



Neovasc Inc. Keeps Picking up Steam

Description

Neovasc Inc. (TSX:NVC)([NASDAQ:NVCN](#)) is among Canada's leaders in the medical equipment industry, and the British Columbia-based corporation's recent moves put its shareholders in a good position moving forward.

Boston Scientific Corporation ([NYSE:BSX](#)) completed a transaction with Neovasc. The former will acquire part of Neovasc's business, including its advanced biologic tissue segment as well as some manufacturing assets. The deal is worth US\$75 million in cash, and it will also net Boston Scientific a 15% stake in the company.

The deal will give Neovasc a license to the assets and facilities that are being sold, allowing the company to proceed with the research and development of some of its projects. Its tissue and valve equipment will remain in development at these locations, including its mitral bioprosthesis valve Tiara.

The company also offered an update on what is happening with its Tiara transcatheter mitral valve, which treats mitral regurgitation. Twenty-two patients have received Tiara valve treatments in Canada, the U.S., and Europe. Neovasc patients have experienced an 86% success rate, amounting to 19 patients reacting positively to the treatment.

What success means within this context is a considerably improved function of the patient's condition with one patient surviving three years with the implant, which is still functioning at its highest capacity. No negative effects related to the Tiara implants have been reported in any of the patients that were treated and followed up with.

A new treatment has been approved that will examine Tiara's safety and performance. There will be 115 patients involved in the Italian study, which will accrue data that will be used to file for the product's approval with the CE Mark, the regulatory agency in the European Union. TIARA II will begin in the first quarter of 2017.

Going back to the Neovasc deal with Boston Scientific, the latter has bought more than 11.8 million common shares of the company. Boston Scientific is paying 60 cents per share, tallying up to \$7.09 million. Neovasc will use these funds to iron out a legal situation the company is dealing with as well as

for general corporate purposes.

Neovasc has a market capitalization of \$197.22 million. Analysts polled by Zacks Investment Research rate Neovasc a two on a one to five scale. A two represents a "Buy." Most analysts rate it a two. Shares fell 1.1% Thursday afternoon, lowering the stock's price to \$2.75 per share.

The medical equipment market in Canada has a bright future ahead; most companies are based in Ontario, Quebec, and British Columbia. The industry was worth \$6 billion in sales last year, and this figure is expected to rise moving forward.

Neovasc also has a presence in the U.S., where the medical equipment industry has a bright future as well. The market value of the industry comes in at about \$148 billion with this figure expected to rise to \$155 billion in 2017.

Now is a good time to invest in Neovasc, which has some very promising projects in the horizon. Additionally, the Boston Scientific deal will help it solidify its portfolio. Watch out for this stock next year.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:NVCN (Neovasc)

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