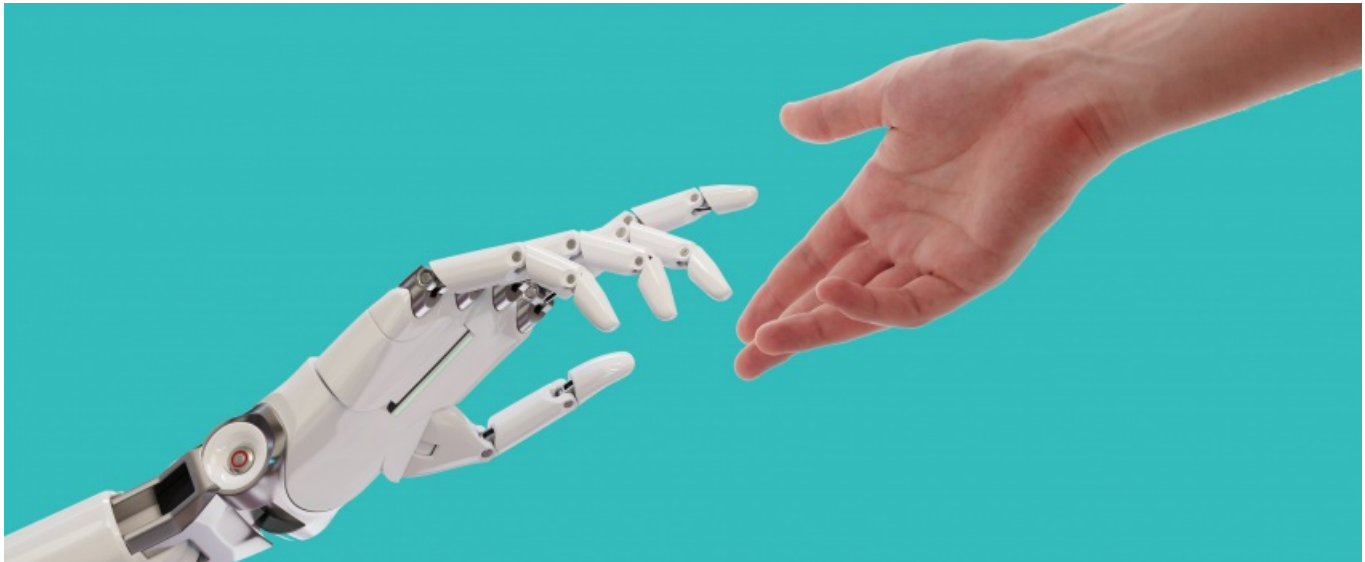


## Stryker spends \$500m to re-up on robots



[Elizabeth Cairns](#)



### **Deal is the fifth largest robotics surgery purchase ever, and the second big move from Stryker.**

Stryker was the first company to pursue a megadeal in robotic surgery when it bought Mako Surgical for \$1.7bn five years ago. Its second purchase in this area is more modest in size at \$370m up front, but underlines the importance of keeping up in a space where large acquisitions are happening more and more regularly.

The deal is for not one but two companies. Not much is known about Cardan Robotics other than that it is developing a robot called Orion intended to aid navigation in surgical and interventional radiology procedures. The other purchase is Cardan's sister company Mobius Imaging, which makes the Airo TruCT scanner.

Unusually for a deal structured to include milestone payments, most of the cash going into the double acquisition is up front; development and commercial milestones will only amount to a maximum of \$130m.

Presumably much of the R&D efforts will centre on Cardan's robot, since Mobius's flagship technology, a mobile CT system that can be used while surgery is being performed, is already approved. The system was cleared by the FDA in 2013 and gained CE mark a year later. It is marketed by the German medtech Brainlab.

Stryker has not detailed the exact procedures for which Cardan's robotic system is intended. According to [a report in the Journal of Spine](#) published in May 2017 the Orion robot can be combined with the Airo CT scanner for endoscopic spinal procedures such as decompression. This would chime with Stryker's statement that the acquisition of Cardan and Mobius provides its spine division with immediate entry into intra-operative imaging.

### **Competition**

The deal comes just before Medtronic is due to make a big splash with its new surgical robot. The world's biggest medtech has been quietly working on a system that will allow it to compete here, and is due to unveil its project at an event on September 24th.

This system, which is not yet in clinical trials, is designed for soft tissue procedures and as such could see Medtronic square up to Intuitive Surgical, by far the biggest player in soft tissue and robotic surgery in general. Medtronic already has systems for spinal and cranial surgery, which it acquired with the purchase of Mazor Robotics a year ago.

Speaking on Medtronic's first-quarter earnings call last month Geoff Martha, currently president of the restorative therapies group but soon to be Medtronic's new chief executive, said that the company had huge

ambitions for its surgical robots.

“Let me tell you that in virtually every area that we have a procedural presence, we will look at robotics because that’s how it’s going to be,” Mr Martha said. “Combination of the robot with other capital equipment, especially ones with visualisation and for navigation ... is not only restricted to spine.”

Many of the largest medtechs are pursuing robotic surgery either in-house or via acquisitions, and four of the five largest deals for robot developers have come in the past year. No wonder Stryker feels that Mako alone is not enough.

### Top 5 robotic surgery M&A

Date	Acquirer	Target	Total value (\$m)	Main technology
Feb 2019	Johnson & Johnson	Auris Health	5,750	Monarch endoscopic device for the diagnosis and treatment of lung cancer
Sep 2013	Stryker	Mako Surgical	1,650	RIO system for knee resurfacing and hip arthroplasty
Sep 2018	Medtronic	Mazor Robotics	1,600*	Mazor X machine for spine and brain procedures
Aug 2019	Siemens Healthineers	Corindus Vascular Robotics	1,100	CorPath GRX remote system for interventional procedures
Sep 2019	Stryker	Cardan Robotics and Mobius Imaging	500	Orion robotics and navigation system for surgical and interventional radiology

\*Approximate value, including three previous equity investments worth a total of \$73m.

Source: EvaluateMedTech.

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