

Boston Scientific gatecrashes renal denervation market with Vessix buy



[Elizabeth Cairns](#)

The five-way tussle for a share of the European renal denervation space just got more vicious, with one of the smaller fighters tagging out to be replaced by a more formidable contender. Boston Scientific has bought Vessix Vascular in a deal worth up to \$425m to obtain its market-ready V2 system.

Renal denervation, a means of treating hypertension, is one of the fastest-growing segments in medtech, and if Boston wants to recover from its recent tribulations it is an area it cannot afford to ignore. The deal is expensive by the standards of the medtech industry, but if the technology fulfils its promise, the purchase will be justified. It is only when renal denervation devices reach the US market – 2015 at the earliest – that the real victor will emerge.

Top-10 deal

Boston has forked out a \$125m up-front cash fee for Vessix, with a potential further \$300m in sales and marketing milestone payments in the offing, making the deal one of the top 10 pure medtech buyouts seen so far this year ([2012 sees largest pure medtech buy for seven years, but value of deals slump 27%, October 29, 2012](#)).

The deal is not, however, the biggest in renal denervation. Two other companies moved into this area by acquiring businesses that had developed the technology, and the largest of these by far was Medtronic's \$800m purchase of Ardian, which closed in January 2011. This netted Medtronic a device called Symplicity, which was at the time the only product on the market and looks set to remain the leader for now.

Another company to buy its way in was Covidien, which bought Maya Medical and its OneShot technology for up to \$230m in May. The other two firms jockeying for market share are St Jude Medical, whose EnligHTN system, like the OneShot, has not yet begun to ramp sales, and the private company ReCor Medical, which CE-marked its Paradise technology in the spring.

Ballooning uptake?

Carving out a place for V2 among the competition could be daunting, but Raphaël Wisniewski of Edmond de Rothschild Investment Partners, one of Vessix's backers, told *EP Vantage* that the system's design might aid its uptake by cardiologists.

"The good thing about V2 is it's a balloon, so it's very well known to interventional cardiologists. You can have different sizes of the balloon – in many cases you have accessory renal arteries [that have to be treated], and the Vessix product, because of its balloon nature, can access these additional arteries," he said. Boston plans to start selling the device next year.

Mr Wisniewski said Vessix was not angling for a takeover, and was in fact gearing up to launch V2 itself. "We had the EuroPCR congress in May in Paris, the company came out with initial data and there was a lot of buzz around this product. It attracted interest, and discussions [with Boston] intensified over the summer. And at the same time we were preparing for the launch, so if we hadn't reached an agreement then we would [have gone] to the market towards the end of the year."

V2 will slot into Boston's business neatly, Mr Wisniewski says, despite Boston having had a previous renal denervation product called RDN. The Natick, Massachusetts company had previously said it would get a CE mark for RDN in 2013; it is unknown whether it will continue to pursue this, but Mr Wisniewski thinks that the emphasis will be on V2.

"Vessix will become part of the peripheral intervention business of Boston Scientific. I don't know what they're going to do on their own initiative, but logically, if they're going to spend \$425m, it has a good chance to become their renal denervation programme."

Acquisitive

The deal is the latest in a string of Boston acquisitions. Its purchase of Cameron Health in June gained it a unique subcutaneous pacemaker device which was launched in the US last month, and it has moved into transcatheter heart valves thanks to its acquisition of Sadra Medical in 2011 ([EP Vantage Interview - Boston Scientific remakes itself to face the future, October 22, 2012](#)).

The company has clearly not slowed down to allow its new CEO, Mike Mahoney, who started last week, to settle in. In addition to providing Boston with a foothold in Europe, the latest move looks likely to provide a healthy return for Vessix's venture capital backers, not least Mr Wisniewski's company. If the deal reaches the full \$425m, EdRIP stands to make 10 times the \$10m it invested in Vessix a year and a half ago.

No renal denervation devices have yet been approved in the US - Medtronic is modelling a 2015 launch for Symplicity, the most advanced. With the patients whose hypertension responds poorly to drugs numbering in the tens of millions worldwide, Jefferies projects that the renal denervation market will be worth \$2.8bn by 2020.

If fortune favours Boston, V2 could become the second device to reach the US, after Medtronic's, and its balloon-based design could appeal to users. But that is a long way in the future, and the fight is not over yet.

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