

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

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Fiscal 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Fiscal 2022	Q1 2023
Net Revenues:											
<i>Clear Aligner Net Revenues</i> ⁽¹⁾											
Americas	\$ 357,481	\$ 400,467	\$ 408,422	\$ 378,382	\$ 1,544,752	\$ 376,240	\$ 385,207	\$ 352,010	\$ 345,382	\$ 1,458,839	\$ 361,257
International	353,294	389,704	375,513	380,152	1,498,663	371,082	346,181	312,701	319,004	1,348,968	354,200
Non-case ⁽²⁾	42,494	50,788	53,658	56,725	203,665	62,374	67,010	68,126	67,268	264,778	74,347
Total Clear Aligner Net Revenues	753,269	840,959	837,593	815,259	3,247,080	809,696	798,398	732,837	731,654	3,072,585	789,804
<i>Imaging Systems and CAD/CAM Services Net Revenues</i>	141,502	169,849	178,313	215,840	705,504	163,523	171,155	157,511	169,861	662,050	153,343
Total Worldwide Net Revenues	894,771	1,010,808	1,015,906	1,031,099	3,952,584	973,219	969,553	890,348	901,515	3,734,635	943,147
Cost of Net Revenues:											
Cost of net revenues Clear Aligner	168,735	194,294	199,424	210,254	772,707	204,000	213,153	213,450	213,812	844,415	223,665
Cost of net revenues Imaging Systems and CAD/CAM Services	48,938	57,976	61,326	76,282	244,522	59,873	68,841	57,729	70,002	256,445	58,828
Total cost of net revenues	217,673	252,270	260,750	286,536	1,017,229	263,873	281,994	271,179	283,814	1,100,860	282,493
Gross profit	677,098	758,538	755,156	744,563	2,935,355	709,346	687,559	619,169	617,701	2,633,775	660,654
Operating Expenses:											
Selling, general and administrative	397,115	431,921	428,409	451,195	1,708,640	439,457	426,398	398,547	410,067	1,674,469	439,691
Research and development	54,537	57,715	65,587	72,476	250,315	71,807	72,965	76,966	70,002	305,258	87,447
Restructuring and other charges	-	-	-	-	-	-	-	-	11,453	11,453	-
Total operating expenses	451,652	489,636	493,996	523,671	1,958,955	511,264	499,363	475,513	505,040	1,991,180	527,138
Operating Income	225,446	268,902	261,160	220,892	976,400	198,082	188,196	143,656	112,661	642,595	133,516
Interest income and other income (expense), net:											
Interest income	1,643	383	401	676	3,103	677	245	1,685	2,760	5,367	2,337
Other income (expense), net	34,532	(483)	427	(1,556)	32,920	(11,273)	(14,832)	(22,700)	(100)	(48,905)	(1,229)
Total interest income and other income (expense), net	36,175	(100)	828	(880)	36,023	(10,596)	(14,587)	(21,015)	2,660	(43,538)	1,108
Net income before provision for (benefit from) income taxes	261,621	268,802	261,988	220,012	1,012,423	187,486	173,609	122,641	115,321	599,057	134,624
Provision for (benefit from) income taxes	61,245	69,088	81,019	29,051	240,403	53,188	60,809	49,941	73,546	237,484	46,826
Net Income	\$ 200,376	\$ 199,714	\$ 180,969	\$ 190,961	\$ 772,020	\$ 134,298	\$ 112,800	\$ 72,700	\$ 41,775	\$ 361,573	\$ 87,798
Net income per share											
- basic	\$ 2.54	\$ 2.53	\$ 2.29	\$ 2.42	\$ 9.78	\$ 1.71	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.62	\$ 1.14
- diluted	\$ 2.51	\$ 2.51	\$ 2.28	\$ 2.40	\$ 9.69	\$ 1.70	\$ 1.44	\$ 0.93	\$ 0.54	\$ 4.61	\$ 1.14
Shares used in computing net income per share											
- basic	79,000	79,008	78,904	78,759	78,917	78,742	78,395	78,093	77,541	78,190	76,921
- diluted	79,798	79,638	79,516	79,431	79,670	79,193	78,545	78,237	77,683	78,420	77,111
Margin Analysis:											
Gross margin	75.7%	75.0%	74.3%	72.2%	74.3%	72.9%	70.9%	69.5%	68.5%	70.5%	70.0%
-Clear Aligner	77.6%	76.9%	76.2%	74.2%	76.2%	74.8%	73.3%	70.9%	70.8%	72.5%	71.7%
-Imaging Systems and CAD/CAM Services	65.4%	65.9%	65.6%	64.7%	65.3%	63.4%	59.8%	63.3%	58.8%	61.3%	61.6%
Selling, general and administrative	44.4%	42.7%	42.2%	43.8%	43.2%	45.2%	44.0%	44.8%	45.5%	44.8%	46.6%
Research and development	6.1%	5.7%	6.5%	7.0%	6.3%	7.4%	7.5%	8.6%	9.3%	8.2%	9.3%
Restructuring and other charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.3%	0.0%
Operating margin	25.2%	26.6%	25.7%	21.4%	24.7%	20.4%	19.4%	16.1%	12.5%	17.2%	14.2%
Net margin	22.4%	19.8%	17.8%	18.5%	19.5%	13.8%	11.6%	8.2%	4.6%	9.7%	9.3%
Year Over Year Analysis:											
Net Revenues	62.4%	186.9%	38.4%	23.6%	59.9%	8.8%	-4.1%	-12.4%	-12.6%	-5.5%	-3.1%
-Clear Aligner	56.4%	181.9%	34.9%	16.3%	54.5%	7.5%	-5.1%	-12.5%	-10.3%	-5.4%	-2.5%
-Imaging Systems and CAD/CAM Services	104.0%	214.7%	57.3%	61.3%	90.4%	15.6%	0.8%	-11.7%	-21.3%	-6.2%	-6.2%
Gross profit	71.7%	238.1%	41.4%	22.0%	66.5%	4.8%	-9.4%	-18.0%	-17.0%	-10.3%	-6.9%
Operating expense	39.2%	64.7%	38.4%	31.8%	42.4%	13.2%	2.0%	-3.7%	-3.6%	1.6%	3.1%
Operating income (loss)	222.4%	-468.4%	47.5%	3.6%	152.2%	-12.1%	-30.0%	-45.0%	-49.0%	-34.2%	-32.6%
Net income (loss)	-88.8%	-591.9%	29.8%	20.1%	-56.5%	-33.0%	-43.5%	-59.8%	-78.1%	-53.2%	-34.6%
Quarter Over Quarter Analysis (Sequential):											
Net Revenues	7.2%	13.0%	0.5%	1.5%	-5.6%	-0.4%	-8.2%	1.3%		4.6%	
-Clear Aligner	7.5%	11.6%	-0.4%	-2.7%	-0.7%	-1.4%	-8.2%	-0.2%		7.9%	
-Imaging Systems and CAD/CAM Services	5.8%	20.0%	5.0%	21.0%	-24.2%	4.7%	-8.0%	7.8%		-9.7%	
Gross profit	10.9%	12.0%	-0.4%	-1.4%	-4.7%	-3.1%	-9.9%	-0.2%		7.0%	
Operating expense	13.7%	8.4%	0.9%	6.0%	-2.4%	-2.3%	-4.8%	6.2%		4.4%	
Operating income	5.8%	19.3%	-2.9%	-15.4%	-10.3%	-5.0%	-23.7%	-21.6%		18.5%	
Net income	26.0%	-0.3%	-9.4%	5.5%	-29.7%	-16.0%	-35.5%	-42.5%		110.2%	

(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. and Canada, a Doctor Subscription Program which is a monthly subscription program based on the doctor's monthly need for retention or limited treatment.