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“We’re A Pain-Management Company.” Nevro Adds SI Joint Surgery To SCS Business

by [Reed Miller](#)

Nevro is known for its spinal cord stimulation technology but wants to help a wide range of patients with chronic pain, so it is buying Vyrsa, which offers a complete system for sacroiliac joint fusion. In an interview with *Medtech Insight*, Nevro CEO Kevin Thornal explained how Vyrsa supports Nevro's strategy in this growing market.

[Nevro](#) wants to be more than just a spinal cord stimulation (SCS) company.

Since its founding about 17 years ago, the Redwood City, CA-based company has focused on developing and marketing its high-frequency 10 kHz (HFX) implantable SCS devices to treat chronic pain, including [painful diabetic neuropathy](#) and [non-surgical refractory back pain](#). (Also see "[News We're Watching: Studies Back Nevro Pain Treatment, FTC Blesses Resonetics Nitinol Deal, Genetic Test Identifies Best RDN Patients](#)" - Medtech Insight, 22 Sep, 2023.)

But, on 30 November, Nevro agreed to acquire Vyrsa, a spin-off of Camber Spine, that offers a complete line of devices for sacroiliac (SI) joint fusion surgery. (See [box](#))

The Vyrsa deal is not only Nevro's first big move since Thornal became CEO in April, it is the company's first acquisition ever and its first business expansion outside of SCS therapy. (Also see "[Nevro Names Kevin Thornal As Its New CEO](#);

Nevro Acquires Vyrsa For Up To \$75m

On 30 November, Nevro announced that it has signed and closed a deal to pay \$40m at closing to acquire Pennsylvania-based Vyrsa.

Nevro also agreed to pay up to \$35m in cash or stock based on the achievement of certain

["Investors Remain Disappointed In Results"](#) - Medtech Insight, 21 Apr, 2023.)

“We are a pain management company, and so anything that can get rid of the burden of chronic pain from any of these patients suffering it is in our wheelhouse,” Nevro CEO Kevin Thornal told *Medtech Insight*.

“It's rewarding to see people walk into the operating room in extreme pain and then the next day get up and walk around and feel pain-free.”

More Tools In the Tool Belt

“We've built a team over the last six months that we feel good about and the new leaders within the organization feel good about integrating this acquisition and helping our physicians have more tools in their tool belt to treat patients with chronic pain.”

Sacroiliac joint pain is caused by inflammation in the joint that that connects the sacrum at the base of the spine to the ilium part of the pelvis.

Between 15% and 30% of people with so-called mechanical low-back pain have SI joint pain and the same pain specialists treat both conditions, so Nevro saw an obvious synergy between its existing SCS business and SI fusion.

“A lot of our patients have both nerve damage pain as well as mechanical back pain issues – alignment issues or pinching issues or other things that you can't solve just by treating the neuropathic pain,” he said.

About two million people in the US are diagnosed with SI joint pain each year, caused by traumatic injury, wear and tear over time, congenital structural abnormalities, or stress caused by surgery on other parts of the spine.

The SI joint market is one of the fastest

sales and development milestones. (Also see "[News We're Watching: New AF Guidelines, Nevro Buys Vyrsa, LivaNova Responds To Cyberattack](#)" - Medtech Insight, 4 Dec, 2023.)

Vyrsa claims to be the only company to offer a complete line of state-of-the-art SI joint fusion devices cleared by the US Food and Drug Administration. Its products include the V1 SI fusion implant with integrated lateral transfixation, the Pro cortical allograft, and the Siconus lateral screws.

These devices are compatible with a hybrid approach to SI fusion that promotes bone fusion and compression of the joint space.

Nevro Refinances

Along with the Vyrsa acquisition, Nevro announced the closing of a six-year, \$200m

growing spaces in all of pain management with a total addressable market of about \$2bn, according to Nevro.

But SI joint pain is often untreated.

“These patients deserve more options and probably less-invasive options compared to what's out there today,” Thornal said.

“We're living in a time when people understand the downfall of just popping a pill to try to up pain. ... So people are looking for other ways to get rid of their pain.”

Other companies, including [SI Bone](#) and [Stryker](#), market SI joint surgery devices, but Nevro has a US sales staff of about 500 people while its competitors in the SI joint market have fewer than 100, he said.

“[These are] patients we already see right now today. Our ‘call point’ is exactly the same,” he explained. Nevro markets its SCS technology to interventional pain physicians, radiologists, and spine surgeons who see patients with lower-back pain, and all of those physicians also see people who need a solution for SI joint pain.

“I always think about the customer first and what they want is what they'll buy,” he said.

“Instead of us saying to them ‘Hey, we have a better mousetrap, use this,’ they came to us and said we'd love for you guys to carry this because we're doing [SI joint surgery] today, and the current companies [in the space] don't have near enough sales reps to be able to uncover all these cases.”

term loan credit facility from Braidwell to repurchase the majority of its 2025 convertible notes and for working capital and other corporate purposes.

Nevro also issued a warrant to purchase approximately 2.6 million shares of Nevro common stock at a \$23.19 exercise price, representing a 40% premium to Nevro's trailing five-day volume-weighted average price.

“We could have done the acquisition with the cash we had on hand, [but] we kicked out the due date on our debt until 2029,” Thornal said.

“That that gives us more time to operate with our cash flows that we need to be able to invest back into the business without that maturity date hanging over our head, which was in 2025.”