

Proposed Acquisition of NuVasive Inc. by Johnson & Johnson

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Agenda



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Executive Summary



Recommendation

- NuVasive is a medical devices company specialising in orthopaedic surgery
- We propose Johnson and Johnson purchase NuVasive at an acquisition price of \$3.828B

Industry and Target Overview

- The medical devices sector is a consolidated industry dominated by large companies
- The sector is expected to see consistent growth into the future, driven by demographic shifts in the long term and post pandemic trends
- NuVasive is a sector leader in Minimally Invasive Orthopaedic Surgery, with a cutting-edge suite of surgical devices and technologies
- The company sits in the second highest growing segment in Medical Devices: Neuromodulation and Spinal

Strategic Rationale

- Thesis 1: Technological synergies with J&J surgical robot offering
- Thesis 2: Higher differentiated product offering complements J&J's high priority orthopaedics line

Valuation and Proposed Deal Structure

- DCF Valuation provides standalone equity valuation at \$3.2B, a premium of 1% from current share price of \$62
- Total acquisition price of \$3.824B represents 20% premium on current share price, justified by synergies
- This deal would be financed by 100% cash

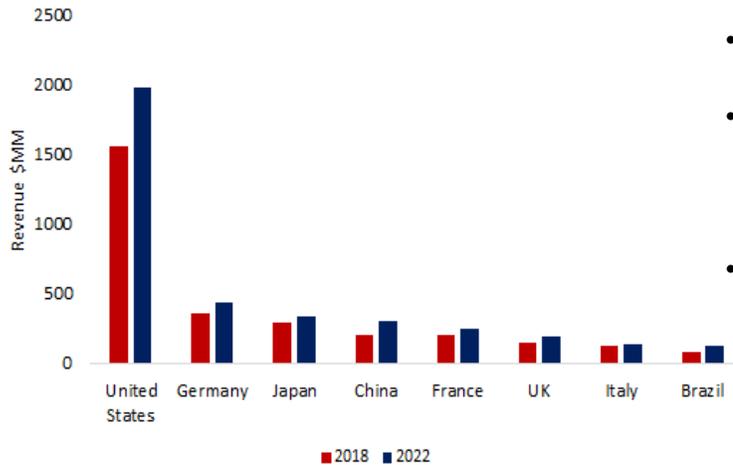
Risks

- Regulatory concern
- Friction in system merger
- High competition in spinal surgery market

Industry Overview



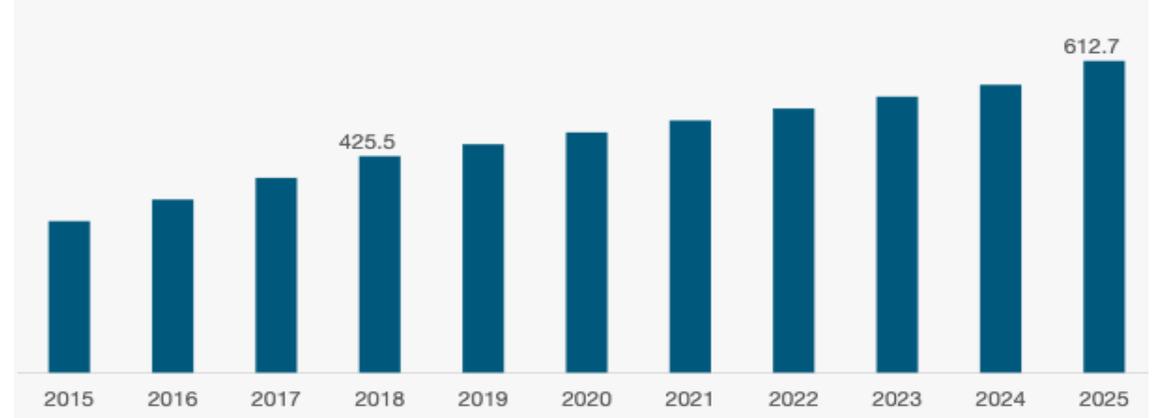
Geographical Segments



- Market concentrated in the US
- Other large geographical locations tend to be in Northern Europe and Japan
- Growth in countries with ageing populations with physical infrastructure and human capital to support medical devices

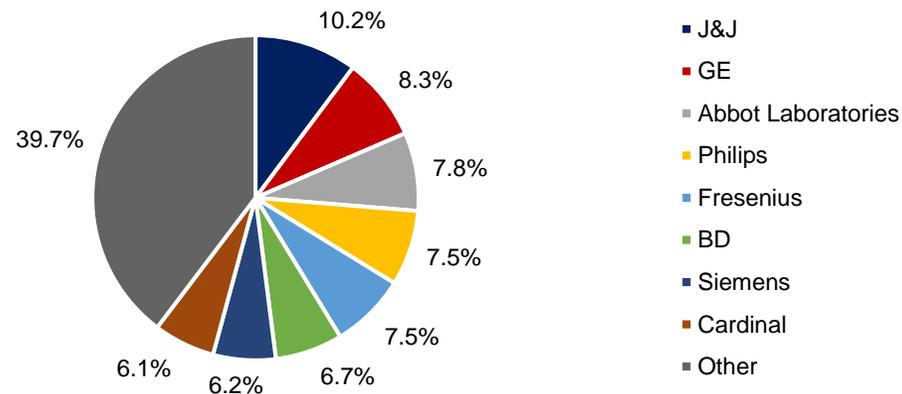
Market Sizing and Sector Growth

Global Medical Devices Market Size, 2015-2025 (USD Billion)



- CAGR of 5.4% driven by an ageing population coupled with an increase in chronic diseases
- Rise in chronic diseases stems from a rising middle class, urbanization and a shift to a more sedentary lifestyle
- Fastest growing segments are Neuromodulation and Spinal and Respiratory Care Devices – both benefiting disproportionately from drivers

Key Players



| Segment | Example | CAGR |
|-----------------------------------|--------------------------------|-------------|
| Cardiovascular Devices | ECG Machine | 1.8% |
| Diabetes Devices | Auto-insulin injectors | 7.8% |
| Neuromodulation and Spinal | Spinal Cord Stimulation | 8.1% |
| Respiratory Care Devices | Home Pulse Oximeters | 9.4% |
| Rehabilitative Technology | Post-Stroke Recovery Tech | 6% |

J&J - Client Overview



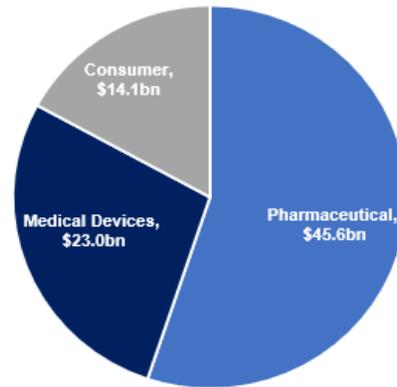
Business Overview

JnJ operates in 3 main segments; Consumer Health, Pharmaceuticals and Medical Devices

The company sells to the public, retail outlets distributors, and directly to wholesalers, hospitals, and health care professionals.

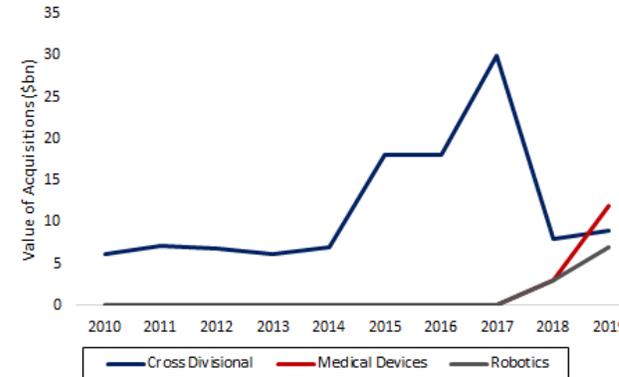
Our focus is on Medical Devices within which JnJ operates under four subsegments: Surgery, Orthopaedics, Vision and interventional solutions.

2020 Sales By Segment



Strategic Mandate

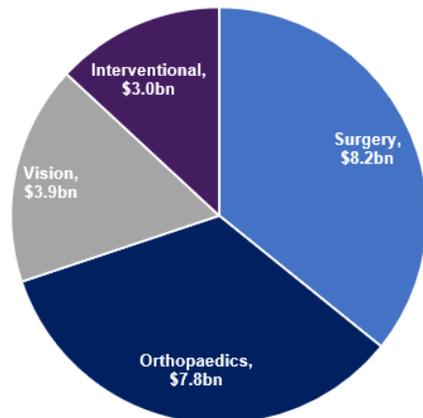
Financial



- Consistent acquisitions despite COVID
- 200% growth in medical device acquisitions (2018-2019)
- 133% growth in medical robotics acquisitions (2018-2019)
- 3 of the last 7 acquisitions focused on medical device robotics (Auris Health, Verb Surgical & Orthotaxy)

Medical Technology Segment

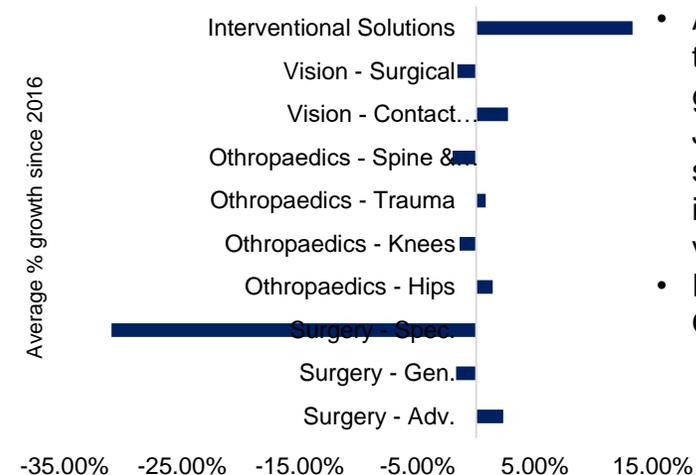
2020 Medical Device Sales by Segment



The four subdivisions are further specialised into subsidiary companies. Advanced Surgery operations and acquisitions primarily occur under the subsidiary Ethicon.

Surgery represents the largest revenue segment in medical devices, with orthopaedics also representing a significant proportion.

Technological



- Advanced Surgery had the third highest Revenue growth rates across JnJ's medical technology segment following interventional solutions and vision (contact lenses)
- Focus on Surgical Robotics, Orthopaedics, Laparoscopy

Transaction Universe



NuVasive

- NuVasive is a medical devices company in California. The company mainly offers medical devices and procedures for minimally invasive spine surgery.
- Products: Software systems for surgical planning and monitoring, access instruments, and implantable hardware.
- Synergy Potential: Expansion into the robotic surgery market due to NuVasive's proprietary digital technology

Enterprise Value: \$3.73B

Market Cap: \$3.23B

Risks: Other players in the spinal products market with significant scale such as Medtronic and Stryker



Orthopediatrics

- OrthoPediatrics is a medical devices company providing a comprehensive product focused on the pediatric orthopedic market
- Products: 17 surgical systems serving three of the largest categories: trauma and deformity, complex spine disorders and ACL (knee ligament) reconstruction procedures
- Synergy Potential: expanding into the pediatric orthopaedics market due to intellectual property – patents in latest technology

Enterprise Value: \$977.78M

Market Cap: \$1.06B

Risks: Overall demographic trend of aging population may mean that pediatric devices are not the best segment to focus on



Axogen

- AxoGen is a developer of surgical solutions, including human tissue grafts, based in Alachua, Florida. Axogen products are designed to remedy peripheral nerve damage
- Products: An advanced cell graft technology called AVANCE which mimics a human nerve – used to treat people with peripheral nerve deformities
- Potential for synergies for acquirers as scale of incumbent can be combined with leading scientific research conducted by Axogen

Enterprise Value: 740.50M

Market Cap: 790.70M

Risks: Cutting-edge technologies have not all been given regulatory approval



NuVasive – Target Overview



Business Overview

Introduction

Headquarters: San Diego, California, US

CEO: Chris Barry

Market Capitalisation: \$3.23B

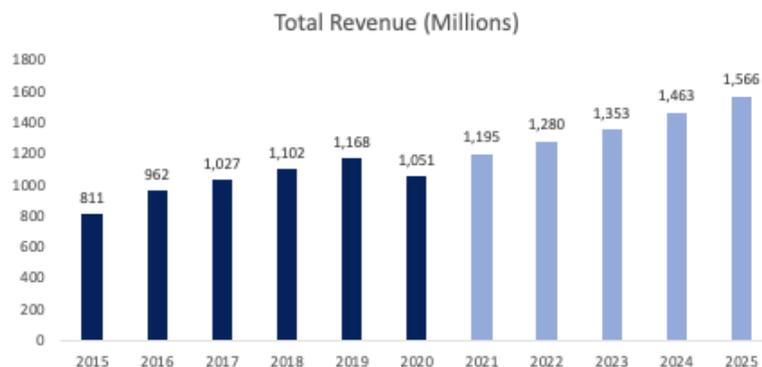
EV: \$3.73B

Markets: US & International (40+)

Main Clients: Healthcare/technology providers, hospitals



Financials



2020 Revenue:
\$1.05B

2020 EV/Rev:
3.58x

2020 EBITDA:
\$228M

2020 EV/EBITDA:
18.8x

Product Offerings

NuVasive Specialised Orthopedics offers a variety of minimally invasive, procedurally-integrated spine solutions. Product offerings include digital technologies, surgical instruments and specialised implants.

Pulse Platform:



Extreme Lateral Interbody Fusion (XILF):

- Access to intravertebral disc space from lateral positioning
- Proprietary precision monitoring technology: X360 system
- Reduced op/recovery time

MAGnetic External Control technology:

- Magnetically adjustable spinal implant systems
- Non-invasive: reduces recovery time & repeat operations

Simplify Medical acquisition:

- Proprietary artificial cervical disk for disk replacement surgeries
- Supplements NuVasive's existing C360 product portfolio

Technical Overview



Robotics Surgery Grows a Spine

VELYS by J&J

- Integrated orthopaedic solution through a platform of connected technologies
- Used throughout the surgical process:



- Together with ATTUNE Knee System, offers digital solutions for knee replacement surgery – robot assistance provides valuable insight and versatile execution
- Digital templating for planning hip surgery and shoulder replacement

Pulse by NuVasive

- Integrates NVM5, Lessray, iGA, Bendini and 3D imaging technologies into a single platform
- Single ecosystem enhances orthopaedic surgical efficiency
- Can be used in all spine cases

NVM5

- Proprietary neuromonitoring technology through automated nerve detection

Lessray

- Reduced exposure to radiation emission through improving quality of low-dose fluoroscopic images

Integrated Global Alignment (iGA)

- Aids surgeons in creating a reliable plan for spinal realignment – accurate calculations and models

Bendini

- Computer-assisted spinal rod bending to assist with complex degenerative deformity cases



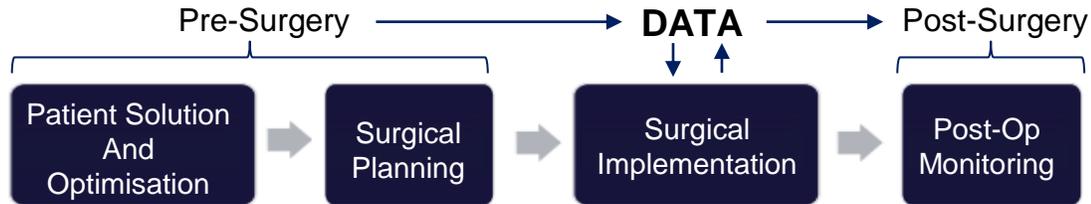
Thesis 1: Technological Synergies



Achieving a Data Driven EcoSystem

Combining both systems helps the surgery process

Integrating VELYS' Robotic-Assisted Solution and data EcoSystem with NuVasive's Pulse platform can create an industry-leading advantage in Orthopedic and spinal surgeries



Client specific data enhances the surgery process in two ways

Data collected during surgery including Neuromonitoring, Rod Bending and Alignment Assessment Data, as well as Smart Imaging can be used to optimise the Post-Op Monitoring process and recovery

Pre-surgery data used by VELYS to plan the operation can be extended to usage in the Pulse system and more generally in X360 procedures

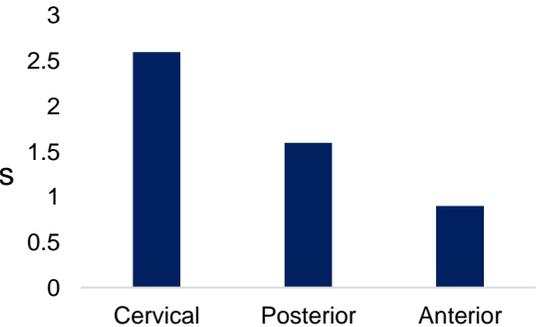
The Direction of Future Orthopaedic Surgery

The transition to spinal focus

NuVasive's spinal surgery market represents \$5B+ global opportunity

VELYS current knee, hip and shoulder surgery is adaptable to spinal operations; incorporating the Robotic-Assisted Solution implies an opportunity for global disruption

Global Market Size \$Bn



Combined capabilities create a perfect opportunity

Pulse® integrates exiting technologies to achieve a more efficient delivery of information to surgeons



The Pulse data systems combined with the VELYS Robotics indicate high potential for benefit to both entities



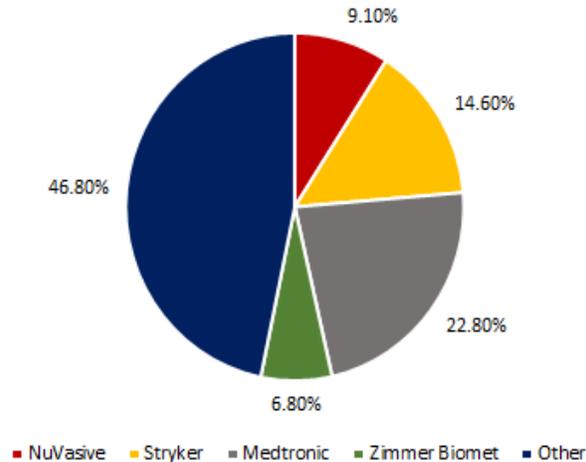
NuVasive's XALIF and XLIF operations have technical overlaps with VELYS' automated system surgery such as total hip Arthroplasty using KINCISE

Thesis 2: High Growth Product Offerings



Untapped Market Share

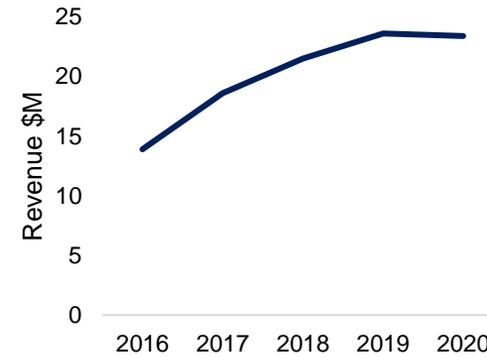
- NuVasive currently controls less than 9.1% of the global Surgery sector
- Thus, growth opportunities as industry grows with CAGR of 14% but also gaining market share within the industry



Summary

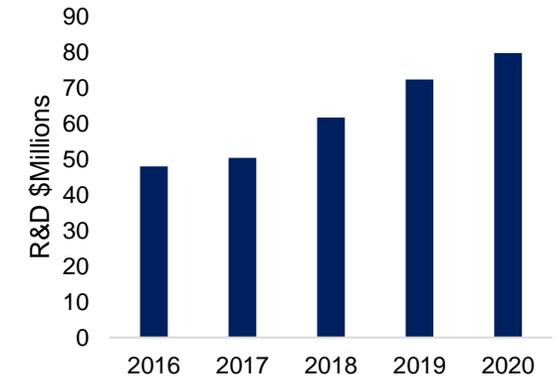
- Nuvasive controls less than 8% of the surgery sector, creating growth opportunities as sector grows and consolidation within sector
- Growth product opportunities driven by cervical (fresh strategy and acquisition) and thoracolumbar products (consistent growth from expandable implants)
- Underlying driver of product growth is strong culture of innovation
- International markers provide final facilitator for growth

International Markets



- Strong growth in int. Markets especially Japan with CAGR of 14%, excluding 2020
- Ageing East-Asian population key long-term driver

Innovation Culture



- Present high growth opportunities from international markets, Cervical & Thoracolumbar
- Underlying driver of product growth opportunities is culture of innovation and R&D

Key Divisions

Thoracolumbar

- Thoracolumbar procedures have consistently grown in the middle single digits
- Driven primarily by a portfolio of multi-functional expandable implants



Cervical

- Cervical portfolio branded C360 has seen declining growth
- Fresh new strategy in new anterior cervical plate system, RELINE-C, which integrates best-in-class implants and complements thoracolumbar RELINE system
- Acquired Simplify Medical, a developer of the Simplify® Cervical Artificial Disc



Valuation – DCF



DCF Model Summary

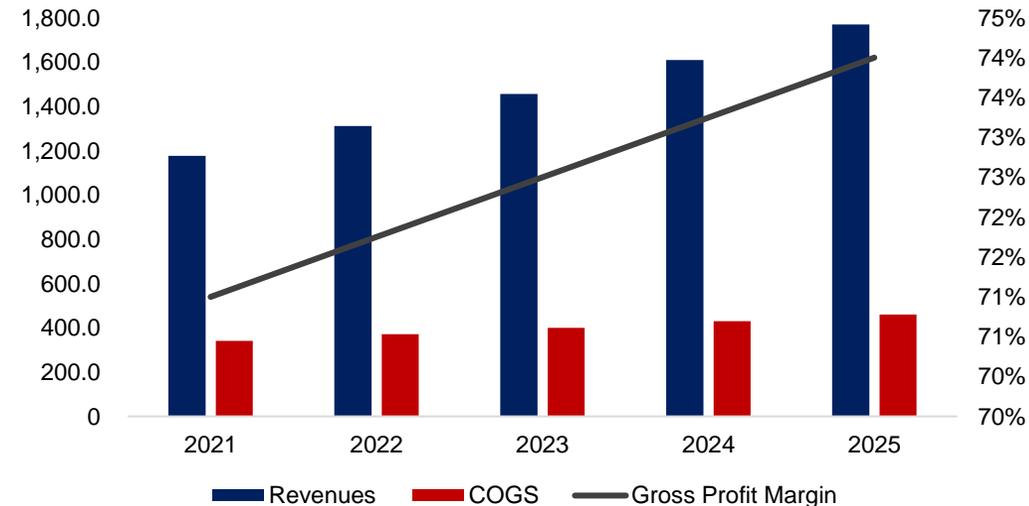
| DCF | 2018A | 2019A | 2020A | 2021E | 2022E | 2023E | 2024E | 2025E | Terminal |
|---------------------|--------|--------|----------|---------|--------|---------|--------|---------|----------|
| EBITDA | 221.50 | 246.20 | 180.80 | 183.33 | 242.20 | 310.08 | 371.44 | 439.64 | |
| (-) Taxes | (3.80) | 15.30 | (10.40) | (4.26) | 5.23 | 13.91 | 21.48 | 28.62 | |
| (-) Capex | 102.96 | 107.33 | 112.77 | 141.20 | 157.44 | 174.76 | 193.11 | 212.42 | |
| (-) Increase in NWC | 40.00 | 118.70 | 168.40 | 58.31 | 29.23 | (68.92) | 37.96 | (52.69) | |
| FCF | 74.74 | 35.47 | (110.77) | (20.43) | 60.76 | 218.15 | 161.86 | 308.53 | 4407.58 |
| Discount Factor | | | | 92% | 85% | 78% | 72% | 67% | 61% |
| PV FCF | | | | (18.83) | 51.62 | 170.79 | 116.79 | 205.19 | 2701.60 |

Comments

- DCF model estimates fair valuation at \$3.2B, 3% upside from current trading price of \$62 per share
- Robust revenue growth expected due to pent up demand from pandemic delayed elective surgery
- Revenue growth '22 -'25 ~10% per year with slightly declining COGS at ~27% of revenue, median of analyst estimates
- FCF expected for duration of forecast period, discounted by WACC of 8.5%
- NuVasive trades at EV/LTM EBITDA multiple of 19.2x, in line with median competitor multiples
- Terminal growth of 1.5% predicted due to new technology from mergers

| Input | |
|----------------------|----------|
| WACC | 8.50% |
| Terminal Growth | 1.50% |
| Output | |
| PV of Terminal Value | 2,701.60 |
| PV of FCF | 525.56 |
| EV | 3,731.16 |
| Equity Value | 3,227.16 |
| Shares Outstanding | 51.40 |
| Target Share Price | 62.79 |
| Current Share Price | 62.04 |
| % Upside | 1% |
| Offer Share Price | 74.48 |
| % Upside on Target | 19% |

Gross Profit Margins '21 to 25



Valuation – Football Field



- Proposed acquisition offer price \$3.828B represents approximately the mean of our DCF valuation, whilst marginally higher than the median of the precedent, trading LTM and trading NTM multiples
- We believe that offering \$72 per share, a 20% premium on the latest share price of NUVA, represents fair value from a DCF perspective, whilst also being higher than the 52-week maximum for the stock.
- This represents an implied EV of \$4.33B

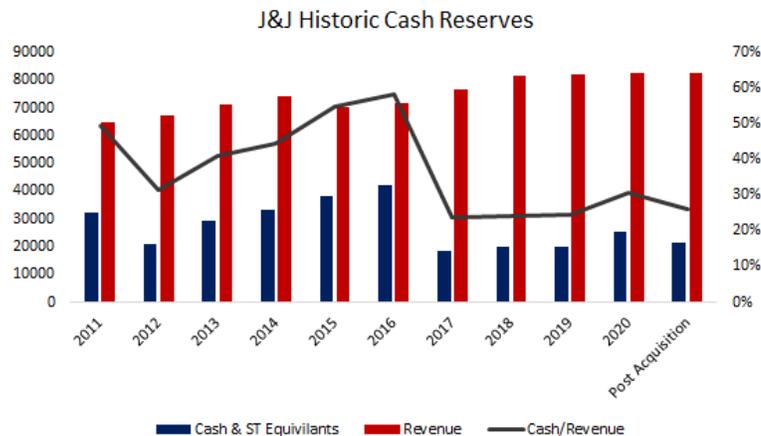




Proposed Deal Structure

- During the acquisition JNJ will pay \$3.828B for NUVA.
- This will be funded with 100% cash due to large amounts of dry power kept by JNJ post pandemic issuances.
- JNJ will also have to take on \$837m of NUVA debt, which we expect to be refinanced at 4% interest rate
- Slightly accretive deal represents value creation for shareholders despite the strategic focus on the M&A deal representing greater value creation in revenues and future growth not accounted for in analysis.
- Possibility for JNJ to leverage in transaction via superior credit rating should be further explored if management is open to further capital raises

100% Cash Deal



- We expect the deal to be finance **100% cash**
- Current Cash reserves are at 31% of revenue, due to COVID-19 capital raising
- Current JNJ Cash & ST Equivalents are **\$25.4B**
- Post-acquisition Cash & ST Equivalents falls to **\$21.6B**
- This represents **26% of revenues**
- This is higher than historic minimums of 24%

Deal Credit Statistics

| Credit statistics | JNJ | NUVA | Pro Forma |
|----------------------------|---------------|--------------|---------------|
| Total debt | \$ 33,467.00 | \$ 1,414.30 | \$ 34,304.30 |
| + Noncontrolling interests | \$ - | \$ - | \$ - |
| + Preferred stock | \$ - | \$ - | \$ - |
| - Cash & equivalents | \$ -25,425.00 | \$ -1,030.00 | \$ -22,603.20 |
| Net debt | \$ 8,042.00 | \$ 384.30 | \$ 11,701.10 |
| Equity value | \$ 936,457.60 | \$ 3,828.50 | \$ 936,457.60 |
| Enterprise value | \$ 944,499.60 | \$ 4,212.80 | \$ 948,158.70 |
| EBITDA FT2020 | \$ 18,884.00 | \$ 294.40 | \$ 19,178.40 |
| Gross Debt / EBITDA | 1.8x | 4.8x | 1.8x |
| Enterprise value / EBITDA | 50.0x | 14.3x | 49.4x |
| Debt / Equity | 0.04x | 0.37x | 0.04x |

Key Financials –Accretive Dilutive

| EPS Accounting: | GAAP EPS | FY 2020 | FY 2021 | FY 2022 |
|--------------------------------|----------|---------|---------|---------|
| JNJ GAAP EPS | | 5.6 | 9.6 | 10.3 |
| NUVA GAAP EPS | | -0.7 | 2.3 | 2.9 |
| Pro forma GAAP EPS | | 5.6 | 9.7 | 10.4 |
| Acquirer standalone EPS | | 5.6 | 9.6 | 10.3 |
| Accretion / Dilution per share | | 0.01 | 0.07 | 0.08 |
| Accretion / Dilution % | | 0.1% | 0.7% | 0.8% |
| Breakeven Synergies Required | | 0.0 | 0.0 | 0.0 |



| | Description | Mitigants |
|---|---|---|
| Regulatory Concerns | <p>Pulse system still awaiting FDA approval and CE mark before commercial launches can take place.</p> <p>Benefits of Pulse may be delayed until regulatory approval received.</p> <p>May also be legal or ethical concerns regarding integration of healthcare or patient data into new systems.</p> | <p>No serious concerns relating to the Pulse system openly raised in the markets.</p> <p>Investment into legal and technological expertise from JNJ could expedite the regulatory process.</p> <p>Explicit consideration of data concerns throughout the acquisition could help ensure appropriate data governance.</p> |
| Friction between VELYS, Pulse and X360 systems | <p>The degree of synergy between JNJ's existing VELYS technology and NuVasive's proprietary equipment/systems may be limited.</p> <p>NuVasive offers a wide product range beyond the Pulse & X360 Systems which may be more difficult to integrate.</p> | <p>Strong evidence of technological synergies outweighs potential uncertainty.</p> <p>More rigorous research of NuVasive's wider product offerings, as well as Pulse systems, could provide clarity on the extent of synergies and potential value to be added.</p> |
| High competition in the spinal surgery market | <p>Other competitors are marketing similar technologies to compete.</p> <p>Examples include Medtronic's DLIF, DePuy Synthes ALIF & PLIF or offerings from Stryker.</p> | <p>NuVasive has established dominance in minimally invasive spinal implants.</p> <p>Combining proprietary systems with JNJ's existing portfolio and infrastructure would be an asset, not a liability, to NuVasive's market share.</p> |

Appendix

Appendix: M&A Overview



M&A Landscape

- COVID-19 pandemic put a dampener on M&A activity in 2020, with both the number of deals and total value of deals declining.
- Number of deals dropped from 31 (\$46B) in 2019 to 23 (\$31B) in 2020. The majority of that \$31B came from a flurry of deals in Q3 as signs of market recovery were acted on.
- Deal-making is likely to jump back in 2021 as companies regain footing and rebound financially from the volatility of 2020.

COVID-19 pressures slowed Medtech M&A in 2020

Both the number of deals and the total value of deals slowed last year

■ Number of deals ■ Value of deals(B)



Only deals with publicly disclosed values were included.

Ricky Zipp/MedTech Dive, data courtesy of EY, Capital IQ and Informa's Biomedtracker.

Key Reasons for M&A

- MedTech companies have a record high of roughly \$500B in M&A 'firepower' and large amounts of liquidity available for transactions.
- Subsectors of interest include diagnostic and digital health or remote patient monitoring:
 - These areas have seen activity skyrocket during the pandemic due to patients staying at home and away from healthcare providers.
- Rationale behind recent notable M&A transactions in the industry has mainly been driven by integration or expansion of proprietary technologies into existing health offerings by major market players.

Top Performers in M&A

- The majority of recent M&A activity in the MedTech sector has been in the form of large conglomerates acquiring niche, private companies producing proprietary technologies. Notable deals include:
- Johnson & Johnson acquiring Auris Health - \$3.4B
- Boston Scientific acquiring BTG - \$4.24B
- Siemens Healthineers acquiring Corindus Vascular Robotics - \$1.1B
- Medtronic acquiring Medtronic - \$230.5m
- Masimo acquiring LiDCO - \$40m

Technical Overview



NuVasive: Market Leader in Minimally Invasive Spine Surgery

C360 System

- Comprehensive, procedurally integrated technology for the anterior and posterior cervical care

ACDF

- Anterior surgical discectomy and fusion
- Access from front; reduces muscle stripping
- Thinnest plate system on the market – anterior surgical plate (ACP) at 1.6mm



cTDR

- Cervical total disc replacement
- The Simplify Artificial Disc – adjustable heights, replicates natural motion, and allow for full MRI imaging capability



PCF

- Posterior cervical fixation system
- Launching late 2021: new Reline Cervical builds on Reline fixation system

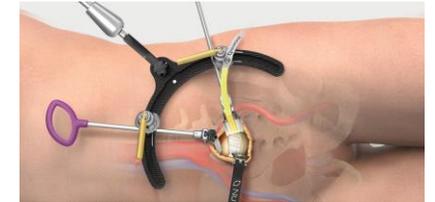


X360 System

- Integrates XLIF, XALIF and XFixation procedures into a single system
- Used for lateral spine surgery - less invasive and time saving techniques

XLIF

- Extreme lateral interbody fusion
- Used to aid removal and replacement of damaged discs
- Less blood loss and shorter hospital stays than traditional posterior fusion



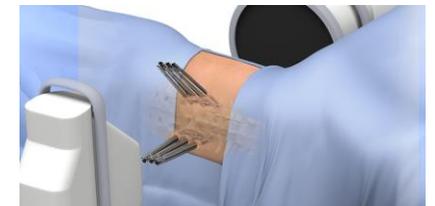
XALIF

- Extreme anterior lumbar interbody fusion
- Access to the L5-S1 vertebrae
- Retractor system enables access for multiple ALIF approaches



XFixation

- External fixation
- Allows single position surgery to be achieved from the upper thoracic to the sacrum



Precedent Transactions

J&J's acquisition of Auris Health



Overview

In January 2019, it was reported that Johnson & Johnson planned to acquire Auris Health Inc.

Auris Health Inc. is a California-based physician capability enhancer platforms developer for approximately USD 2 billion.

The deal would provide an exit to previous investors and hedge funds with equity in Auris Health.

The transaction also includes the sale of Auris Health's patents.

In February 2019, Johnson & Johnson announced that the participants entered a definitive agreement whereby Johnson & Johnson will acquire Auris at USD 3.4bn in cash.

An additional USD 2.35bn may be payable subject to certain business milestones.

The transaction was completed in March 2019.

Company details

Target: Auris Health Inc.

Headquarters: Waltham, Massachusetts, US
CEO: Frederick Moll

Market Cap: \$ 3.9B
EV: \$ 4.2B
LTM Revenue: \$ 0.5B
LTM EV/Revenue: 8.4x
LTM EV/EBITDA: 46x

Developer of robotic micro-surgical devices designed to cater to the needs of ophthalmic procedures and enhance physician capabilities

Acquirer: Johnson & Johnson

Headquarters: New Jersey, United States
CEO: Alex Gorsky

Market Cap: \$ 429B
EV: \$ 436B
LTM Revenues: \$ 82.5B
LTM EV/Revenue: 5.3x
LTM EV/EBITDA: 22.1x

An American multinational corporation founded in 1886 that develops medical devices, pharmaceutical, and consumer packaged goods, selling products in 175 countries

Commentary

Markets reacted positively to the merger news, with Johnson and Johnson share price rising from 128.23 since the announcement of the acquisition on 23rd Jan to 134.38 as of Feb 8th, representing a 4.8% increase

This is likely due to Auris aligning with J&J's priority to be a first mover and pioneer in medical innovation.

At the time of the acquisition, Auris only generated \$150M in revenue (less than 1/40th of the acquisition price) which suggests J&J hopes to achieve high levels of compounded growth in the medium to long term.

This is rational given Auris is still in the infancy/semi-maturing stage as a company.

Thus J&J is unlikely to create immediate benefit for the shareholders via the acquisition but rather long-term growth prospects and a more digitalised medical division which apart from the benefits aforementioned will increase operating margins by a forecasted 12%

Masimo's acquisition of LiDCO



Overview

Masimo (NSDQ: MASI), a non-invasive medical device manufacturer has announced that it is set to acquire non-invasive monitoring device maker LiDCO for approximately \$40.1mn in November 2020.

Both companies focus on non-invasive haemodynamic monitoring systems – mainly tracking blood oxygen and cardiovascular indicators

The offer of 12p per LiDCO share is a significant premium of 77.8% to the stock's closing price on the 30th October 2020 of 6.75p and 87% to the average closing price per LiDCO share of 6.42p for LTM stock price to 30th October 2020.

The transaction is structured as a cash offer and Masimo will initially hold LiDCO shares carrying no less than 90% in nominal value of the shares.

The acquisition was completed on the 3rd February 2021

Company details

Target: LiDCO

Headquarters: London, UK
CEO: Matthew Sassone

Market Cap: £ 29.8M
EV: £ 27.6M
LTM Revenue: £ 7.55M
LTM EV/Revenue: 2.7x
LTM EV/EBITDA: 6.9x



LiDCO is a UK-based developer, manufacturer and marketer of non-invasive hemodynamic monitoring systems (how blood flows through the cardiovascular system)

Acquirer: Masimo

Headquarters: Irvine, California, US
CEO: Joe Kiani

Market Cap: \$ 14.28B
EV: \$ 14.49B
LTM Revenues: \$ 1.1B
LTM EV/Revenue: 13.17x
LTM EV/EBITDA: 51.94x



A global MedTech company that develops, manufactures and markets a variety of non-invasive monitoring technologies.

Commentary

Masimo believes that LiDCO's CCO (continuous cardiac output monitoring) technology will complement its existing technologies.

Combining Masimo's scale and integrated platforms such as SafetyNet with LiDCO's technology will allow Masimo to gain a competitive advantage

The market reacted positively to the announcement of the acquisition with Masimo's share price increasing by 13.13% in the week after the announcement from \$225.36 on the 30th Oct to 225.36 on the 5th Nov, tying in well with Masimo's overall strategy

The acquisition comes alongside LiDCO's Q2 earnings report, which showed product revenues up by 83% to £6.1mn in July 2020, particularly benefiting from a boost in demand associated with COVID-19, as they offer fluid monitoring services.

LiDCO's focus was on expansion in the US markets, having received regulatory approval by the FDA.

As a result, their technologies can be quickly adapted to the US market by Masimo, representing good growth prospects for the combined company.

Medtronic's acquisition of Medicea



Overview

In July 2020, Medtronic announced that it would buy Medicea, and the transaction was completed in November 2020.

The parties announced a friendly voluntary all-cash tender offer at the price of €7.00 per Medicea share.

As a result of completion of the tender offer, Medtronic currently owns in excess of 90% of Medicea's share capital and voting rights and will shortly request the implementation of a squeeze-out procedure under French law

This will result in Medicea becoming a wholly-owned subsidiary of Medtronic,

The implied transaction value is \$230.55m.

Company details

Target: Medicea

Headquarters: Lyon, France
CEO: Denys Sournac

Market Cap: € 153M
EV: € 200M
LTM Revenue: € 30M
LTM EV/Revenue: 6.7x
LTM EV/EBITDA: N/A



Medicea leads the design, integrated manufacture, and distribution of more than 30 510(k) cleared implant technologies, utilized in over 175,000 spinal surgeries to date.

Acquirer: Medtronic

Headquarters: Dublin, Ireland
CEO: Geoffrey Martha

Market Cap: \$ 152.5B
EV: \$ 168.4B
LTM Revenues: \$ 34.5B
LTM EV/Revenue: 6.9x
LTM EV/EBITDA: 25.7x



Founded in 1957, Medtronic 'is among the world's largest medical technology, services, and solutions companies'

Commentary

This acquisition would strengthen Medtronic's position as a global innovator in enabling technologies and solutions for spine surgery.

Combining Medtronic's innovative portfolio of spine implants, robotic and 3D imaging tech, with Medicea's capabilities in data analytics, AI and personalised implants, would enhance Medtronic's fully-integrated procedural solution for surgical planning and delivery

Markets have reacted positively to the merger news, with Medtronic's share price rising from 94.65 since the announcement of the acquisition on 15th Jul to 119.68 as of Feb 17th, representing a 26.4% increase.

This is likely also the result of various other acquisitions by Medtronic, who acquired seven in total over the course of 2020

Boston Scientific's acquisition of BTG



Overview

U.S. medical device maker Boston Scientific Corp BSX.N agreed to buy Britain's BTG Plc (BTG.L) for 3.3 billion pounds (\$4.24 billion) in cash

This allows Boston Scientific to add technology to fight cancer and other serious diseases to its portfolio.

Boston Scientific is best known for making stents to prop open clogged heart arteries

They agreed to pay 840 pence per share, representing a premium of 36.6 percent to BTG's previous closing price.

Boston Scientific said BTG's interventional medicine products, which use devices to deliver drugs to affected organs, would augment its capabilities in important areas of unmet need such as cancer and pulmonary embolism.

Company details

Target: BTG Plc.

Headquarters: London, UK
CEO: Louise Makin

Market Cap: \$ 3.96B
EV: \$ 4.22B
LTM Revenue: \$ 0.91B
LTM EV/Revenue: 4.6x
LTM EV/EBITDA: 20.9x

Developer of robotic micro-surgical devices designed to enhance physician capabilities for ophthalmic procedure



Acquirer: Boston Scientific Corp

Headquarters: Marlborough, US
CEO: Michael Mahoney

Market Cap: \$ 54.46B
EV: \$ 62.03B
LTM Revenues: \$ 9.9B
LTM EV/Revenue: 6.3x
LTM EV/EBITDA: 31x

Boston Scientific Corporation develops, manufactures, and markets medical devices for use in various interventional medical specialties worldwide.



Commentary

The cash-based deal brought in a new pipeline of cancer-focused offerings and added a \$500 million interventional therapy business to Boston Scientific's oncology portfolio, which previously consisted of mostly delivery and diagnostic tools

Boston Scientific, as well as investors, saw this as a strong opportunity to pull BTG's products up through its established overseas marketing and global commercialization teams, which at the time brought in almost half of its sales.

As a wholly-owned subsidiary, BTG also promised to add more than \$400 million in revenue with its cardiovascular products in peripheral disease segments, as well as new venous interventions for pulmonary embolisms.

At the time the deal was announced, Boston Scientific described the products involved as the "perfect complement" to its own operations—and in more ways than one. BTG drew about 90% of its revenues from the U.S., even though the company was based in London.