Evaluate Vantage

March 02, 2022

Zimvie gets a less than rapturous reception

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The various medtechs and biopharma groups that have lined up spin-offs for the coming months will have to hope that theirs go better than Zimmer Biomet’s. The orthopaedics company yesterday listed Zimvie, the spin-out hosting its spinal and dental operations, on Nasdaq, but trading was paused due to volatility four times, and by the close Zimvie had lost a third of its value. The new company is home to Zimmer’s slower-growing segments, and Zimvie is guiding to flat 2022 revenues of around $1bn; it also launches with $561m in debt, according to its 8K. The main problem in term of sales is the spinal business, which has been hit hard by Covid. Spine revenues are expected to contract by the mid-single digits in 2022, the company has said. Zimvie’s main spinal products include implants such as its Mobi-C cervical disc and Tether, a paediatric scoliosis treatment; crucially, the Rosa One Spine surgical robot appears to be staying with Zimmer. The next spin-out in the pipeline is that of Becton Dickinson’s diabetes business, also via a Nasdaq listing. Perhaps that will go more smoothly.

The healthcare spin-offs of 2022 and 2023

Parent	New group	Focus	Date
Zimmer	Zimvie	Dental and spinal	Completed March 1
Becton Dickinson	Embecta	Diabetes	Expected April 1
Colfax/Enovis*	ESAB Corporation	Fabrication technology	Expected Q1 2022
Glaxosmithkline	Haleon	Consumer care	Expected July 2022
Bausch Health	Bausch + Lomb	Ophthalmology	Expected 2022
General Electric	GE Healthcare	Medtech	Expected early 2023
Johnson & Johnson	As-yet unnamed	Consumer care	Expected mid-2023

**Colfax will spin off its fabrication business, then change its name to Enovis. Source: company communications.*