

## Boston Scientific's next move



[Elizabeth Cairns](#)



### **The cardiovascular specialist needs to buy its way to growth - and it has marked an interest in a handful of smaller companies.**

With the purchase of Lumenis's surgical laser business for \$1.1bn on Wednesday and a \$925m pounce on the cardiac monitoring group Preventice in January, Boston Scientific is very much following its plan to acquire high-growth companies to dig itself out of the hole Covid-19 put it in.

And it is sticking to the script in another way. Preventice and Lumenis both had prior agreements with their buyer, chiming with Boston's stated preference for acquiring companies with which it has a pre-existing relationship. A look at the groups in which Boston has recently invested, then, might give a clue towards its future purchases.

Acquiring a company having first invested in it a common occurrence in medtech, but Boston is unusual in pursuing this as a defined strategy - almost as a particularly thorough form of due diligence.

Over the past three years Boston has bought four companies with which it was already, in some way, involved. Its partnership with Lumenis dates back more than 20 years ([March medtech merger madness, March 4, 2021](#)).

Boston had minority stakes in Preventice and the heart valve repair specialist Milipede before buying them, and had backed stent maker Veniti via its corporate VC arm.

## Companies Boston has acquired after partnering or investing, 2018-21

Company	Focus	Date acquired	Acquisition value (\$m)	Prior relationship
Surgical laser business of Lumenis	Surgery	Mar 3, 2021	1,070	Distribution partnership since 2002
Preventice	Patient monitoring	Jan 21, 2021	925	Has invested since 2015; has equity stake of approx 22%
Milipede	Cardiology	Jan 29, 2019	450	Took minority stake in 2018
Veniti	Cardiology	Aug 31, 2018	160	Participated in \$25m series D in 2016

Source: EvaluateMedTech.

Boston has made it clear that it will remain keen on M&A throughout 2021 and probably beyond. A glance at its recent investments might offer an idea of its priorities.

The clearest signal is surely the option it took in September to acquire Farapulse. This private group is developing a device, Farapulse PFA, to ablate cardiac tissue to treat atrial fibrillation. Unlike current cardiac ablation devices, which scar heart muscle using either radiofrequency energy or extreme temperatures, Farapulse's tech uses electrical fields. The company maintains that this allows greater precision than existing techniques.

The system is in a [pivotal US trial, Advent](#), in which 900 patients will be randomly assigned to either Farapulse PFA or, in the control group, radiofrequency or thermal ablation. According to [clinicaltrials.gov](#), data could emerge by mid-2023; perhaps at that point Boston might pull the trigger.

## Boston's investments, 2018-21

Company	Focus	Date	Type of investment	Investment (\$m)
Farapulse	Cardiac ablation	Sep 21, 2020	Option to acquire	Undisclosed
Saluda Medical	Neuromodulation	Jun 28, 2019	Undisclosed VC	75.0
Intervene	Cardiology	Jun 25, 2019	Series B	15.0
Francis Medical	Urological cancer	Dec 13, 2018	Series A	18.0

Source: EvaluateMedTech.

The recipients of Boston's three most recent venture investments might be on the menu too. Corporate VCs often cluster together in syndicates, but Boston was the only strategic involved in the three rounds listed above, so no other medtechs have marked out the same territory.

Of course, this does not make the acquisitions of Saluda, Intervene and Francis by Boston Scientific inevitable. In February 2017 Corindus Vascular Robotics closed a \$45m private investment in public equity deal in which both Boston and Philips took part. Two years later Corindus was bought by Siemens Healthineers – and neither Healthineers nor its precursor, Siemens, had ever invested in the group.

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