

**InMode Reports Third Quarter 2024 Financial Results; Quarterly GAAP Revenue of \$130.2 Million (which consists of \$98.3 million of net sales in Q3 and \$31.9 million of pre-orders from the first half of 2024)**

YOKNEAM, Israel, October 30, 2024 - InMode Ltd. (Nasdaq: INMD) (“InMode”), a leading global provider of innovative medical technologies, today announced its consolidated financial results for the third quarter ended September 30, 2024.

**Third Quarter 2024 Highlights:**

- Quarterly GAAP revenue of \$130.2 million (which consists of \$98.3 million of net sales in Q3 and \$31.9 million of pre-orders from the first half of 2024).
- Quarterly revenues from consumables and service of \$15.8 million, a decrease of 11% compared to the third quarter of 2023.
- GAAP operation income of \$48.2 million, \*non-GAAP operation income of \$52.2 million.
- Total cash position of \$684.9 million as of September 30, 2024, including cash and cash equivalents, marketable securities, and short-term bank deposits.
- Full-year 2024 revenue guidance has been revised to be between \$410 million and \$420 million, compared to prior guidance of \$430 million to \$440 million.

| <b>U.S. GAAP Results</b>                               |                |                |                   |                   |
|--------------------------------------------------------|----------------|----------------|-------------------|-------------------|
| (U.S. dollars in thousands, except for per share data) |                |                |                   |                   |
|                                                        | <b>Q3 2024</b> | <b>Q3 2023</b> | <b>Q1-Q3 2024</b> | <b>Q1-Q3 2023</b> |
| Revenues                                               | \$130,232      | \$123,112      | 296,965           | 365,267           |
| Gross Margins                                          | 82%            | 84%            | 81%               | 83%               |
| Net Income                                             | \$50,990       | \$46,520       | 98,504            | 142,754           |
| Earnings per Diluted Share                             | \$0.65         | \$0.54         | 1.19              | 1.66              |
| <b>*Non-GAAP Results</b>                               |                |                |                   |                   |
| (U.S. dollars in thousands, except for per share data) |                |                |                   |                   |
|                                                        | <b>Q3 2024</b> | <b>Q3 2023</b> | <b>Q1-Q3 2024</b> | <b>Q1-Q3 2023</b> |
| Gross Margins                                          | 82%            | 84%            | 81%               | 84%               |
| Net Income                                             | \$54,971       | \$53,084       | 111,626           | 160,032           |
| Earnings per Diluted Share                             | \$0.70         | \$0.61         | 1.34              | 1.86              |

\*Please refer to “Use of non-GAAP Financial Measures” below for important information about non-GAAP financial measures. A reconciliation between U.S. GAAP and non-GAAP Statement of Income is provided following the financial statements that are included in this release. Non-GAAP results exclude share-based compensation adjustments.

**Management Comments**

“The third quarter presented ongoing challenges for InMode,” said Moshe Mizrahy, Chief Executive Officer. “Macroeconomic conditions led to a decrease in demand for our consumables and new platform sales, while the launch of our latest platforms required extended adjustments to our production lines. Nevertheless, we believe our recent management changes will better align our operations with our strategic plan. We also take pride in our dedicated employees, whose hard work has allowed us to make faster-than-expected progress in fulfilling pre-orders.”

### ***Third Quarter 2024 Financial Results***

Total GAAP revenues for the third quarter of 2024 reached \$130.2 million (including \$31.9 million in revenue from first half of 2024 pre-orders), an increase of 5.8% compared to \$123.1 million in the third quarter of 2023.

“Despite continued headwinds in the third quarter, we are pleased to have fulfilled our pre-orders ahead of schedule, allowing us to focus on execution once market demand recovers,” said Yair Malca, Chief Financial Officer.

GAAP and \*non-GAAP gross margin for the third quarter of 2024 was 82% compared to a gross margin of 84% for the third quarter of 2023.

GAAP operating margin for the third quarter of 2024 was 37%, compared to an operating margin of 38% in the third quarter of 2023. \*Non-GAAP operating margin for the third quarter of 2024 was 40% compared to 43% for the third quarter of 2023. This decrease was primarily attributable to higher sales and marketing expenses, primarily driven by our recent management changes costs, higher commissions, as well as additional investments in trade shows and workshop activities.

InMode reported GAAP net income of \$51.0 million, or \$0.65 per diluted share, in the third quarter of 2024, compared to \$46.5 million, or \$0.54 per diluted share, in the third quarter of 2023. On a \*non-GAAP basis, InMode reported net income of \$55.0 million, or \$0.70 per diluted share, in the third quarter of 2024, compared to \$53.1 million, or \$0.61 per diluted share, in the third quarter of 2023.

### ***2024 Financial Outlook***

Management provided an outlook for the full year of 2024 ending December 31, 2024. Based on our current estimates, management expects:

- Full Year 2024 revenue to be between \$410 to \$420 million compared to prior guidance of \$430 million to \$440 million
- \*Non-GAAP gross margin between 81% and 82% compared to prior guidance of 82% - 84%
- \*Non-GAAP income from operations to be between \$140 million and \$145 million compared to prior guidance of \$150 million to \$155 million
- \*Non-GAAP earnings per diluted share remains the same as in previous guidance at \$1.92 to \$1.96 after taking into consideration the estimated shares that will be repurchased as part of the share repurchase programs announced this year

*This outlook is not a guarantee of future performance, and stockholders should not rely on such forward-looking statements. See “Forward-Looking Statements” for additional information.*

*\*Please refer to “Use of non-GAAP Financial Measures” below for important information about non-GAAP financial measures. A reconciliation between U.S. GAAP and non-GAAP Statement of Income is provided following the financial statements that are included in this release. Non-GAAP results exclude share-based compensation adjustments.*

### ***The Current Situation in Israel***

Regarding the current situation in Israel, management would like to assure investors that the Company is prioritizing the safety and well-being of its employees, and all its team are safe. However, an inability to promptly receive needed supplies and materials due to the ongoing and unpredictable nature of the conflict in Israel and the surrounding region may adversely impact our ability to commercialize and manufacture our product candidates and products in a timely manner. This could cause several delays and/or issues for our operations, which in turn would have a material adverse impact on our ability to commercialize our product candidates and our financial condition.

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## ***Use of Non-GAAP Financial Measures***

In addition to InMode's operating results presented in accordance with GAAP, this release contains certain non-GAAP financial measures including non-GAAP net income, non-GAAP earnings per diluted share, non-GAAP operating margin. Because these measures are used in InMode's internal analysis of financial and operating performance, management believes they provide investors with greater transparency of its view of InMode's economic performance. Management also believes the presentation of these measures, when analyzed in conjunction with InMode's GAAP operating results, allows investors to more effectively evaluate and compare InMode's performance to that of its peers, although InMode's presentation of its non-GAAP measures may not be strictly comparable to the similarly titled measures of other companies. Schedules reconciling each of these non-GAAP financial measures are provided as a supplement to this release.

## ***Conference Call Information***

Mr. Moshe Mizrahy, Chief Executive Officer, Dr. Michael Kreindel, Co-Founder and Chief Technology Officer and Mr. Yair Malca, Chief Financial Officer, will host a conference call today, October 30, 2024, at 8:30 a.m. Eastern Time to discuss the third quarter 2024 financial results.

The Company encourages participants to **pre-register for the conference call using the following link:**

<https://dpre-register.com/sreg/10193479/fdae439271>.

Callers will receive a unique dial-in number upon registration, which enables immediate access to the call. Participants may pre-register at any time, including up to and after the call start time.

For callers who opt out of pre-registration, please dial one of the following teleconferencing numbers. Please begin by placing your call 10 minutes before the conference call commences. If you are unable to connect using the toll-free number, please try the international dial-in number.

**U.S. Toll-Free Dial-in Number:** 1-833-316-0562

**Israel Toll- Free Dial-in Number:** 1-80-921-2373

**International Dial-in Number:** 1-412-317-5736

Webcast URL: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=X3HVujVC>

At:

8:30 a.m. Eastern Time

5:30 a.m. Pacific Time

The conference call will also be webcast live from a link on InMode's website at <https://inmodemd.com/investors/events-presentations/>. A replay of the conference call will be available from October 30, 2024, at 12 p.m. Eastern Time to November 13, 2024, at 11:59 p.m. Eastern Time. To access the replay, please dial one of the following numbers:

**Replay Dial-in U.S TOLL-FREE:** 1-877-344-7529

**Replay Dial-in Canada TOLL-FREE:** 855-669-9658

**Replay Dial-in TOLL/INTERNATIONAL:** 1-412-317-0088

**Replay Pin Number:** 5305602

**To access the replay using an international dial-in number, please select the link below:**

<https://services.choruscall.com/ccforms/replay.html>

A replay of the conference call will also be available for 90 days on InMode's website at <https://inmodemd.com/investors/>.

## **About InMode**

InMode is a leading global provider of innovative medical technologies. InMode develops, manufactures, and markets devices harnessing novel radio frequency ("RF") technology. InMode strives to enable new emerging surgical procedures as well as improve existing treatments. InMode has leveraged its medically accepted minimally invasive RF technologies to offer a comprehensive line of products across several categories for plastic surgery, gynecology, dermatology, otolaryngology, and ophthalmology. For more information about InMode, please visit [www.inmodemd.com](http://www.inmodemd.com).

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## Forward-Looking Statements

The information in this press release includes forward-looking statements within the meaning of the federal securities laws. These statements generally relate to future events or InMode's future financial or operating performance, including the 2024 revenue projection described above. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. In some cases, you can identify these statements because they contain words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will," "would" and similar expressions that concern our expectations, strategic plans or intentions. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Consequently, actual results could differ materially from those indicated in these forward-looking statements. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in InMode's Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 13, 2024, and our future public filings. InMode undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which pertain only as of the date of this press release.

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**INMODE LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(U.S. dollars in thousands, except for per share data)  
(Unaudited)

|                                                                                                                   | Three months ended<br>September 30, |               | Nine months ended<br>September 30, |                |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------|------------------------------------|----------------|
|                                                                                                                   | 2024                                | 2023          | 2024                               | 2023           |
| <b>REVENUES</b>                                                                                                   | 130,232                             | 123,112       | 296,965                            | 365,267        |
| <b>COST OF REVENUES</b>                                                                                           | 24,055                              | 20,136        | 57,536                             | 60,444         |
| <b>GROSS PROFIT</b>                                                                                               | 106,177                             | 102,976       | 239,429                            | 304,823        |
| <b>OPERATING EXPENSES:</b>                                                                                        |                                     |               |                                    |                |
| Research and development                                                                                          | 3,254                               | 3,268         | 10,470                             | 9,937          |
| Sales and marketing                                                                                               | 51,863                              | 50,819        | 136,713                            | 143,591        |
| General and administrative                                                                                        | 2,799                               | 2,479         | 7,579                              | 6,879          |
| <b>TOTAL OPERATING EXPENSES</b>                                                                                   | <b>57,916</b>                       | <b>56,566</b> | <b>154,762</b>                     | <b>160,407</b> |
| <b>OPERATIONS INCOME</b>                                                                                          | <b>48,261</b>                       | <b>46,410</b> | <b>84,667</b>                      | <b>144,416</b> |
| Finance income, net                                                                                               | 9,918                               | 4,953         | 26,592                             | 12,687         |
| <b>INCOME BEFORE INCOME TAXES</b>                                                                                 | <b>58,179</b>                       | <b>51,363</b> | <b>111,259</b>                     | <b>157,103</b> |
| <b>INCOME TAXES</b>                                                                                               | 7,189                               | 4,843         | 12,755                             | 14,349         |
| <b>NET INCOME</b>                                                                                                 | <b>50,990</b>                       | <b>46,520</b> | <b>98,504</b>                      | <b>142,754</b> |
| <b>EARNINGS PER SHARE:</b>                                                                                        |                                     |               |                                    |                |
| Basic                                                                                                             | 0.66                                | 0.56          | 1.20                               | 1.71           |
| Diluted                                                                                                           | 0.65                                | 0.54          | 1.19                               | 1.66           |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED<br/>IN COMPUTATION OF EARNINGS PER SHARE (in thousands)</b> |                                     |               |                                    |                |
| Basic                                                                                                             | 77,022                              | 83,703        | 81,795                             | 83,423         |
| Diluted                                                                                                           | 77,908                              | 85,970        | 83,016                             | 85,814         |

**INMODE LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(U.S. dollars in thousands, except for per share data)  
(Unaudited)

|                                                         | <b>September 30,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|---------------------------------------------------------|-------------------------------|------------------------------|
| <b>Assets</b>                                           |                               |                              |
| <b>CURRENT ASSETS:</b>                                  |                               |                              |
| Cash and cash equivalents                               | 164,838                       | 144,411                      |
| Marketable securities                                   | 281,458                       | 373,647                      |
| Short-term bank deposits                                | 238,592                       | 223,547                      |
| Accounts receivable, net of allowance for credit losses | 40,777                        | 42,362                       |
| Prepaid expense and other receivables                   | 24,447                        | 16,268                       |
| Inventories                                             | 58,284                        | 45,095                       |
| <b>TOTAL CURRENT ASSETS</b>                             | <b>808,396</b>                | <b>845,330</b>               |
| <b>NON-CURRENT ASSETS:</b>                              |                               |                              |
| Accounts receivable, net of allowance for credit losses | 2,917                         | 3,670                        |
| Deferred income tax asset                               | 1,048                         | 1,506                        |
| Operating lease right-of-use assets                     | 8,636                         | 9,698                        |
| Property and equipment, net                             | 2,336                         | 2,382                        |
| Other investments                                       | 700                           | 700                          |
| <b>TOTAL NON-CURRENT ASSETS</b>                         | <b>15,637</b>                 | <b>17,956</b>                |
| <b>TOTAL ASSETS</b>                                     | <b>824,033</b>                | <b>863,286</b>               |
| <b>Liabilities and shareholders' equity</b>             |                               |                              |
| <b>CURRENT LIABILITIES:</b>                             |                               |                              |
| Accounts payable                                        | 14,313                        | 13,966                       |
| Contract liabilities                                    | 17,230                        | 10,923                       |
| Other liabilities                                       | 44,155                        | 39,247                       |
| <b>TOTAL CURRENT LIABILITIES</b>                        | <b>75,698</b>                 | <b>64,136</b>                |
| <b>NON-CURRENT LIABILITIES:</b>                         |                               |                              |
| Contract liabilities                                    | 3,318                         | 3,766                        |
| Other liabilities                                       | 2,808                         | 1,399                        |
| Operating lease liabilities                             | 5,317                         | 6,613                        |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                    | <b>11,443</b>                 | <b>11,778</b>                |
| <b>TOTAL LIABILITIES</b>                                | <b>87,141</b>                 | <b>75,914</b>                |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                       | <b>736,892</b>                | <b>787,372</b>               |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>       | <b>824,033</b>                | <b>863,286</b>               |

**INMODE LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(U.S. dollars in thousands, except for per share data)  
(Unaudited)

|                                                                                            | <b>Three months ended</b> |                 | <b>Nine months ended</b> |                 |
|--------------------------------------------------------------------------------------------|---------------------------|-----------------|--------------------------|-----------------|
|                                                                                            | <b>September 30,</b>      |                 | <b>September 30,</b>     |                 |
|                                                                                            | <b>2024</b>               | <b>2023</b>     | <b>2024</b>              | <b>2023</b>     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                               |                           |                 |                          |                 |
| Net income                                                                                 | 50,990                    | 46,520          | 98,504                   | 142,754         |
| Adjustments required to reconcile net income to net cash provided by operating activities: |                           |                 |                          |                 |
| Depreciation and amortization                                                              | 138                       | 129             | 480                      | 501             |
| Share-based compensation expenses                                                          | 3,981                     | 6,564           | 13,122                   | 17,278          |
| Change in allowance for credit losses of trade receivable                                  | 130                       | 426             | 414                      | 665             |
| Loss on marketable securities, net                                                         | 29                        | -               | 170                      | -               |
| Finance expenses (income), net                                                             | 3,863                     | (527)           | (5,934)                  | (3,236)         |
| Deferred income taxes                                                                      | 35                        | (216)           | (58)                     | (154)           |
| Changes in operating assets and liabilities:                                               |                           |                 |                          |                 |
| Decrease (increase) in accounts receivable                                                 | (2,570)                   | (10,753)        | 1,924                    | (16,461)        |
| Increase in other receivables                                                              | (860)                     | (1,347)         | (7,577)                  | (5,367)         |
| Increase in inventories                                                                    | (5,657)                   | (1,421)         | (13,189)                 | (92)            |
| Increase (decrease) in accounts payable                                                    | (1,235)                   | (962)           | 347                      | (3,909)         |
| Increase (decrease) in other liabilities                                                   | 11,722                    | 3,040           | 6,160                    | (12,792)        |
| Increase (decrease) in contract liabilities (current and non-current)                      | (26,517)                  | (9)             | 5,859                    | (3,630)         |
| Net cash provided by operating activities                                                  | <u>34,049</u>             | <u>41,444</u>   | <u>100,222</u>           | <u>115,557</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                               |                           |                 |                          |                 |
| Investment in short-term deposits                                                          | (78,390)                  | (138,140)       | (164,687)                | (166,140)       |
| Proceeds from short-term deposits                                                          | 138,140                   | 50,590          | 151,640                  | 85,090          |
| Purchase of fixed assets                                                                   | (77)                      | (149)           | (435)                    | (684)           |
| Purchase of marketable securities                                                          | (90,820)                  | (60,588)        | (276,513)                | (192,707)       |
| Proceeds from sale of marketable securities                                                | 22,233                    | -               | 69,608                   | -               |
| Proceeds from maturity of marketable securities                                            | 122,969                   | 78,465          | 304,777                  | 190,070         |
| Net cash provided by (used in) investing activities                                        | <u>114,055</u>            | <u>(69,822)</u> | <u>84,390</u>            | <u>(84,371)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                               |                           |                 |                          |                 |
| Repurchase of ordinary shares                                                              | (76,556)                  | -               | (165,536)                | -               |
| Exercise of options                                                                        | 565                       | 2,729           | 1,194                    | 5,229           |
| Net cash provided by (used in) financing activities                                        | <u>(75,991)</u>           | <u>2,729</u>    | <u>(164,342)</u>         | <u>5,229</u>    |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>                        |                           |                 |                          |                 |
|                                                                                            | 728                       | (473)           | 157                      | (222)           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                | <u>72,841</u>             | <u>(26,122)</u> | <u>20,427</u>            | <u>36,193</u>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>                                    | <u>91,997</u>             | <u>159,855</u>  | <u>144,411</u>           | <u>97,540</u>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                                          | <u>164,838</u>            | <u>133,733</u>  | <u>164,838</u>           | <u>133,733</u>  |

*Revision of prior period financial information*

The Company revised certain items within the investing activities with no impact on the net cash used in investing activities. The items impacted were “Investment in short-term deposits” and “Proceeds from short-term deposits” which were decreased by \$41,000 and \$119,000 for the three months and nine months ended September 30, 2023 respectively and “Purchase of marketable securities” and “Proceeds from maturity of marketable securities” which were decreased by \$0, and \$40,423 for the three months and nine months ended September 30, 2023.

These changes have no impact on our previously reported consolidated total cash flows from operating activities, financing activities and investing activities in the periods stated above as well as net income and net change in cash and cash equivalents.

The Company evaluated the materiality of the adjustments, individually and in the aggregate, considering both qualitative and quantitative factors, and concluded that it was immaterial to the Company’s prior periods’ consolidated financial information. Since the revision was not material to any prior interim period or annual consolidated financial statements, no amendments to previously filed interim or annual periodic financial information was required. Consequently, the Company has revised the historical consolidated financial information presented herein for the impact of the above.



**INMODE LTD.**  
RECONCILIATION OF GAAP CONDENSED CONSOLIDATED STATEMENTS OF  
INCOME TO NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(U.S. dollars in thousands, except for per share data)  
(Unaudited)

|                                                                                                               | Three months ended September 30, 2024 |                             |                | Three months ended September 30, 2023 |                             |                |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------|----------------|---------------------------------------|-----------------------------|----------------|
|                                                                                                               | GAAP                                  | Share Based<br>Compensation | Non-GAAP       | GAAP                                  | Share Based<br>Compensation | Non-GAAP       |
| <b>REVENUES</b>                                                                                               | 130,232                               | -                           | 130,232        | 123,112                               | -                           | 123,112        |
| <b>COST OF REVENUES</b>                                                                                       | 24,055                                | (481)                       | 23,574         | 20,136                                | (572)                       | 19,564         |
| <b>GROSS PROFIT</b>                                                                                           | <b>106,177</b>                        | <b>481</b>                  | <b>106,658</b> | <b>102,976</b>                        | <b>572</b>                  | <b>103,548</b> |
| <b>OPERATING EXPENSES:</b>                                                                                    |                                       |                             |                |                                       |                             |                |
| Research and development                                                                                      | 3,254                                 | (890)                       | 2,364          | 3,268                                 | (729)                       | 2,539          |
| Sales and marketing                                                                                           | 51,863                                | (2,300)                     | 49,563         | 50,819                                | (4,787)                     | 46,032         |
| General and administrative                                                                                    | 2,799                                 | (310)                       | 2,489          | 2,479                                 | (476)                       | 2,003          |
| <b>TOTAL OPERATING EXPENSES</b>                                                                               | <b>57,916</b>                         | <b>(3,500)</b>              | <b>54,416</b>  | <b>56,566</b>                         | <b>(5,992)</b>              | <b>50,574</b>  |
| <b>OPERATIONS INCOME</b>                                                                                      | <b>48,261</b>                         | <b>3,981</b>                | <b>52,242</b>  | <b>46,410</b>                         | <b>6,564</b>                | <b>52,974</b>  |
| Finance income, net                                                                                           | 9,918                                 | -                           | 9,918          | 4,953                                 | -                           | 4,953          |
| <b>INCOME BEFORE INCOME TAXES</b>                                                                             | <b>58,179</b>                         | <b>3,981</b>                | <b>62,160</b>  | <b>51,363</b>                         | <b>6,564</b>                | <b>57,927</b>  |
| <b>INCOME TAXES</b>                                                                                           | 7,189                                 | -                           | 7,189          | 4,843                                 | -                           | 4,843          |
| <b>NET INCOME</b>                                                                                             | <b>50,990</b>                         | <b>3,981</b>                | <b>54,971</b>  | <b>46,520</b>                         | <b>6,564</b>                | <b>53,084</b>  |
| <b>EARNINGS PER SHARE:</b>                                                                                    |                                       |                             |                |                                       |                             |                |
| Basic                                                                                                         | 0.66                                  |                             | 0.71           | 0.56                                  |                             | 0.63           |
| Diluted                                                                                                       | 0.65                                  |                             | 0.70           | 0.54                                  |                             | 0.61           |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTATION OF EARNINGS PER SHARE (in thousands)</b> |                                       |                             |                |                                       |                             |                |
| Basic                                                                                                         | 77,022                                |                             | 77,022         | 83,703                                |                             | 83,703         |
| Diluted                                                                                                       | 77,908                                |                             | 78,548         | 85,970                                |                             | 86,333         |

|                                                                                                               | Nine months ended September 30, 2024 |                          |                | Nine months ended September 30, 2023 |                          |                |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------|----------------|--------------------------------------|--------------------------|----------------|
|                                                                                                               | GAAP                                 | Share Based Compensation | Non-GAAP       | GAAP                                 | Share Based Compensation | Non-GAAP       |
| <b>REVENUES</b>                                                                                               | 296,965                              | -                        | 296,965        | 365,267                              | -                        | 365,267        |
| <b>COST OF REVENUES</b>                                                                                       | 57,536                               | (1,361)                  | 56,175         | 60,444                               | (1,473)                  | 58,971         |
| <b>GROSS PROFIT</b>                                                                                           | <b>239,429</b>                       | <b>1,361</b>             | <b>240,790</b> | <b>304,823</b>                       | <b>1,473</b>             | <b>306,296</b> |
| <b>OPERATING EXPENSES:</b>                                                                                    |                                      |                          |                |                                      |                          |                |
| Research and development                                                                                      | 10,470                               | (1,877)                  | 8,593          | 9,937                                | (1,987)                  | 7,950          |
| Sales and marketing                                                                                           | 136,713                              | (9,007)                  | 127,706        | 143,591                              | (12,556)                 | 131,035        |
| General and administrative                                                                                    | 7,579                                | (877)                    | 6,702          | 6,879                                | (1,262)                  | 5,617          |
| <b>TOTAL OPERATING EXPENSES</b>                                                                               | <b>154,762</b>                       | <b>(11,761)</b>          | <b>143,001</b> | <b>160,407</b>                       | <b>(15,805)</b>          | <b>144,602</b> |
| <b>OPERATIONS INCOME</b>                                                                                      | <b>84,667</b>                        | <b>13,122</b>            | <b>97,789</b>  | <b>144,416</b>                       | <b>17,278</b>            | <b>161,694</b> |
| Finance income, net                                                                                           | 26,592                               | -                        | 26,592         | 12,687                               | -                        | 12,687         |
| <b>INCOME BEFORE INCOME TAXES</b>                                                                             | <b>111,259</b>                       | <b>13,122</b>            | <b>124,381</b> | <b>157,103</b>                       | <b>17,278</b>            | <b>174,381</b> |
| <b>INCOME TAXES</b>                                                                                           | <b>12,755</b>                        | <b>-</b>                 | <b>12,755</b>  | <b>14,349</b>                        | <b>-</b>                 | <b>14,349</b>  |
| <b>NET INCOME</b>                                                                                             | <b>98,504</b>                        | <b>13,122</b>            | <b>111,626</b> | <b>142,754</b>                       | <b>17,278</b>            | <b>160,032</b> |
| <b>EARNINGS PER SHARE:</b>                                                                                    |                                      |                          |                |                                      |                          |                |
| Basic                                                                                                         | 1.20                                 |                          | 1.36           | 1.71                                 |                          | 1.92           |
| Diluted                                                                                                       | 1.19                                 |                          | 1.34           | 1.66                                 |                          | 1.86           |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTATION OF EARNINGS PER SHARE (in thousands)</b> |                                      |                          |                |                                      |                          |                |
| Basic                                                                                                         | 81,795                               |                          | 81,795         | 83,423                               |                          | 83,423         |
| Diluted                                                                                                       | 83,016                               |                          | 83,536         | 85,814                               |                          | 86,154         |