

ALIGN TECHNOLOGY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share data)

| | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 | YTD 2010 | Q1 2011 | Q2 2011 | Q3 2011 | Q4 2011 | YTD 2011 | Q1 2012 | Q2 2012 | Q3 2012 (2) | YTD 2012 |
|--|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| Revenues | | | | | | | | | | | | | | |
| Clear Aligner: | | | | | | | | | | | | | | |
| North America | \$ 65,395 | \$ 66,517 | \$ 67,949 | \$ 62,711 | \$ 262,572 | \$ 74,258 | \$ 79,755 | \$ 79,678 | \$ 81,789 | \$ 315,480 | \$ 86,871 | \$ 92,997 | \$ 89,568 | \$ 269,436 |
| North America Ortho | 28,195 | 29,143 | 31,169 | 28,911 | 117,418 | 35,017 | 37,112 | 37,450 | 37,939 | 147,518 | 41,688 | 43,942 | 43,090 | 128,720 |
| North America GP | 37,200 | 37,374 | 36,780 | 33,800 | 145,154 | 39,241 | 42,643 | 42,228 | 43,850 | 167,962 | 45,183 | 49,055 | 46,478 | 140,716 |
| International | 20,027 | 22,006 | 23,221 | 24,831 | 90,085 | 25,179 | 27,898 | 28,346 | 30,054 | 111,477 | 29,700 | 32,883 | 29,700 | 92,283 |
| Teen Deferred Revenue Release | - | 14,298 | - | - | 14,298 | - | - | - | - | - | - | - | - | - |
| Non-case (1) | 4,668 | 5,375 | 4,777 | 5,351 | 20,171 | 5,419 | 5,994 | 6,254 | 7,089 | 24,756 | 6,757 | 7,789 | 7,457 | 22,003 |
| Total Clear Aligner Revenue | 90,090 | 108,196 | 95,947 | 92,893 | 387,126 | 104,856 | 113,647 | 114,278 | 118,932 | 451,713 | 123,328 | 133,669 | 126,725 | 383,722 |
| Scanner and CAD/CAM Services: | | | | | | | | | | | | | | |
| North America Scanner and CAD/CAM Services | - | - | - | - | - | - | 5,241 | 9,098 | 9,611 | 23,950 | 11,120 | 11,752 | 9,439 | 32,311 |
| International Scanner and CAD/CAM Services | - | - | - | - | - | - | 1,198 | 2,518 | 362 | 4,078 | 631 | 205 | 332 | 1,168 |
| Scanner | - | - | - | - | - | - | 2,735 | 5,420 | 5,228 | 13,383 | 5,361 | 6,032 | 4,023 | 15,416 |
| CAD/CAM Services | - | - | - | - | - | - | 3,704 | 6,196 | 4,745 | 14,645 | 6,390 | 5,925 | 5,748 | 18,063 |
| Total Scanner and CAD/CAM Revenue | - | - | - | - | - | - | 6,439 | 11,616 | 9,973 | 28,028 | 11,751 | 11,957 | 9,771 | 33,479 |
| Total Revenue: | | | | | | | | | | | | | | |
| Total North America Revenue | 65,395 | 78,688 | 67,949 | 62,711 | 274,743 | 74,258 | 84,996 | 88,776 | 91,400 | 339,430 | 97,991 | 104,749 | 99,007 | 301,747 |
| Total International Revenue | 20,027 | 22,006 | 23,221 | 24,831 | 90,085 | 25,179 | 29,096 | 30,864 | 30,416 | 115,555 | 30,331 | 33,088 | 30,032 | 93,451 |
| Total Non-case Revenue | 4,668 | 5,375 | 4,777 | 5,351 | 20,171 | 5,419 | 5,994 | 6,254 | 7,089 | 24,756 | 6,757 | 7,789 | 7,457 | 22,003 |
| Total Worldwide Revenue | 90,090 | 108,196 | 95,947 | 92,893 | 387,126 | 104,856 | 120,086 | 125,894 | 128,905 | 479,741 | 135,079 | 145,626 | 136,496 | 417,201 |
| Cost of Revenue: | | | | | | | | | | | | | | |
| Cost of revenue Clear Aligner | 20,380 | 21,178 | 21,014 | 21,137 | 83,709 | 22,630 | 24,600 | 24,465 | 25,375 | 97,070 | 25,939 | 28,052 | 28,391 | 82,382 |
| Cost of revenue Scanner and CAD/CAM Services | - | - | - | - | - | - | 4,349 | 9,059 | 7,980 | 21,388 | 8,380 | 8,774 | 7,755 | 24,909 |
| Total cost of revenue | 20,380 | 21,178 | 21,014 | 21,137 | 83,709 | 22,630 | 28,949 | 33,524 | 33,355 | 118,458 | 34,319 | 36,826 | 36,146 | 107,291 |
| Gross profit | 69,710 | 87,018 | 74,933 | 71,756 | 303,417 | 82,226 | 91,137 | 92,370 | 95,550 | 361,283 | 100,760 | 108,800 | 100,350 | 309,910 |
| Operating Expenses: | | | | | | | | | | | | | | |
| Sales and marketing | 27,946 | 28,939 | 26,905 | 30,223 | 114,013 | 32,821 | 38,586 | 34,655 | 36,112 | 142,174 | 38,717 | 39,087 | 36,468 | 114,272 |
| General and administrative | 14,951 | 15,005 | 16,203 | 18,631 | 64,790 | 18,992 | 26,094 | 21,609 | 22,457 | 89,152 | 22,626 | 22,152 | 23,896 | 88,674 |
| Research and development | 6,116 | 6,396 | 6,592 | 6,893 | 25,997 | 9,390 | 9,270 | 8,926 | 9,568 | 37,154 | 10,526 | 10,680 | 9,952 | 31,158 |
| Litigation settlement costs | - | - | 3,310 | 1,239 | 4,549 | - | - | - | - | - | - | - | - | - |
| Insurance settlement | - | (8,666) | - | - | (8,666) | - | - | - | - | - | - | - | - | - |
| Impairment of goodwill | - | - | - | - | - | - | - | - | - | - | - | - | 24,665 | 24,665 |
| Amortization of acquired intangible assets | - | - | - | - | - | - | 592 | 868 | 983 | 2,443 | 885 | 869 | 866 | 2,620 |
| Total operating expenses | 49,013 | 41,674 | 53,010 | 56,986 | 200,683 | 61,203 | 74,542 | 66,058 | 69,120 | 270,923 | 72,754 | 72,788 | 95,847 | 241,389 |
| Profit from operations: | | | | | | | | | | | | | | |
| Interest and other income (expense), net | (553) | 156 | (83) | (251) | (731) | 89 | (306) | (118) | (84) | (419) | (812) | 541 | (353) | (624) |
| Profit before provision for income taxes | 20,144 | 45,500 | 21,840 | 14,519 | 102,003 | 21,112 | 16,289 | 26,194 | 26,346 | 89,941 | 27,194 | 36,553 | 4,150 | 67,897 |
| Provision for income taxes | 5,214 | 12,897 | 5,025 | 4,614 | 27,750 | 5,271 | 5,127 | 6,930 | 5,897 | 23,225 | 6,210 | 8,061 | 4,494 | 18,765 |
| Net profit | \$ 14,930 | \$ 32,603 | \$ 16,815 | \$ 9,905 | \$ 74,253 | \$ 15,841 | \$ 11,162 | \$ 19,264 | \$ 20,449 | \$ 66,716 | \$ 20,984 | \$ 28,492 | \$ (344) | \$ 49,132 |
| Net profit per share | | | | | | | | | | | | | | |
| - basic | \$ 0.20 | \$ 0.43 | \$ 0.22 | \$ 0.13 | \$ 0.98 | \$ 0.21 | \$ 0.14 | \$ 0.25 | \$ 0.26 | \$ 0.86 | \$ 0.26 | \$ 0.35 | \$ (0.00) | \$ 0.61 |
| - diluted | \$ 0.19 | \$ 0.42 | \$ 0.22 | \$ 0.13 | \$ 0.95 | \$ 0.20 | \$ 0.14 | \$ 0.24 | \$ 0.25 | \$ 0.83 | \$ 0.26 | \$ 0.34 | \$ (0.00) | \$ 0.59 |
| Shares used in computing net profit per share | | | | | | | | | | | | | | |
| - basic | 75,166 | 75,703 | 76,081 | 76,333 | 75,825 | 76,844 | 77,888 | 78,455 | 78,737 | 77,988 | 79,235 | 80,384 | 81,437 | 80,356 |
| - diluted | 77,597 | 77,607 | 78,109 | 78,724 | 78,080 | 79,361 | 80,321 | 80,266 | 80,849 | 80,294 | 81,856 | 82,954 | 81,437 | 83,016 |
| Margin Analysis: | | | | | | | | | | | | | | |
| Gross margin | 77.4% | 80.4% | 78.1% | 77.2% | 78.4% | 78.4% | 75.9% | 73.4% | 74.1% | 75.3% | 74.6% | 74.7% | 73.5% | 74.3% |
| - Clear Aligner | 77.4% | 80.4% | 78.1% | 77.2% | 78.4% | 78.4% | 78.4% | 78.6% | 78.7% | 78.5% | 79.0% | 79.0% | 77.6% | 78.5% |
| - Scanner and CAD/CAM Services | - | - | - | - | - | - | 32.5% | 22.0% | 20.0% | 23.7% | 28.7% | 26.6% | 20.6% | 25.6% |
| Sales and marketing | 31.0% | 26.7% | 28.0% | 32.5% | 29.5% | 31.3% | 32.1% | 27.5% | 28.0% | 29.6% | 28.7% | 26.8% | 26.7% | 27.4% |
| General and administrative | 16.6% | 13.9% | 16.9% | 20.1% | 16.7% | 18.1% | 21.7% | 17.2% | 17.4% | 18.6% | 16.8% | 15.2% | 17.5% | 16.5% |
| Research and development | 6.8% | 5.9% | 6.9% | 7.4% | 6.7% | 9.0% | 7.7% | 7.1% | 7.4% | 7.7% | 7.8% | 7.3% | 7.3% | 7.5% |
| Litigation settlement costs | 0.0% | 0.0% | 3.4% | 1.3% | 1.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Impairment of goodwill | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 18.1% | 5.9% |
| Insurance settlement | 0.0% | -8.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Amortization of acquired intangible assets | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% | 0.7% | 0.8% | 0.5% | 0.7% | 0.6% | 0.6% | 0.6% |
| Operating margin | 23.0% | 41.9% | 22.8% | 15.9% | 26.5% | 20.0% | 13.8% | 20.9% | 20.5% | 18.8% | 20.7% | 24.7% | 3.3% | 16.4% |
| Net margin | 16.6% | 30.1% | 17.5% | 10.7% | 19.2% | 15.1% | 9.3% | 15.3% | 15.9% | 13.9% | 15.5% | 19.6% | -0.3% | 11.8% |
| Year Over Year Analysis: | | | | | | | | | | | | | | |
| Revenue | 28.5% | 41.8% | 21.0% | 7.2% | 23.9% | 16.4% | 11.0% | 31.2% | 38.8% | 23.9% | 28.8% | 21.3% | 8.4% | 23.9% |
| - Clear Aligner | 28.5% | 41.8% | 21.0% | 7.2% | 23.9% | 16.4% | 5.0% | 19.1% | 28.0% | 16.7% | 17.6% | 17.6% | 10.9% | 16.7% |
| - Scanner and CAD/CAM Services | - | - | - | - | - | - | - | - | - | - | - | 85.7% | -15.9% | - |
| Gross profit | 32.3% | 50.1% | 27.0% | 12.5% | 29.9% | 18.0% | 4.7% | 23.3% | 33.2% | 19.1% | 22.5% | 19.4% | 8.6% | 22.5% |
| Operating expense | 3.4% | -19.4% | -55.5% | 15.9% | -25.0% | 24.9% | 78.9% | 24.6% | 21.3% | 35.0% | 18.9% | -2.4% | 45.1% | 3.4% |
| Profit from operations | 466.4% | 625.2% | -136.4% | 0.9% | -402.1% | 1.6% | -63.4% | 20.0% | 78.9% | -12.0% | 33.2% | 117.0% | -82.9% | 466.4% |
| Net profit | 466.4% | 617.3% | -133.7% | -13.8% | -337.5% | 6.1% | -65.8% | 14.6% | 106.5% | -10.2% | 32.5% | 155.3% | -101.8% | 466.4% |
| Quarter Over Quarter Analysis (Sequential): | | | | | | | | | | | | | | |
| Revenue | 4.0% | 20.1% | -11.3% | -3.2% | 12.9% | 14.5% | 4.8% | 2.4% | 4.8% | 4.8% | 7.8% | -6.3% | 3.7% | 8.4% |
| - Clear Aligner | 4.0% | 20.1% | -11.3% | -3.2% | 12.9% | 14.5% | 4.8% | 4.1% | 4.1% | 4.1% | 7.8% | 1.8% | -18.3% | 17.8% |
| - Scanner and CAD/CAM Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross profit | 9.3% | 24.8% | 27.2% | -4.2% | 14.6% | 10.8% | 1.4% | 3.4% | 4.6% | 5.5% | 8.0% | -7.8% | 5.3% | 0.0% |
| Operating expense | -0.3% | -15.0% | 27.2% | 7.5% | 7.4% | 21.8% | -11.4% | 4.6% | 4.6% | 6.0% | 28.6% | -87.5% | 2.6% | 35.8% |
| Profit from operations | 29.9% | 119.1% | -51.7% | -32.6% | 42.3% | -21.1% | 58.6% | 0.4% | 6.2% | 6.0% | 28.6% | -87.5% | 2.6% | 35.8% |
| Net profit | 29.9% | 118.4% | -48.4% | -41.1% | 59.9% | -29.5% | 72.6% | 6.2% | 6.2% | 6.0% | 28.6% | -101.2% | 2.6% | 35.8% |

(1) Non-case revenue includes the retainer business, training revenues, and ancillary offerings under our Clear Aligner product lines

(2) Q3 GAAP Condensed Consolidated Statement of Operations reflects an estimated impairment of goodwill due to indicators as noted in Note 5 in our third quarter Form 10-Q filed with the Securities and Exchange Commission on November 9, 2012.

ALIGN TECHNOLOGY
NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share data)

| | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 | YTD 2010 | Q1 2011 | Q2 2011 | Q3 2011 | Q4 2011 | YTD 2011 | Q1 2012 | Q2 2012 | Q3 2012 | YTD 2012 |
|---|------------|------------|------------|------------|-------------|------------|------------|------------|------------|-------------|------------|------------|------------|-------------|
| Revenues | | | | | | | | | | | | | | |
| Clear Aligner: | | | | | | | | | | | | | | |
| North America | \$ 65,395 | \$ 66,517 | \$ 67,949 | \$ 62,711 | \$ 262,572 | \$ 74,258 | \$ 79,755 | \$ 79,678 | \$ 81,789 | \$ 315,480 | \$ 86,871 | \$ 92,997 | \$ 89,568 | \$ 269,436 |
| North America Ortho | 28,195 | 29,143 | 31,169 | 28,911 | 117,418 | 35,017 | 37,112 | 37,450 | 37,939 | 147,518 | 41,688 | 43,942 | 43,090 | 128,720 |
| North America GP | 37,200 | 37,374 | 36,780 | 33,800 | 145,154 | 39,241 | 42,643 | 42,228 | 43,850 | 167,962 | 45,183 | 49,055 | 46,478 | 140,716 |
| International | 20,027 | 22,006 | 23,221 | 24,831 | 90,085 | 25,179 | 27,898 | 28,346 | 30,054 | 111,477 | 29,700 | 32,883 | 29,700 | 92,283 |
| Non-case Revenue (1) | 4,668 | 5,375 | 4,777 | 5,351 | 20,171 | 5,419 | 5,994 | 6,254 | 7,089 | 24,756 | 6,757 | 7,789 | 7,457 | 22,003 |
| Total Clear Aligner Revenue | 90,090 | 93,898 | 95,947 | 92,893 | 372,828 | 104,856 | 113,647 | 114,278 | 118,932 | 451,713 | 123,328 | 133,669 | 126,725 | 383,722 |
| Scanner and CAD/CAM Services: | | | | | | | | | | | | | | |
| North America Scanner and CAD/CAM Services | - | - | - | - | - | - | 5,241 | 9,098 | 9,611 | 23,950 | 11,120 | 11,752 | 9,439 | 32,311 |
| International Scanner and CAD/CAM Services | - | - | - | - | - | - | 1,198 | 2,518 | 362 | 4,078 | 631 | 205 | 332 | 1,168 |
| Scanners | - | - | - | - | - | - | 2,735 | 5,420 | 5,228 | 13,383 | 5,361 | 6,032 | 4,023 | 15,416 |
| CAD/CAM Services | - | - | - | - | - | - | 3,704 | 6,196 | 4,745 | 14,645 | 6,390 | 5,325 | 5,748 | 18,063 |
| Total Scanner and CAD/CAM Revenue | - | - | - | - | - | - | 6,439 | 11,616 | 9,973 | 28,028 | 11,751 | 11,957 | 9,771 | 33,479 |
| Total Revenue: | | | | | | | | | | | | | | |
| Total North America Revenue | 65,395 | 66,517 | 67,949 | 62,711 | 262,572 | 74,258 | 84,996 | 88,776 | 91,400 | 339,430 | 97,991 | 104,749 | 99,007 | 301,747 |
| Total International Revenue | 20,027 | 22,006 | 23,221 | 24,831 | 90,085 | 25,179 | 29,096 | 30,864 | 30,416 | 115,555 | 30,331 | 33,068 | 30,032 | 93,451 |
| Total Non-case Revenue | 4,668 | 5,375 | 4,777 | 5,351 | 20,171 | 5,419 | 5,994 | 6,254 | 7,089 | 24,756 | 6,757 | 7,789 | 7,457 | 22,003 |
| Total Worldwide Revenue | 90,090 | 93,898 | 95,947 | 92,893 | 372,828 | 104,856 | 120,086 | 125,894 | 128,905 | 479,741 | 135,079 | 145,626 | 136,496 | 417,201 |
| Cost of Revenue: | | | | | | | | | | | | | | |
| Cost of revenue Clear Aligner | 19,553 | 21,178 | 21,014 | 21,137 | 82,882 | 22,630 | 24,601 | 24,408 | 25,375 | 97,014 | 25,939 | 28,052 | 28,391 | 82,382 |
| Cost of revenue Scanner and CAD/CAM Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total cost of revenue | 19,553 | 21,178 | 21,014 | 21,137 | 82,882 | 22,630 | 28,709 | 32,880 | 32,352 | 116,571 | 33,624 | 36,387 | 35,839 | 105,850 |
| Gross profit | 70,537 | 72,720 | 74,933 | 71,756 | 289,946 | 82,226 | 91,377 | 93,014 | 96,553 | 363,170 | 101,455 | 109,239 | 100,657 | 311,351 |
| Operating Expenses: | | | | | | | | | | | | | | |
| Sales and marketing | 27,946 | 28,939 | 26,905 | 30,223 | 114,013 | 32,821 | 38,454 | 34,433 | 35,769 | 141,477 | 38,429 | 38,908 | 36,288 | 113,625 |
| General and administrative | 14,951 | 15,005 | 16,203 | 18,631 | 64,790 | 17,511 | 20,515 | 20,685 | 21,747 | 80,458 | 22,397 | 22,133 | 23,872 | 68,402 |
| Research and development | 6,116 | 6,396 | 6,592 | 6,893 | 25,997 | 9,390 | 9,131 | 8,704 | 9,360 | 36,585 | 10,321 | 10,568 | 9,872 | 30,761 |
| Total operating expenses | 49,013 | 50,340 | 49,700 | 55,747 | 204,800 | 59,722 | 68,100 | 63,822 | 66,876 | 258,520 | 71,147 | 71,609 | 70,032 | 212,788 |
| Profit from operations: | | | | | | | | | | | | | | |
| Interest and other income (expense), net | 21,524 | 22,380 | 25,233 | 16,009 | 85,146 | 22,504 | 23,277 | 29,192 | 29,677 | 104,650 | 30,308 | 37,630 | 30,625 | 98,653 |
| Profit before provision for income taxes | (553) | 156 | (83) | (251) | (731) | 89 | (306) | (118) | (84) | (419) | (812) | (541) | (353) | (624) |
| Provision for income taxes | 20,971 | 22,536 | 25,150 | 15,758 | 84,415 | 22,593 | 22,371 | 29,074 | 29,593 | 104,231 | 29,496 | 38,171 | 30,272 | 97,339 |
| Provision for income taxes | 5,430 | 6,081 | 5,815 | 4,793 | 22,119 | 5,650 | 6,692 | 7,133 | 6,612 | 26,087 | 7,374 | 9,573 | 6,572 | 23,519 |
| Net profit | \$ 15,541 | \$ 16,455 | \$ 19,335 | \$ 10,965 | \$ 62,296 | \$ 16,943 | \$ 16,279 | \$ 21,941 | \$ 22,981 | \$ 78,144 | \$ 22,122 | \$ 28,598 | \$ 23,700 | \$ 74,420 |
| Net profit per share | | | | | | | | | | | | | | |
| - basic | \$ 0.21 | \$ 0.22 | \$ 0.25 | \$ 0.14 | \$ 0.82 | \$ 0.22 | \$ 0.21 | \$ 0.28 | \$ 0.29 | \$ 1.00 | \$ 0.28 | \$ 0.36 | \$ 0.29 | \$ 0.93 |
| - diluted | \$ 0.20 | \$ 0.21 | \$ 0.25 | \$ 0.14 | \$ 0.80 | \$ 0.21 | \$ 0.20 | \$ 0.27 | \$ 0.28 | \$ 0.97 | \$ 0.27 | \$ 0.34 | \$ 0.28 | \$ 0.90 |
| Shares used in computing net profit per share | | | | | | | | | | | | | | |
| - basic | 75,166 | 75,709 | 76,081 | 76,333 | 75,825 | 76,844 | 77,888 | 78,455 | 78,737 | 77,988 | 79,235 | 80,384 | 81,437 | 80,356 |
| - diluted | 77,597 | 77,607 | 78,109 | 78,724 | 78,080 | 79,361 | 80,321 | 80,266 | 80,849 | 80,294 | 81,856 | 82,954 | 83,906 | 83,016 |
| Margin Analysis: | | | | | | | | | | | | | | |
| Gross margin | 78.3% | 77.4% | 78.1% | 77.2% | 77.8% | 78.4% | 76.1% | 73.9% | 74.9% | 75.7% | 75.1% | 75.0% | 73.7% | 74.6% |
| - Clear Aligner | 78.3% | 77.4% | 78.1% | 77.2% | 77.8% | 78.4% | 78.4% | 78.6% | 78.7% | 78.5% | 79.0% | 79.0% | 77.6% | 78.5% |
| - Scanner and CAD/CAM Services | - | - | - | - | - | - | 36.2% | 27.1% | 30.0% | 30.2% | 34.6% | 30.3% | 23.8% | 29.9% |
| Operating Margin | 23.9% | 23.8% | 26.3% | 17.2% | 22.8% | 21.5% | 19.4% | 23.2% | 23.0% | 21.8% | 22.4% | 25.8% | 22.4% | 23.6% |
| Net Margin | 17.3% | 17.5% | 20.2% | 11.8% | 16.7% | 16.2% | 13.6% | 17.4% | 17.8% | 16.3% | 16.4% | 19.6% | 17.4% | 17.8% |
| Year Over Year Analysis: | | | | | | | | | | | | | | |
| Revenue | 28.5% | 23.0% | 21.0% | 7.2% | 19.4% | 16.4% | 27.9% | 31.2% | 38.8% | 28.7% | 28.8% | 21.3% | 8.4% | |
| Gross profit | 33.8% | 25.4% | 23.0% | 5.4% | 21.0% | 16.6% | 25.7% | 24.1% | 34.6% | 25.3% | 23.4% | 19.5% | 8.2% | |
| Operating expense | 5.4% | -1.9% | 0.4% | 13.4% | 4.2% | 21.8% | 35.3% | 28.4% | 20.0% | 26.2% | 19.1% | 5.2% | 9.7% | |
| Profit from operations | 247.5% | 235.9% | 121.6% | -15.3% | 97.3% | 4.6% | 4.0% | 15.7% | 85.4% | 22.9% | 34.7% | 61.7% | 4.9% | |
| Net Profit | 387.0% | 240.9% | 117.1% | -9.7% | 114.3% | 9.0% | -1.1% | 13.5% | 109.6% | 25.4% | 30.6% | 75.7% | 8.0% | |
| Quarter Over Quarter Analysis (Sequential): | | | | | | | | | | | | | | |
| Revenue | 4.0% | 4.2% | 2.2% | -3.2% | | 12.9% | 14.5% | 4.8% | 2.4% | | 4.8% | 7.8% | -6.3% | |
| Gross profit | 3.6% | 3.1% | 3.0% | -4.2% | | 14.6% | 11.1% | 1.8% | 3.8% | | 5.1% | 7.7% | -7.9% | |
| Operating expense | -0.3% | 2.7% | -1.3% | 12.2% | | 7.1% | 14.0% | -6.3% | 4.8% | | 6.4% | 0.6% | -2.2% | |
| Profit from operations | 13.9% | 4.0% | 12.7% | -36.6% | | 40.6% | 3.4% | 25.4% | 1.7% | | 2.1% | 24.2% | -18.6% | |
| Net profit | 28.0% | 5.9% | 17.5% | -43.3% | | 54.5% | -3.9% | 34.8% | 4.7% | | -3.7% | 29.3% | -17.1% | |
| Reconciliation of GAAP Net Profit to non-GAAP Net Profit: | | | | | | | | | | | | | | |
| GAAP Net profit | \$ 14,930 | \$ 32,603 | \$ 16,815 | \$ 9,905 | \$ 74,253 | \$ 15,841 | \$ 11,162 | \$ 19,264 | \$ 20,449 | \$ 66,716 | \$ 20,984 | \$ 28,492 | \$ (344) | \$ 49,132 |
| Teen deferred revenue release | - | (14,298) | - | - | (14,298) | - | - | - | - | - | - | - | - | - |
| Orinco royalties | 827 | - | - | - | 827 | - | - | - | - | - | - | - | - | - |
| Acquisition and integration related costs related to cost of revenues | - | - | - | - | - | - | 57 | 202 | 139 | 398 | 134 | 72 | 55 | 261 |
| Amortization of acquired intangibles related to cost of revenues | - | - | - | - | - | - | 183 | 267 | 285 | 735 | 261 | 232 | 213 | 706 |
| Severance and benefit costs related to cost of revenues | - | - | - | - | - | - | - | 175 | 579 | 754 | 300 | 135 | 39 | 474 |
| Litigation settlement costs | - | - | 3,310 | 1,239 | 4,549 | - | - | - | - | - | - | - | - | - |
| Insurance settlement | - | (8,666) | - | - | (8,666) | - | - | - | - | - | - | - | - | - |
| Acquisition and integration related costs related to operating expenses | - | - | - | - | - | 1,481 | 5,850 | 1,296 | 1,005 | 9,632 | 570 | 261 | 179 | 1,010 |
| Amortization of acquired intangibles related operating expenses | - | - | - | - | - | - | 592 | 868 | 983 | 2,443 | 885 | 869 | 866 | 2,620 |
| Severance and benefit costs related to operating expenses | - | - | - | - | - | - | - | 72 | 256 | 328 | 152 | 49 | 105 | 306 |
| Impairment of goodwill | - | - | - | - | - | - | - | - | - | - | - | - | - | 24,665 |
| Income tax-related adjustments | (216) | 6,816 | (790) | (179) | 5,631 | (379) | (1,565) | (203) | (715) | (2,862) | (1,164) | (1,512) | (2,078) | (4,754) |
| Non-GAAP net profit | \$ 15,541 | \$ 16,455 | \$ 19,335 | \$ 10,965 | \$ 62,296 | \$ 16,943 | \$ 16,279 | \$ 21,941 | \$ 22,981 | \$ 78,144 | \$ 22,122 | \$ 28,598 | \$ 23,700 | \$ 74,420 |

(1) Non-case revenue includes the retainer business, training revenues, and ancillary offerings under our Clear Aligner product lines