

Align Technology Inc. – United States and Brazil

Invisalign Maintains Position

Despite some seasonal weakness, U.S. Invisalign case starts mostly met or exceeded providers' expectations for 4Q23 and earlier projections for 2023, and providers in the United States and Brazil expect higher yy growth in 2024 as economic conditions improve.

- U.S.: 2023 Invisalign case starts flat–down slightly yy (vs. up 1%–4% forecasted in September but consistent with repeat sources' figures); conversion rate trends weakened slightly during past 90 days because of patients' financial pressures
- U.S.: 4Q23 case starts met (26) or exceeded expectations (6) for 32 of 37 sources; starts up (11) or flat (14) qq for 25, affected by seasonal softness for some
- U.S.: 2024 Invisalign case starts expected up 4%–7% yy, supported by expected economic improvements
- U.S.: ALGN remains dominant clear aligner manufacturer for majority of sources; ALGN gained share vs. metal braces for 7 of 25 orthodontic sources in 2023
- Brazil: 2024 Invisalign case starts expected up (4) or flat (4) yy for 8 of 10 sources; teen use up during past 90 days

Note: Findings capture estimates from providers who have been offering Invisalign for at least one year and do not capture growth from newly opened Invisalign practices.

KEY DATA

U.S. Providers: 2024 Invisalign Case Start Expectations YY

(number of sources)

| | |
|-------------------------|-----------------|
| Up 11%–15% | 2 |
| Up 6%–10% | 12 |
| Up 1%–5% | 7 |
| Up | 4 |
| Flat | 9 |
| Down 16%–20% | 1 |
| Down | 1 |
| Weighted average | Up 4%–7% |

“Next year case starts will be up because we have a strong backlog of patients that delayed treatment. They are expected to start treatment because of a stronger economy.”

Dental office manager

RESEARCH LEAD

WALLACE MOODY

SOURCES & BACKGROUND

48 providers of clear orthodontic aligners, comprising 36 Invisalign providers and 2 former providers in the United States (25 orthodontic practices and 13 dental practices) and 10 Invisalign providers in Brazil, representing more than 6,700 Invisalign case starts in 2022 (6,308 in the United States and 417 in Brazil)

REPEAT SOURCES 37, comprising 29 in the United States and 8 in Brazil from OTR Global's September report

INTERVIEWS Dec. 13 through Jan. 9

AVERAGES Weighted according to total Invisalign cases started in 2022, when appropriate

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2023 yy forecasts maintained

U.S. Invisalign Demand Trends During Past 90 Days

(number of sources)

| | INQUIRIES | | | CONVERSION RATES | | |
|------------------------------|-----------|-----|-----------|------------------|-----|------------|
| | JUN | SEP | JAN | JUN | SEP | JAN |
| Increased/Improved | 13 | 21 | 10 | 5 | 14 | 4 |
| Same | 20 | 15 | 16 | 25 | 19 | 24 |
| Decreased/Worsened | 13 | 2 | 10 | 15 | 5 | 8 |
| OTR Comparative Index | 0 | 50 | 0 | -22 | 24 | -11 |

Note: The OTR Comparative Index (CI) is a quantitative representation of qualitative responses. The Index is calculated by subtracting the “worse” from the “better” responses, dividing by the total responses and multiplying by 100. An Index below zero indicates a negative trend; above zero indicates a positive trend.

U.S. providers said their 2023 yy **Align Technology Inc.**'s Invisalign case starts were flat–down slightly on average yy, compared with expectations of up 1%–4% in OTR Global's September report but similar to estimates among repeat sources who offered figures for both reports. In line with OTR Global's September findings, cost was mentioned by 26 sources as a factor limiting Invisalign starts. Eight sources said conversion rates have worsened during the past 90 days while four said it improved. In September, five said conversion rates had worsened and 14 said it improved during the previous 90 days. “Our conversion rate has dropped during the past two months because some families can't afford treatment right now. Some families are more worried about the economy than they were earlier in the year,” an orthodontic treatment coordinator said. A dental office manager said, “Both our conversion rate with teen patients and older patients has decreased the past 90 days, due to cost concerns.”

4Q23 Trends: Although the 4Q is traditionally slower for many providers, 4Q23 case starts either met (26) or exceeded expectations (six) for 32 of 37 sources. “Current case starts are meeting expectations with a slight dip qq as December is generally a slower month for us with the holiday season,” an orthodontic treatment coordinator said. An orthodontic office manager said, “This last month has surprised us with case starts. We are booked through the rest of the year and more people are trying to squeeze in. January is also almost full.” Only eight sources mentioned the economy as a negative factor affecting case starts in 4Q23 compared with 14 in September. “Our 4Q23 Invisalign has been exceeding the expectations that we had 90 days ago as patients are more willing to follow through on starting treatment plans,” an orthodontic office manager said.

Case starts were flat–down slightly qq on average during 4Q23; starts were up (11) or flat (14) or for 25 of 37 sources during 4Q23 and down for 12. “Demand for Invisalign is flat from last quarter, and that is better than expected, because case starts usually slow down the last couple months of the year,” a dental office manager said. An orthodontist said, “We have been up this quarter compared to last quarter. I'm not sure why. Maybe it has to do with FSA spending or more people on insurance now.”

Growth expected in 2024

U.S. sources forecast Invisalign case starts to grow an average 4%–7% yy during 2024; 34 of 36 sources expect case starts to either increase (25) or remain the same (nine) yy. Seven sources said

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their forecasts were linked to expectations of improvements in macroeconomic factors. “Next year case starts will be up because we have a strong backlog of patients that delayed treatment. They are expected to start treatment because of a stronger economy,” a dental office manager said. An orthodontist said, “We have been busy these last few months, and people are coming back. If the economy continues to improve, that will help.”

Other factors that could help case start growth include increased advertising and incentives at the practice level as well as **SmileDirectClub Inc.** ceasing operations. “Our social media advertising has been effective, and our promotion focusing on SDC patients is bringing in more patients,” an orthodontic treatment coordinator said. A dental office manager said, “SmileDirectClub was Invisalign’s main competitor. With them going out of business, it is possible that we could see Invisalign usage up between 5%–10% in 2024.” Two sources expect case starts to decrease in 2024 due to weak local economies.

Quotes on 2024 Demand Trends

“We are fully expecting our case starts to grow notably in 2024 as we have recently expanded office space and operations to take in more patients.” *Orthodontic office manager*

“We have had such a down year it is almost impossible for us to imagine not growing our case starts in 2024.” *Orthodontic treatment coordinator*

“If late in 2023 was any indicator of how we can expect case starts to increase during 2024, we are very confident right now.” *Orthodontic office manager*

“We expect case starts to pick up in the second half of next year because patients will be more confident about their finances and will move forward with treatment.” *Dental office manager*

Teen adoption holds steady

Invisalign’s adoption among teens has averaged 34%–39% during the past 90 days, similar to OTR Global’s September findings; teen adoption has remained the same for 16 of 24 orthodontic sources and increased for six. “More and more teens are opting for Invisalign for the look and control,” an orthodontic treatment coordinator said. An orthodontic office manager said, “A growing popularity in the aesthetic among teens and a return to economic confidence is helping to grow the teen patient base for Invisalign.”

Compliance continues to be the main obstacle to Invisalign adoption in teens. “We still discourage Invisalign in teens. Compliance is the No. 1 issue with teens,” an orthodontic treatment coordinator said. Another said, “It seems like more teens are asking about Invisalign recently, but parents are often concerned about compliance.”

Invisalign maintains market dominance

Invisalign remains the dominant manufacturer in the clear aligner market. Thirty-two of 38 sources said they only use Invisalign for their clear aligner patients and 35 of 38 sources are no more interested in competitors than they were 90 days ago. “Because Invisalign is the leader in the industry, we are not receptive to offering any other aligner brands,” a dental office manager said. An orthodontic treatment coordinator said, “We just made it to the next level [tier], and there are discounts associated with higher levels.”

Use of Clear Orthodontic Aligner Products (Other Than Invisalign)

(number of mentions)

| | JUN | SEP | JAN |
|--------------------------|-----|-----|-----|
| No other brands | 38 | 32 | 32 |
| In-house aligners | 4 | 4 | 2 |
| 3M’s Clarity | 1 | 1 | 2 |
| Ulab | - | - | 2 |
| Envista’s Spark | 4 | 3 | 1 |
| Angelalign | 1 | 1 | 1 |
| Other | 3 | 2 | 2 |

Note: Some sources gave more than one answer.

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Several sources are offering other clear aligner brands, including **3M Co.** (two sources), **Envista Holdings Corp.**'s Spark (one), **ULab Systems Inc.** (two) and **OrthoFX Inc.** (one). "I continue to use 3M. We get great support from the company and the new material they released earlier this year for their aligners is a good upgrade," an orthodontist said. Another said, "We always use Invisalign for larger cases, but if we only need to make a few adjustments to some teeth in front we might use ULab. They are less expensive than Invisalign."

Similar to recent OTR Global findings, most sources (25 of 36) said other Invisalign providers were their main source of competition. "More dentists in the area are starting to offer Invisalign," an orthodontic treatment coordinator said. Several sources said the demise of SmileDirectClub would reduce competition for Invisalign.

Quotes on Competitors

"We may get a boost from SmileDirectClub closing. But I think that customers who would have used them are more likely to go to general dentists who provide Invisalign." *Orthodontist*

"We might be open to other brands if they proved lucrative or were in demand from our patients. Right now, we're only using Invisalign." *Orthodontic treatment coordinator*

"No current openness to other products. Invisalign is by far the most marketable and popular." *Orthodontic treatment coordinator*

"We just found out that a quarter of the dentists that refer patients to us are now offering Invisalign, so the competition is getting worse." *Orthodontic treatment coordinator*

DSP usage steady

Invisalign's Doctor Subscription Program (DSP) is targeted toward high-volume providers and allows practices to purchase a predetermined number of aligners at discounted prices. Six of 36 sources are using DSP and four plan to begin using the program, consistent with September findings. "We are using [DSP] and we just started using it for retainers as well. It works well. We don't have any problems with it," an orthodontic treatment coordinator said. Another said, "The plan is to start utilizing the program during [2024]."

Invisalign expected to extend share vs. braces

Invisalign has represented an average 37%–42% of new case starts during the past 90 days among the 25 orthodontic practices. The practices have offered Invisalign for more than 13 years on average.

Seven of 25 orthodontic sources said Invisalign gained share from metal braces at their practices in 2023 and 15 reported no change. "Invisalign has gained some this year. We have had more teens requesting Invisalign this year. They do a lot of advertising on social media," an orthodontic treatment coordinator said. Another said, "Teens love the Invisalign option for easy adjustments. For difficult adjustments, we still rely on metal braces." Only one source said Invisalign lost share to braces during 2023. "Teen parents have pulled back a little because of compliance, but we also are seeing some adults jump into the clear ceramic braces because the treatment time for them would be shorter than with Invisalign," an orthodontic treatment coordinator said.

Ten of 25 sources expect Invisalign to gain share over braces during the next three to five years, while 11 expect share to remain stable. Among the nine sources expecting Invisalign to gain share,

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seven expect it to gain 5%, one expects it to gain 10%, one expects it to gain 15% and one is uncertain.

Quotes on Share vs. Braces

“Aligners are climbing slowly. It’s a 40%–60% split with braces [braces at 60%] at this time. Complicated cases still require braces, for both teens and adults.” *Orthodontic treatment coordinator*

“We have a higher percentage of adult patients than most orthodontic practices, and they are more likely to be in clear aligners.” *Orthodontist*

“Teen patients want Invisalign, but parents are often unwilling to pay extra simply for their teen to feel more aesthetically comfortable.” *Orthodontic office manager*

iTero scanner purchases steady

One of 36 sources said reported plans to purchase an iTero scanner compared with two of 40 sources in September. However, two sources purchased scanners in the previous three months and two made purchases in the previous six months. “We are getting payment to our rep today for a new scanner. We have had the one we are replacing for about eight years,” an orthodontist said.

Thirty-six of 38 sources have an iTero scanner and most sources without plans to purchase a scanner either already have a scanner that is performing adequately or they do not have the volume to justify a new purchase. A dental office manager with a scanner more than three years old said, “No plans to buy an additional iTero scanner in the next few years because we don’t do enough cases to justify the cost.”

BRAZIL

Competition impacts 2023 forecasts in Brazil

Five of 10 sources said case starts were down in 2023, four said case starts increased and one said starts were flat yy. Three of the five who said their forecast had worsened cited competition from other manufacturers as one of the reasons for the difference. “I decided to open up to other alternatives within my practice,” an orthodontist said. She expects her 2024 Invisalign case starts to be flat, “Because of the high number of new brands that offer the same quality with cheaper prices than Invisalign.” Another orthodontist said, “Competition grew because of the many new brands entering the market.”

iTero: Consistent with OTR Global’s September report, six sources either own or rent an iTero scanner. “I purchased my first iTero in 2020. In 2022, I replaced it for the 5D model,” an orthodontist said. Two sources plan to rent an iTero scanner in 2024. “My plan is to rent an iTero in the next 60 days,” an orthodontist said.

Some improvement expected in 2024

Eight of 10 sources expect their 2024 Invisalign case starts to either increase (four) or remain the same (four) yy. “Publicity about Invisalign has increased a lot, and parents have become much more interested in seeking preventive treatments for their children,” an orthodontist said. Another said, “I just rented an iTero 5D. All my colleagues who have it say it’s a fundamental tool to sell Invisalign.”

2023 Invisalign Case Start Expectations vs. 90 days ago

(number of sources)

| | |
|--------|---|
| Better | 3 |
| Same | 2 |
| Worse | 5 |

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However, two sources expect Invisalign starts to decline at their practice during 2024 and several said increased competition would affect new Invisalign starts yy. “Invisalign is very expensive. With all the new brands launched recently offering cheaper prices, it’s going to be more and more difficult to sell Invisalign,” an orthodontist said. Another said, “The high price and the increased competition limits my expectations.”

The teen market remained a bright spot for Brazilian Invisalign providers. All eight responding sources said Invisalign use among their teen patients has either increased (four) or remained the same (four). As in previous reports, sources cited marketing directed toward teens as driving use. “I’m a pediatric orthodontist with a focus on children and teenagers. Invisalign’s marketing helps a lot,” an orthodontist said. Another orthodontist said, “It’s a growing market because in addition to strong marketing and a good brand reputation, dentists now are allowed to sell Invisalign.” Another said, “One of my teen patients told me this week that his whole class was using Invisalign. If that is not a sign of growing trend, I don’t know what it is.”

Aditek’s Self still main competitor in Brazil

Six of 10 sources use only Invisalign for their clear aligner patients. “I use Invisalign only because I don’t find other brands’ tools as good as Invisalign’s,” an orthodontist said. Aditek (acquired by **Angelalign Technology Inc.** [6699 HK] in October 2022) Self brand (used by two sources) remained Invisalign’s main competitor in Brazil. “Unlike Invisalign, Self doesn’t have a package deal. You just buy what you’re actually going to use. Self doesn’t expect orthodontists to advertise for them like Invisalign does,” an orthodontist said.

In OTR Global’s September report, four sources said Envista’s Spark aligners were one of Invisalign’s main competitors. No source mentioned Spark aligners as a top competitor and one orthodontist who tried Spark aligners was dissatisfied. “I went to the Spark Aligner launch in August. However, they are not living up to what they said there. I don’t intend to make another brand my first choice. I already know Invisalign, so I feel safer with them,” she said.

Nine of 10 sources said Invisalign is offering incentives to drive new starts and new iTero scanner rentals. “I got a 2,000 [reais] cashback because I closed more than 10 new cases. The other promo gives 399 [reais] per cases paid with Invisalign Pay,” an orthodontist said. Another said, “Invisalign is giving a cash credit to those who closed more than three new cases in the quarter. I think it’s a tool to fight the competition, which has a much lower price.” A third said, “I took advantage of a promotional rental price for the 5D iTero, nearly half the price they regularly charge.”

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Clear Aligner Brands Used (Other Than Invisalign)

(number of sources)

| | JUN | SEP | JAN |
|---------------------------------|-----|-----|-----|
| No other brands | 6 | 7 | 6 |
| Aditek’s Self | 3 | 2 | 2 |
| Straumann’s ClearCorrect | | | 1 |
| In-house aligners | 1 | 1 | 1 |
| Envista’s Spark | - | 1 | - |

Main Source of Competition to Invisalign Sales

(number of mentions)

| | JUN | SEP | JAN |
|---------------------------------|-----|-----|-----|
| Aditek’s Self | 9 | 4 | 5 |
| Straumann’s ClearCorrect | 3 | 4 | 3 |
| Envista’s Spark | - | 4 | - |
| Other | - | 1 | 1 |

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“We have been really busy at the end of the year. Better marketing has helped. Also with SmileDirectClub closing we are seeing some of their patients and correcting the problems they caused. We are offering free consultations to former SDC patients.”

“The beginning of the year was strong with more scans and consultations, but they have since quieted down”

“Brand reputation and ease of use are big factors for growth on Aligners.”

“We have been behind this year [2023] and looking the past three months it’s not looking very pretty.”

“It has been a little slower in the second half of the year. I think people are concerned that the economy isn’t as stable and now that we are coming out of the pandemic years, there are more things for people to spend money on. People are traveling and they are going out more and there isn’t as much money left to spend on other things.”

“We believe that 2024 Invisalign case starts could be up at least another 5% compared to 2023, if it keeps gaining in popularity like it has this year.”

“I have used Angelalign and they have a good product. It will be interesting to see if they take much share from Invisalign in 2024.”

“We don’t offer any other clear aligner brand to our patients, Invisalign has the best product and support, and customers come in asking for Invisalign.”

“We are still not even considering any other aligner products.”

“The longer term goals is to get the majority of our patients in clear aligners and only use braces when the aligners will not address the correction.”

“I think things are trending towards aligners. It will get closer to 50:50 overall in a few years. Maybe it will be somewhere between 50:50 and 40:60.”

BRAZIL

“Many colleagues are using Self, but I still believe that Invisalign gives a more effective return.”

“I’ve heard a lot of complaints about Clear Correct and a lot of praise for Self.”

“There is more competition and they are coming with very aggressive prices.”

“Teenagers come here asking for Invisalign, and my job is to convince their parents that it’s worth paying for the treatment.”

“It’s a growing market [teens] because in addition to strong marketing and a good brand reputation, dentists are now allowed to sell Invisalign.”

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United States

1. Approximately how many Invisalign cases did your practice start during 2022?

| | ORTHODONTIST | GP DENTIST | TOTAL |
|---------------|--------------|--------------|--------------|
| 751–800: | 1 | - | 1 |
| 451–500: | 2 | - | 2 |
| 301–350: | 2 | - | 2 |
| 251–300: | 2 | - | 2 |
| 201–250: | 4 | 2 | 6 |
| 151–200: | 3 | - | 3 |
| 101–150: | 4 | 2 | 6 |
| 51–100: | 4 | 3 | 7 |
| 1–50: | 2 | 5 | 7 |
| None: | 1 | 1 | 2 |
| Total: | 5,270 | 1,038 | 6,308 |

2. How many years have you been offering clear orthodontic aligners from Invisalign?

| | | | |
|-----------------|-----------------|----------------|-----------------|
| More than 20: | 3 | - | 3 |
| 19–20: | 2 | - | 2 |
| 17–18: | 1 | - | 1 |
| 15–16: | 4 | - | 4 |
| 13–14: | 2 | - | 2 |
| 11–12: | 3 | 2 | 5 |
| 9–10: | 6 | 3 | 9 |
| 7–8: | 2 | 3 | 5 |
| 5–6: | 1 | 2 | 3 |
| 3–4: | - | 1 | 1 |
| 1–2: | - | 1 | 1 |
| 0: | - | 1 | 1 |
| Not applicable: | 1 | - | 1 |
| Average: | 14 years | 7 years | 11 years |

3. What factors are influencing demand for Invisalign aligners at your practice?

POSITIVE

| | | | |
|-------------------------------|----|----|----|
| Appearance: | 21 | 10 | 31 |
| Brand reputation: | 15 | 6 | 21 |
| Easy to use: | 10 | 7 | 17 |
| Advertising from Invisalign: | 8 | 3 | 11 |
| Comfort: | 5 | 5 | 10 |
| Dental health/hygiene: | 4 | 4 | 8 |
| Insurance/flex spending: | 3 | 2 | 5 |
| Removable: | 3 | 1 | 4 |
| Ads/promos from practice: | 1 | 1 | 2 |
| Dentist referrals: | 1 | 1 | 2 |
| Fewer/shorter patient visits: | 1 | 1 | 2 |
| Other: | 1 | 5 | 6 |

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| NEGATIVE | ORTHODONTIST | GP DENTIST | TOTAL |
|-------------------------------|--------------|------------|-------|
| Cost: | 17 | 9 | 26 |
| Compliance: | 15 | 6 | 21 |
| Economy: | 5 | 3 | 8 |
| Not for difficult cases: | 6 | - | 6 |
| Competition: | 4 | 2 | 6 |
| Shifting spending priorities: | 3 | 1 | 4 |
| Efficacy concerns: | 1 | 3 | 4 |
| Colored braces preferred: | 3 | - | 3 |
| Insurance/flex spending: | 1 | 2 | 3 |
| Other: | 1 | 5 | 6 |

Note: Some sources gave more than one answer while others did not respond.

4. Did your 4Q23 Invisalign case starts increase, remain the same or decrease qq?

| | | | |
|--------------------------|---------------------------|-------------|---------------------------|
| Up 21%–25%: | - | 1 | 1 |
| Up 16%–20%: | 1 | - | 1 |
| Up 11%–15%: | - | 1 | 1 |
| Up 6%–10%: | 2 | - | 2 |
| Up 1%–5%: | 4 | - | 4 |
| Up: | - | 2 | 2 |
| 0%: | 8 | 6 | 14 |
| Down: | - | 2 | 2 |
| Down 1%–5%: | 3 | - | 3 |
| Down 6%–10%: | 2 | 1 | 3 |
| Down 11%–15%: | 1 | - | 1 |
| Down 16%–20%: | 2 | - | 2 |
| Down 31%–40%: | 1* | - | 1* |
| Not applicable: | 1 | - | 1 |
| Weighted average: | Flat–down slightly | Flat | Flat–down slightly |

*Outlier excluded from average.

5. Did your 4Q23 Invisalign case starts exceed, meet or fall below expectations you had 90 days ago?

| | | | |
|--------------------------------|-----------|----------|-----------|
| Exceeded: | 4 | 2 | 6 |
| Met: | 16 | 10 | 26 |
| Fell below: | 4 | 1 | 5 |
| Not applicable: | 1 | - | 1 |
| OTR Comparative Index*: | 0 | 8 | 3 |
| 3Q23 Index: | 15 | 8 | 13 |

*The OTR Comparative Index (CI) is a quantitative representation of qualitative responses. The Index is calculated by subtracting the “worse” from the “better” responses, dividing by the total responses and multiplying by 100. An Index below zero indicates a negative trend; above zero indicates a positive trend.

6. Have your Invisalign inquiries increased, remained the same or decreased during the past 90 days?

| | | | |
|--------------------------------|-----------|-----------|-----------|
| Increased: | 5 | 5 | 10 |
| Remained the same: | 12 | 4 | 16 |
| Decreased: | 7 | 3 | 10 |
| No response: | - | 1 | 1 |
| Not applicable: | 1 | - | 1 |
| OTR Comparative Index*: | -8 | 17 | 0 |
| September Index: | 54 | 42 | 50 |

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7. Has your Invisalign conversion rate improved, remained the same or worsened during the past 90 days?

| | ORTHODONTIST | GP DENTIST | TOTAL |
|-------------------------------|--------------|------------|------------|
| Improved: | 3 | 1 | 4 |
| Remained the same: | 16 | 8 | 24 |
| Worsened: | 5 | 3 | 8 |
| No response: | - | 1 | 1 |
| Not applicable: | 1 | - | 1 |
| OTR Comparative Index: | -8 | -17 | -11 |
| September Index: | 27 | 17 | 24 |

8a. Do you expect your 2023 Invisalign case starts to increase, remain the same or decrease yy?

| | | | |
|--------------------------|---------------------------|-------------------|---------------------------|
| Up 11%–15%: | 2 | - | 2 |
| Up 6%–10%: | 5 | 1 | 6 |
| Up 1%–5%: | 3 | 4 | 7 |
| Flat: | 7 | 4 | 11 |
| Down: | - | 1 | 1 |
| Down 1%–5%: | 2 | - | 2 |
| Down 6%–10%: | 2 | 1 | 3 |
| Down 16%–20%: | 2 | 1 | 3 |
| Down 41%–50%: | 1 | - | 1 |
| Not applicable: | 1 | 1 | 2 |
| Weighted average: | Flat–down slightly | Down 1%–4% | Flat–down slightly |

Note: Some sources did not respond.

8b. Did your 2023 forecast improved, remained the same or worsened during the past 90 days?

| | | | |
|--------------------|----|---|----|
| Improved: | 5 | 5 | 10 |
| Remained the same: | 14 | 6 | 20 |
| Worsened: | 4 | 2 | 6 |
| Not applicable: | 1 | - | 1 |

Note: Some sources did not respond.

9. Do you expect your 2024 Invisalign case starts to increase, remain the same or decrease yy?

| | | | |
|--------------------------|--------------|--------------|--------------|
| Up 11%–15%: | 2 | - | 2 |
| Up 6%–10%: | 8 | 4 | 12 |
| Up 1%–5%: | 3 | 4 | 7 |
| Up: | 3 | 1 | 4 |
| Flat: | 6 | 3 | 9 |
| Down: | - | 1 | 1 |
| Down 16%–20%: | 1 | - | 1 |
| Don't know: | 1 | - | 1 |
| Not applicable: | 1 | - | 1 |
| Weighted average: | 4%–7% | 4%–7% | 4%–7% |

10. Is your practice using Align's Doctor Subscription Program (DSP)?

| | | | |
|---------------------|----|---|----|
| Using: | 4 | 2 | 6 |
| Plan to use: | 3 | 1 | 4 |
| Do not plan to use: | 16 | 9 | 25 |
| No longer using: | - | 1 | 1 |
| No response: | 1 | - | 1 |
| Not applicable: | 1 | - | 1 |

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11. What clear orthodontic aligner products do you use in addition to Invisalign?

| | ORTHODONTIST | GP DENTIST | TOTAL |
|--------------------|--------------|------------|-------|
| 3M's Clarity: | 2 | - | 2 |
| ULab: | 2 | - | 2 |
| In-house aligners: | 2 | - | 2 |
| Angelalign: | 1 | - | 1 |
| Ormco's Spark: | 1 | - | 1 |
| OrthoFX: | - | 1 | 1 |
| No other brands: | 20 | 12 | 32 |

Note: Some sources gave more than one answer.

12. Are you more or less open to using other aligner products than you were 90 days ago?

| | | | |
|-----------------|----|----|----|
| More: | 2 | - | 2 |
| Same: | 22 | 12 | 34 |
| Less: | - | 1 | 1 |
| Not applicable: | 1 | - | 1 |

13. What is the main source of competition to your Invisalign sales?

| | | | |
|-----------------------------|----|---|----|
| Other Invisalign providers: | 18 | 8 | 26 |
| Braces providers: | - | 1 | 1 |
| Brava: | 1 | - | 1 |
| Envista's Spark: | 1 | - | 1 |
| LightForce: | 1 | - | 1 |
| Other: | 1 | 1 | 2 |
| None: | 2 | 2 | 4 |
| No response: | - | 1 | 1 |
| Not applicable: | 1 | - | 1 |

14a. Is your practice offering its own Invisalign discounts, promotions or concessions?

| | | | |
|-----------------|----|---|----|
| Yes: | 11 | 7 | 18 |
| No: | 12 | 6 | 18 |
| No response: | 1 | - | 1 |
| Not applicable: | 1 | - | 1 |

14b. Is your practice discounting Invisalign more, the same or less compared with 90 days ago?

| | | | |
|-----------------|----|----|----|
| More: | - | 1 | 1 |
| Same: | 20 | 11 | 31 |
| Less: | - | - | - |
| Don't know: | 1 | - | 1 |
| No response: | 1 | - | 1 |
| Not applicable: | 3 | 1 | 4 |

15a. When did your practice purchase its last iTero scanner?

| | | | |
|--------------------------|---|---|----|
| More than 3 years ago: | 9 | 7 | 16 |
| Less than 3 years ago: | 3 | 1 | 4 |
| Less than 2 years ago: | 5 | 2 | 7 |
| Less than 12 months ago: | 5 | - | 5 |
| Less than 6 months ago: | 1 | 1 | 2 |
| Less than 3 months ago: | 1 | 1 | 2 |
| Have not purchased: | 1 | 1 | 2 |

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15b. When do you expect your practice to purchase its next iTero scanner?

| | ORTHODONTIST | GP DENTIST | TOTAL |
|-------------------------|--------------|------------|-------|
| Within a day or two: | 1 | - | 1 |
| Beyond 12 months: | 1 | - | 1 |
| Not on the horizon yet: | 21 | 12 | 33 |
| Never: | 1 | - | 1 |
| Don't know: | 1 | - | 1 |
| No response: | - | 1 | 1 |

U.S. Orthodontic Sources

16a. What percentage of your teen patients (including preteens) who started orthodontic correction during the past three months were treated with Invisalign?

| | |
|--------------------------|----------------|
| 71%–80%: | 1 |
| 61%–70%: | 1 |
| 51%–60%: | 3 |
| 41%–50%: | 3 |
| 31%–40%: | 1 |
| 26%–30%: | 5 |
| 21%–25%: | 2 |
| 11%–15%: | 1 |
| 6%–10%: | 4 |
| 1%–5%: | 2 |
| None: | 1 |
| Not applicable: | 1 |
| Weighted average: | 34%–39% |

16b. Overall, is Invisalign adoption by teens (including preteens) increasing, holding steady or decreasing at your practice?

| | |
|-------------------|----|
| Increasing: | 6 |
| Staying the same: | 16 |
| Decreasing: | 2 |

17. Of your overall orthodontic case starts in the past 90 days, approximately what percentage was Invisalign, what percentage was braces and what percentage was another clear aligner brand?

| | INVISALIGN | BRACES | OTHER |
|--------------------------|----------------|----------------|--------------|
| 91%–100%: | - | 2 | - |
| 81%–90%: | - | 3 | - |
| 71%–80%: | - | 3 | - |
| 61%–70%: | 2 | 2 | - |
| 51%–60%: | 3 | 7 | - |
| 41%–50%: | 2 | 2 | 1 |
| 31%–40%: | 7 | 2 | - |
| 26%–30%: | 1 | 3 | - |
| 21%–25%: | 4 | - | - |
| 11%–15%: | 1 | - | - |
| 6%–10%: | 3 | - | 1 |
| 1%–5%: | 1 | - | - |
| None: | - | - | 22 |
| Not applicable: | 1 | 1 | 1 |
| Weighted average: | 37%–42% | 55%–60% | 1%–6% |

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18. Did Invisalign gain, maintain or lose share from traditional metal braces at your practice during 2023?

| | |
|-----------------|----|
| Gained: | 7 |
| Maintained: | 15 |
| Lost: | 1 |
| No response: | 1 |
| Not applicable: | 1 |

Brazil

19. Approximately how many Invisalign cases did your practice start during 2022?

| | |
|---------------|------------|
| 51–100: | 3 |
| 1–50: | 7 |
| Total: | 417 |

20. How many years have you been offering clear orthodontic aligners from Invisalign?

| | |
|-----------------|----------------|
| 9–10: | 1 |
| 5–6: | 3 |
| 3–4: | 5 |
| 1–2: | 1 |
| Average: | 5 years |

21. What factors are influencing demand for Invisalign aligners at your practice?

POSITIVE

| | |
|------------------------------|---|
| Brand reputation: | 7 |
| Efficacy: | 4 |
| Dental health/hygiene: | 2 |
| Easy to use: | 1 |
| Bank partnerships: | 1 |
| Expanding awareness: | 1 |
| Advertising from Invisalign: | 1 |
| Provider capacity: | 1 |

NEGATIVE

| | |
|-------------|---|
| Cost: | 9 |
| Compliance: | 2 |

Note: Some sources gave more than one answer.

22. Approximately how many Invisalign cases did you start during October and November and December?

| | OCTOBER | NOVEMBER | DECEMBER |
|-------------|---------|----------|----------|
| 1–10: | 9 | 6 | 6 |
| None: | - | 3 | 3 |
| Don't know: | 1 | 1 | 1 |

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23a. Did your 2023 Invisalign case starts increase, remain the same or decrease yy?

| | |
|--------------------------|-------------------|
| Up more than 100%: | 1 |
| Up 41%–50%: | 1 |
| Up 6%–10%: | 2 |
| Flat: | 1 |
| Down: | 2 |
| Down 16%–20%: | 1 |
| Down 26%–30%: | 1 |
| Down 41%–50%: | 1 |
| Weighted average: | Up 22%–27% |

23b. Did your 2023 expectations improve, remain the same or worsen during the past 90 days?

| | |
|--------------------|---|
| Improved: | 3 |
| Remained the same: | 2 |
| Worsened: | 5 |

24. Do you expect your 2024 Invisalign case starts to increase, remain the same or decrease yy?

| | |
|--------------------------|-------------------|
| Up 91%–100%: | 1 |
| Up 41%–50%: | 1 |
| Up 6%–10%: | 1 |
| Up: | 1 |
| Flat: | 4 |
| Down: | 1 |
| Down 6%–10%: | 1 |
| Weighted average: | Up 11%–16% |

25. What clear orthodontic aligner products do you use in addition to Invisalign?

| | |
|--------------------|---|
| Aditek's Self: | 2 |
| ClearCorrect: | 1 |
| In-house aligners: | 1 |
| No other brands: | 6 |

26. What is the main source of competition to your Invisalign sales?

| | |
|-----------------------------|---|
| Aditek Self Aligners: | 5 |
| Straumann's ClearCorrect: | 3 |
| Smart Aligners: | 1 |
| Other Invisalign providers: | 1 |
| Other: | 1 |
| Don't know: | 1 |

Note: Some sources gave more than one answer.

27. Is Invisalign offering any discounts or promotions (beyond its standard volume discounts for provider tiers)?

| | |
|------|---|
| Yes: | 9 |
| No: | 1 |

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28. Of your overall orthodontic case starts in the past 90 days, approximately what percentage were Invisalign, what percentages were braces and what percentage were another clear aligner brand?

| | INVISALIGN | BRACES | OTHER |
|--------------------------|----------------|----------------|--------------|
| 91%–100%: | 5 | - | - |
| 71%–80%: | 1 | - | - |
| 51%–60%: | 2 | 2 | - |
| 31%–40%: | 2 | 1 | 1 |
| 16%–20%: | - | 1 | - |
| 1%–5%: | - | 1 | 1 |
| 0%: | - | 5 | 8 |
| Weighted average: | 77%–82% | 16%–21% | 0%–5% |

29a. What percentage of your teen patients (including preteens) who started orthodontic correction during the past three months were treated with Invisalign?

| | |
|--------------------------|----------------|
| 51%–60%: | 1 |
| 41%–50%: | 2 |
| 21%–25%: | 2 |
| 16%–20%: | 2 |
| None: | 3 |
| Weighted average: | 33%–38% |

29b. Overall, is Invisalign adoption by teens (including preteens) increasing, holding steady or decreasing at your practice?

| | |
|-------------------|---|
| Increasing: | 4 |
| Staying the same: | 4 |
| Decreasing: | - |
| No response: | 1 |
| Not applicable: | 1 |

30a. When did your practice purchase or rent its last iTero scanner?

| | |
|--------------------------|---|
| More than 3 years ago: | 4 |
| Less than 12 months ago: | 1 |
| Have not purchased: | 4 |
| Other: | 1 |

30b. When do you expect your practice to purchase or rent its next iTero scanner?

| | |
|-------------------------|---|
| Beyond 12 months: | 1 |
| Next 6 months: | 1 |
| Next 60 days: | 1 |
| Not on the horizon yet: | 6 |
| Don't know: | 1 |

31. During the past 90 days, has your Invisalign business been stronger, the same or weaker compared with other orthodontic or dental treatments done at your practice?

| | |
|-----------|---|
| Stronger: | 3 |
| In line: | 3 |
| Weaker: | 4 |

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ANALYST CERTIFICATION

The Author(s) of this research report certify that all of the views expressed in the report accurately reflect their personal views about any and all of the subject securities and that no part of the Author(s) compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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