

Align Technology - Choosing the Next Growth Lever

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Decision scope: Prioritizing publicly disclosed 2024 growth levers

Case convention: This is a hypothetical strategy exercise for students acting as outside advisers. Align's disclosures are historical; the assignment and alternatives are author-created. No internal discussion, budget, or management preference is represented.

The assignment

You are an outside strategy adviser preparing a recommendation about Align Technology's 2024 growth priorities. Use only information available by 1 February 2024. Recommend which of two publicly disclosed levers Align should emphasize, or whether it should stage both:

1. **Deepen the professional digital workflow:** advance iTero Lumina, related software, and practitioner training to encourage use of Align's digital tools and services.
2. **Emphasize existing non-comprehensive Invisalign offerings:** grow the role of Align's lower-ASP, limited-scope aligner products alongside comprehensive treatment.

Your recommendation should identify what evidence would validate the choice and which operating measures should guide a later review. This assignment does not imply Align had a live internal decision, dedicated investment pool, or debate over these exact options. No project budget is supplied.

Growth with different signals

Align Technology sells Invisalign clear aligners prescribed by dental professionals, iTero intraoral scanners, and exocad computer-aided design and manufacturing software. It presents these products as connected components of digital orthodontics and restorative dentistry. The connection may create complementary demand, but the public figures do not reveal whether scanner adoption causes more Invisalign starts or how much of scanner revenue comes from orthodontic use. [C01; C02]

The FY2023 results showed revenue growing faster than case shipments. Q4 added another mixed signal: total and clear-aligner revenue increased year over year, while clear-aligner shipments were slightly lower. These aggregate figures combine prices, product mix, foreign exchange, additional aligners, and services; they do not by themselves identify the source of growth or a case-level price change. [C01]

Exhibit 1. Selected reported results

U.S. dollars in millions except shipments; company-reported figures.

Measure	FY2022	FY2023	FY change	Q4 2022	Q4 2023	Q4 YoY change
Total net revenue	\$3,734.6	\$3,862.3	+3.4%	\$901.5	\$956.7	+6.1%
Clear-aligner shipments	2,398,370	2,408,520	+0.4%	596,155	592,635	-0.6%
Clear-aligner revenue	\$3,072.6	\$3,199.3	+4.1%	\$731.7	\$781.9	+6.9%
Systems and Services revenue	\$662.1	\$662.9	+0.1%	\$169.9	\$174.8	+2.9%

Source: Align FY2023 results release, financial summaries for Q4 and fiscal 2023 [C01]. Shipments include Doctor Subscription Program touch-up cases. In Q3 2023, Align began including touch-up cases in case revenue and volume and recast prior comparisons; figures above follow the company's reported presentation. Systems and Services includes iTero systems and services and exocad software, not scanner hardware alone.

Management's stated objectives

In its 31 January 2024 release, Align expected FY2024 total revenue to grow at a mid-single-digit rate, with clear-aligner and Systems and Services revenue growing in a similar approximate range. Management expected average selling prices to increase slightly, primarily from price increases and favorable foreign exchange, partly offset by a higher mix of lower-ASP non-comprehensive products. It also expected GAAP and non-GAAP operating margins to be slightly above FY2023 levels. [C01]

The company expected approximately \$100 million of capital expenditure, primarily for building construction and improvements and manufacturing capacity. The release did not identify that amount as an available project budget for either growth lever. [C01]

Exhibit 2. FY2024 guidance available at the cutoff

Measure	Company outlook
Total revenue	Mid-single-digit growth over FY2023
Clear Aligner and Systems and Services revenue	Each expected to grow in a similar approximate range to total revenue
Clear Aligner average selling price	Slightly higher year over year; price increases and FX partly offset by higher non-comprehensive mix
Operating margin	GAAP and non-GAAP each expected slightly above FY2023
Capital expenditures	Approximately \$100 million, primarily facilities and manufacturing capacity

Source: Align FY2023 results release, “Fiscal 2024 Business Outlook” [C01]. These are forward-looking management expectations, not guaranteed results or a product-level allocation.

Lever one: build the digital workflow

At the same results release, Align introduced iTero Lumina. The company described a smaller wand and wider field of capture, and said the scanner could capture more data and support practice efficiency. Such claims are company-reported product positioning, not independent clinical or economic evaluation. The release presented the product as an innovation for orthodontic workflows. [C01]

Align had also described additional digital initiatives in its Q3 2023 release: a ClinCheck Plan Editor for greater treatment-planning flexibility, software and connector updates, and a Toronto training center for Invisalign, iTero, and the Align Digital Platform. Product availability and launch timing varied. [C03]

An integrated workflow might improve consultation, scanning, treatment planning, or case submission. If that in turn increases doctor utilization of Invisalign, the two product lines could reinforce one another. But an iTero sale may support restorative work, replace an analog impression, or serve a practice that uses several aligner brands. Aggregate segment results cannot tell an adviser which explanation dominates.

A small scanner-training study and an observational scanner-acquisition study offer hypotheses, not a reliable forecast. One involved 34 hygienists without previous scanner experience and found more positive perceptions after training; participants favored a competing scanner on several measures. Another study reported a positive association between iTero acquisition and Invisalign receipts in a practice sample, but its full methods were not available in the reviewed source and its result should not be applied as a causal lift or companywide conversion rate. [A04; A05]

Lever two: grow within the product portfolio

Align’s Q3 2023 Form 10-Q distinguished comprehensive products, including Invisalign Comprehensive and Invisalign First, from non-comprehensive products, including Moderate, Lite, Express, Go, and Go Plus. It also described a Doctor Subscription Program for certain trained doctors who used touch-up, retention, or limited-treatment aligners. [C02]

Management’s FY2024 outlook expected a higher mix of non-comprehensive products to partly offset other average-selling-price drivers. This gives the adviser a sourced product-scope and mix lever. The available disclosures do not establish that these products are easier to prescribe, more accessible to patients, or incremental to comprehensive cases. Nor do public filings disclose product-level contribution margins or cannibalization.

Clinical evidence matters to the strategic choice. An Invisalign-specific systematic review found the evidence strongest for non-extraction, mild-to-moderate malocclusions in non-growing patients; it reported mixed performance in more severe cases and substantial variation across the underlying studies. A later review of clear-aligner treatment overall also found low-to-moderate certainty for specific tooth movements. Neither review estimates commercial demand or the economics of Align’s product tiers. [A01; A02]

The competitive setting

Align's FY2022 annual report described competition from fixed braces, other clear-aligner providers, regional entrants, direct-to-consumer services, and appliances made by dental practices. Dentsply Sirona's FY2022 filing listed dentist-directed SureSmile and direct-to-consumer Byte products. [C04; C05]

In a June 2023 release, Dentsply Sirona said its analysis of SureSmile cases treated from 2019 to 2021 found no refinement was needed in three of four cases. The release did not provide enough methodological detail for comparison with Align's clinical evidence. Treat this as a competitor's marketing claim, not an independent result or a like-for-like clinical comparison. The available competitor sources establish product and channel presence; they do not provide comparable prices, product scope, or workflow economics for the two strategic levers. [C06]

Regulation and professional oversight also shape the portfolio. The FDA's December 2023 510(k) record determined the Invisalign Palatal Expander substantially equivalent for its stated indications. Align said in January that availability was limited in the U.S. and Canada and that other markets awaited applicable approvals. Clearance does not establish superior clinical results, adoption, or commercial traction. [C01; C07]

The recommendation

Which disclosed growth lever should Align emphasize in 2024: deeper investment in professional digital workflow adoption and use, greater emphasis on lower-ASP non-comprehensive products, or a staged combination? Explain how the choice fits the company's growth and margin objectives. Identify the assumptions your recommendation depends on, what evidence would change your view, and the measures you would monitor. Do not assume an investment amount that Align did not disclose.

Discussion questions

1. What is the strongest strategic rationale for each growth lever? Which facts support each rationale, and which parts remain hypotheses?
2. Does the scanner-and-software workflow plausibly reinforce Invisalign adoption? What evidence would distinguish complementarity from scanner use for other workflows or substitution for analog impressions?
3. How should Align assess a greater mix of lower-ASP, non-comprehensive products when public data do not show incremental cases, cannibalization, or product-level margins?
4. What does the clinical evidence imply about where product expansion should be cautious? How should practitioner judgment enter the recommendation?
5. Would you prioritize one lever or stage both? Specify a small set of leading and lagging measures and a rule for continuing, revising, or stopping the effort.

Sources and conventions

Company disclosures are cited by source ID. Dates, locators, version details, and links are in the Align source register. Academic methods and limitations are summarized in the literature review and evidence extraction.

- **C01.** Align Technology, FY2023 Q4 and full-year results release, 31 Jan 2024; Q4 and fiscal financial summaries; iTero Lumina discussion; FY2024 Business Outlook. [Official release](#).
- **C02.** Align Technology, Q3 2023 Form 10-Q, filed 3 Nov 2023; MD&A pp. 27-31, product definitions and mix analysis. [SEC filing](#).
- **C03.** Align Technology, Q3 2023 results release, 25 Oct 2023; product/software announcements and training-center discussion. [Official release](#).
- **C04.** Align Technology, FY2022 Form 10-K, filed 27 Feb 2023; Item 1, "Competition." [SEC filing](#).
- **C05.** Dentsply Sirona, FY2022 Form 10-K, filed 1 Mar 2023; Item 1, Orthodontics. [SEC filing](#).
- **C06.** Dentsply Sirona, SureSmile release, 15 Jun 2023; company analysis of 2019-2021 cases. [Official release](#).
- **C07.** U.S. FDA, 510(k) K232887, Invisalign Palatal Expander; decision 15 Dec 2023. [FDA record](#).
- **A01.** Papadimitriou et al., "Clinical effectiveness of Invisalign orthodontic treatment: a systematic review," *Progress in Orthodontics* 19, 37 (2018). [Full text](#).
- **A02.** Robertson et al., "Effectiveness of clear aligner therapy for orthodontic treatment: A systematic review," *Orthodontics & Craniofacial Research* 23(2), 133-142 (2020; first online 2019). [PubMed record](#). Abstract-level access; provisional.
- **A04.** Lee et al., scanner perceptions after training, *BMC Oral Health* 15, 151 (2015). [Full text](#).
- **A05.** Mackay et al., "Acquisition of a Digital Intraoral Scanning Device," *Journal of Clinical Dentistry* 28 (Suppl), S1-S5 (2017). [PubMed record](#). Abstract-level access; provisional.

All student information is limited to material available by 1 February 2024. Align's FY2023 Form 10-K, filed 28 February 2024, and later outcomes are excluded.