



LEADING MEDICAL NITINOL TUBING MANUFACTURER JOINS MEDICAL CONTRACT MANUFACTURING PLATFORM

Deal snapshot

- Vascotube GmbH, a global manufacturer of high quality nitinol tubing, has been sold to 3i-backed Cirtec Medical Systems, LLC (Cirtec), a US provider of design and contract manufacturing services for implantable and minimally invasive devices in the areas of neuromodulation, drug delivery, cardiac rhythm management and ventricular assist devices. Financial details for this transaction are confidential.
- Vascotube processes nitinol tubing used in minimally invasive implantable medical devices. Located in Birkenfeld, Germany, the company was founded in 2004. The management team will remain in their current leadership roles. Vascotube's proprietary manufacturing process and strict focus on quality is a key differentiator, which has made it the dominant provider in its target markets and with its customers.
- This acquisition aligns with Cirtec's strategy to vertically integrate and expand its capabilities in minimally invasive interventional therapies. The combined business will have enhanced potential across components and fully assembled devices as well as a broader geographic reach, all of which enable Cirtec to better serve its customers.



What our client said

Uwe Seiler, Managing Director, Vascotube GmbH, Germany

"We are happy to have found a strong partner in Cirtec who can help us grow our sales footprint and better support our customers. The Cirtec and Vascotube offerings are highly complementary and focus on quality, high-end technical products and solutions that are customized to serve our customers' critical needs. By partnering with Cirtec, we are excited about the next chapter of growth."

Our role in the transaction

Oaklins' teams in Germany and the USA acted as the exclusive M&A advisor to the seller in this cross-border transaction. The team in Switzerland supported the transaction in its early stages. Oaklins' specialists had previously closed deals in the industry and were able to use their broad experience and contacts gained during those prior projects.



Market trends and deal drivers

- Vascotube is targeting some of the most demanding and fastest-growing medical device sectors, in particular structural heart procedures (TAVR and TMVR), neurovascular intervention and peripheral vascular intervention, with annual growth rates exceeding 10%.
- There is high consolidation pressure for contract manufacturers (CM). CMs mirror their OEM counterparts – which are increasingly focused on consolidating their supply chains (e.g. Medtronic/Covidien, Becton Dickinson/Carefusion, Abbott/St. Jude, etc.) – and stay competitive as their size and capabilities expand.
- Vascotube's owners have been growing the business very rapidly in recent years. Anticipating another doubling of incoming orders in the near future, they consequently decided to join forces with a larger organization to ensure sufficient delivery capacity to customers.

M&A valuation aspects

- Mid-market CM companies with differentiated materials, processes and manufacturing capabilities are highly attractive targets for different buyer groups.
- The buyer universe comprises large CM players like Integer or Flex Medical, large non-traditional buyers from the aerospace, electronics or automotive industry as well as private equity firms which are attracted by growth prospects, margin profiles, industry fragmentation, customer stickiness and promising exit opportunities.

Oaklins industry specialists



✉ **Hans Bethge**, Managing Partner, Oaklins, Germany

Hans has advised many clients across various industry sectors and is particularly focused on cross-border transactions. His healthcare-related expertise includes the acquisition of US-based C. Brewer Company by Balda AG, among others.



✉ **Christian Jellentrup**, Senior Associate, Oaklins, Germany

"Our team helped to unlock tremendous value for all parties involved. The result is one of the most differentiated medical device outsourced manufacturers in the global market, with exposure to several of the most attractive growth categories in the sector."



✉ **Michael S. Goldman**, Managing Director, Medical Devices Specialist, Oaklins, USA

Michael has extensive experience in the healthcare industry, with special emphasis in the medical devices sector. Some of his transactions include the sale of Sapheon Inc. to Covidien plc and the sale of Canadian Hospital Specialties Ltd. to the Cortec Group.

OAKLINS HAS CLOSED 106 DEALS IN HEALTHCARE IN THE LAST FIVE YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.