

align

 invisalign® | iTero®

Financial Results

Q1 2018

Align Technology, Inc.

Align Technology, Inc. – Q1 2018 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 May 9, 2018
 - Domestic callers: 877-660-6853
 - International callers: 201-612-7415
 - Conference # 13678038
 - 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 second quarter of 2018, including, but not limited to, anticipated net revenues, gross margin, operating expenses, operating profit, diluted earnings per share, tax rate including the financial impact of recent U.S. Tax Cuts and Jobs Act and case shipments. Forward-looking statements contained in this presentation 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, changes to our interpretation of the U.S. Tax Cuts and Jobs Act which may change as we receive additional clarification and implementation guidance, possibly materially, 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, 2017, which was filed with the Securities and Exchange Commission (SEC) on February 28, 2018. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Q1 2018 Financial Highlights

- Q1 was a strong start to the year for Align and a strong start to the year for Align, with revenues, volumes and EPS above our guidance.
- Record Q1 revenues were +41% Y/Y reflecting continued strong Invisalign volume across all geographies and customer channels.
- iTero scanner sales were +84% Y/Y.
- Q1 Invisalign volume growth of +31% Y/Y was driven by increased utilization including strong teen case growth globally, and expansion of our customer base-which included over 4,200 new Invisalign-trained doctors worldwide.

	Q1'18	QoQ	YoY
Total Net Revenues	\$436.9M	+3.7%	+40.8%
- Clear Aligner*	\$385.5M	+5.8%	+36.5%
- Scanner & Services	\$51.4M	(10.0)%	+84.0%
Invisalign Case Shipments	272.2K	+6.7%	+30.8%
EPS**, diluted	\$1.17	\$1.04	\$0.32

Q1 2018 Financial Highlights

Americas

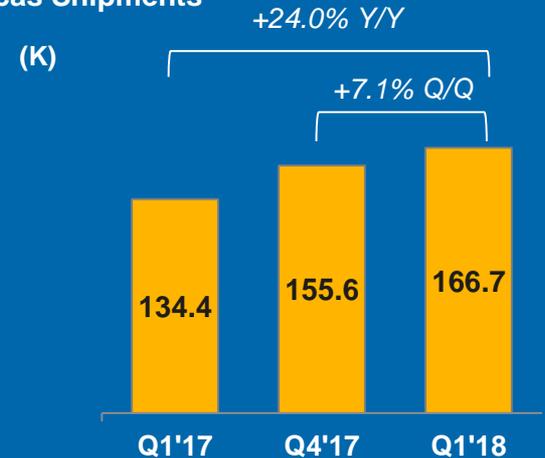
- Americas Invisalign case volume +7.1% Q/Q and +24.0% Y/Y reflecting growth in both our Orthodontist and GP Dentist channels.
- 1,600 new Invisalign doctors in the Americas region, of which 455 were in Brazil alone, where we are seeing a continued ramp up for Invisalign treatment.
- Americas region Y/Y growth was led by Ortho customers.
 - Another record quarter for North American Ortho utilization, 15.3 cases per doctor.
 - North American GP dentists utilization also up year-over-year, 3.4 cases per doctor, predominately reflecting continued expansion of the GP customer base, which included 900 from new North American GPs who submitted Invisalign cases for the first time this quarter.
- Dental Service Organization (DSO) remains a very strategic part of our overall strategy.
 - At the Association of Dental Support Organizations (ADSO) meeting in Austin last week, two of our largest partners spoke to other major DSOs about their success in integrating Invisalign treatment and digital scanning into their organizations and our special markets team continues to build on these wins across the region.

Americas Invisalign Metrics

North Americas Utilization*



Americas Shipments



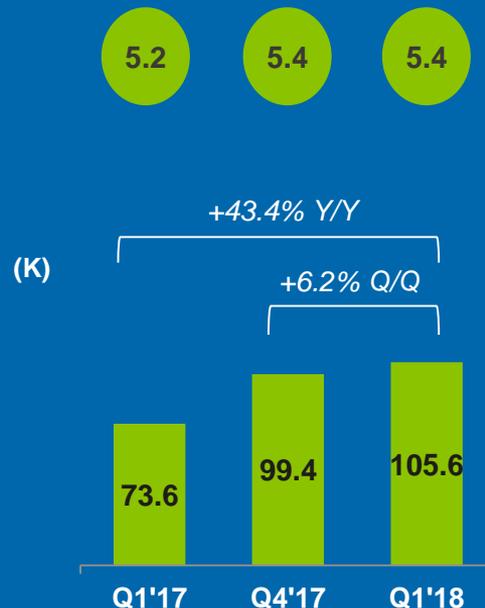
*number of cases shipped/number of doctors to whom cases were shipped

Q1 2018 Financial Highlights

International

- International Invisalign case volume +6.2% Q/Q and +43.4% Y/Y
 - Reflecting strong Invisalign volume across the board driven by both increased adoption as well as expansion of our customer base
 - 2,645 new Invisalign-trained providers, with roughly half in EMEA and half in APAC.
 - From a customer channel perspective, while we continue to see strong growth from both the Ortho and GP practices, we are beginning to see more positive traction in the GP channel from segmenting our sales and marketing resources and programs specifically around each channel.
- EMEA case volume +36.6%Y/Y
 - 1,600 newly-trained doctors in EMEA, of which half were new Invisalign Go GPs.
 - EMEA record volumes in all but one core country market. This performance reflects continued confidence in treating complex cases with Invisalign clear aligners and well as success in the GP channel which was +67% Y/Y.
 - Growth led by Iberia and France which were +40% Y/Y. Iberia became our 3rd largest market worldwide for the first time, following China our second largest market after the U.S.
 - Strong growth across our key expansion markets, led by Central & Eastern Europe and Benelux where we continue to increase our sales and marketing resources across the board, and have begun to implement consumer marketing programs.
- APAC case volumes +56.1% Y/Y
 - Led by China, Japan and Australia, with China solidifying as our 2nd largest market worldwide.
 - Continued strong growth overall and especially from teen cases, which were +73% Y/Y.
 - Strong growth from our GP channel +70% Y/Y.
 - Positive uplift from Invisalign customers with iTero scanners. For Q1, Japan had a record quarter and showed very strong growth from doctors who have previously purchased iTero Element scanners.
 - All-time high for Invisalign volume in our smaller expansion markets in Thailand, Singapore, and Korea - where we are still very early in their development and adoption cycle.

International Invisalign Utilization* & Shipments



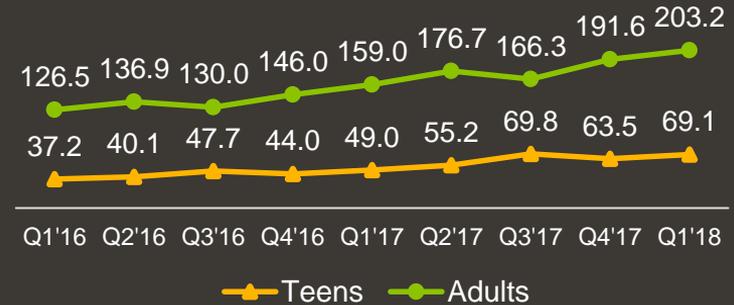
* number of cases shipped/number of doctors to whom cases were shipped

Q1 2018 Financial Highlights

Teens and Adults

- 5.5M patients to date, including 1.3M teens
- 69,065+ teenagers started treatment with Invisalign clear aligners, +8.8% Q/Q and +40.9%
 - Y/Y driven by continued strong adoption across all major regions and increasingly among younger teens and tweens.
 - 6th consecutive quarter that Invisalign teenage patient volumes grew faster than adults.
 - Teen case growth is outpacing adult growth on both comprehensive and non-comprehensive products.
- North Americas Orthos teen volume +33% Y/Y and International teen volume +60% Y/Y.
- Average age among teenagers continues to get younger and younger falling ~ 6 months over the last 7 quarters to 14 years old.
 - Trend in average age should continue downward as we commercialize Invisalign products that support treatment of young teens and children including Mandibular Advancement and Invisalign First, which we announced earlier this month.

Worldwide Invisalign Case Shipments Teen versus Adult Mix

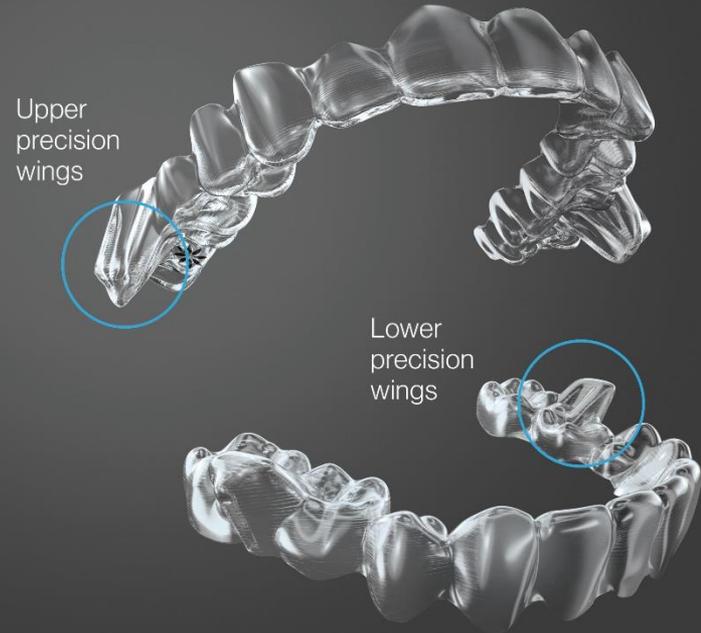


Invisalign Treatment with Mandibular Advancement

- Invisalign treatment with Mandibular Advancement, or MAF, continues to ramp internationally.
- It is currently pending FDA approval in the U.S. which is slotted for the second half of this year.
- The lift analysis that we have suggests a direct halo effect from MAF users that results in a higher percentage of teenagers treated with Invisalign clear aligners.



Invisalign treatment with mandibular advancement



Invisalign First Clear Aligners

Commercially Available July 1, 2018

- Invisalign First clear aligners, is a new Invisalign treatment designed with features specifically for younger patients with early mixed dentition.
 - SmartForce® features such as optimized attachments that have been designed for younger patients with shorter tooth crowns allowing for improved predictability of tooth movements needed for developing the arch form;
 - The application of SmartStage® technology, which maximizes treatment efficiency by producing the contacts and forces that support the tooth movement needed for arch form development specific to Phase 1 staging patterns;
 - SmartTrack® aligner material, designed to fit comfortably while applying gentle, constant force to the teeth; and,
 - Improved and expanded Eruption Compensation features that makes it possible to treat erupting or changing dentition.
- Invisalign First clear aligners have been used to treat over 600 patients to date and will be commercially available to Invisalign-trained doctors in the United States, Canada, Australia, New Zealand, Japan, and the EMEA region beginning July 1, 2018.



Phase 1 Treatment

- 20% of case starts each year
- Early interceptive orthodontic treatment for young patients
- Traditionally done through arch expanders, or partial metal braces
- Before all permanent teeth have erupted (typically at ages 6-10 years old)

Expands Invisalign Product Portfolio

New Invisalign Treatment Packages Effective July 1, 2018

- Announced an expanded Invisalign product portfolio that includes new options and greater flexibility to treat a broader range of patients.
- Revamped Invisalign product portfolio offers doctors more choices by extending desirable features across the entire portfolio and creating Invisalign Treatment Packages, as well as the new Invisalign First option to treat young patients with early mixed dentition.

		Stages	Patient-centric customization	Clinical indication
Adults and Teens (Ages 11+)	Express 5	up to 5-stages	All: Eruption compensation* Precision cuts* Bite ramps* Passive aligners Compliance indicators IPR	Very mild
	Express Package	up to 7-stages		Relapse to mild
	Lite Package	up to 14-stages		Mild to moderate
	Assist Package	Unlimited		Anterior only
	Comprehensive Package	Unlimited		Comprehensive Package only: Mandibular Advancement**
	Vivera retainers	3 or 4 sets	Retention	
Children	Invisalign® First Comprehensive Package	Unlimited		Phase 1 treatment— Early interceptive treatment
	Invisalign® First Comprehensive Phase 2 Package	Unlimited		Phase 2 treatment

* Excludes Invisalign Assist

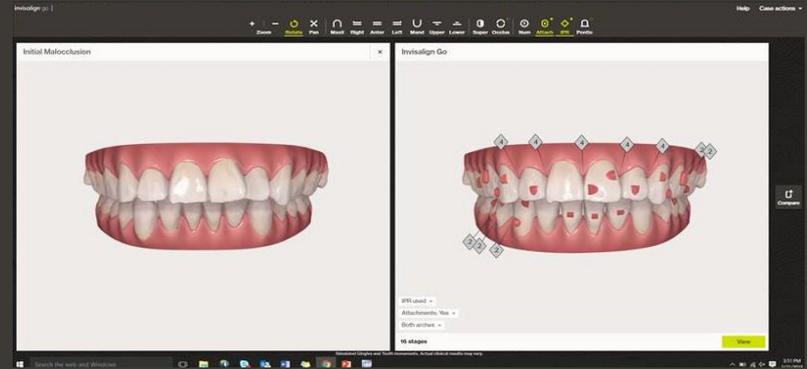
** Invisalign treatment with mandibular advancement is pending 510(k) clearance, not for sale in the U.S.

Invisalign Go Clear Aligner System

New, More User-Friendly Version

- Invisalign Go product and digital platform offers greater flexibility and expanded treatment options for simple teeth straightening cases.
- Invisalign Go offers an intuitive Invisalign experience designed for GPs worldwide who are seeking to integrate clear aligner therapy into their thriving comprehensive dentistry practices.
- These improvements make it easier for dentists to tailor their treatment plans to the individual needs of each patient by providing:
 - Automated, chair-side case assessments and notifications to help guide dental practitioners treatment recommendations.
 - Simplified prescription form based upon the patient's multiple chief concerns.
 - Automated multiple treatment plans and filters tailored to enable dental practitioners to offer solutions for each patient's unique preferences.
 - Up to 20 stages of aligners, designed to treat an array of pre-restorative alignment and mild to moderate malocclusion with popular features such as configurable interproximal reduction (IPR) and attachments.
- The new Invisalign Go clear aligner system will be available in North America, Australia, New Zealand and certain country markets in Europe beginning July 1, 2018, and will be available in China, Hong Kong/Macau, Japan, and Thailand beginning August 1, 2018.

invisalign® go



Treatable cases

- Mild to moderate crowding and spacing
- Arch width expansion
- Mild to moderate open and deep bite
- Combined tooth alignment and restorative

Q1 Consumer Marketing

North America

- Launched “Made to Move” stories

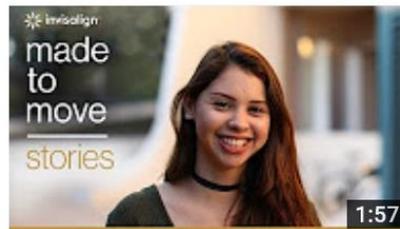
- A celebration of the real people using Invisalign aligners. These stories showcase the profound impact that a better smile can have on one’s life.

- Teen marketing outreach

- Music video with Jordyn Jones and Josh Levi
 - We teamed up with teen music sensations, Jordyn Jones and Josh Levi, to create a music video all about smiles and Invisalign aligners.
- AwesomenessTV and social influencers
 - In 2018, the Invisalign brand is teaming up with AwesomenessTV again to reach teens with content regarding key topics that are important to their lives.
 - In Q1, we launched the first video, with influencer Lauren Elizabeth, who shares her own personal experiences with anxiety, highlighting what helps her be her most confident, happy, motivated self.

2.2M
Website Visitors

208K
Doc Locator Searches



Q1 Consumer Marketing

EMEA

- Focus on fully digital campaigns across 5 core and 7 expansion markets, driving strong performance across all key metrics.
 - Acceleration program in UK of Smile Visualizer digital tool
 - Launched the European Influencer Program end of Q1, across UK, Germany, France and the Netherlands. Bringing together social influencers as advocates for better smiles and better futures.

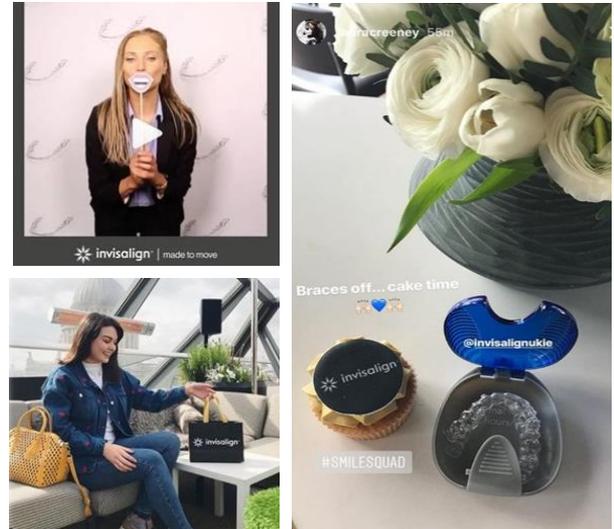
739K
Website Visitors

158K
Doc Locator Searches

Smile Visualizer Digital Tool



European Influence Program



Q1 Consumer Marketing

APAC

795K
Website Visitors

104K
Doc Locator Searches

• China Digital Campaign

- Incentive program to maximize opt-in conversion leveraging “Made to Move” campaign assets via
 - High traffic area penetration and
 - Affinity digital media channel

• ANZ leveraging ‘New Year’ state of mind

- Awareness and digital conversion media plan leveraging the ‘new year’ mindset around self-improvement via
 - Transit advertising
 - Gym media
 - Digital billboard channels along with social and online channels

China Digital Campaign



ANZ ‘New Year’ state of mind



Invisalign Store Pilot Interactive Brand Experience

Pilot Launched November 2017

- During the quarter, we also expanded on our consumer outreach through the addition of our second Invisalign store pilot near our headquarters in San Jose, CA.
- We are seeing good initial ramp at both the San Francisco and San Jose stores as we connect consumers to authorized Invisalign providers and will continue to monitor store activity.
- The Invisalign stores are a doctor-based model. Consumers who visit an Invisalign store are referred to a doctor's office where a doctor performs a personal clinical examination of the patient and the treatment plan. The doctor will follow the patient until the case is completed.
- In Q2, we are opening two additional pilot stores on the East Coast – one in Bethesda, MD and another in the Philadelphia area. We look forward to continuing to learn more from these four locations and sharing our progress throughout the year.



Reaching 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.

Q1 2018 Financial Highlights

Scanner and Services

- Scanner revenues (10.0)% Q/Q as expected following a strong Q4 which reflected year end seasonality in the capital equipment business.
- Scanner revenues were +84.0% Y/Y reflecting very strong growth across all regions and reflects how central a digital approach is to overall customer utilization of Invisalign treatments.
- Use of the iTero scanners for Invisalign case submission in place of PVS impressions continues to expand and remains a positive catalyst for Invisalign utilization. Invisalign cases submitted with a digital scanner:

Americas	57.6%	60.3%	63.1%	65.3%	67.2%
International	30.2%	33.1%	35.1%	41.4%	43.2%
	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18

- To date, more than 7.7M orthodontic scans and 2.7M restorative scans have started with iTero scanners for a total of 10.3M scans.

Scanner and Services Revenues



New iTero Element Scanner

Now Available in Select Markets

- Expansion of the iTero Element portfolio with the launch of the iTero Element 2 and the iTero Element Flex scanners.
- These additions build on the existing high precision, full-color imaging and fast scan times of the iTero Element portfolio while streamlining orthodontic and restorative workflows.
- iTero Element 2: Next Generation Scanner with Enhanced Features
 - Designed for greater performance with 2X faster start-up and 25 percent faster scan processing time compared to the iTero Element.
- iTero Element Flex: Wand-Only, Laptop Configuration Scanner
 - Wand-only device that transforms compatible laptop computers into a highly portable scanner that works anywhere – it's perfect for practices with multiple locations who need a scanner that is both convenient and easy to transport.
- Streamlined Workflows with Full-Color Scans
 - Designed to work with existing iTero orthodontic and restorative workflows, including laboratory workflows, custom milled models, open STL export, custom implant abutment and chairside milling partners. Include all fundamental software applications such as Invisalign Outcome Simulator, Invisalign Progress Assessment and iTero TimeLapse popular technology.

iTero Element 2 and iTero Element Flex scanners are now available in the United States and the majority of European countries, including France, Germany, Italy, Spain, the United Kingdom. They are pending approval in Canada and will be available in select markets in Asia Pacific soon. The existing iTero Element scanner will continue to be available in all markets.

iTero element 2

Expanded screen size: 21.5"
HD touchscreen in widescreen format
Enhanced screen image capture

Faster processor, faster
start-up

Ergonomic wand cradle for
ease of use
Integrated battery for
uninterrupted scanning*



iTero element flex

Laptop configuration for easy
transportability between locations

Compact footprint facilitates scanning in
small spaces

Standalone wand cradle for flexible
positioning



China FDA Market Approval of iTero Element

iTero Element Commercially Now Available

- Today, we also announced that we have received market approval for the iTero Element Intra-oral Scanner from the CFDA (China Food and Drug Administration), and we have begun offering the iTero Element scanner in China.
- The iTero Element scanner launch in China not only supports growth of our base Invisalign clear aligner business, but also represents a major milestone for digital dentistry in China.

iTero[®] element



Intraoral Scanners:
Penetration Rate in China

Current:

<2%

By 2020:

6x

expected growth

Doctor-Directed at Home Channel

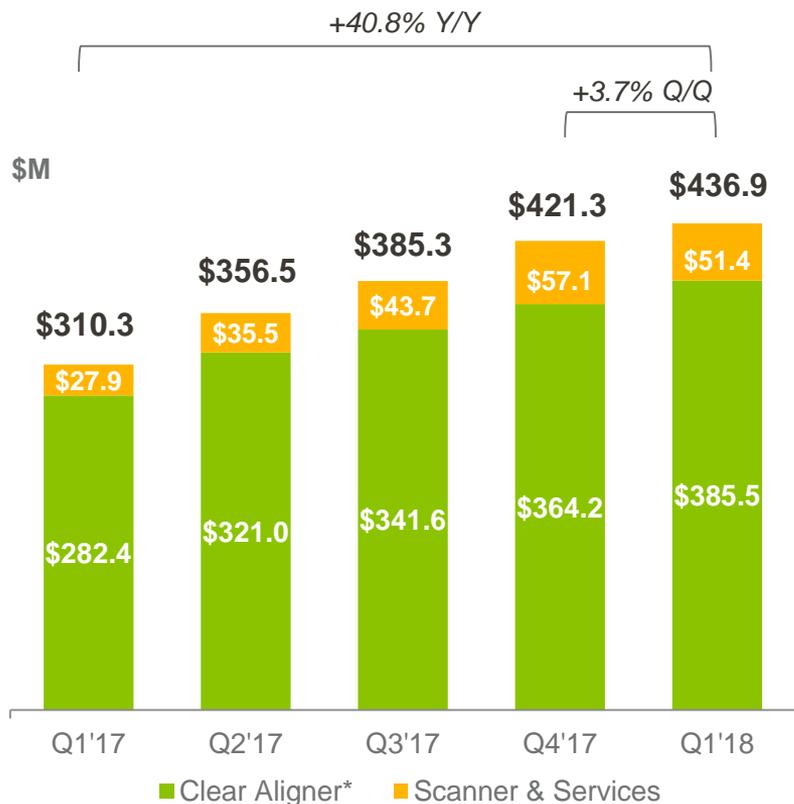
- Align is a third-party supplier to SmileDirectClub (SDC) with a 19% equity investment in the company.
- We manufacture a portion of SDC aligners which are non-Invisalign clear aligners.
- For Q1, shipments to SDC were down sequentially as expected, reflecting SDC's desire to produce their own clear aligners.



+ Q1 2018 Financial Review

Revenues Trend

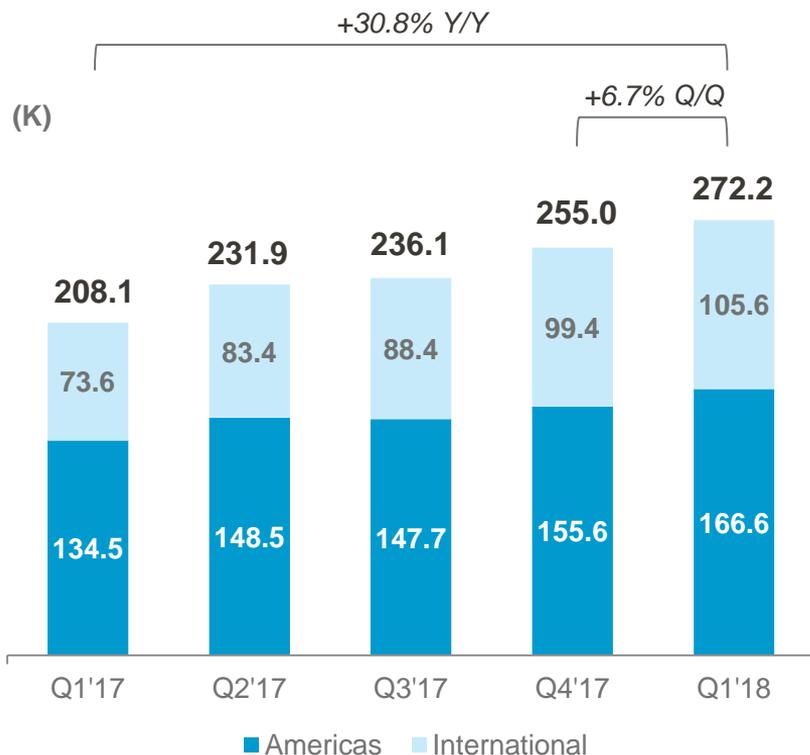
Q1'18 Highlights



- Total revenue of \$436.9M
 - Growth includes a 5 point benefit from favorable foreign exchange Y/Y.
- Clear Aligner* revenues, +5.8% Q/Q, +36.5% Y/Y.
 - Q/Q increase on higher than expected volume.
 - Y/Y reflected strong Invisalign shipment growth across all customer channels and geographies and increased Invisalign ASPs.
 - Invisalign ASPs up ~\$5 Q/Q, to \$1,310 reflecting favorable FX and product mix, partially offset by sales promotions and revenue deferrals.
 - Invisalign ASPs up ~\$40 Y/Y reflecting favorable FX, price increases, and product mix partially offset by sales promotions and deferrals related to Additional Aligners.
- Scanner & Services revenues, (10.0)% Q/Q, +84.0% Y/Y.
 - Q/Q decrease due to due to lower volume from the Q4 seasonality effect.
 - Y/Y increase primarily due to higher volume, partially offset by lower ASPs due to promotions and discounts.

Invisalign Shipments Trend

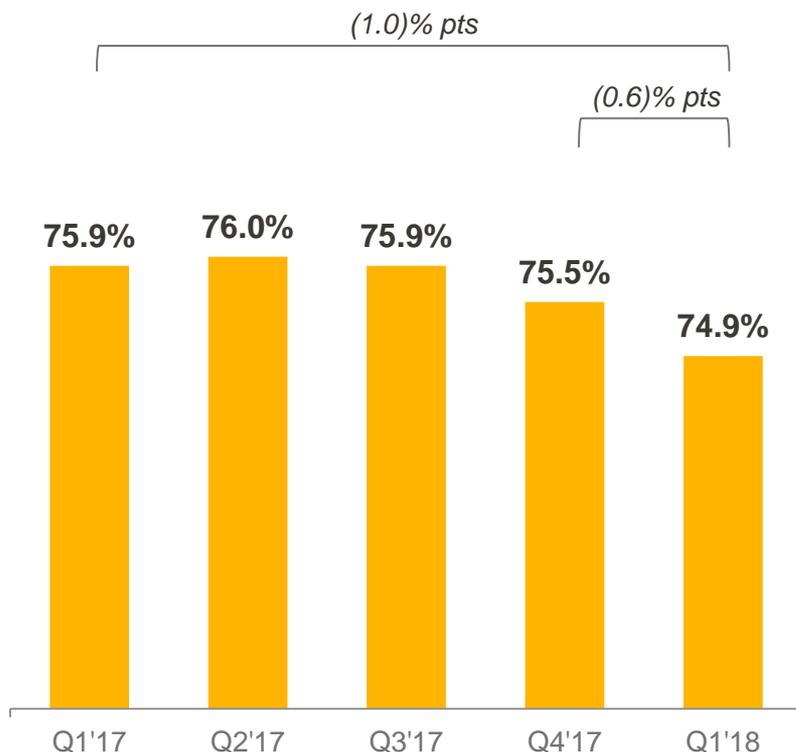
Q1'18 Highlights



- +6.7% Q/Q, +30.8% Y/Y driven by growth across all regions.
- Invisalign Channel Highlights
 - Americas Orthodontists, +8.5% Q/Q and +27.0% Y/Y.
 - Americas GP Dentists, +5.1% Q/Q and +19.6% Y/Y.
 - International, +6.2% Q/Q and +43.4% Y/Y.
- Effective Q1'18, Americas region includes North America and LATAM. International region includes EMEA and APAC. We have recasted historical data to reflect the change.

Gross Margin Trend

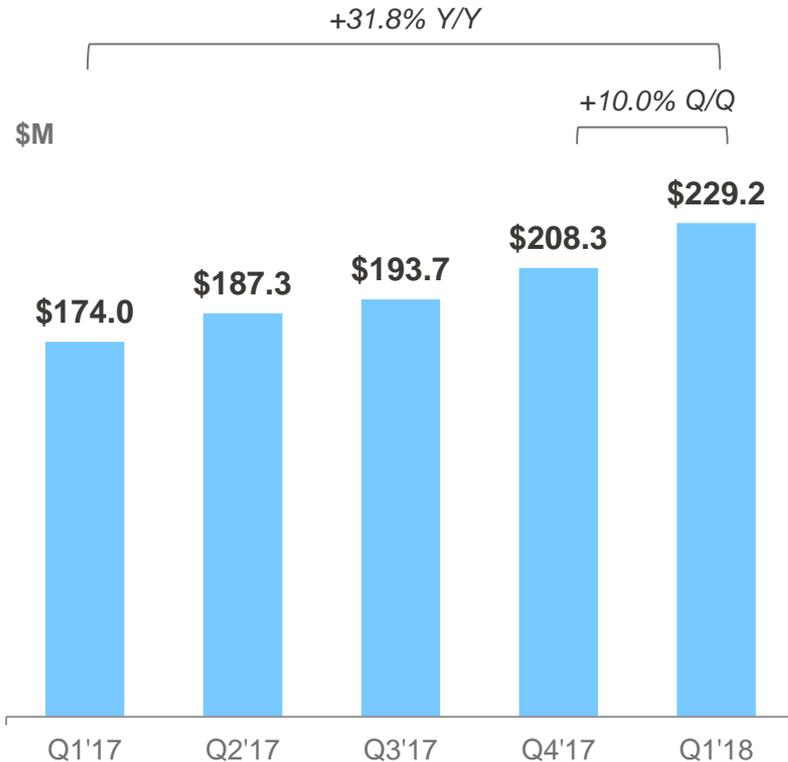
Q1'18 Highlights



- Gross profit was \$327.4M or 74.9% gross margin, (0.6) points Q/Q, (1.0) point Y/Y.
- Includes stock based compensation expense of \$0.9M.
- Clear Aligner* Gross Margin was 77.0%.
 - (0.6) points Q/Q, primarily due to increased aligners per case and higher training costs, partially offset by higher Invisalign ASPs.
 - (0.9) points Y/Y, primarily due to regional expansion of our manufacturing activities, partially offset by higher worldwide ASPs.
- Scanners & Services Gross Margin was 59.2%.
 - (2.8) points Q/Q, primarily due to lower scanner ASPs related to promotions and discounts.
 - +3.1 points Y/Y, primarily due to lower services costs partially offset by lower scanner ASPs.

Operating Expense Trend

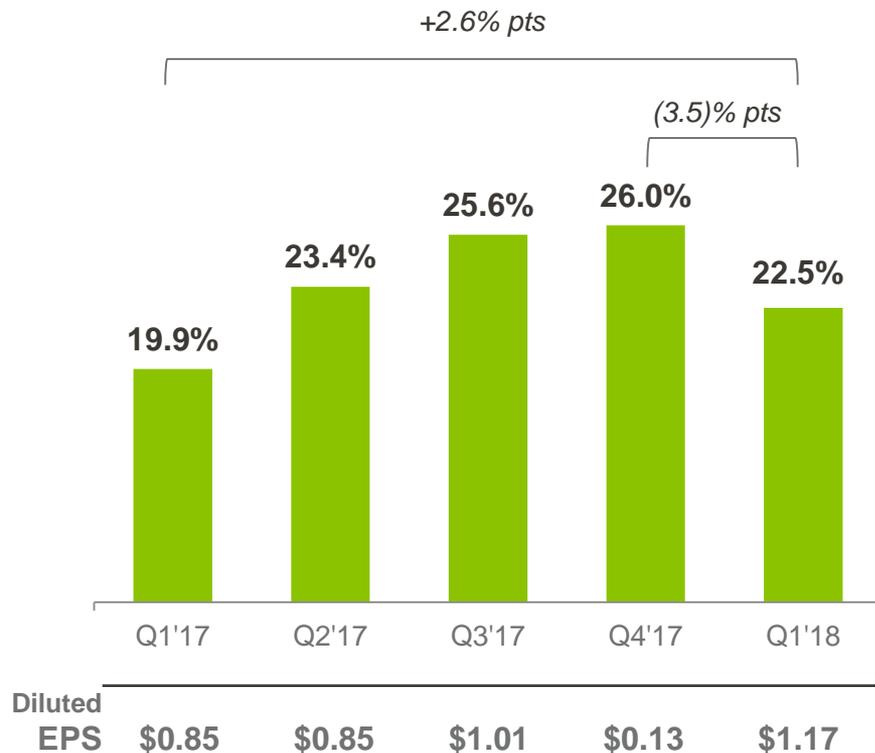
Q1'18 Highlights



- Operating expenses \$229.2 million, +10.0% Q/Q, +31.8% Y/Y.
 - Increase in operating expenses reflects continued investment in our go-to-market activities including higher advertising spending, geographic expansion as well as increased compensation related expenses due to higher headcount and our planned annual increase in employee compensation programs.
- Includes stock-based compensation expense of \$14.9M.

Operating Margin and EPS Trend

Q1'18 Highlights



- Operating income \$98.2 million, (10.4)% Q/Q, +59.2% Y/Y.
 - (3.5)% Q/Q decrease in operating margin relates primarily to lower gross margin due to operational expansion activities, higher operating expenses, and lower SDC related revenue.
 - 2.6%Y/Y increase in operating margin relates primarily reflects higher revenues from both Clear Aligner and Scanner and Services as well as favorable foreign exchange rates.
- Q1 tax rate was 2.9%, which includes \$23.3 million in excess tax benefits related to stock based compensation and is down by ~89.5 points compared to 92.4% in Q4 of 2017 primarily due to the U.S. Tax Cuts and Jobs Act enacted in December last year.
- Diluted EPS \$1.17, +\$1.04 Q/Q, +\$0.32 Y/Y.
 - Recall that Q4 2017 diluted EPS of \$0.13 included \$86.6M expense, or \$1.06 per diluted share, impact due to the U.S. Tax Cut and Jobs Act.

Balance Sheet Highlights

- \$673.0M Cash, Cash Equivalents and Marketable Securities, including Short-Term and Long-Term Investments compared to \$761.5M at end of 2017.
 - Decrease of ~\$(88.5)M primarily due to \$100M in stock repurchased during the quarter.
 - \$236.8M held in the U.S. and \$436.2M held by our International entities.
- Days Sales Outstanding (DSO) was 74 days, up 5 days Q/Q and down 3 days Y/Y. Even though our AR aging profile has improved, the Q1 DSO is up sequentially as a result of increased sales with extended payment terms that are available in certain regions.
- Capital expenditures were \$57.6M, primarily related to building purchases and improvements, equipment purchases for additional manufacturing capacity, as well as our global expansion efforts including the new manufacturing facility in Ziyang, China mentioned last quarter.
- Stock Repurchases
 - Repurchased ~400 thousand shares of stock for \$100.0M under the April 2016 Repurchase Program.
 - \$100.0M remaining available for repurchases under this existing stock repurchase authorization.
- Other significant cash flow activities during the quarter included the receipt of \$30M from SDC for repayment of their existing line of credit and we paid \$47.8M in employees' taxes upon vesting of restricted stock units.

(\$ in millions except for DSOs)	Q1'17	Q4'17	Q1'18
Accounts Receivables, net	\$268.5	\$324.2	\$361.5
DSOs	77 days	69 days	74 days
Cash, Cash Equivalent & Short-Term and Long-Term Marketable Securities	\$644.2	\$761.5	\$673.0
Cash Flow from Operations	\$47.6	\$162.3	\$77.3
Capital Expenditures	\$(59.6)	\$(69.5)	\$(57.6)
Free Cash Flow*	\$(11.9)	\$92.8	\$19.7

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

During Q1, we adopted the ASC 606, "Revenues from Contracts with Customers" using the full retrospective method. While the impact to the Q1 2017 and Q1 2018 P&Ls are immaterial, the Condensed Consolidated Balance Sheet as of December 31, 2017 has been recasted to comply with the ASC 606 requirements.

Q2 2018 Outlook

- We expect our International business to grow significantly on a sequential basis as the European market is coming out of their winter season and most of the APAC market were observing Lunar new year in the first quarter
- For the Americas region, we expect Q2 to grow as our Ortho & GP customers are seasonally busier and as we continue to make progress in our Latin America expansion
- We continue to invest in our iTero go-to-market activities. We started selling iTero Element in Brazil in Q1 and we have started selling iTero Element in China in Q2. We expect sequential increase in iTero units sold and revenues.
- We are currently in litigation with SDC regarding our Invisalign Store pilot and while this does not impact our supply agreement, given the state of our relationship we are assuming minimal volumes for SDC in Q2 and the second half of 2018.

	Q2 2018
Invisalign Case Shipments	296K – 301K
Net Revenues	\$460M - \$470M
Gross Margin	74.2% - 75.0%
Operating Expenses	\$245M - \$250M
Operating Margin	21.0% - 21.8%
Effective Tax Rate	13.0% (1)
EPS, diluted	\$1.02 - \$1.06 (1)
Stock Based Compensation	\$18.3M
Diluted Shares Outstanding	81.6M (2)
Capital Expenditures	\$65M - \$70M

(1) Includes the benefit from the adoption of ASU 2016-09 related to share-based compensation expense

(2) Excludes any stock repurchases during the quarter

2018 Updated View

- Based on the momentum in our business to-date and our planned investments for the remainder of the year, we now anticipate 2018 total revenue growth rate to be above our long-term model and in the low 30's.
- We also expect Invisalign revenue and volume growth to be in this same range.
- Notwithstanding continued investments in our strategic growth drivers, we expect operating margin for the full year to be flat to slightly up from 2017 operating margin of 24%.

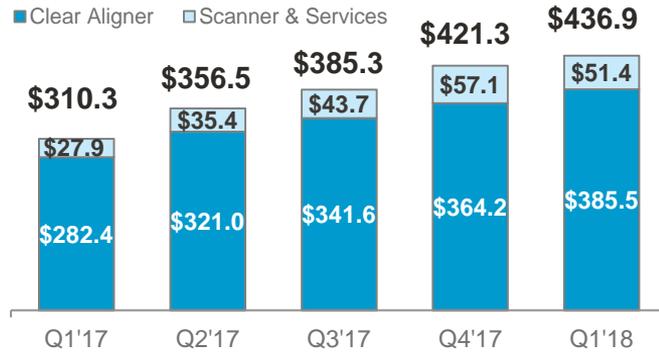
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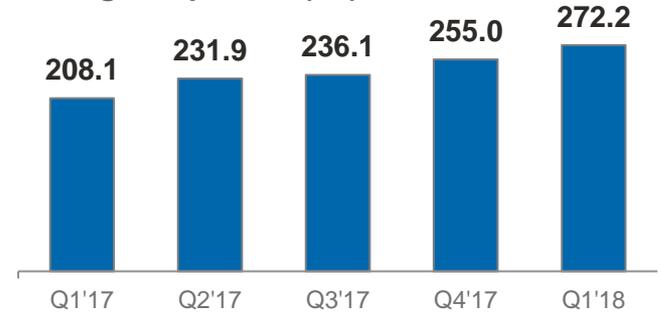
+ Appendix

Trended Financials

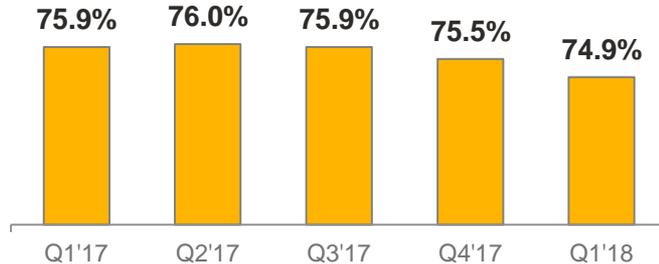
WW Net Revenues (\$M)



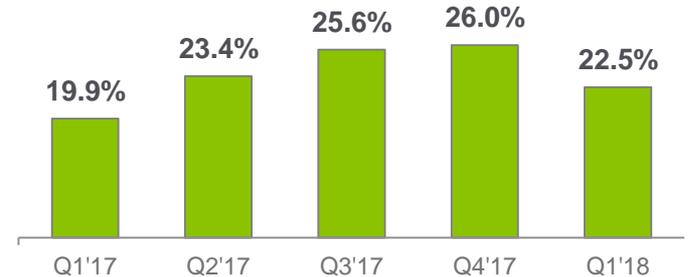
Invisalign Shipments (#K)



Gross Margin %



Operating Margin %



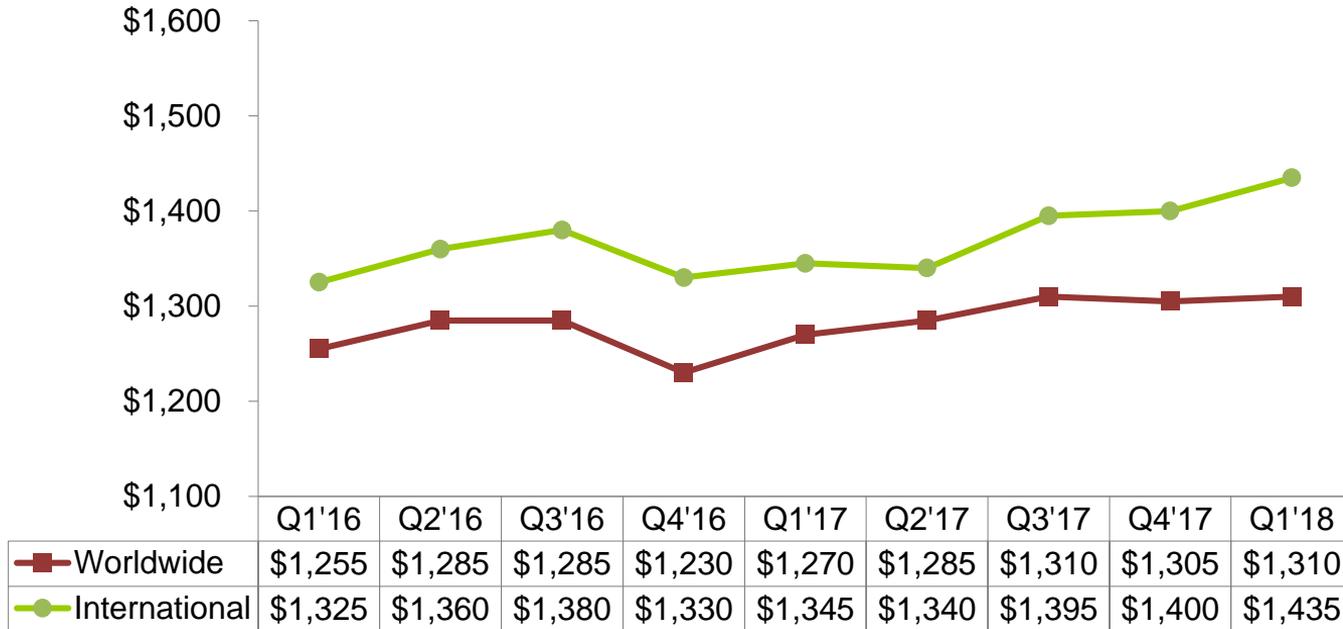
3 to 5 Year Financial Model Targets

	Q1'17 Actual	Q4'17 Actual	Q1'18 Actual	3 – 5 Year Model
Annual Revenue Growth %	30.0%	43.7%	40.8%	15% - 25%
Gross Margin	75.9%	75.5%	74.9%	73% - 78%
Operating Expense %	56.1%	49.4%	52.5%	45% - 50%
Operating Margin	19.9%	26.0%	22.5%	25% - 30%
Free Cash Flow*	(3.8)%	22.0%	4.5%	20% - 25%

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

Invisalign Average Selling Price (ASP)

Worldwide and International

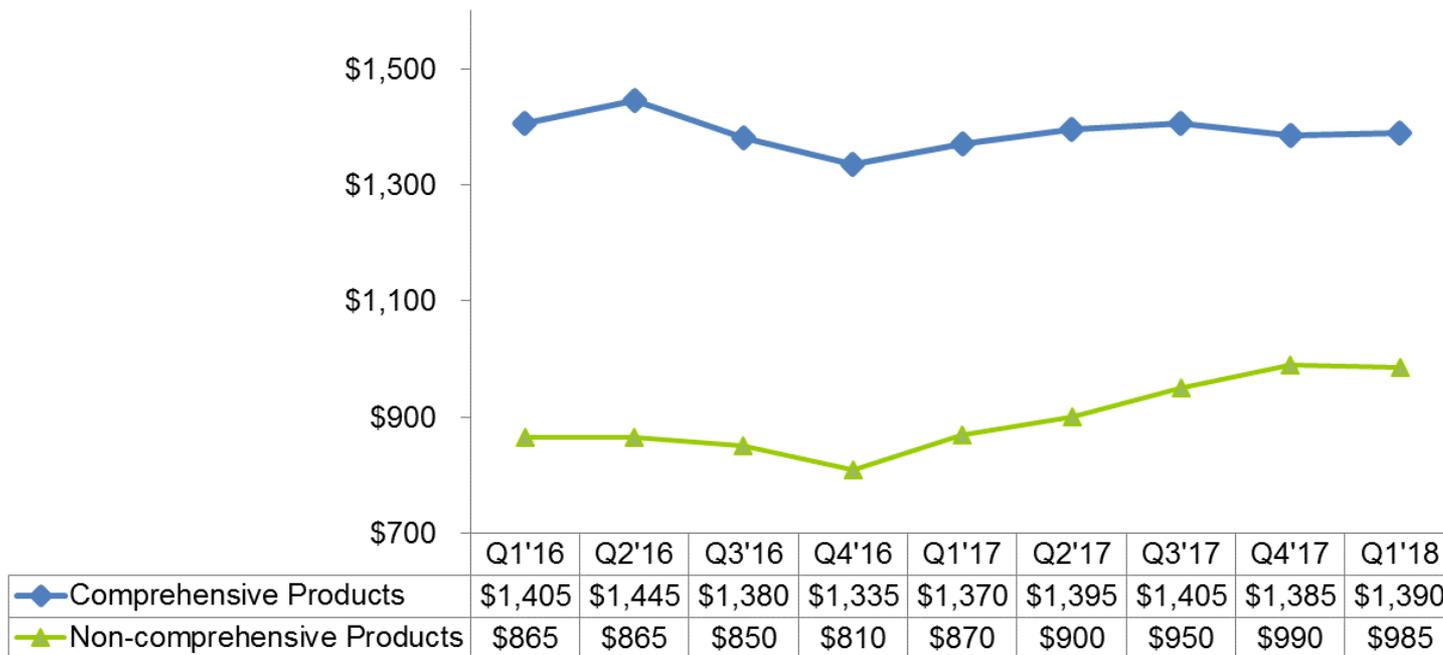


ASP: Invisalign case revenue / Invisalign case shipments

Effective Q1'18, Americas region includes North America and LATAM. International region includes EMEA and APAC. We have recasted historical International ASP data to reflect the change.

Invisalign Average Selling Price (ASP)

Product Groups



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

Global Strategic Priorities

01 International Expansion



02 Orthodontist Utilization



03 GP Dentist Treat & Refer



04 Patient Demand & Conversion



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