



Align Technology, Inc.

Financial Results
Q1 2015

Align Technology Q1 2015 Conference Call

- Speakers:
 - Tom Prescott, President and CEO
 - David White, CFO
 - Joe Hogan, incoming President and CEO
- Moderator:
 - Shirley Stacy, Vice President, Investor and Corporate Communications
- Replay and Web cast Archive
 - Telephone replay will be available through 5:30pm ET April 30, 2015
 - Domestic callers: 877-660-6853
 - International callers: 201-612-7415
 - Conference # 13605393
 - Audio web cast archive will be available at <http://investor.aligntech.com> for approximately 12 months

Safe Harbor and Forward Looking Statement

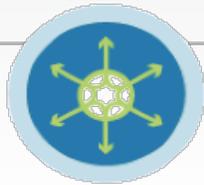
This presentation contains forward-looking statements, including statements regarding certain business metrics for the second quarter of 2015, including, but not limited to, anticipated net revenues, gross margin, operating expenses, operating profit, diluted earnings per share, case shipments, additional common stock repurchases and cash, cash equivalents and short-term and long-term investments. 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 fiscal year ended December 31, 2014. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Q1 2015 Financial Highlights

	Total Net Revenues	Invisalign Clear Aligner Net Revenues		Scanner & Services Net Revenues
	\$198.1M	\$187.0M	130.8K cases	\$11.1M
YoY	+9.7 %	+11.2%	+16.6%	(10.9) %
QoQ	(0.3)%	+0.3%	+3.1%	(9.1) %

- Q1 was a bit stronger than we expected, getting us off to a good start to the year. This progress was driven by continued strong year-over-year growth from our International team and solid improvement in our North American business as well.
- We are pleased to have delivered better than expected results with strong revenues, margins, and EPS, driven primarily by higher Invisalign volume from our North American orthodontists.

Proven Strategic Growth Drivers Ensure Continued Success



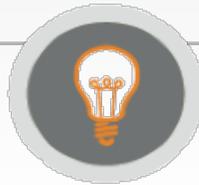
Market Expansion

Increase Teen Share

Grow Adult Segment

Drive European Growth

Continue INTL Expansion-APAC



Innovation

Increase Product Predictability & Applicability

Enhance Customer Experience



Brand Strength

Drive Awareness Among Consumers

Increase Consumer Purchase Intent

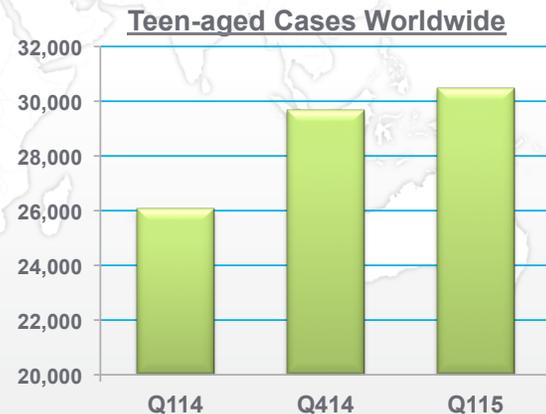
Market Expansion – Q1 2015 Highlights

Geographic Expansion

- EMEA region – converted Benelux countries into direct sales geographies
- Asia Pacific region – further expand directly covered country markets with Taiwan in May
- As with the previous countries added, we will leverage our existing infrastructure from the adjacent country teams to build local sales coverage, drive long-term market penetration, and begin to create a much stronger consumer brand for Invisalign.

Patient Segment

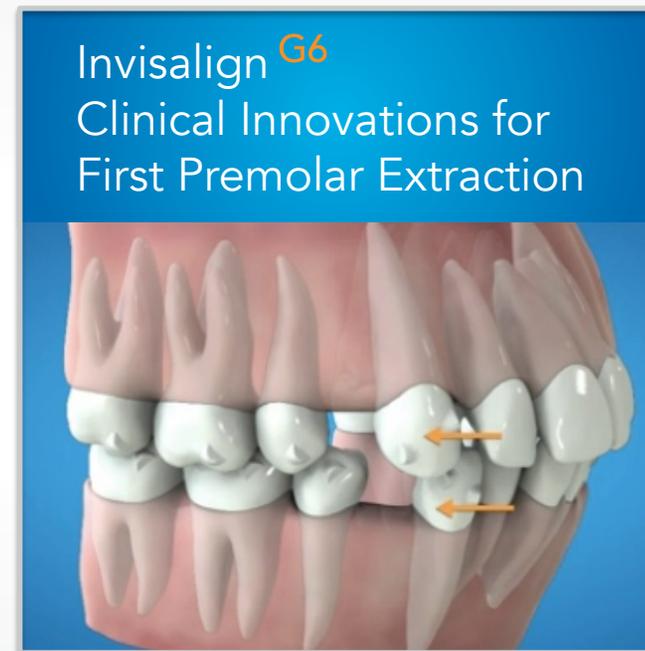
- Q1'15 - 30.5K teenager cases worldwide, +17.0% Y/Y
- Q1'15 teenager cases from N.A. Orthos +20.4% Y/Y
- 121K teenager cases in Invisalign over the past 12 months, +16.3% Y/Y
- We are far from realizing our full potential in the teenage segment and are really just getting started in the EMEA and APAC regions - where we are implementing focused initiatives to drive awareness and preference for Invisalign



Innovation – Q1 2015 Highlights

Invisalign G6 Clinical Innovations

- Commercialization activities for Invisalign G6 began in EMEA and APAC
 - Initial feedback from targeted Invisalign providers shows excitement about the potential for more effective treatment of these extraction cases
 - While still very early in our launch process, over 220 doctors have already submitted Invisalign G6 cases
- Prevalence of First Premolar Extraction
 - >50% in Asia, ~20% in Europe, ~12% in North America
 - >70% in Greater China
- In Q2, we will begin full launch activities for Invisalign G6 including expanded provider and sales and customer support training. Over 3,000 customers are expected to attend Invisalign G6 LiveLAB events across EMEA and APAC regions.



Brand Strength – Q1 2015 Highlights

North America and International Consumer Demand

North America

- Multi-channel campaign delivers double digit growth in consumers searching for the Invisalign brand from the same period last year.
- Mentions of Invisalign Teen alongside DigiTour reached over 2.5M teens, generated 16.8M impressions and 10.5K tweets.
- Launched custom program with leading wedding destination, The Knot, to reach brides to be.

ultimate BEAUTY GUIDE

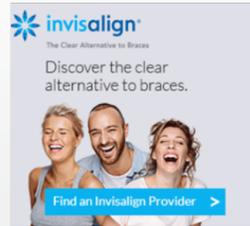
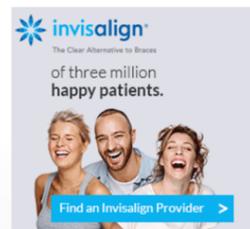
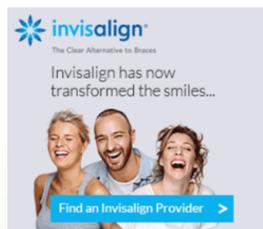
PRESENTED BY *The Knot* & **invisalign** BRAND



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EMEA

- EU Social Media community continues to grow with double the fans from the same period last year
- Launched 2015 Real Patient integrated campaign across all digital, web and offline consumer activities, using 3 millionth patient as key messaging



APAC

- Radio campaigns in Australia and New Zealand
- China: on-line Invisalign “diary” campaign
- Japan: category education of clear aligners



Operation Smile

Global non-profit organization that provides free surgeries to repair cleft lip, cleft palate and other facial deformities for children.



Operation Smile Donation:

- Post a picture of your smile, with the hashtag #3millionsmiles to our social media sites. For every smile shared in this way, we will donate \$1 to Operation Smile, up to \$1 million over the course of the campaign.
- We have generated thousands of posts that were seen 9.2M times across the globe.

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Thank you to all the Invisalign®-
trained doctors for
3 MILLION SMILES!

Thanks to your skill and vision, 3 million patients and counting are now proudly sharing their amazing Invisalign smiles with the world.

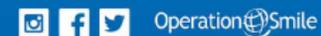


Help us give beautiful smiles to children in need.

In celebration of this milestone, we've partnered with Operation SmileSM to help children across the globe born with cleft lips and cleft palates.

Beginning today, Align Technology will donate \$1 dollar for every person who shares a picture of their smile with the hashtag #3millionsmiles—for a total donation of up to \$1 million.*

Now more than ever, a smile is worth sharing.



Q1 2015 Invisalign Geographic Results

North America

- Demonstrated continued progress. During the quarter, our practices reported solid patient traffic and procedure volumes across the board – including Invisalign.
- Q1 growth Q/Q driven primarily from N.A. Orthos with utilization growing to 9.0 cases per doctor for the first time ever. Reflects continued traction from our cycle of product innovations, including Invisalign G5 for Deep Bite.
- Evolution in our Go-to-Market strategy, discussed on our Q4 call, is creating some positive impact a little earlier than expected. Pleased to see some initial traction and expect more meaningful contribution from these changes in the back half of the year and beyond.

International

- Invisalign volume was down Q/Q, as expected, reflecting a seasonally slower period in the EMEA region, mostly offset by higher than expected volume from Asia Pacific. This was especially the case in China with continued growth, despite the Lunar New Year.
- Y/Y growth remains strong, driven by continued momentum from product innovation and Go-To-Market expansion.
- EMEA +25.1% Y/Y reflecting growth across all country markets, especially in Spain. Pleased with improved performance in Italy and the UK. Our new direct markets in Eastern Europe, Scandinavia, and now Benelux, are also generating initially high growth levels.
- APAC +37.5% Y/Y reflecting continued strong growth across all countries. China and Japan continue to deliver the fastest growth. Solid growth in Southeast Asia, Australia and, New Zealand.

	Worldwide	North America	International
Shipments	130,780	91,110	39,670
Y/Y	+16.6%	+11.9%	+29.0%
Q/Q	+3.1%	+4.9%	(0.9)%

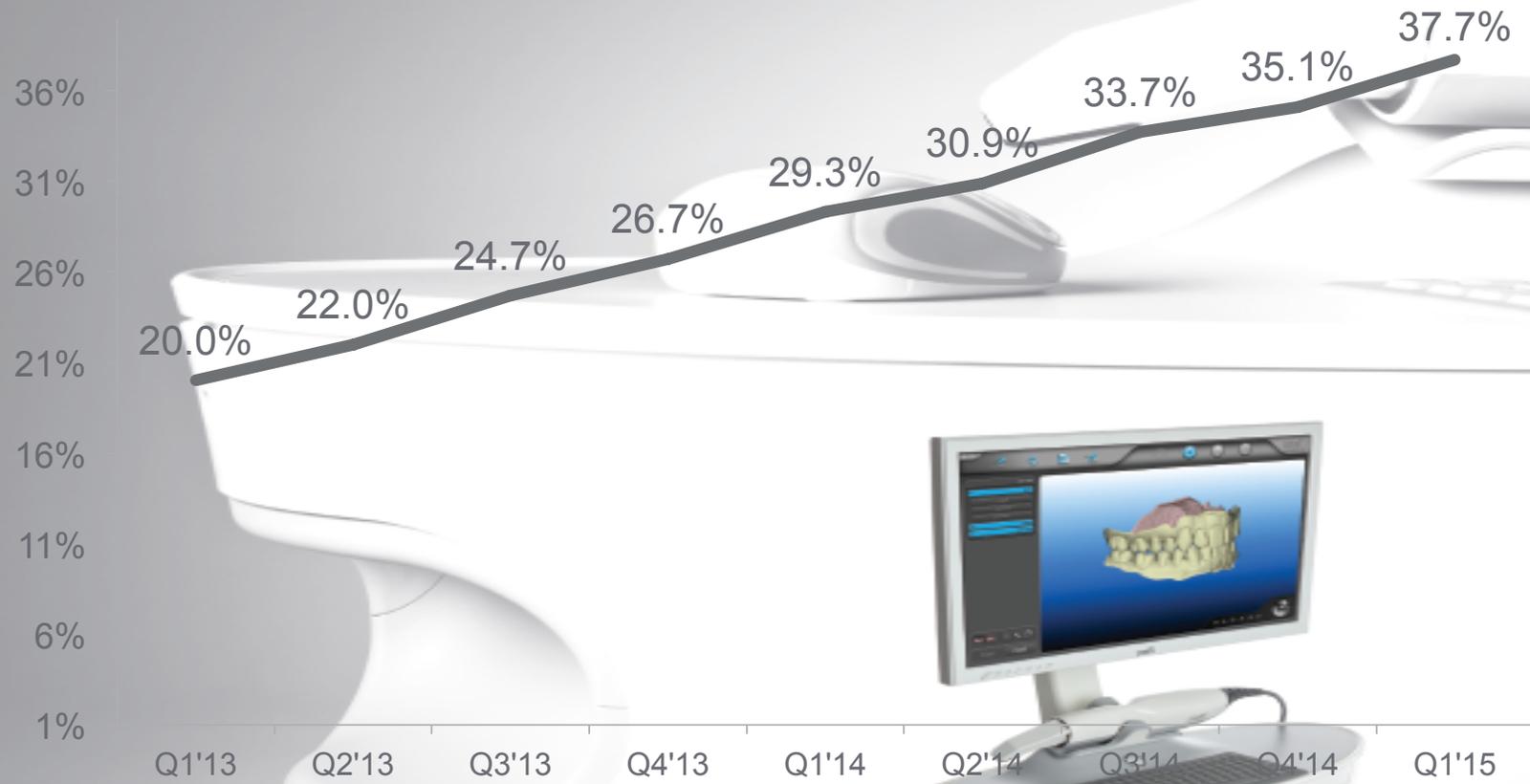
Q1 2015 Scanner and Services Results



- Revenues of \$11.1, down 9.1% Q/Q and 10.9% Y/Y
 - Revenues down Q/Q as expected. Also reflected reduced pricing for the current iTero scanner ahead of availability for the new iTero Element scanner.
- **iTero Element – availability in the second half of 2015**
 - Announced in March at the International Dental Show (IDS) in Germany
 - New smaller design with enhanced wand, multi-touch display and new image sensor is engineered to enable 20X faster scan speed with color scanning for more precise clinical evaluation.
 - Excited to have the opportunity to preview the new scanner at IDS and pleased to be receiving very positive responses from existing iTero users, as well as from potential new customers. Interested in Element's new, smaller form-factor, faster scans, and expanded capabilities.
- IDS also marked the beginning of our expanding Go-To-Market resources in the EMEA and Asia Pacific regions for the iTero platform.

erved.

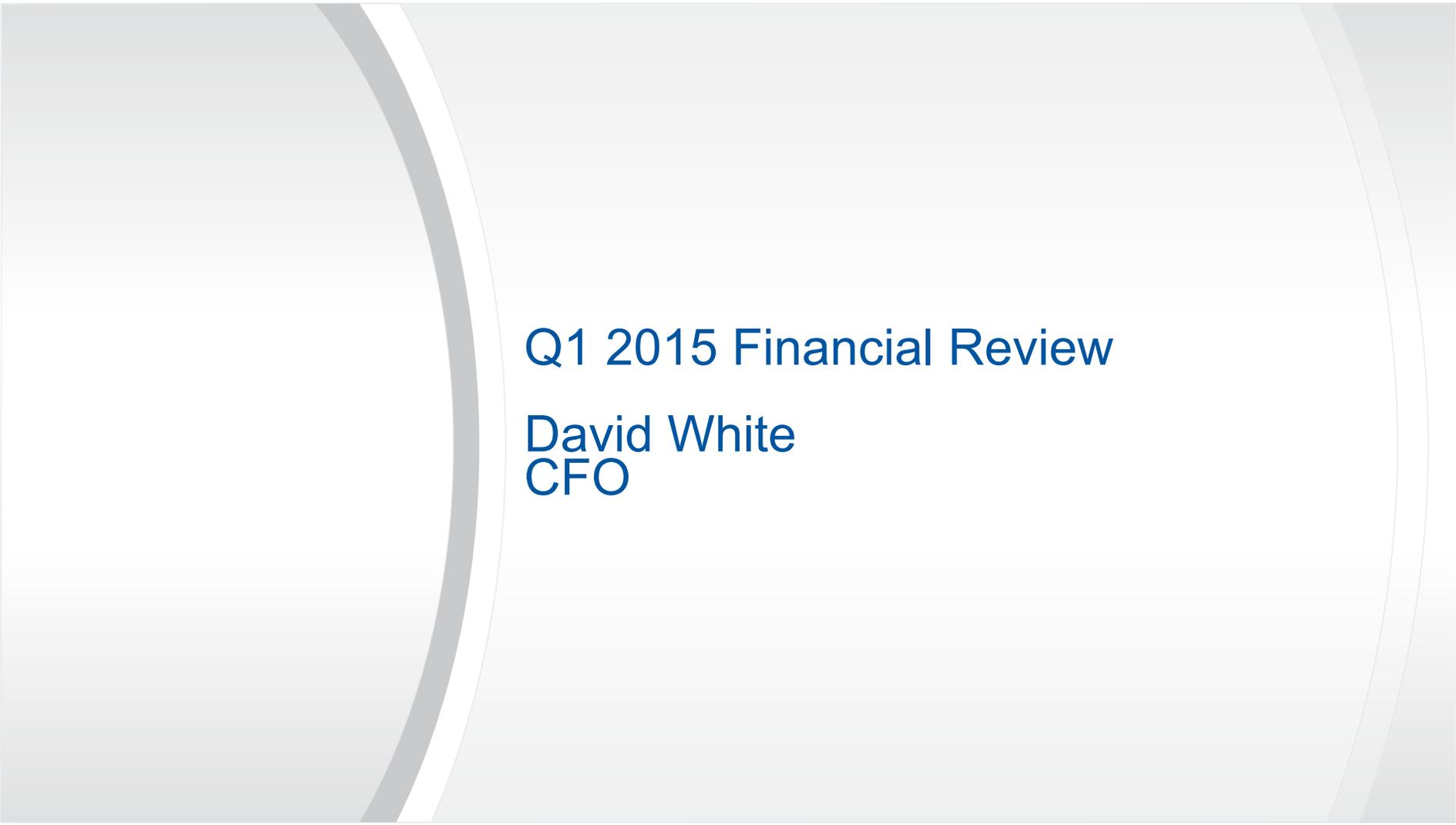
Growth in Digitally Submitted Invisalign Cases



North America rates

Interoperability with Sirona CEREC Omnicam

- Proud to have the best scanner on the market with the greatest utility for our customers. Also believe there is even greater opportunity for customers to benefit from our Align's Open Systems approach – both for our iTero scanners, as well as for the Invisalign system.
- We have worked hard to qualify other leading intraoral scanners that have the potential capability to deliver high quality interoperability with the Invisalign case submission process
- IDS Announcement – Interoperability with Sirona CEREC Omnicam
 - This qualification enables Invisalign providers with a CEREC Omnicam and the new CEREC Ortho Software 1.1 to submit a digital impression in place of a traditional PVS impression.
 - Look forward to working with the Sirona team to ensure their customers and patients have a great Invisalign experience.

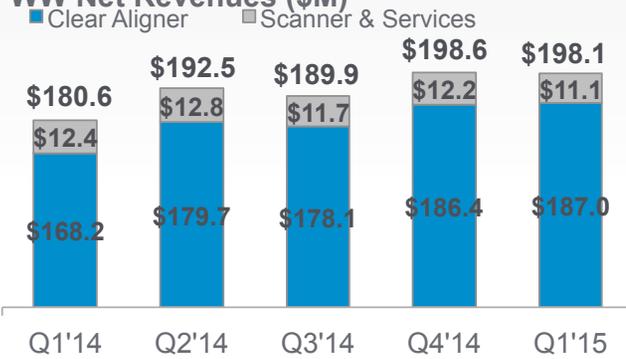


Q1 2015 Financial Review

David White
CFO

Q1 2015 Trended Financials

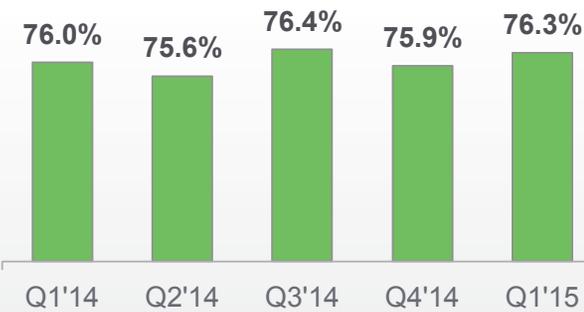
WW Net Revenues (\$M)



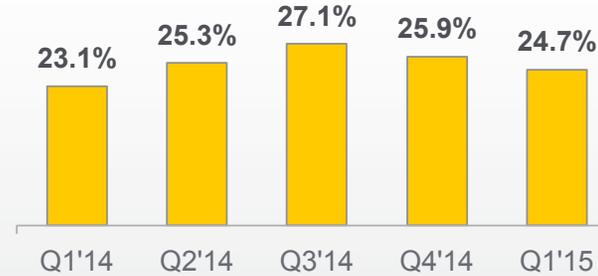
Clear Aligner Shipments (#K)



Gross Margin %



Operating Margin %



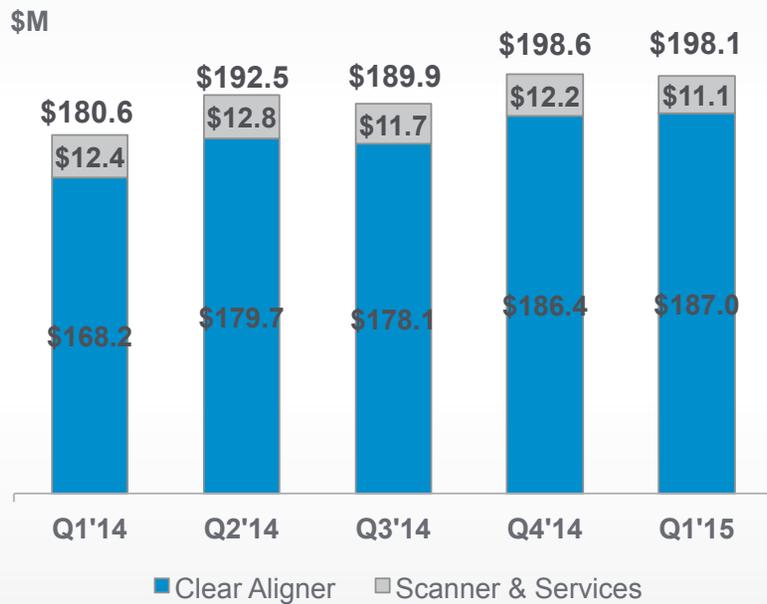
Q1 2015 Income Statement Highlights

<i>(in millions except per share data and percentages)</i>	<i>Year/Year Change</i>	<i>Q1'14</i>	<i>Sequential Change</i>	<i>Q4'14</i>	<i>Q1'15</i>
Net Revenues	+9.7%	\$180.6	(0.3)%	\$198.6	\$198.1
Gross Margin	+0.3% pts	76.0%	+0.4% pts	75.9%	76.3%
Operating Expenses	+7.0%	\$95.4	+3.0%	\$99.2	\$102.2
Operating Margin	+1.6% pts	23.1%	(1.2)% pts	25.9%	24.7%
EPS, diluted	+\$0.05	\$0.39	\$(0.04)	\$0.48	\$0.44

Note: Data may not total due to rounding

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Net Revenues Trend



Q1'15 Net Revenues Highlights

Net revenues of \$198.1M, (0.3)% Q/Q, +9.7% Y/Y

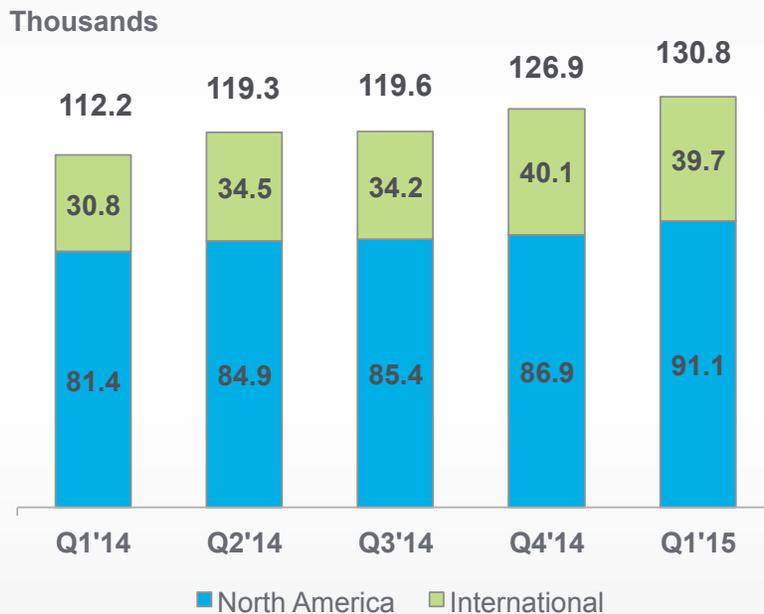
Clear aligner net revenues

- +0.3% Q/Q, +11.2% Y/Y
- Q/Q growth reflected higher volume from our N.A. Ortho doctors, offset slightly by lower volume from our Int'l doctors as well as lower WW ASPs. Q1 ASPs were down sequentially \$35, of which ~\$32, or \$4.2M in aggregate, was primarily related to FX rates.
- Y/Y growth reflected reflected Invisalign case volume growth across all customer channels, partially offset by lower ASPs, primarily related to FX rates.

Scanner & Services net revenues

- (9.1)% Q/Q, (10.9)% Y/Y

Clear Aligner Shipments Trend



Q1'15 Clear Aligner Shipment Highlights

Shipments of 130.8K, +3.1% Q/Q, +16.6% Y/Y

- Q/Q reflecting growth from our N.A. Orthodontists and to a lesser extent N.A. GP customers
- Y/Y reflecting continued strength in International, as well as strong demand from our N.A. Orthodontists
- N.A. Orthodontists +7.9% Q/Q, +17.0% Y/Y
- N.A. GP Dentists +1.6% Q/Q, +6.5% Y/Y

International

- (0.9)% Q/Q, +29.0% Y/Y

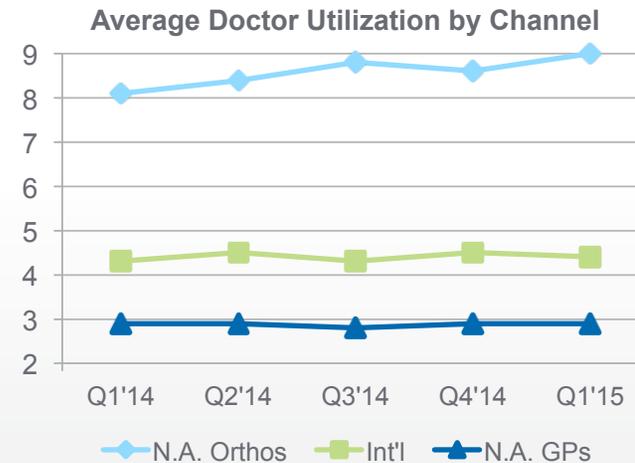
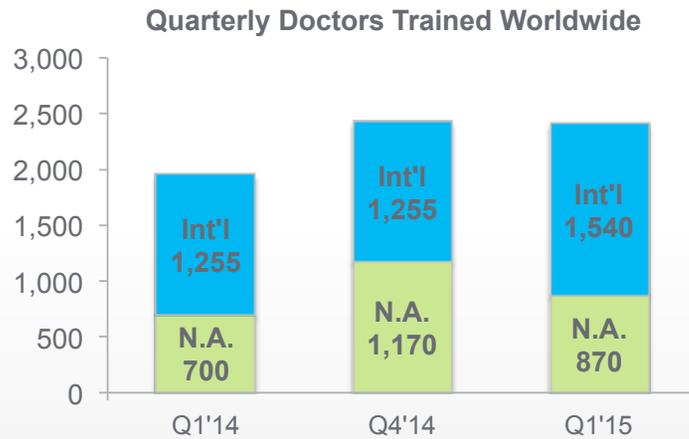
Note: Data may not total due to rounding

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Q1 2015 Clear Aligner Adoption Metrics

Invisalign Doctor Training and Utilization

- 2,410 new Invisalign-trained doctors in Q1'15
 - 870 North America
 - 1,540 International
- Q1'15 doctor utilization 4.5 cases/doctor up compared to 4.4 in Q4'14 and 4.3 Q1'14
 - N.A. Orthodontists 9.0, +0.9 pts Y/Y
 - N.A. GP Dentists 2.9, flat Y/Y
 - International 4.4, +0.1 pts Y/Y



Q1 2015 Geographic Mix by Net Revenues and Volume

Revenue Mix

Net Revenues of \$198.1M

Clear Aligner
North America: 60%
• +4.6% Q/Q
• +10.1% Y/Y

Clear Aligner
International: 28%
• (7.5)% Q/Q
• +12.2% Y/Y

Scanner & Services
Clear Aligner Non-case

Scanner &
Services: 6%
• (9.1)% Q/Q
• (10.9)% Y/Y

Clear Aligner
Non-case: 6%
• (0.3)% Q/Q
• +17.0% Y/Y



Volume Mix

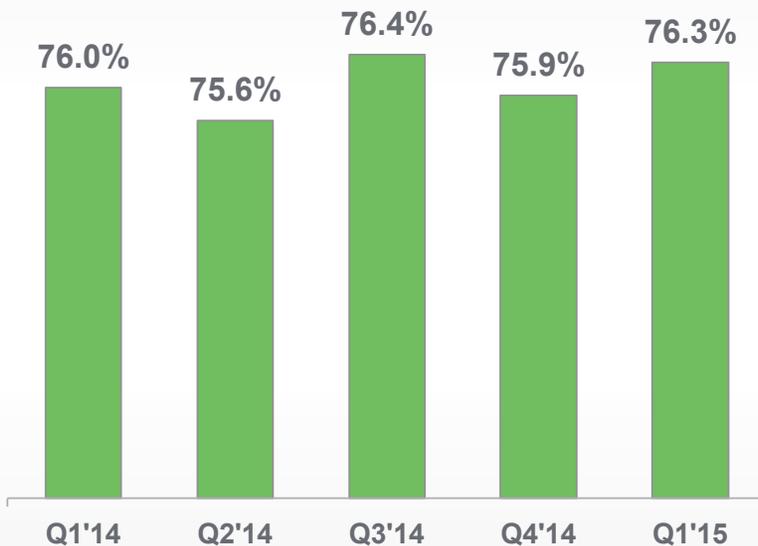
Shipments of 130,780

Clear Aligner
North America: 70%
• +4.9% Q/Q
• +11.9% Y/Y

Clear Aligner
International: 30%
• (0.9)% Q/Q
• +29.0% Y/Y



Gross Margin Trend



Q1'15 Gross Margin Highlights

- Gross margin was \$151.1M or 76.3%
- Includes stock based compensation expense of \$1.0M

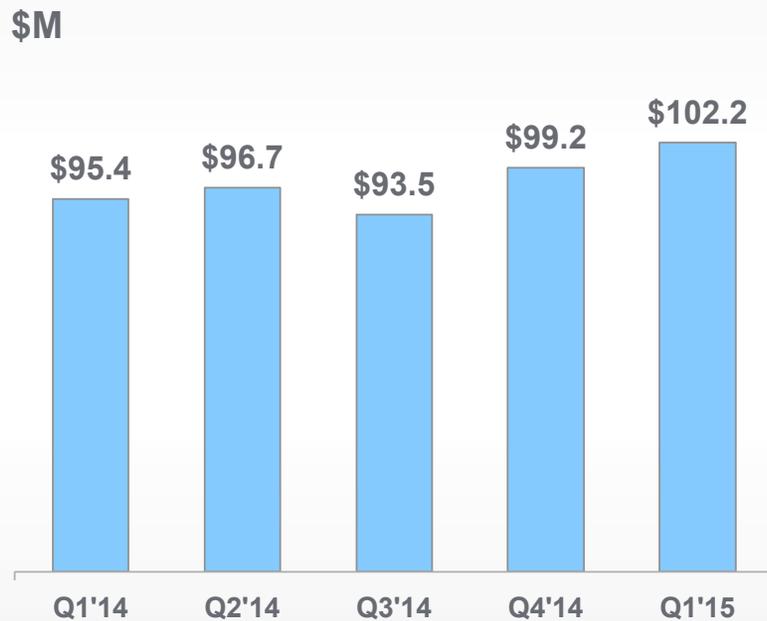
Clear Aligners: 79.1%

- +0.3% pts Q/Q, flat Y/Y
- Q/Q increase was primarily the result of higher volumes and seasonally lower training costs, offset by lower ASPs

Scanners & Services: 28.3%

- (1.9)% pts Q/Q, (5.3)% pts Y/Y
- Q/Q and Y/Y decrease due lower ASPs

Operating Expense Trend



Q1'15 Operating Expense Highlights

- Operating expense was \$102.2M, +3.0% Q/Q, +7.0% Y/Y
- Includes stock-based compensation expense of \$10.7M
- Q/Q operating expenses up \$3.0M. In aggregate, overall operating expenses were up by \$9.8M primarily related to increased employee headcount and compensation expense related to our annual employee performance review process, increased legal fees, investments in OSA product development, partially offset by a benefit of \$6.8 million associated with a Medical Device Excise Tax (MDET) Refund for a net sequential increase of \$3.0M.
- Y/Y operating expenses up \$6.7M which includes the benefit of the MDET refund just mentioned, reflecting increased headcount and continued investment in our Go-To-Market activities, as well as product and technology development

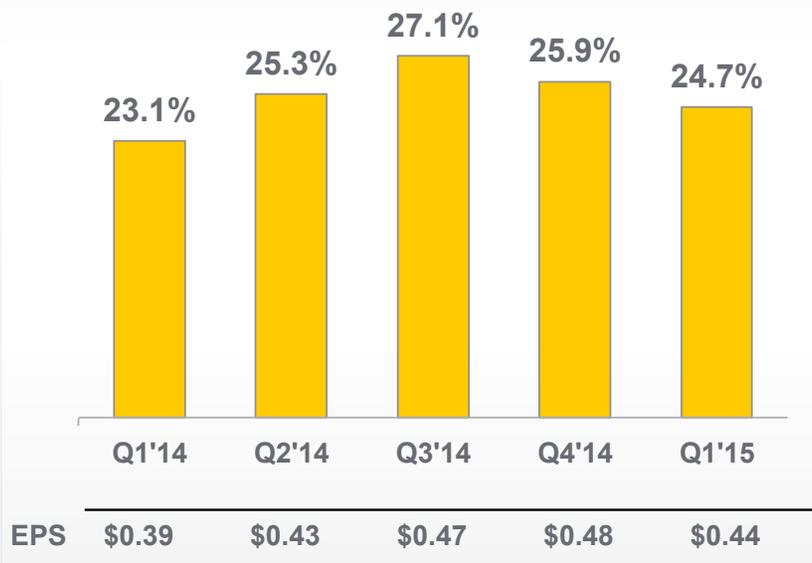
Operating Margin and EPS Trend

Q1'15 Operating Margin Highlights

- Operating profit was \$48.9M and operating margin 24.7%
- (1.2)% pts. Q/Q, +1.6% pts. Y/Y
- First quarter results included the \$6.8M MDET tax refund which benefited operating margins by 3.4 points. Excluding the margin benefit from this refund, operating margins were down both Q/Q and Y/Y relating to new investments in our three strategic growth drivers as we've previously discussed

Other Income and Expense

- Other income and expense included \$1.7M of charges primarily due to foreign currency losses related to customer payments with the continued weakening of the Euro to the US Dollar comprising most of that.
- All together, the Q/Q impact from foreign exchange as a result of the stronger US dollar, including the decline on revenues, the benefit on our non-U.S. dollar operating expenses, together with foreign exchange losses in other income and expense, was \$0.03 per share.



Currency Hedging

- While currency has certainly dampened to some extent our business results, we believe continued investment in our strategic growth initiatives will accelerate current year and long-term growth where the leverage of our business model will ultimately overcome the negative impact a stronger U.S. dollar.
- In tandem with those investments, however, we do intend to begin hedging some of our currency exposures to mitigate some of the inter-quarter volatility we have been experiencing, commencing in Q2.

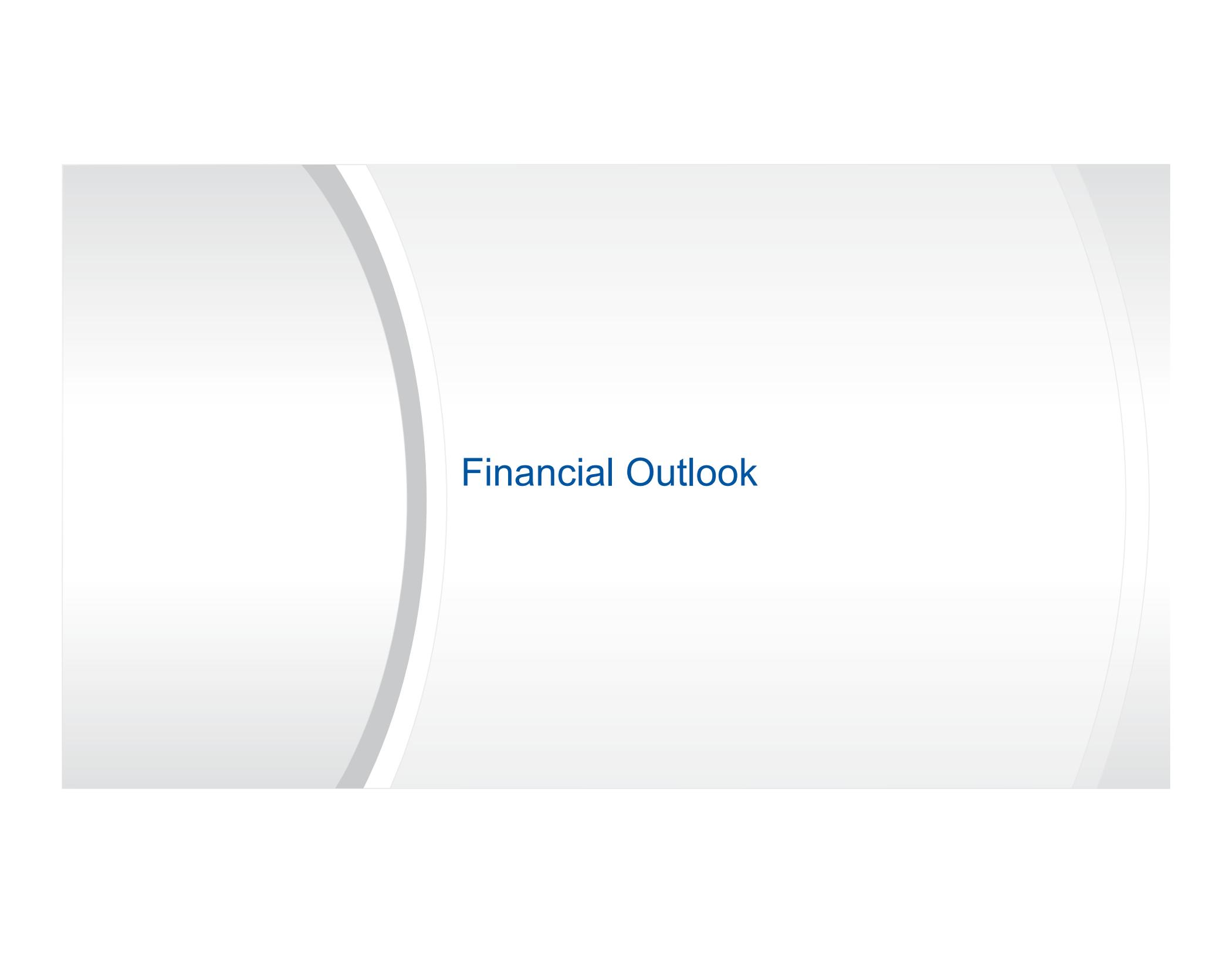
Balance Sheet Highlights

<i>(in millions except for DSOs)</i>	Q1'14	Q4'14	Q1'15
Accounts Receivables, net	\$126.2	\$129.8	\$138.2
DSOs	63 days	58 days	63 days
Cash, Cash Equivalent & Short-Term and Long-Term Marketable Securities	\$505.4	\$602.6	\$613.0
Cash Flow from Operations	\$18.0	\$69.9	\$35.6
Capital Expenditures	\$(5.0)	\$(7.1)	\$(15.6)
Free Cash Flow*	\$13.0	\$62.8	\$20.0

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

Stock Repurchase Program

- Repurchased approximately 0.03M shares of stock for \$1.8M in Q1'15. This repurchase marked the completion of the first \$100M of the \$300M stock repurchase program announced on April 23, 2014. We expect to announce our plans for our second \$100M shortly.
- In this regard, note that when we file our first quarter 10-Q, that our cash flow statement will indicate cash outlays of \$14.6M for payment of employee taxes. This figure relates to the company's practice of issuing vested employee restricted stock, or RSUs, on a "net" basis, which we recently adopted for all employee stock awards. This means that instead of employee's having to sell some of their vested shares to pay their payroll related taxes, the company issues the net amount of shares to employees and pays the payroll taxes on their behalf. So in an indirect manner, this \$14.6M should be viewed as additional stock repurchases by the company offsetting, to some extent, the dilution that would otherwise have resulted from the issuance of these shares.



Financial Outlook

Factors That Inform Our View of Q2 2015

- Q2 has typically been a seasonally stronger period for our North American doctors, and we've seen the strength of our first quarter volume trends continuing early in the quarter. In aggregate, we expect Invisalign volume for North America to be up sequentially in Q2.
- Q2 is seasonally a busier quarter for our international doctors and we anticipate Invisalign case shipments to increase sequentially from Q1.
- With the recent announcement of the new iTero Element scanner which will be available in the second half of the year, and the reduced pricing we've implemented on our current scanner, we anticipate some of our customers may delay purchase decisions as they evaluate choices. Therefore, we expect Q2 Scanner and Services revenues to be down sequentially from Q1.

Q2 2015 Outlook

Invisalign Case Shipments	139.5 K – 142.0 K
Net Revenues	\$206.6 M – \$210.4 M
Gross Margin	75.0 % – 75.7 %
Operating Expenses	\$117.3 M – \$118.3 M
Operating Margin	18.3 % – 19.5 %
Effective tax rate	24 %
EPS, diluted	\$0.35 – \$0.38
Stock based compensation	\$13.7 M
Diluted shares outstanding	82 M*

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

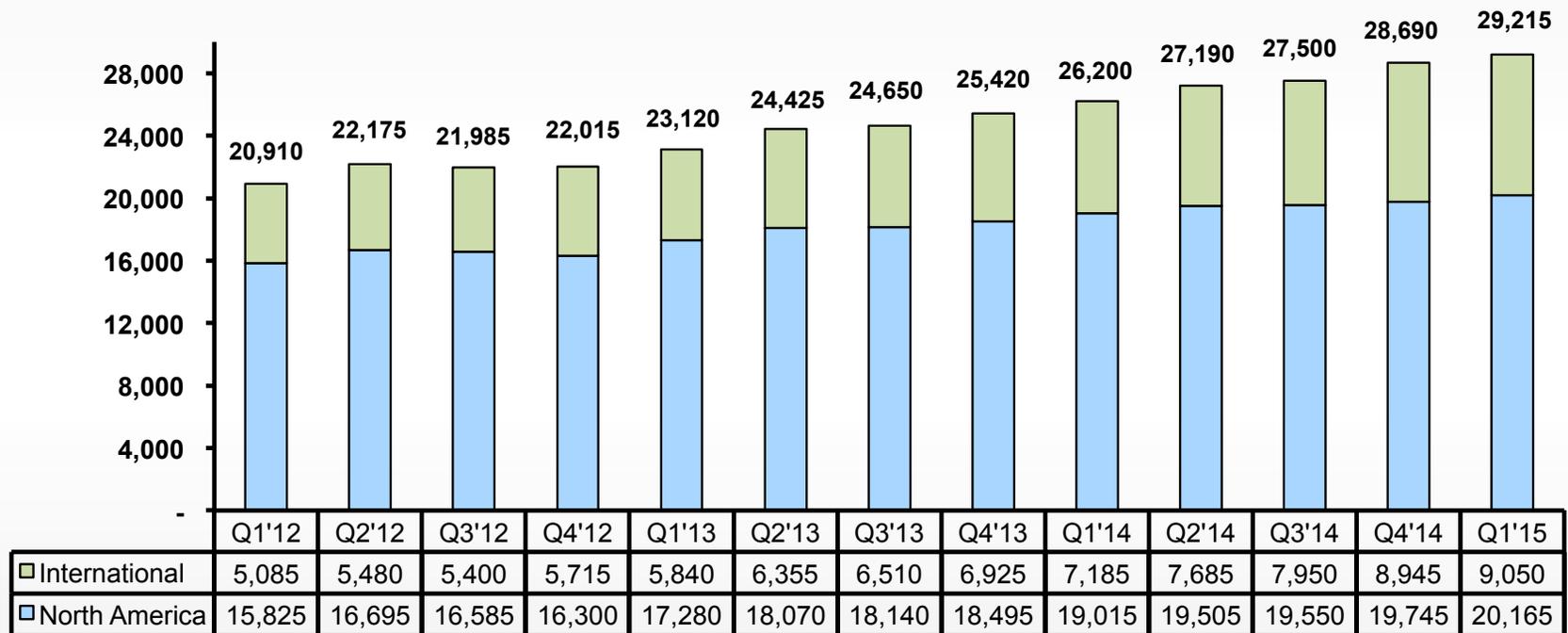
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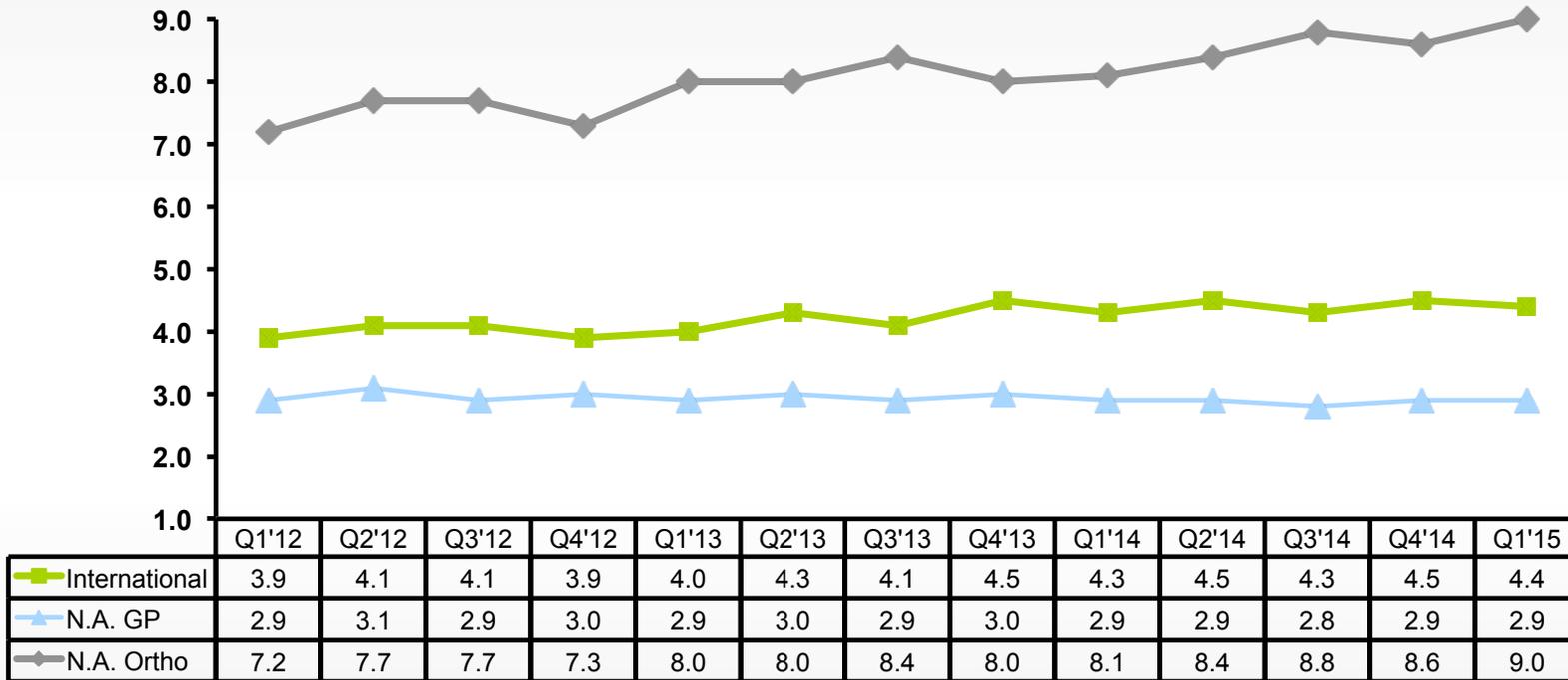
Additional Clear Aligner Data

Historical Information as of 3/31/15

Total Doctors Invisalign Cases Shipped To

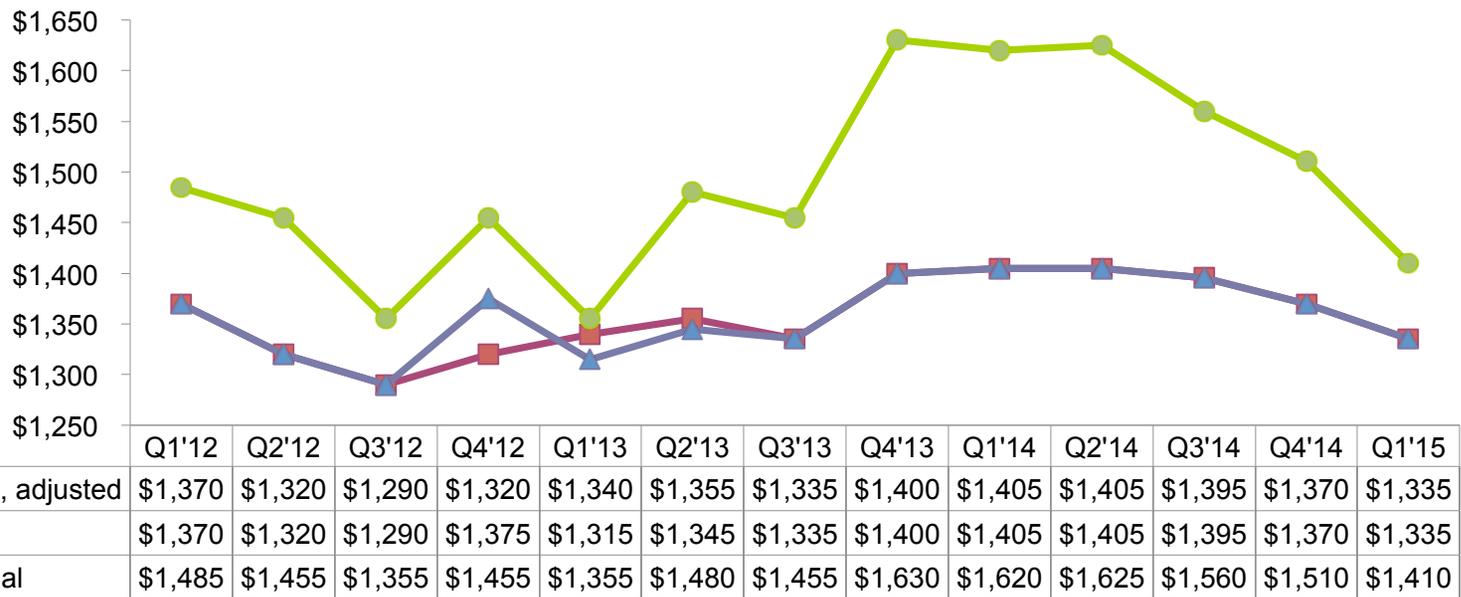


Invisalign Utilization Rate*



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

Invisalign Average Selling Price (ASP) Worldwide and International

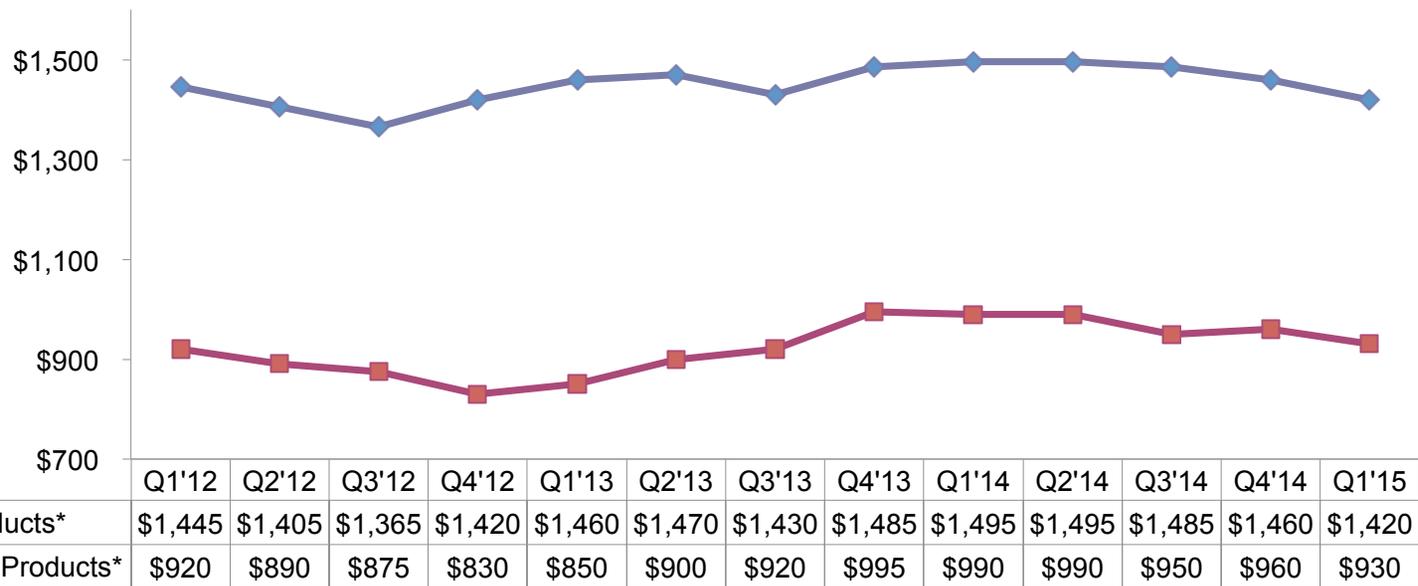


ASP: Invisalign case revenue / Invisalign case shipments

ASP adjusted: adjusted for one-time adjustments (eg. Q4'12 refinement release and Q1'13 and Q2'13 grandfathered mid-course correction)

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



Full Products: Invisalign Full, Invisalign Teen, Invisalign Assist

Express Products: Invisalign Express 10, Invisalign Express 5, Invisalign Lite, Invisalign i7

* **ASP adjusted:** adjusted for one-time adjustments (eg. Q4'12 refinement release and Q1'13 and Q2'13 grandfathered mid-course correction)