

## Apollo and Reshape play pass the parcel



[Elizabeth Cairns](#)

Apollo Endosurgery and Reshape Lifesciences have swapped obesity devices – one to grow sales, and the other to shut sales down. Apollo, which bought the Lap-Band gastric band from Allergan back in 2014 for \$90m, has now sold its entire surgical devices segment, of which Lap-Band is the mainstay, on to Reshape for just \$10m up front. Apollo’s surgical segment is forecast to decline 7% per year to 2024; Reshape seems to believe that it can wring more value from the segment than Apollo could, saying that Lap-Band would “significantly enhance our financial profile”. Apollo will retain a secured interest in the assets of Reshape until either \$7m in milestones is paid over the next three years or Reshape conducts an equity raise of at least \$15m. Apollo will also make the surgical products for Reshape for up to two years, and distribute them outside the US for up to one year. In return Apollo has acquired Reshape’s gastric balloon – so it can shelve it, thereby boosting uptake of its own balloon, Orbera. Both gastric balloons have been linked with patient deaths, first in [August 2017](#) and then again in [June this year](#).

### Bands, balloons and more: sales of obesity devices

Company	Product line	Global sales (\$m)				CAGR
		2018	2020e	2022e	2024e	
Apollo Endosurgery	Endo-bariatric, including Orbera	45	63	79	94	+13%
Apollo Endosurgery	Surgical, including Lap-Band	19	13	12	12	-7%
Johnson & Johnson	Bands	66	70	74	79	+3%
Reshape Lifesciences	ReShape and Maestro	5	18	53	88	+63%

Source: EvaluateMedTech.

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