Kieger – Thoughts from the Street

International Dental Show 2019

Zurich, March 15, 2019

IDS 2019 - No place for dental phobics: Gradual technology improvement with greater focus on digital integration

We attended the biannual International Dental Show (IDS) from March 12 to 16 2019 in Cologne, Germany, including a booth tour, the Straumann investor breakfast and expert and management conversations.

IDS is the landmark trade summit in dentistry with more than 140'000 visitors and ~2'300 exhibitors from around the world. Given the huge audience and the biannual frequency dental supply manufactures use the IDS traditionally to showcase their newest product innovations. However, this year we had the impression that introductions overall were more evolutionary. Digitalisation of dentistry remains the hot topic with intra oral scanners seen as gateway technology.

The fair itself is impressive due to its size, the diversity of its exhibitors (from small shops to huge corporations) and due to the number of new product announcements. The fair is so crowded that for the booth tour wireless headsets were used to acoustically understand the different company representatives.
After years of consolidation we noticed that the offering of the bigger dental players look increasingly homogenous as all start to offer clear aligners, premium / non- premium implants CAD/CAM solutions and digital imaging equipment.
In general the mood seemed very upbeat, even at companies which went through years of significant uncertainty.

Intraoral scanner as starting point for digital dentistry

For many years the Omnicam from Dentsply Sirona was the only viable solution for intra oral scanning. However the system was closed, expensive and only made sense for a few dentists that were willing to combine it with Dentsply Sirona's chairside CAD/CAM offering (CEREC). Over the past years a lot of new scanners entered the market and overtook Omnicam's prime position. Today all major companies have a scanner offering and the differentiation between them has become fairly small. However, the penetration among dentists remains low (between 10-20% depending on the market).

- *Gateway to digital dentistry:* Intraoral scanners have become the starting point for digital dentistry. Today most major treatments including tooth replacements, orthodontic treatments, full arch restaurations and now even caries detection start with a scan of the teeth. At this year's IDS two companies added caries detection to their scanners. Other scanner innovations seemed more evolutionary leading either to shorter scanning time and or better data quality.
- *Open systems:* All major intra oral scanner manufactures work now in open systems. This means that the scanner data can be used on 3rd party products and applications. Dentists can pick and choose components from different manufactures to build their own system. Also dental labs are now broadly equipped to receive scanner data directly leading to efficiency gains.

Digitalisation of dentistry might start with scanners, however equally important is that the whole workflow becomes digital by connecting the equipment through a comprehensive software offering.
We estimate that intra oral scanner penetration rates should go up in the years to come. Efficency gains and the opportunity to offer new services (e.g. general practitioners can offer clear aligners for simple cases) should more than outweigh the initial capital investment.

Attack of the clear aligner clones

Similar to the scanner business, the field of clear aligners was dominated by Align Technologies. However, as patent protection for an important component (case planing) started to run off we see increasing competition coming to the arena. Straumann entered the space a year ago with the acquisition of Clear Correct and announced this IDS a worldwide roll out. Dentsply Sirona showcased its SureSmile platform. Other vendors including 3M and Henry Schein are working on an offering, but also normal dental labs can now produce clear aligners for simpler cases.
The market itself looks big enough for several players. Market growth for clear aligners remains in the high double digit area and Align has a market share of >90%.

Bottom line

This year's IDS product announcements where more evolutionary than revolutionary. Digitalisation of dentistry remains the most important topic with intra oral scanner serving as gateway. Also, the space of clear aligners is getting more crowded after important Align patents expired. In general the mood seemed very upbeat even at companies that went through years of uncertainty and turmoil.

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