

## Interview - Boston's long road to recovery



[Madeleine Armstrong](#)

Boston Scientific felt the aftershocks of its disastrous Guidant acquisition long after the deal closed in 2006, but its stock having risen 28% over the past year suggests that a turnaround is now in full swing.

The company got a boost at the European Society of Cardiology meeting when the organisation updated its guidelines to recommend that Boston's recently launched subcutaneous implantable defibrillator should be considered an alternative to transvenous devices. While the meeting also highlighted Abbott's lead over Boston in bioresorbable stents, Boston's chief medical officer, Keith Dawkins, tells *EP Vantage* that the situation is not so clear cut.

Then there is Boston's late-stage pipeline. "When we would give a typical pipeline presentation six or seven years ago we had quite a few gaps," says Mr Dawkins. "Now you can't get all the stuff into the presentation."

Boston has several new products in the wings including its Synergy stent, which uses a biodegradable polymer and is expected to get FDA approval in the fourth quarter, and its Lotus transcatheter aortic valve, which is in a US pivotal trial.

### Dissolving scaffolds

Abbott's ESC data related to a bioresorbable scaffold, Absorb, which dissolves entirely over time. Synergy is something of a halfway house, but Boston is also working on its own fully resorbable scaffold called Fast, which in July started a first-in-human study that could help support European CE marking.

This puts Boston some way behind Abbott, but Fast features thinner struts than Absorb, which means that it could address some of the issues with the first-generation device. Thicker struts have been linked with recurrence of the vessel blockage.

Mr Dawkins is cautious about predictions by one researcher at ESC that the bioresorbable scaffold market could outgrow that for metal drug-eluting stents in the next five years. "It could take 5-10 years. And it's not going to be this generation of devices, it may not be the next generation, but it could be the third generation. I think everybody agrees that we need a next generation with thinner struts and better acute performance."

Boston hopes that Fast fits the bill, but it is spreading its bets in the bioresorbable scaffold arena: it is also working with other companies, with an investment in Amaranth Medical and a distribution agreement with Reva Medical.

### New defibrillator guidelines

Boston's novel subcutaneous implantable cardioverter defibrillator (S-ICD), meanwhile, promises a lower risk of complications versus conventional transvenous ICDs, as it does not have any contact with the heart or vasculature. Boston launched its next-generation S-ICD, Emblem, in the US and Europe earlier this year.

The S-ICD is not for everyone – patients who need pacing or cardiac resynchronisation therapy are not suitable candidates. But in the remaining ICD-indicated population at risk of sudden cardiac death, which the company says is the majority, the new guidelines could help bump up Boston's sales. Cowen analysts expect S-ICD revenues of \$286m in 2020, up from \$53m in 2014, but this forecast was made before the guidelines were changed.

One factor in Boston's favour is that its rivals are way behind. "Even though we know our competitors are looking at [S-ICDs], it's a pretty steep hill for them to climb," says Ken Stein, chief medical officer for rhythm management, adding that there are no other commercially available S-ICDs, and none in large clinical trials.

### Cardiovascular M&A

Boston is not averse to buying in innovation – the S-ICD came via the acquisition of Cameron Health in 2012. But it has not spent as much as some of its rivals in recent times, with its largest purchase this year the \$1.6bn takeover of American Medical Systems' men's health business.

Deals have also helped Boston diversify from its core cardiovascular offering. "Now around 50% of our revenue

is non-cardiovascular, what we call med surg," Mr Dawkins says.

What areas is the company looking at in the future? "On the cardiovascular side we've said we're interested in haemodynamic support, and like everybody else we're interested in the mitral space," he replies.

Three other big players, Edwards, Abbott and Medtronic, have bought transcatheter mitral valve companies recently, and the heart pump specialist HeartWare International has just got in on the act with the acquisition of Valtech Cardio ([Mitralmania continues as HeartWare buys Valtech, September 03, 2015](#)).

Could Boston be next to strike a deal in the space? "There's been a lot of money spent in the last few weeks. We can't talk more about that," says Mr Dawkins.

Obviously, not all gambles on early-stage companies work out - the purchase of Vessix Vascular and its renal denervation technology springs to mind - but Boston is continuing its strategy of tuck-in acquisitions of companies that offer strong financial returns.

The strategy seems to be paying off. After falling sales from 2009-13 Boston's top line grew in 2014, and *EvaluateMedtech* consensus forecasts an annual growth rate of 4% between now and 2020, when revenues should hit \$9.5bn.

The company has come a long way since the dark days post-Guidant - and will want to keep it that way.

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