

Boston Scientific picks stake in Chinese medtech firm Acotec for \$523 M

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Boston Scientific will make a partial offer to acquire a majority stake, up to a maximum of 65%, of shares of Acotec, a Chinese medical technology company that offers solutions designed for a variety of interventional procedures.

The proposed price is HK\$20 per share, which represents a total upfront cash payment consideration of approximately \$523 million for the 65% stake at current exchange rates.

Acotec is a leader in innovative medical solutions, including drug-coated balloons (DCBs), which are used in the treatment of vascular and other diseases. In 2016, the company launched the first peripheral DCB in China after receiving approval from the National Medical Products Administration.

The Acotec portfolio also includes radiofrequency ablation technologies and thrombus aspiration catheters, as well as more than 20 other products in various stages of development across a range of specialties. In the 12-month period ending June 30, 2022, Acotec generated sales of RMB 339 million (approximately \$53 million), growing 25% year-over-year in the first six months of 2022 with strong double-digit growth in each of the two years prior.

Boston Scientific expects the impact to adjusted earnings per share to be immaterial in 2023 and the impact to GAAP earnings per share to be less accretive, or dilutive, as the case may be, due to amortization expense and acquisition-related net charges. The completion of the transaction, which is anticipated in the first half of 2023, is subject to acceptance and approval by Acotec shareholders and other conditions set forth in related filings.