

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

	Q4 2019	Fiscal 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Fiscal 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Fiscal 2021
<b>Net Revenues:</b>												
<i>Clear Aligner Net Revenues</i> <sup>(1)</sup>												
Americas	\$ 268,486	\$ 1,022,104	\$ 255,607	\$ 123,268	\$ 304,131	\$ 327,206	\$ 1,010,212	\$ 357,481	\$ 400,467	\$ 408,422	\$ 378,382	\$ 1,544,752
International	243,981	861,364	195,824	155,243	281,240	333,110	965,417	353,294	389,704	375,513	380,152	1,498,663
Non-case <sup>(2)</sup>	31,111	122,282	30,180	19,830	35,393	40,427	125,830	42,494	50,788	53,658	56,725	203,665
Total Clear Aligner Net Revenues	543,578	2,025,750	481,611	298,341	620,764	700,743	2,101,459	753,269	840,959	837,593	815,259	3,247,080
<i>Imaging Systems and CAD/CAM Services Net Revenues</i> <sup>(3)</sup>	106,209	381,046	69,352	53,973	113,380	133,777	370,482	141,502	169,849	178,313	215,840	705,504
<b>Total Worldwide Net Revenues</b>	<b>649,787</b>	<b>2,406,796</b>	<b>550,963</b>	<b>352,314</b>	<b>734,144</b>	<b>834,520</b>	<b>2,471,941</b>	<b>894,771</b>	<b>1,010,808</b>	<b>1,015,906</b>	<b>1,031,099</b>	<b>3,952,584</b>
<b>Cost of Net Revenues:</b>												
Cost of net revenues Clear Aligner	140,566	526,036	130,119	105,975	157,017	176,218	569,329	168,735	194,294	199,424	210,254	772,707
Cost of net revenues Imaging Systems and CAD/CAM Services <sup>(3)</sup>	37,263	136,863	26,488	22,011	43,039	47,839	139,377	48,938	57,976	61,326	76,282	244,522
Total cost of net revenues	177,829	662,899	156,607	127,986	200,056	224,057	708,706	217,673	252,270	260,750	286,536	1,017,229
Gross profit	471,958	1,743,897	394,356	224,328	534,088	610,463	1,763,235	677,098	758,538	755,156	744,563	2,935,355
<b>Operating Expenses:</b>												
Selling, general and administrative	279,481	1,072,053	282,906	256,967	312,492	348,392	1,200,757	397,115	431,921	428,409	451,195	1,708,640
Research and development	41,327	157,361	41,532	40,361	44,527	48,887	175,307	54,537	57,715	65,587	72,476	250,315
Impairments and other (gains) charges	-	22,990	-	-	-	-	-	-	-	-	-	-
Litigation settlement gain	-	(51,000)	-	-	-	-	-	-	-	-	-	-
Total operating expenses	320,808	1,201,404	324,438	297,328	357,019	397,279	1,376,064	451,652	489,636	493,996	523,671	1,958,955
<b>Operating Income (Loss)</b>	<b>151,150</b>	<b>542,493</b>	<b>69,918</b>	<b>(73,000)</b>	<b>177,069</b>	<b>213,184</b>	<b>387,171</b>	<b>225,446</b>	<b>268,902</b>	<b>261,160</b>	<b>220,892</b>	<b>976,400</b>
<b>Interest income and other income (expense), net:</b>												
Interest income	2,906	12,482	1,986	473	329	337	3,125	1,643	383	401	676	3,103
Other income (expense), net	1,741	7,676	(18,549)	(966)	7,147	1,021	(11,347)	34,532	(483)	427	(1,556)	32,920
Total interest income and other income (expense), net	4,647	20,158	(16,563)	(493)	7,476	1,358	(8,222)	36,175	(100)	828	(880)	36,023
<b>Net income (loss) before provision for (benefit from) income taxes and equity in losses of investee</b>	<b>155,797</b>	<b>562,651</b>	<b>53,355</b>	<b>(73,493)</b>	<b>184,545</b>	<b>214,542</b>	<b>378,949</b>	<b>261,621</b>	<b>268,802</b>	<b>261,988</b>	<b>220,012</b>	<b>1,012,423</b>
Provision for (benefit from) income taxes	34,535	112,347	(1,464,776)	(32,891)	45,174	55,554	(1,396,939)	61,245	69,088	81,019	29,051	240,403
Equity in losses of investee, net of tax	-	7,528	-	-	-	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ 121,262</b>	<b>\$ 442,776</b>	<b>\$ 1,518,131</b>	<b>\$ (40,602)</b>	<b>\$ 139,371</b>	<b>\$ 158,988</b>	<b>\$ 1,775,888</b>	<b>\$ 200,376</b>	<b>\$ 199,714</b>	<b>\$ 180,969</b>	<b>\$ 190,961</b>	<b>\$ 772,020</b>
Net Income (loss) per share												
- basic	\$ 1.54	\$ 5.57	\$ 19.32	\$ (0.52)	\$ 1.77	\$ 2.02	\$ 22.55	\$ 2.54	\$ 2.53	\$ 2.29	\$ 2.42	\$ 9.78
- diluted	\$ 1.53	\$ 5.53	\$ 19.21	\$ (0.52)	\$ 1.76	\$ 2.00	\$ 22.41	\$ 2.51	\$ 2.51	\$ 2.28	\$ 2.40	\$ 9.69
Shares used in computing net income (loss) per share												
- basic	78,578	79,424	78,592	78,769	78,824	78,853	78,760	79,000	79,008	78,904	78,759	78,917
- diluted	79,137	80,100	79,028	78,769	79,163	79,505	79,230	79,798	79,638	79,516	79,431	79,670
<b>Margin Analysis:</b>												
Gross margin	72.6%	72.5%	71.6%	63.7%	72.7%	73.2%	71.3%	75.7%	75.0%	74.3%	72.2%	74.3%
-Clear Aligner	74.1%	74.0%	73.0%	64.5%	74.7%	74.9%	72.9%	77.6%	76.9%	76.2%	74.2%	76.2%
-Imaging Systems and CAD/CAM Services <sup>(3)</sup>	64.9%	64.1%	61.8%	59.2%	62.0%	64.2%	62.4%	65.4%	65.9%	65.6%	64.7%	65.3%
Selling, general and administrative	43.0%	44.5%	51.3%	72.9%	42.6%	41.7%	48.6%	44.4%	42.7%	42.2%	43.8%	43.2%
Research and development	6.4%	6.5%	7.5%	11.5%	6.1%	5.9%	7.1%	6.1%	5.7%	6.5%	7.0%	6.3%
Operating margin	23.3%	22.5%	12.7%	-20.7%	24.1%	25.5%	15.7%	25.2%	26.6%	25.7%	21.4%	24.7%
Net margin	18.7%	18.4%	27.5%	-11.5%	19.0%	19.1%	71.8%	22.4%	19.8%	17.8%	18.5%	19.5%
<b>Year Over Year Analysis:</b>												
Net Revenues	21.7%	22.4%	0.4%	-41.3%	20.9%	28.4%	2.7%	62.4%	186.9%	38.4%	23.6%	59.9%
-Clear Aligner	22.0%	19.8%	2.6%	-39.9%	20.2%	28.9%	3.7%	56.4%	181.9%	34.9%	16.3%	54.5%
-Imaging Systems and CAD/CAM Services <sup>(3)</sup>	20.2%	38.5%	-13.1%	-48.1%	24.5%	26.0%	-2.8%	104.0%	214.7%	57.3%	61.3%	90.4%
Gross profit	23.2%	20.4%	-1.9%	-48.1%	22.1%	29.3%	1.1%	71.7%	238.1%	41.4%	22.0%	66.5%
Operating expense	22.2%	22.4%	3.2%	16.2%	15.0%	23.8%	14.5%	39.2%	64.7%	38.4%	31.8%	42.4%
Operating income (loss)	25.5%	16.3%	-20.3%	-141.4%	39.3%	41.0%	-28.6%	222.4%	-468.4%	47.5%	3.6%	152.2%
Net income (loss)	24.5%	10.6%	2013.0%	-127.6%	35.9%	31.1%	301.1%	-86.8%	-591.9%	29.8%	20.1%	-56.5%
<b>Quarter Over Quarter Analysis (Sequential):</b>												
Net Revenues	7.0%		-15.2%	-36.1%	108.4%	13.7%		7.2%	13.0%	0.5%	1.5%	
-Clear Aligner	5.3%		-11.4%	-38.1%	108.1%	12.9%		7.5%	11.6%	-0.4%	-2.7%	
-Imaging Systems and CAD/CAM Services <sup>(3)</sup>	16.6%		-34.7%	-22.2%	110.1%	18.0%		5.8%	20.0%	5.0%	21.0%	
Gross profit	7.9%		-16.4%	-43.1%	138.1%	14.3%		10.9%	12.0%	-0.4%	-1.4%	
Operating expense	3.4%		-8.4%	-8.4%	20.1%	13.7%		13.7%	8.4%	0.9%	6.0%	
Operating income (loss)	18.9%		-53.7%	-204.4%	-342.6%	20.4%		5.8%	19.3%	-2.9%	-15.4%	
Net income (loss)	18.3%		1151.9%	-102.7%	-443.3%	14.1%		26.0%	-0.3%	-9.4%	5.5%	

(1) Includes Invisalign and SmileDirectClub, LLC till 2020. Americas region includes North America and LATAM. International region includes EMEA and APAC.

(2) Non-case net revenues include the retainer business, training revenues, and ancillary offerings under our Clear Aligner product lines.

(3) As of Q2'20, we have renamed the Scanner and Services segment to Imaging Systems & CAD/CAM Services or "Systems and Services" to reflect the addition of exocad dental CAD/CAM services into our financials.