

Deal Terms

1 AXNX = \$71

Target: Axonics

Country	United States
Bloomberg	AXNX
Sector	Medical Devices
Share price (\$)	68.01
Market cap (\$m)	3452
Free float (%)	99

Acquirer: Boston Scientific

Country	United States
Bloomberg	BSX
Sector	Medical Devices
Share price (\$)	60.83
Market cap (\$m)	89114
Free float (%)	99

Price Chart



Status

HSR filing deadline on January 30

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Axonics (AXNX) / Boston Scientific (BSX)

AGREED MERGER

The deal spread appears to be attractive, given that BSX portfolio does not overlap with AXNX's primary product, which drives the deal rationale.

On January 8, 2024 Boston announced the acquisition of Axonics, a company which specializes in the development and commercialization of sacral neuromodulation solutions which used to treat patients with overactive bladder, fecal incontinence and andurinary retention.

Regulatory

- The deal requires HSR approval.
- Axonics offers two distinct solutions. Sacral Neuromodulation devices and Bulkamid, a urethral bulking agent.
- SNM is used for the treatment of overactive bladder, fecal incontinence and urinary retention.
- The key players operating in the neuromodulation devices market include Abbott, Boston Scientific Corporation, electroCore, Inc., Helbling Holding AG, Innovative Health Solutions, LivaNova PLC, Medtronic, MicroTransponder Inc., Neuronetics Inc., Parasym, Synapse Biomedical Inc. and tVNS Technologies GmbH.
- Currently the only conditions that Boston Scientific treats with their neuromodulation devices are: Chronic pain, Lumbar Spinal Stenosis, Parkinson disease.
- The only other SNM device that is widely used is InterStim by Medtronic.
- We believe that there is no overlap between Axonics' primary product and Boston's portfolio.
- The SNM therapy offered by Axonics would be complementary to the Neuromodulation portfolio of BSX.
 - Currently, Boston Scientific is a key player in the Neuromodulation space. However, they do not offer any solutions for overactive bladder.
- Bulkamid is used to treat Stress Urinary Incontinence (SUI) a condition is caused by a weakness of the pelvic floor muscles, which usually tends to happen as people get older, with pregnancy or with certain pelvic floor conditions.
- Axonics Annual Report "We also face competition from **Boston Scientific for the treatment of SUI with its bulking agent.**" "Bulkamid competes with bulking agents offered by Boston Scientific, Coloplast, and Laborie."
- We believe that there is risk of an HSR second request, as that Axonics and Boston Scientific are direct competitors in their urethral bulking agent products.
- In the overlapping segment the two companies face Competition from established products from Coloplast and Laborie.
- We note that while Boston's Coaptite has been on the market for more than a decade Bulkamid by Axonics is a relatively new product in the space.
- We note that in 2022 Bulkamid accounted for only 18% of Axonics' revenue equalling to approximately \$51 million.
- We note that there is no divestiture obligation in the merger agreement. However, there is a large reverse termination fee of \$140 million.
- We believe that Boston would accept any divestiture requirement regarding Bulkamid given the strong business rationale of acquiring Axonics' primary product.

Timing

- We believe that an HSR second request is likely, therefore we expect a >7-month timeline.

Shareholder approval and counter bid

- We expect the AXNX shareholders to approve the merger.
- We believe that a counter bid cannot be completely ruled out given that only Medtronic offers a similar SNM device.
- We believe that the only other possible bidder would be Abbott, that has a similar Neuromodulation portfolio to Boston Scientific.

Valuation

- The offer represents a 23% premium to the January 5 closing price of \$57.57 and a 27% premium to the 3-month VWAP.
- Fundamental analysts' target prices for AXNX ranged between \$55 and \$75 before the merger announcement.

Key terms of the merger

Transaction Details

Announcement Date	January 8, 2023
Offer terms	1 AXNX = \$71
Deal Size (Market Value)	\$3.7 Billion
Offer structure	Merger
Target's Board Recommendation	Yes
Voting Agreement	n/a
Target Incorporation	Delaware (US)
Merger Agreement	Click here for the agreement
Synergies	n/a

Indicated Closing Date

H1 2024

Dividends

Axonics does not pay dividends

Valuation Multiples

■ LTM EV/Sales	9.5x
■ FY1 EV/Sales	9.0x
■ FY2 EV/Sales	7.4x
■ LTM P/Sales	10.5x
■ FY1 P/Sales	9.9x
■ FY2 P/Sales	8.1x

Timetable

■ Confidentiality Agreement	November 6, 2023
■ Date of the Merger Agreement (T)	January 8, 2026
■ Deal Announcement	January 8, 2024
■ HSR filing deadline	January 30, 2024
■ Proxy filing deadline	February 6, 2024
■ Expiration of HSR waiting period (+30D)	Late-February, 2024
■ Shareholder meeting	April 2024
■ Settlement (CBR est.)	Late-2024
■ Termination date	January 8, 2025
■ Outside date	January 8, 2026

Deal close definition

Unless this Agreement shall have been terminated in accordance with Section 8.01, the closing of the Merger (the "Closing") will take place by electronic exchange of the required closing deliverables at 10:00 a.m., New York time, on the fifth (5th) Business Day after the satisfaction or written waiver (where permissible under applicable Law) of all of the conditions set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing (subject to their satisfaction or written waiver (where permissible))), unless another time, date or place is agreed to in writing by Parent and the Company. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date".

Solicitation Clause

There is a non-solicitation clause.

There is a four-day matching period.

"Superior Proposal" means any bona fide written Acquisition Proposal made by any person or group (other than Parent or any of its Subsidiaries) after the date of this Agreement that (A) would result in such person or group (or in the case of a direct merger between such person and the Company, the shareholders of such person) acquiring, directly or indirectly, more than 50% of the outstanding Shares or all or substantially all of the assets of the Company Group, taken as a whole, (B) is on terms that the Company Board determines in good faith (after consultation with its outside financial advisor and outside legal counsel and after taking into account all the terms and conditions of the Acquisition Proposal) are more favorable to the Company's stockholders from a financial point of view than the Merger and the transactions contemplated by this Agreement (taking into account any bona fide proposed amendment or modification proposed by Parent pursuant to Section 6.03(d)(i)) and (C) the Company Board determines (after consultation with its outside financial advisor and outside legal counsel) is reasonably capable of being consummated in accordance with its terms, taking into account all financial, regulatory, legal and other aspects (including certainty of closing, certainty of financing and the identity of the person making the Acquisition Proposal) of such proposal.

Company Intervening Event

"Intervening Event" means any material event, circumstance, change, effect, development or condition first occurring or arising after the date of this Agreement that was not known or reasonably foreseeable by the Company Board as of the date of this Agreement (or if known, the magnitude or material consequences

of which were not known or reasonably foreseeable by the Company Board as of the date of this Agreement); provided, however, that in no event shall any event, circumstance, change, effect, development or condition resulting from or relating to any of the following give rise to an Intervening Event: (A) any Acquisition Proposal; (B) the public announcement, execution, delivery or performance of this Agreement, the identity of Parent or the pendency or consummation of the Transactions; (C) any change in the trading price or trading volume of Company Common Stock on Nasdaq or any change in the Company's credit rating (although, for purposes of clarity, any underlying facts, events, circumstances, changes, effects, developments or conditions, with respect to this subclause (C) relating to or causing such change may be considered, along with the effects or consequences thereof); or (D) the fact that the Company has exceeded or met any projections, forecasts, revenue or earnings predictions or expectations of the Company or any securities analysts for any period ending (or for which revenues or earnings are released) on or after the date hereof (although for purposes of clarity, any underlying facts, events, circumstances, changes, effects, developments or conditions relating to or causing such material improvement or improvements may be considered, along with the effects or consequences thereof).

Key conditions to the merger

- Shareholder approval
 - No injunctions
 - Regulatory Approvals
 - Reps and warranties
 - Covenants fulfilled
 - No Company MAE
 - Closing Certificate
- AXNX: majority of outstanding shares
 - HSR

MAE Definition

- MAE means any event, circumstance, change, condition, occurrence or effect that, individually or in the aggregate with any other event, circumstance, change, condition, occurrence or effect, has had, or would reasonably be expected to have (a) a material adverse effect on the assets, business, condition (financial or otherwise) or results of operations of the Company Group, taken as a whole, or (b) a material adverse effect on, or prevents or materially delays, the ability of the Company to consummate the Transactions

MAE Carve-outs

provided, however, that, in the case of clause (a), a Company Material Adverse Effect shall not be deemed to include any event, circumstance, change, condition, occurrence or effect to the extent resulting from or arising out of any of the following: (i) any event, circumstance, change, condition, occurrence or effect relating to, resulting from or arising out of

- (A) a change in general economic, political, regulatory, business, financial, credit or capital market conditions, or any changes therein, including interest or exchange rates, or fluctuations in the value of any currency,
- (B) changes generally affecting the industries (including seasonal fluctuations) in which the Company or any of the Company Subsidiaries operates in the United States or globally,
- (C) any change or proposed change in accounting requirements, GAAP or applicable Laws or the interpretation or enforcement thereof after the date hereof,
- (D) any disease outbreak, epidemic or pandemic (including the SARS CoV-2 or COVID-19 virus) and any evolutions or mutations thereof or quarantine restrictions, weather conditions or other natural disasters or the worsening of any of the foregoing,
- (E) any change in global or national political conditions (including the outbreak or escalation of war (whether or not declared), military action or operation, sabotage, civil unrest, civil disobedience, national or international calamity, the outbreak of hostilities or acts of terrorism),
- (F) the announcement of the execution of this Agreement or the pendency of the Transactions (provided that the exceptions in this subclause (F) shall not apply to any representations or warranties contained in Section 3.05 or the condition in Section 7.02(a) as it relates to the representations or warranties contained in Section 3.05), or
- (G) compliance with the express terms of, or any action expressly required by, this Agreement or any action or omission requested or consented to in writing by Parent;
- provided further that if the exceptions set forth in subclause (A), (B), (C), (D), or (E) of this clause (i) have a disproportionate impact on the Company Group, taken as a whole, compared to other companies that operate in the industries in which the Company Group operates, then such disproportionate effects, changes, developments or occurrences may be taken into account in determining whether a Company Material Adverse Effect has occurred solely to the extent of such disproportionate impact,

(ii) any Transaction Litigation, (iii) any change in the trading price or trading volume of Shares or any suspension of trading, or any changes in the ratings or the ratings outlook for the Company by any applicable rating agency or changes in any analyst's recommendations or ratings with respect to the Company (provided that, except as otherwise provided in this definition, the underlying cause of such change may be considered in determining whether there is a Company Material Adverse Effect), or (iv) any failure to meet internal, public or other projections or forecasts or estimates of revenues, earnings or other financial or operating metrics for any period (provided that, except as otherwise provided in this definition, the underlying causes of such failure may be considered in determining whether there is a Company Material Adverse Effect)

Break fees

- Break fee
 - Reverse break fee
- \$75,000,000
 - \$140,000,000

Antitrust related clauses

- Jurisdictions
- US

■ Divestiture obligation	■ No
■ Litigation obligation	■ Yes
■ Reverse break fee (regulatory)	■ \$140,000,000

Specific Performance

Yes

Governing Law

Delaware

Key AXNX shareholders

Axonics	%
FMR LLC	10,9
Vanguard Group Inc/The	10,4
BlackRock Inc	8,3
AXA SA	6,4
Credit Suisse Group AG	4,5
Bellevue Group AG	4,4
Champlain Investment Partners LLC	4,0
Baron Capital Inc	3,5
Invesco Ltd	3,2
Bellevue Healthcare Trust Plc	2,8
Other	41,7

Source: Bloomberg

Co descriptions & rationale for the merger

AXONICS DESCRIPTION

- Axonics is a global medical technology company that is developing and commercializing novel products for adults with bladder and bowel dysfunction, including: (i) implantable SNM systems to treat urinary urge incontinence (UUI) and urinary urgency frequency (UUF), together referred to as overactive bladder (OAB), as well as fecal incontinence (FI), and non-obstructive urinary retention (UR); and (ii) a urethral bulking agent (Bulkamid) to treat female stress urinary incontinence (SUI).

SNM Systems

- Axonics R20, is a rechargeable SNM system designed to last 20 or more years in the human body and is only 5cc in volume. R20 provides constant current stimulation and offers broad MRI access with 1.5T and 3.0T scanners. R20 utilizes an easy-to-use, intuitive patient remote control and requires recharging for only one hour every 6 to 10 months, which is the longest interval between recharging among rechargeable SNM systems. The R20 replaces the previous rechargeable SNM system offered by Axonics that was the first to be marketed worldwide.
- Axonics F15, a recharge-free system utilizes a primary cell battery with an expected life of 15 years at typical stimulation parameters and over 20 years at lower amplitude settings. The recharge-free implantable neurostimulator (INS) is approximately 10cc in volume, utilizes constant current stimulation, a recharge-free patient remote control and offers broad MRI access.

Urethral Bulking Agent

- On February 25, 2021, we acquired Contura Limited (Contura) and its Bulkamid product, a urethral bulking hydrogel indicated for the treatment of female SUI.
- Bulkamid received a Conformité Européenne (CE) Mark in 2003 and a PMA from the FDA in 2020 and is sold through a combination of a direct sales force in the United States, Germany, United Kingdom, and the Nordic countries and distributors in certain international markets.
- Bulkamid is biocompatible, consisting of 97.5% water, and does not induce a chronic inflammatory response. Bulkamid's bulking effect is aided by the volume of each injection being predictable, controllable, and precise. Bulkamid retains its bulking characteristics for a number of years, thereby maintaining efficacy and providing women with long lasting relief of their SUI symptoms. Bulkamid is clinically validated and generates high rates of patient satisfaction.

BOSTON SCIENTIFIC DESCRIPTION

- Boston Scientific Corporation is a global developer, manufacturer and marketer of medical devices that are used in a broad range of interventional medical specialties.
- Their core businesses are organized into two reportable segments: MedSurg and Cardiovascular.

MedSurg

- Endoscopy: The Endoscopy business develops and manufactures devices to diagnose and treat a broad range of gastrointestinal and pulmonary conditions with innovative, less invasive technologies.
- Urology: The Urology business develops and manufactures devices to treat various urological and pelvic conditions for both male and female anatomies, including kidney stones, benign prostatic hyperplasia (BPH), prostate cancer, erectile dysfunction and incontinence.
- Neuromodulation: The Neuromodulation business develops and manufactures devices to treat various neurological movement disorders and manage chronic pain.

Cardiovascular

- Interventional Cardiology Therapies business develops and manufactures technologies for diagnosing and treating coronary artery disease and aortic valve conditions
- Cardiac Rhythm Management (CRM) business develops and manufactures a variety of implantable devices that monitor the heart and deliver electricity to treat cardiac abnormalities.
- Electrophysiology business develops and manufactures less-invasive medical technologies used in the diagnosis and treatment of rate and rhythm disorders of the heart, including a broad portfolio of therapeutic and diagnostic catheters and a variety of equipment used in the Electrophysiology lab.
- Peripheral Interventions business develops and manufactures products to diagnose and treat peripheral arterial and venous diseases, as well as products to diagnose, treat and ease various forms of cancer. Our broad peripheral portfolio includes stent systems, balloon catheters, guidewires, atherectomy and thrombectomy systems, embolization devices, radioactive microspheres, radiofrequency and cryotherapy ablation systems, microcatheters and drainage catheters.

STRATEGIC RATIONALE FOR THE MERGER

Boston Scientific

- Leaders in urology with broad and deep portfolio of industry leading technologies for treating urological conditions
- Ability to utilize capabilities and reach to accelerate growth

- Proven track record of expanding Urology portfolio for physicians and patients through internal innovation & strategic, tuck-in M&A

Axonics

- Portfolio of differentiated incontinence solutions backed by clinical evidence
- History of meaningful innovation; launched the Axonics R20™ neurostimulator, its 4th generation rechargeable SNM device, in January 2023
- Scaled commercial team with significant experience in urology field

Key risks

REGULATORY RISKS

The deal will require HSR approval.

- Axonics offers two distinct solutions in its portfolio. Sacral Neuromodulation devices and Bulkamid, a urethral bulking agent.
- Axonics generated net revenue of \$93.1 million in the third quarter of 2023. This represented an increase of 32% compared to the prior year period. Sacral neuromodulation revenue was \$73.9 million of which 98% was generated in the US. Bulkamid revenue was \$19.2 million of which 81% was generated in the US.

Sacral neuromodulation (SNM) therapy

- SNM is used for the treatment of overactive bladder, fecal incontinence and urinary retention.
- The Axonics product portfolio includes the Axonics R20™ and the Axonics F15™ Systems used to deliver sacral neuromodulation (SNM) therapy. SNM therapy is a minimally invasive procedure used in the treatment of OAB and fecal incontinence. It works by delivering mild electrical pulses to the sacral nerve to restore communication between the brain and the bladder.



Source: company website

- “Sacral neuromodulation therapy was developed in 1982 by Tanagho and Schmidt, gaining FDA approval in 1997. To date, there have been more than 300,000 patients treated with sacral neuromodulation implants worldwide. Reviews suggest that between 16% to 29% of the population, with a few estimating up to 75%, experience some level of overactive bladder, including symptoms of urinary incontinence, urgency, or frequency.” (see [NCBI](#))
- The key players operating in the **neuromodulation** devices market include Abbott, Boston Scientific Corporation, electroCore, Inc., Helbling Holding AG, Innovative Health Solutions, LivaNova PLC, Medtronic, MicroTransponder Inc., Neuronetics Inc., Parasym, Synapse Biomedical Inc. and tVNS Technologies GmbH.
 - **Currently the only conditions that Boston Scientific treats with their neuromodulation devices are: Chronic pain, Lumbar Spinal Stenosis, Parkinson disease.**
 - The solutions they offer in the realm of neuromodulation include: Rechargeable and Non-rechargeable Spinal Cord Stimulator (SCS) Systems, Indirect Decompression Systems, Radiofrequency Ablation Systems, Rechargeable and Non-rechargeable Deep Brain Stimulation Systems
- **The only other SNM device that is widely used is InterStim by Medtronic.**
- Axonics annual report: “SNM therapy has been commercially available in the United States for over 20 years and has been clinically proven to provide a safe, effective, reversible, and long-lasting symptom relief. We believe that our SNM systems offer therapeutic benefits and competitive advantages compared to the **InterStim SNM systems offered by Medtronic.**”
- “We believe that the U.S. **SNM market is now approximately \$800 million**, representing approximately 52,000 annual patient implants.”
 - This means Axonics market share in SNM devices is approx. 30%.
- Alternative treatments to overactive bladder
 - **First-line therapy:** behavioral changes, including conservative treatment options such as diet, exercise, timed voiding, pelvic floor exercises, and biofeedback;
 - **Second-line therapy:** drug therapy, including two classes of OAB drugs, anti-muscarinics and beta-3 adrenergic agonists, with patients often trying multiple drugs; and
 - **Third-line therapy:** minimally invasive therapy consisting of SNM, BOTOX injections and non-implantable Percutaneous Tibial Nerve Stimulation (PTNS).

- First- and second-line therapies comprise the largest segment of the treatment market and are better known to physicians and hospitals than SNM therapy.
- “We consider our primary competition to be implantable SNM devices offered by Medtronic. **Medtronic’s InterStim X and InterStim Micro are currently the only other implantable SNM devices approved for commercial sale in the United States** by the FDA. We also compete with other third-line treatments, such as BOTOX injections, a product sold by Allergan plc, PTNS, as well as more invasive surgical treatment options, and drugs for the treatment of OAB and FI.”

Bulkamid

- In 2021, Axonics acquired Contura Limited (Contura) and its Bulkamid product, a urethral bulking hydrogel indicated for the treatment of female SUI.
- Bulkamid is used to treat Stress Urinary Incontinence (SUI) a condition caused by a weakness of the pelvic floor muscles, which usually tends to happen as people get older, with pregnancy or with certain pelvic floor conditions. This can allow urine to leak out during normal daily activities such as coughing, laughing, exercising, or lifting an object.
- The product is a urethral bulking agent which is a soft, water-based gel that can be used to restore the natural closing of the urethra.
- Bulkamid received a Conformité Européenne (CE) Mark in 2003 and a PMA from the FDA in 2020 and is **sold through a combination of a direct sales force in the United States, Germany, United Kingdom, and the Nordic countries** and distributors in certain international markets.
- Bulkamid achieves its bulking effect by the volume of the gel injected, unlike competitive bulking agents that achieve bulking effect through their micro particles and the body’s inflammatory reaction to the particles.
- Annual Report “We also face **competition from Boston Scientific** for the treatment of SUI with its bulking agent.” “Bulkamid competes with bulking agents offered by Boston Scientific, Coloplast, and Laborie.”
- Bulkamid Competition
 - Macroplastique - Laborie
 - Durasphere - Coloplast
 - Coaptite – Boston Scientific
 - The product was developed by BioForm a subsidiary of Merz. Boston Scientific Corp. markets Coaptite in the U.S. for female stress urinary incontinence.
 - Urolastic – Neomedic GmbH
 - Contigen – no longer available
- Axonics Inc Q3 2023 Earnings Call transcript: “We’re just focused on continued adoption and utilization of Bulkamid. You know we -- we are -- our pants are not on fire to try to do more things with that product. It’s going really well and I think the key thing for us now is just kind of continuing to get the word out, you know, on the product and it’s fast becoming first line therapy for women with stress urinary incontinence.”
- Annual report: “The **market for SUI therapy is highly underpenetrated, with approximately 22 million women in the United States having moderate to severe SUI** or mixed urinary incontinence (MUI) symptoms, which is urinary incontinence related to both stress and urgency. The first-line treatment options for SUI begin with lifestyle changes and continence pessaries. SUI lacks pharmacologic treatments, with patients next advancing to urethral bulking agents, pelvic floor sling surgery or colposuspension. We estimate that less than half of these women have sought medical treatment, most of whom were offered conservative therapy or opted for no treatment due to a lack of non-invasive treatment options with high efficacy.”
- SUI treatment alternatives
 - Behavior therapies: Pelvic floor muscle exercises, Fluid consumption, Healthy lifestyle changes, Bladder training
 - Devices: Vaginal pessary, Urethral inserts
 - Surgical interventions:
 - Sling procedure: This is the most common procedure performed in women with stress urinary incontinence. In this procedure, the surgeon uses the person's own tissue, synthetic material (mesh), or animal or donor tissue to create a sling or hammock that supports the urethra.
 - Injectable bulking agents
 - Retropubic colposuspension: Also known as Bladder suspension surgery or bladder lift. This surgical procedure uses sutures attached to ligaments along the pubic bone to lift and support tissues near the bladder neck and upper portion of the urethra. This surgery can be done laparoscopically or by an incision in the abdomen.
 - GYNECARE TVT EXACT® Continence System – [J&J](#) : The GyneCare TVT Exact Continence System is a retropubic, mid-urethral synthetic sling used for the treatment of female stress urinary incontinence.
 - [BD](#) PureWick™ System: The PureWick System is an innovative option to managing urinary incontinence. The PureWick™ Female External Catheter is used in over 2,000 hospitals and rehab facilities.

Stress urinary incontinence and Overactive bladder

- **The difference between SUI and OAB is anatomical. SUI is a urethral problem. OAB is a bladder problem.** SUI happens when the urethra cannot stop the sudden increase in pressure. This can happen when you cough or bend over. With OAB, the bladder will spasm and squeeze uncontrollably and force urine out the urethra. Many people with SUI also have OAB. When they have both types of incontinence, it is called "Mixed Incontinence" (see [here](#)).

CBR View:

- **We believe that there is risk of an HSR second request as Axonics and Boston Scientific are direct competitors in their urethral bulking agent products.**
- In the overlapping segment the two companies face Competition from established products from Coloplast and Laborie.
- We note that while Boston's Coaptite has been on the market for more than a decade Bulkamid by Axonics is a relatively new product in the space.
- **We believe that there is no overlap between Axonics' primary product and Boston's portfolio.**
- The SNM therapy offered by Axonics would be complementary to the Neuromodulation portfolio of BSX.
 - Currently, Boston Scientific is a key player in the Neuromodulation space. However, they do not offer any solutions for overactive bladder.
- We note that in 2022 Bulkamid accounted for only 18% of Axonics' revenue equalling approximately \$51 million.
- **We note that there is no divestiture obligation in the merger agreement. However, there is a large reverse termination fee of \$140 million.**
- **We believe that Boston would accept any divestiture requirement regarding Bulkamid given the strong business rationale of acquiring Axonics' primary product.**

TIMING

- We believe that an HSR second request is likely, therefore we expect a >7-month timeline.

SHAREHOLDER APPROVAL AND COUNTER BID

- We expect the AXNX shareholders to approve the merger.
- We believe that a counter bid cannot be completely ruled out given that only Medtronic offers a similar SNM device.
- We believe that the only other possible bidder would be Abbott, that has a similar Neuromodulation portfolio to Boston Scientific.

Valuation**PREMIUM**

- The offer represents a 23% premium to the January 5 closing price of \$57.57 and a 27% premium to the 3-month VWAP of AXNX.

ANALYST TARGET PRICES

- Fundamental analysts' target prices for AXNX ranged between \$55 and \$75 before the merger announcement.

Disclosures:

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