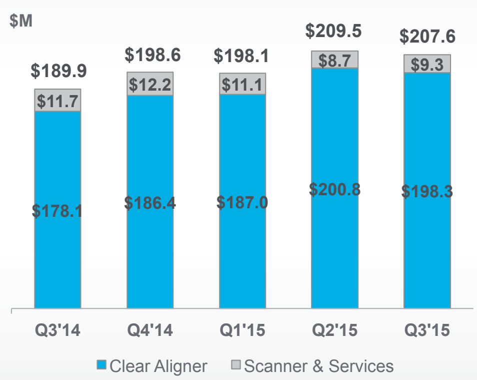
Note: Data may not total due to rounding

Revenue Impact for Additional Aligners at No Charge
Illustrative Example

	Previous Policy	Current Policy	Delta	Comments	Approximate Q315 Revenue Impact
Revenue deferral per case shipped*	$160	$190	($30)	Incremental deferral for each Invisalign Full, Teen & Assist case shipments.	($3.5M)
Revenue recognized per Additional Aligner shipment**	$125	$90	($35)	Less revenue recognized as Additional Aligners are shipped. The recognition rate will increase over time until the "grandfathered" cases are closed – approx. 2 yrs.	($3.5M)
					($7.0M)

**Deferral per case is based on an estimated selling price and usage rate of Additional Aligners (or Mid-course Corrections plus Case Refinements under the previous policy) over the treatment period and is adjusted quarterly as necessary based on historical trends.*
***The revenue recognition rate is derived from the deferred revenue balance for Additional Aligners divided by the number of estimated future usages. This rate may change as the estimated usage rates changes.*

Net Revenues Trend



Q3'15 Net Revenues Highlights

Net revenues of $207.6M, (0.9)% Q/Q, +9.4% Y/Y.

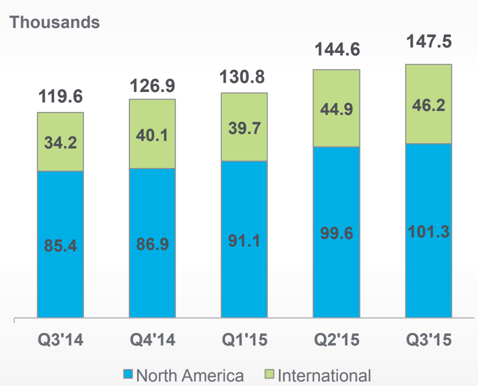
Clear aligner net revenues

- (1.3)% Q/Q, +11.3% Y/Y.
- Q/Q decrease was primarily related to our new Additional Aligner policy announced last quarter.
- ASPs down ~$45 Q/Q almost entirely due to higher revenue deferrals from the new Additional Aligners policy. Excluding the impact from Additional Aligners was otherwise flat sequentially.
- Y/Y growth reflected Invisalign case volume growth across all customer channels, partially offset by lower ASPs, primarily related to FX rates and higher revenue deferrals related to Additional Aligners.

Scanner & Services net revenues

- +7.8% Q/Q, (20.4)% Y/Y
- Began shipping the new iTero Element scanner in September.

Clear Aligner Shipments Trend



Q3'15 Clear Aligner Shipment Highlights

Shipments of 147.5K, +2.0% Q/Q, +23.3% Y/Y

- Q/Q reflecting growth from our North American orthodontic and International customers.
- Y/Y driven by growth across all regions with strength in International and continued progress in North America.

Channel Highlights

- N.A. Orthodontists +5.4% Q/Q, +21.4% Y/Y
- N.A. GP Dentists (2.6)% Q/Q, +15.3% Y/Y
- International +2.9% Q/Q, +35.1% Y/Y

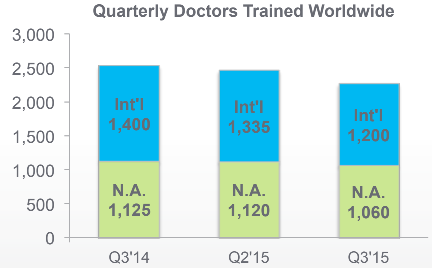
Note: Data may not total due to rounding

Q3 2015 Clear Aligner Adoption Metrics

Invisalign Doctor Training and Utilization

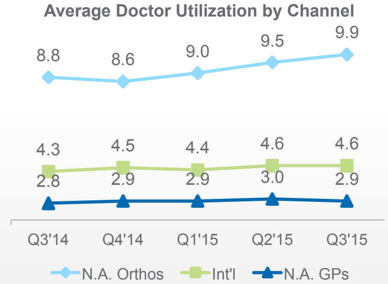
- 2,260 new Invisalign-trained doctors in Q3'15
  - 1,060 North America
  - 1,200 International

Quarterly Doctors Trained Worldwide



- Q3'15 doctor utilization 4.7 cases/doctor up compared to 4.6 in Q2'15 and 4.4 Q3'14
  - N.A. Orthodontists 9.9, +1.1 pts Y/Y
  - N.A. GP Dentists 2.9, +0.1 pts Y/Y
  - International 4.6, +0.3 pts Y/Y

Average Doctor Utilization by Channel



Utilization = # of cases shipped/# of doctors to whom cases were shipped

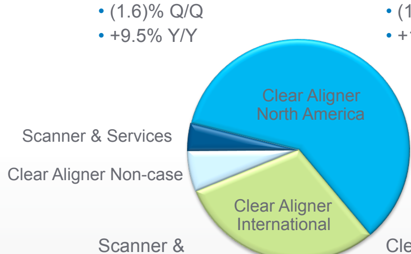
Q3 2015 Geographic Mix by Net Revenues and Volume

Revenue Mix

Net Revenues of $207.6M

Clear Aligner North America: 60%
- (1.6)% Q/Q
- +9.5% Y/Y

Clear Aligner International: 30%
- (1.0)% Q/Q
- +14.6% Y/Y



Scanner & Services: 4%
- +7.8% Q/Q
- (20.4)% Y/Y

Clear Aligner Non-case: 6%
- +1.2% Q/Q
- +14.0% Y/Y

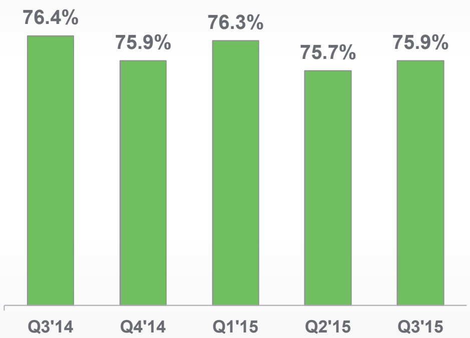
Volume Mix

Shipments of 147,485

Clear Aligner North America: 69%
- +1.6% Q/Q
- +18.6% Y/Y

Clear Aligner International: 31%
- +2.9% Q/Q
- +35.1% Y/Y

Gross Margin Trend



Q3'15 Gross Margin Highlights

- Gross profit was $157.6M or 75.9% gross margin +0.2% pts Q/Q, (0.5)% pts Y/Y
- Includes stock based compensation expense of $1.0M

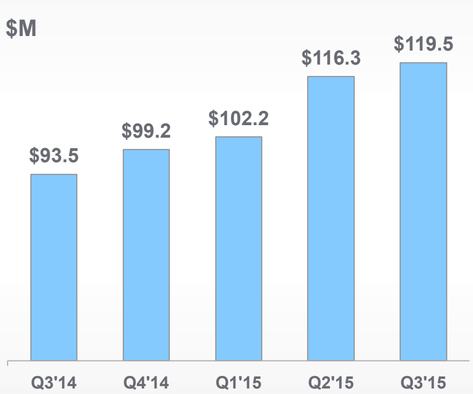
Clear Aligners: 78.8%

- +0.5% pts Q/Q, (0.4)% pts Y/Y
- Q/Q increase was primarily driven by lower freight costs and seasonally lower training activity, which was only partially offset by the impact of the new Additional Aligners policy.
- Y/Y decrease was primarily the result of lower ASPs primarily attributable to currency exchange rates and the new Additional Aligners policy, partially offset by lower manufacturing costs.

Scanners & Services: 14.7%

- (0.3)% pts Q/Q, (18.8)% pts Y/Y
- Q/Q and Y/Y decrease both as a result of lower ASP due to a closeout incentive pricing program on our older iTero 2.9 scanner and lower production volumes.

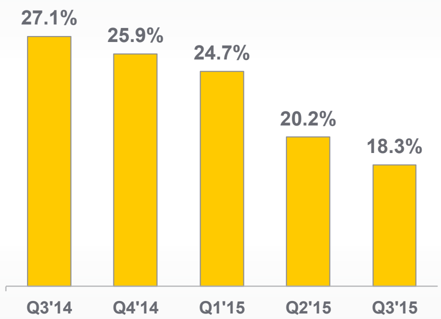
Operating Expense Trend



Q3'15 Operating Expense Highlights

- Operating expense was $119.5M, +3.2M Q/Q, +26.0M Y/Y
- Includes stock-based compensation expense of $13.7M
- Q/Q increase due to:
  - Investments to support our continued international growth and expansion and higher media spend
  - Costs primarily associated with severance costs for organizational changes previously announced.
  - Costs primarily related to the termination of an agreement with a third-party company for product development in the Obstructive Sleep Apnea (OSA) market. While we continue to believe opportunities in the OSA market are potentially interesting, we've now decided to remain squarely focused on our core business and organic growth opportunities.
- Y/Y increase incidental to the growth of the business, as well as the our ERP implementation project.

Operating Margin and EPS Trend



	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
EPS	**$0.47**	**$0.48**	**$0.44**	**$0.39**	**$0.34**

Q3’15 Operating Margin Highlights

- Operating profit was $38.0M and operating margin 18.3%
- (1.9)% pts. Q/Q, (8.8)% pts. Y/Y
- Q/Q decrease primarily the impact on revenue from the Additional Aligners policy, which amounted to 2.6 pts partially offset by lower manufacturing costs.
- Y/Y decrease primarily the factors above (Additional Aligners), as well as foreign currency exchange rates and investments in the business related to sales expansion, R&D, and ERP.
- Tax rate was was 24.3%, (1.9) pts from our Q2 tax rate. This is primarily due a tax benefit as a result of the filing of our U.S. Federal Tax Return this quarter.

Q3 2015 Results Summary

Constant Currency and Additional Aligners Impact Information

(in millions, except EPS)	**Q3 2015**
Net Revenues	$207.6
FX impact using Q3’14 FX rates	approx +$8.5
Impact of Additional Aligner deferral	approx +$7.0
EPS	$0.34
FX impact on revenues using Q3’14 FX rates	approx +$0.08
FX impact on OpEx using Q3’14 FX rates	approx $(0.06)
FX impact on Other Income/Expense	+$0.02
Impact of Additional Aligner deferral	+$0.06
Impact of Sleep Apnea termination agreement	+$0.02
Impact of Org Costs	+$0.01

Balance Sheet Highlights

(in millions except for DSOs)	Q3'14	Q2'15	Q3'15
Accounts Receivables, net	$130.0	$146.5	$148.4
DSOs	62 days	63 days	64 days
Cash, Cash Equivalent & Short-Term and Long-Term Marketable Securities	$561.5	$596.7	$630.0

Cash Flow from Operations	$69.3	$62.9	$60.1
Capital Expenditures	$(7.0)	$(10.5)	$(10.5)
Free Cash Flow*	$62.3	$52.4	$49.6

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

Q3 2015 CapX, Cash, Stock Repurchase Program
Commentary

- Capital expenditures for Q3 were $10.5M, primarily relating to added equipment capacity for our second manufacturing facility in Juarez, Mexico, as well as additional costs capitalized on our ERP project.
- Cash flow from operations for Q3 was $60.1M.
- Free cash flow for Q3, defined as cash flow from operations less capital expenditures, amounted to $49.6M.
  - On a trailing 12-month basis, our free cash flow as a percentage of revenue was 22.7%, consistent with our long-term model target of 20-25%.
- During Q3, we repurchased 662,000 shares of stock, including 332,000 shares related to the completion of the Company's previously announced $70M accelerated stock repurchase (ASR) and 330,000 shares amounting to $18.8M in open market repurchases.
  - Our last 12 months of stock repurchases, together with cash used to pay employee taxes for the net settlement of vesting employee stock that otherwise would have been issued, amounted to 71% of our worldwide free cash flow. We believe our free cash flow generation and these repuchases are consistent with our expressed capital allocation objectives of returning cash flow in excess of that needed to run and grow the business to shareholders.
- Cash, cash equivalents, and marketable securities, including both short and long term investments, were $630.0M. This compared to $602.6M at the end of 2014, an increase of approximately $27.4M.
  - Of our $630M of cash, cash equivalents and marketable securities, $213M was held by the U.S. and $417M held by our international entities.

3 to 5 Year Financial Model Targets

	Q3'14 Actual	Q1'15 Actual	Q2'15 Actual	Q3'15 Actual	3 – 5 Year Model
Revenue CAGR%					15 - 25%
Gross Margin	76.4%	76.3%	75.7%	75.9%	73% - 78%
Operating Expense %	49.2%	51.6%	55.5%	57.6%	45% - 50%
Operating Margin	27.1%	24.7%	20.2%	18.3%	25% - 30%
Free Cash Flow	32.8%	10.1%	25.0%	23.9%	20% - 25%

Financial Outlook

Factors That Inform Our View of Q4 2015

- North America - Invisalign
  - We're encouraged by continued progress in North America with Q3 volume growth rates above our three year average. While we continue to gain share in the important teenage segment, the fourth quarter has historically been a seasonally slower quarter for Ortho teen case starts.
  - Notwithstanding this seasonal pattern, we expect North America Invisalign case volume to be up sequentially from Q3.
- International - Invisalign
  - Q4 has historically been a seasonally stronger quarter for EMEA, and a seasonally slower to flat quarter for APAC.
  - In total, we expect International volumes to also be up sequentially from Q3.
- Scanners & Services
  - Q4 is quarter when capital equipment purchases are seasonally stronger and we would expect Scanner and Services to be up sequentially from Q3".

Additional Aligner Policy and Financial Impact

- Changes for the new Additional Aligners Policy applied to all new Invisalign Full, Teen, and Assist products, our "Full Product Group", shipped worldwide after July 18, 2015 as well as any such open cases started prior to this product policy change.
- As a result, beginning Q3, our deferrals increased as a result of providing these Additional Aligners at no charge and the "grandfathering" of over 1 million open cases. The effect on our future revenue is two-fold.
  - First is an increase in the amount we defer for each new case we ship.
  - Second impact is that revenue recognized on each Additional Aligner" shipment will be lower than the amounts we've historically recognized until these grandfathered cases are completed, which will take approximately two years.
- As a result, Q4'15 net revenues include the expected impact of approximately $7M - $8M – consistent with the guidance we gave on the Q2 earnings call.
- For 2016, we expect this impact to be between $25M - $30M in total. Relative to our historical growth rates, we believe the current year clear aligner volumes will more than offset this impact on future revenues.

Q4 2015 Outlook

	Q4 2015	Additional Aligners Impact Included
Invisalign Case Shipments	154.9 K – 157.4 K	
Net Revenues	$223.0 M – $227.9 M	approx $7.0 - $8.0 M
Gross Margin	75.7 % - 76.2 %	
Operating Expenses	$114.7 M - $116.3 M	
Operating Margin	24.3 % - 25.1 %	
Effective tax rate	24.5 %	
EPS, diluted	$0.50 - $0.53	approx $0.06 - $0.07
Stock based compensation	$14.2 M	
Diluted shares outstanding	81.4 M*	

*Note: * Excludes any other repurchases during the quarter*

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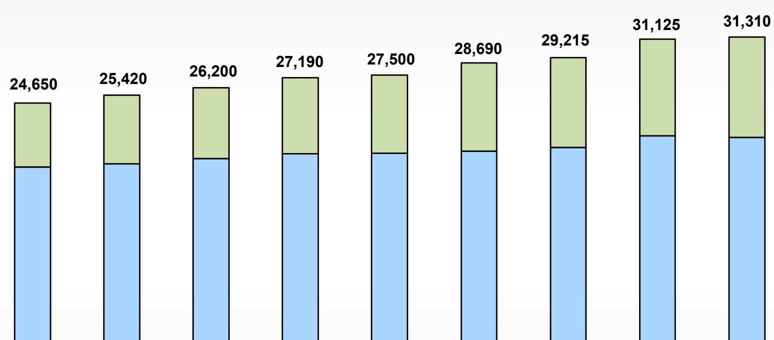
Additional Clear Aligner Data

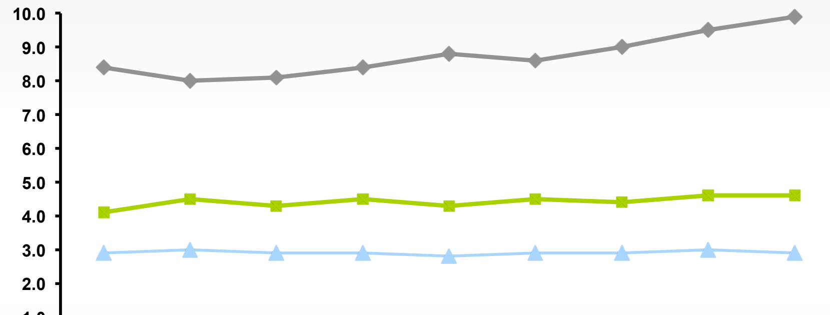
Historical Information as of 9/30/15

Total Doctors Invisalign Cases Shipped To



	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
International	6,510	6,925	7,185	7,685	7,950	8,945	9,050	9,790	10,150
North America	18,140	18,495	19,015	19,505	19,550	19,745	20,165	21,335	21,160

Invisalign Utilization Rate*

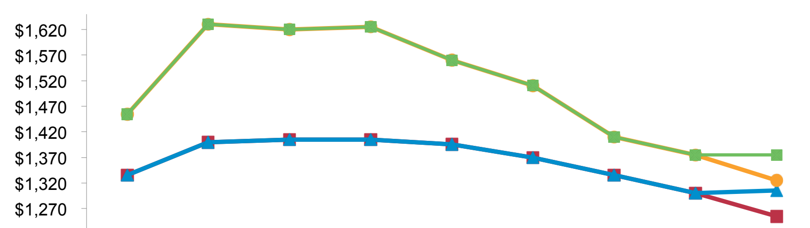


	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
International	4.1	4.5	4.3	4.5	4.3	4.5	4.4	4.6	4.6
N.A. GP	2.9	3.0	2.9	2.9	2.8	2.9	2.9	3.0	2.9
N.A. Ortho	8.4	8.0	8.1	8.4	8.8	8.6	9.0	9.5	9.9

**Utilization Rate = # of Cases Shipped / # of Doctors Cases Are Shipped To*

Invisalign Average Selling Price (ASP)

Worldwide and International



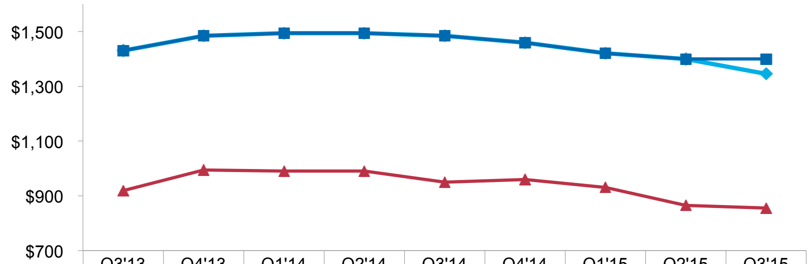
	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Worldwide	$1,335	$1,400	$1,405	$1,405	$1,395	$1,370	$1,335	$1,300	$1,255
Worldwide, adjusted	$1,335	$1,400	$1,405	$1,405	$1,395	$1,370	$1,335	$1,300	$1,305
International	$1,455	$1,630	$1,620	$1,625	$1,560	$1,510	$1,410	$1,375	$1,325
International, adjusted	$1,455	$1,630	$1,620	$1,625	$1,560	$1,510	$1,410	$1,375	$1,375

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.

Note: *we are no longer listing billed ASPs which were previously provided to reflect revenue prior to impact from product deferrals.*

Invisalign Average Selling Price (ASP)

Product Groups



	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Full Products	$1,430	$1,485	$1,495	$1,495	$1,485	$1,460	$1,420	$1,400	$1,345
Full Products, adjusted	$1,430	$1,485	$1,495	$1,495	$1,485	$1,460	$1,420	$1,400	$1,400
Express Products	$920	$995	$990	$990	$950	$960	$930	$865	$855

Full Products: Invisalign Full, Invisalign Teen, Invisalign Assist
Express Products: Invisalign Express 10, Invisalign Express 5, Invisalign Lite, Invisalign i7

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.