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# CryoLife in \$130m deal to enter valve market with On-X Life Technologies buy – MassDevice

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[CryoLife Inc.](#) (NYSE:[CRY](#)) made a big play yesterday for the mechanical heart valve space with a \$130 million deal to buy [On-X Life Technologies](#).

On-X makes an aortic valve replacement and is developing a mitral chord repair device called Chord-X. The Austin, Texas-based company put up sales of about \$33 million last year, CryoLife said.

The deal calls for Atlanta-based CryoLife to pay roughly \$91 million

in cash from a new credit facility and another \$39 million worth of CRY shares. CryoLife said it's already lined up a 5-year, \$75 million term loan and a \$20 million revolver from Capital One, Fifth Third Bank, and Citizens Bank. The acquisition is expected to close in January 2016.

"We believe this will be a transformative acquisition for CryoLife that will significantly enhance the size of our addressable market and growth potential. This transaction will provide CryoLife access to the \$220 million mechanical valve market with a highly advanced portfolio of products," chairman, president & CEO Pat Mackin said in prepared remarks. "On-X valves have been implanted in over 200,000 patients, and On-X has achieved a 13% revenue CAGR over the past 4 years with modest sales and marketing support."

"On-X is extremely excited to join forces with CryoLife and we believe CryoLife is well suited to take the On-X business to the next level. We expect this transaction to enhance the growth trajectory of On-X products through the additional resources provided by a larger, global cardiac surgery company," added On-X president & CEO Clyde Baker.

Mackin said the deal more than doubles CryoLife's U.S. cardiac surgery sales force and forecast a double-digit compound growth rate from 2016 to 2020. CryoLife's tissue valve business is complemented by the mechanical valve business it's buying with On-X, he said.

CryoLife also [said](#) its board decided to stop paying dividends “for the foreseeable future.”