



# Outcome Capital: Quarterly Market Segment Report

*Medical Device Segment Overview | Q2 2024*

Reach the *Right Outcome*



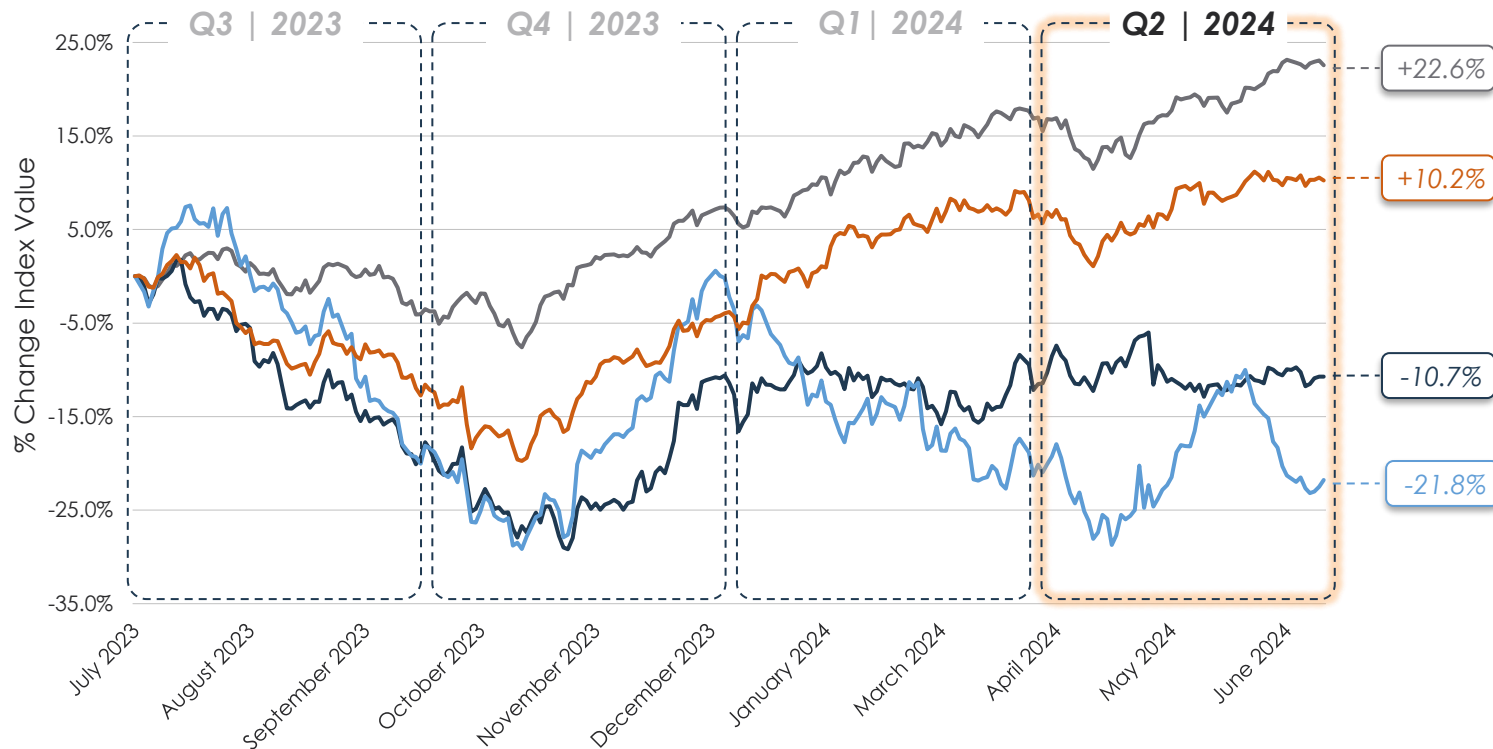
# MEDICAL DEVICE MARKET PERFORMANCE



## Trailing-Twelve-Months (TTM) Review

### Key Insights

- Strategics in the >\$10B index operating in high growth areas (i.e., cardiovascular, robotics, diabetes) witness earnings growth
- FDA recall of Tandem's iOS mobile app results in less optimistic investor sentiment throughout Q2
- Intuitive exceeded forecasted da Vinci 5 placements continuing ISRG's run with stock prices up >30% YTD
- Operational & quality system gaps identified for Integra drives increased spending, lower revenue guidance & EPS expectations



S&P500 —  
 <\$3B MedTech —  
 \$3-10B MedTech —  
 >\$10B MedTech —

<\$3B MedTech Index

\$3-10B MedTech Index

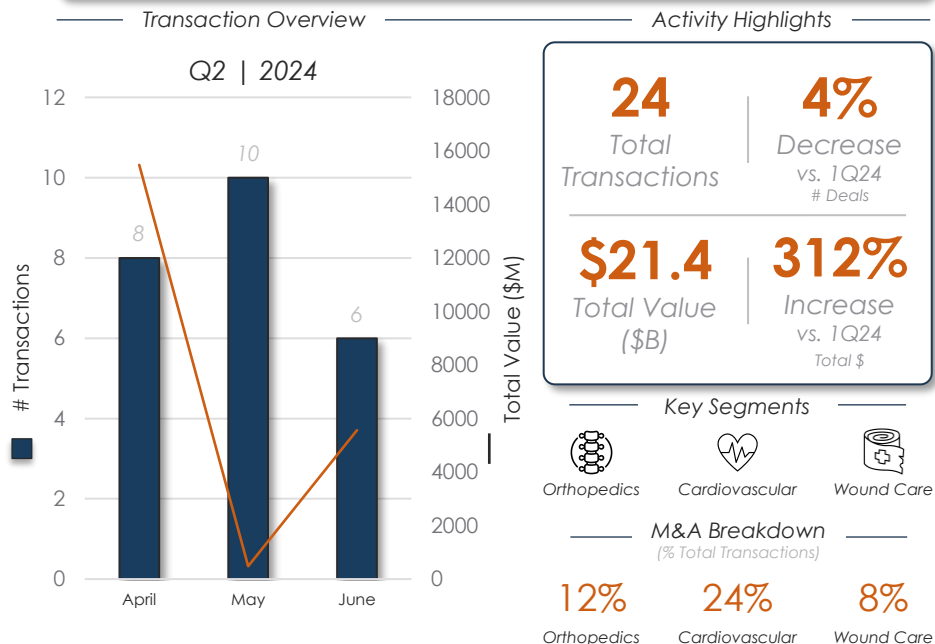
>\$10B MedTech Index

# MEDICAL DEVICE TRANSACTION ACTIVITY

## M&A Performance Throughout Q2 | 2024



### M&A Transactions Overview



#### Key Participation



### Select M&A Transactions

TARGET	BUYER	DEAL SIZE	DESCRIPTION
	Johnson & Johnson	\$13.1B	4/5/2024 – Developer of IVL technology designed to treat atherosclerotic cardiovascular disease
endomag <sup>+</sup>	HOLOGIC <sup>®</sup>	\$310M	4/29/2024 – Developer of breast surgery localization & lymphatic tracing technologies
	Alcon	\$466M	5/5/2024 – Developer of non-contact glaucoma laser treatment designed to alleviate IOP
ASENSUS SURGICAL	STORZ KARL STORZ – ENDOSKOPE	\$108M	6/7/2024 – Developer of intra-operative augmented intelligence surgical technology
SILKROAD <sup>®</sup> MEDICAL	Boston Scientific	\$1.2B	6/18/2024 – Developer of minimally invasive devices for prevention of carotid artery disease

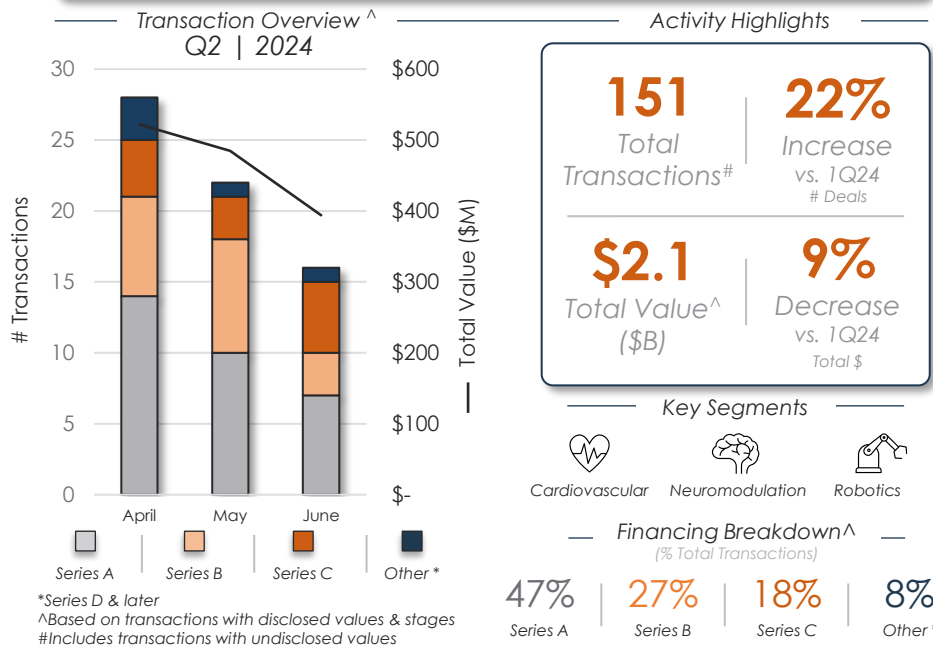
\* Note: Deals volumes & capital deployed based on transactions between 4/1/24 – 6/30/24

# MEDICAL DEVICE TRANSACTION ACTIVITY

## Financing Activity | Q2 2024



### Financing Transactions Overview



### Key Participation



### Select Financing Transactions

TARGET	LEAD	DEAL SIZE	DESCRIPTION
Miach Orthopaedics	endeavour vision SECTORAL ASSET MANAGEMENT	\$60M	<a href="#">4/2/2024</a> – Developer of implant to facilitate new tissue growth & aid in connective tissue repair
CereVasc™	xontogeny BainCapital	\$70M	<a href="#">5/10/2024</a> – Clinical stage developer of minimally invasive treatments for neurological disease
restor3d	SUMMERS Value Partners	\$70M	<a href="#">6/5/2024</a> – Developer of patient-specific, 3D-printed implants for ankle & shoulder replacements
INSIGHTTEC	Fidelity NEXUS NEUROTECH VENTURES	\$150M	<a href="#">6/18/2024</a> – Developer of MRI-guided ultrasound devices for non-invasive treatment of oncology & gynecology indications
VENOSTENT	GOOD GROWTH CAPITAL IAG CAPITAL PARTNERS	\$20M	<a href="#">6/27/2024</a> – Developer of external stent to improve quality & length of life for chronic kidney disease patients

\* Note: Deals volumes & capital deployed based on transactions between 4/1/24 – 6/30/24

# Q2/24 MEDICAL DEVICE SEGMENT TRENDS

## Outcome Leadership Insights & Takeaways



### Medical Device Segment Insights



#### Global Strategics Accelerating Business Growth Through M&A

- BD acquisition of Edwards Critical Care business expands their hospital leadership position, while enabling Edwards to focus on core cardiovascular business
- Hologic, Alcon, J&J all expand market leadership position with acquisitions in core segments



#### Investors Fueling Commercial Opportunities In Large Markets

- As strategics M&A priorities focus on later-stage, accretive and near-accretive opportunities, investors have supported numerous larger commercial rounds as start-ups seek to demonstrate early market adoption
- Burgeoning markets including cardiovascular & neuromodulation remain key areas of investor interest



#### Continued Product Innovation Across Segment

- Shift of healthcare out of the hospital setting has driven demand for new AI-driven sensor & analytics
- Surgical procedures becoming minimally invasive, enabling shift to out-patient facilities
- Improvement in manufacturing, including 3D-printing, facilitates personalized treatments/implants

### Outcome Insights

*“After a year broadly characterized across the medical device industry by businesses refocusing, whether through product divestitures or business spin outs, 2024 has started with alignment towards growth. Recent Q2/24 M&A exemplifies the drive for business expansion, whether through transformational acquisitions, such as J&J & Shockwave, or market expanding deals like Alcon’s acquisition of Belkin Vision. Given recent earnings calls & strategic guidance, this is a trend likely to continue through the reset of 2024. In fact, the first month of Q3 saw groups including Edwards, Bausch & Lomb and Cooper Surgical all bolster their pipelines with strategic M&A.”*



**Nick Frame, PhD**  
Senior Vice President  
Outcome Capital, LLC

# MEDICAL DEVICE TRANSACTION TRENDS

## Outcome Leadership Insights & Takeaways



### Medical Device Transaction Value Drivers



Market leaders target innovative, commercial-stage devices with well-established clinical benefit to reduce commercial risk via long-term maintenance of premium pricing & ROI



Well-developed pipelines allow acquirers to both expand presence within target markets & branch into new verticals synergistic with existing commercial infrastructure



Interest rate decisions may drive continued focus on margin expansion & higher earnings through premium pricing enabled by innovation or a shift in focus on revenue growth depending on rate increases/decreases



Dealmaking for pre-revenue companies is dependent on effective showcasing of impending product adoption following regulatory approval

### Highlighted Medical Device Transaction: Q1 | 2024

**SHOCKWAVE**  
MEDICAL

Target

**Johnson & Johnson**

Buyer

**Date:** May 2024

**Type:** M&A

**\$13.1B**

Deal Value

**Commercial**

Deal Stage

#### Target Description:

Developer of first-of-its-kind Intravascular Lithotripsy technology to transform the treatment of atherosclerotic cardiovascular disease with sonic pressure waves

#### Transaction Insights

- Shockwave's offering is complementary to J&J's recent Abiomed acquisition, enabling J&J to be positioned as a category leader in the high-growth cardiovascular market
- Commercial product with robust pipeline preparing J&J for near-term product launches for enhanced portfolio
- Transaction expected to be immediately accretive to J&J's operating margin upon closing

# OUTCOME CAPITAL

## Strategic Advisory & Investment Banking



Outcome Capital is a highly specialized life sciences & healthcare strategic advisory and investment banking group.

Our team brings a unique blend of scientific training, operational experience and financial expertise to assist companies in developing a market-aligned strategy to catalyze M&A, partnership and financing transactions. Leveraging a “strategy-first” approach to value enhancement, our goal is to assist management teams and boards effectively navigate strategic and financial markets. Distinct from traditional financial institutions, Outcome’s team is a blend of PhD scientists, physicians, CFAs, MBAs, venture capitalists, former CEOs and seasoned entrepreneurs. Outcome’s DNA enables our bankers to relate to our clients, and speak directly to the technology, R&D pathway and commercial strategies from a first-hand perspective.

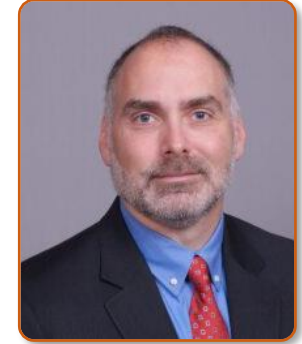
Outcome’s quarterly market reports provide an overview of deal activity in select segments across the life sciences and healthcare industries and is accompanied by specific drivers and trends insights from our team.

Please reach out to our team for further information.



**Oded Ben-Joseph, PhD**

Managing Partner  
oben-joseph@outcomecapital.com



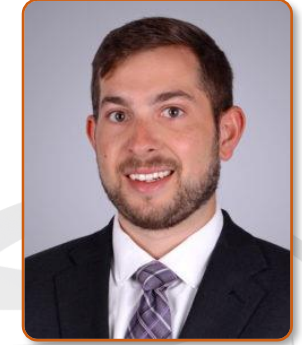
**Peter Meyer, PhD**

Managing Director  
pmeyer@outcomecapital.com



**Thom Busby, MBA**

Director  
tbusby@outcomecapital.com



**Nick Frame, PhD**

Senior Vice President  
nframe@outcomecapital.com



20 Custom House Street,  
Suite 1200, Boston, MA 02110



+1 (617) 431-2278



[WWW.OUTCOMECAPITAL.COM](http://WWW.OUTCOMECAPITAL.COM)







### Headquarters Office:

20 Custom House  
Street  
Suite 1200  
Boston, MA 02110  
+1 (617)431-2278

### International Offices:

 Via A. Galli, 2 6900  
Lugano, Switzerland

 1305 South Suzhou Road, 2F  
Shanghai, China

### Global Reach



[www.outcomecapital.com](http://www.outcomecapital.com)



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