

## “New innovations create meaningful barriers for competition”: Julie Tay

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**Digital orthodontics is rapidly becoming the industry standard and is changing the way orthodontics is viewed currently.**



*Digital Orthodontics as a tool has the potential to replace the conventional methods in the future, because of its many business advantages including the ability to significantly shorten delivery times, increase production capacity and eliminate bulky model storage. The Orthodontists are looking at the opportunity to be a part of the revolution as it could be seen in the high adoption rate across major economies. According to report by IndustryARC, the global digital orthodontics market will grow at a CAGR of 18% and reach \$3.6 billion by 2020. Recently, Julie Tay, Managing Director and Senior Vice President Asia Pacific of Align Technology spoke to BioSpectrum Asia about the current trends, potential and future of digital orthodontics industry.*

### **Excerpts from the interview**

#### **1. What are Align Technology’s plans in APAC region for the future? What is the growth strategy that company is planning to follow?**

In 2017, the Asia Pacific region represented 14% of Align’s business and has been the fastest growing region overall. There is a large opportunity for expansion and accelerated growth among both adult and teen consumers interested in the Invisalign treatment in the APAC region. With more than 300 million consumers globally (100 millions of them in APAC) who can benefit from straightening their teeth, we are focused on providing better customer experiences worldwide. China is the largest country market for Align outside of the U.S. and represents an enormous opportunity. One of the benefits of having the treatment planning facility in Chengdu is that we have reduced the cycle time because there is not as much back and forth between doctor and Align Treat technicians caused by language translation. The Treat technicians in Chengdu speak the

local language and there is no need to translate. They are also in the same time zone which makes it more efficient.

We are still significantly underpenetrated when compared to traditional metal braces, so there is much room for continued growth.

**2. Where do you see the largest potential for growth in digital orthodontics? What are the advancements in technology evolution?**

Align Technology is firmly rooted in the belief that innovation extends its competitive edge and therefore drives growth and adoption. We will continue to innovate through R&D and combine the power of software, biometrics, machine learning and 3D printing to ensure that we deliver the products and services to help our doctors and their patients achieve the smiles they dream of.

At Align, we are always thinking of new and innovative ways to reach the more than 300 million consumers globally who can benefit from straightening their teeth.

**Invisalign clear aligners**

The new Invisalign product portfolio offers doctors more choices by extending desirable features across the entire portfolio and creating new Invisalign Treatment Packages, as well as new options to treat young patients with early mixed dentition. The new end-to-end Invisalign portfolio now includes clear aligner product offerings for almost every patient age group and case complexity to make it easier for doctors to tailor treatment planning to the needs of each unique patient.

**iTero scanners**

iTero scanner is part of the Invisalign digital workflow and has been purpose-built to support our advanced clear aligner technology with enhanced features that are not available with other scanner product lines.

**Digital services**

Product development is one of our competitive advantages. We believe we have the only end to end digital clear aligner system that delivers the outcomes, efficiency and experience that doctors, and patients want - and doctors will see our significant value when they try other products. We continue to remain committed to providing our customers with the most comprehensive tools in digital dentistry.

**3. Market by market, which regions you think to grow in?**

China is the #2 global market for Align and represents an enormous opportunity. We will be opening a manufacturing facility in Ziyang, China in the 2H18 for both Invisalign clear aligners and iTero scanner manufacturing. Initially, we will use the facility to supply our customers in China, but over time, we will look to leverage the facility to supply our customers across Asia Pacific. We continue to add new doctors – especially outside North America – and have seen utilization growth among existing Invisalign practices.

In APAC, Q1 Invisalign volumes were up 56.1% year-over-year led by China, Japan and Australia, with China solidifying as our 2<sup>nd</sup> largest market worldwide. Our Q1 results reflect continued strong growth overall and especially from teen cases, which were up 73% year-over-year. In addition, we saw strong growth from our GP channel which was up over 70% compared to last year.

We also continue to see positive uplift from Invisalign customers with iTero scanners. For Q1, Japan had a record quarter and showed very strong growth from doctors who have previously purchased iTero Element scanners. Finally, Q1 was an all-time high for Invisalign volume in our smaller expansion markets in Thailand, Singapore, and Korea - where we are still very early in their development and adoption cycle.

**4. Tell us more about your industry-leading innovative product, Invisalign? What would dentists who choose to offer Invisalign to their patients be required to do relating to patients care?**

Invisalign clear aligners are the world's most technically advanced clear aligner system in the world. Today, the Invisalign system is offered by more than 136K Invisalign-trained orthodontists and dentists, and over 5.5 million patients have started orthodontic treatment with Invisalign aligners.

The new Invisalign product portfolio offers doctors more choices by extending desirable features across the entire portfolio

including Mandibular Advancement for teenagers. We also introduced new Invisalign Treatment Packages, such as a new option called Invisalign First to treat patients with early mixed dentition, typically age 6 to 10 years old. The new end-to-end Invisalign portfolio now includes clear aligner product offerings for almost every patient age group and case complexity to make it easier for doctors to tailor treatment planning to the needs of each unique patient.

**5. How does Align Technology plan in improving the patient experience? What is it that gives you an edge over your competitors in the orthodontics sector?**

We have had competition for many years in the clear aligner market – competition is not new. We believe that we have put into place and continue to put into place new innovations (with many new patents and trade secrets) that have created and will continue to create meaningful barriers for competition.

We understand that doctors do try and will try competing aligner products, especially new products coming to market. But we believe we have the only end to end digital clear aligner system that delivers the outcomes, efficiency and experience that doctors, and patients want - and doctors will see our significant value when they try other products.

SmartTrack material is one of the best examples – no other clear aligner has SmartTrack material and can deliver the performance that it does – we believe that will be apparent to doctors to as well. Our earliest patents that expired last year relate to CAD/CAM, but those patents do not teach how to move teeth predictably and reliably with a polymer (plastic). Someone may try to manufacture clear aligners, but we believe that would be similar to the technology that we had 10 plus years ago, before the introduction of Invisalign G3, G4, G5, G6, G7 and SmartTrack aligner material which are significant differentiators for the Invisalign system. Many of these innovations are patented and many more are patent pending.

Having said that, we are confident we can extend a highly differentiated product while competing across all segments.

**6. How do you see the future of the market and your own systems? And how do you see the rest of the year developing for Align Technology?**

One of the key focus areas for Align is to improve our consumer experience. We want to service our consumers beyond the product. To connect people with their ideal smile, Align plans to deliver superior consumer and customer experience.

We will also continue with growing our presence globally and to reiterate our position as the leader and pioneer of clear aligners. Another area of growth is in digital platforms across eCommerce and retail. We want to develop consumer-driven products and solutions that can fulfil the specific needs of our consumers.