



Plaintiffs' Opening Statement

Federal Trade Commission, et al. v. GTCR, LLC, et al.

Case No. 1:25-cv-02391

Biocoat Acquisition: The Start of GTCR's "Excellent Consolidation Play"

FOIA-2026-00325

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"Excellent
Consolidation Play"

PX1343 at 008



Pause GTCR's Proposed Acquisition of Surmodics

The evidence will show that under GTCR's "consolidation play":

- GTCR will control nearly 60% of the outsourced hydrophilic coatings market.
- Head-to-head competition between Surmodics and Biocoat will be eliminated.
- Innovation, quality, and price competition will be lost.

The Proposed Remedy: "A Very Tiny Sliver" of Biocoat's Business

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Q. What do you mean by not much to buy?
A. It's a tiny -- a very tiny sliver of the business. So for what we would consider worth our time and energy to buy, it was maybe not worth it.

Purchase Price Comparison

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[Redacted content]

Integer is Contractually Required to Oppose This Litigation

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EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

BIOCOAT, INCORPORATED,

INTEGER AUGUSTA TECHNOLOGIES LLC

and

INTEGER HOLDINGS CORPORATION,

solely for purposes of being bound by Section 9.14 hereof

July 29, 2025



Andrew Senn
Integer

(d) Without limiting the generality of the foregoing, if any objections are asserted with respect to the transactions contemplated by the Merger Agreement, the transactions contemplated by this Agreement or any other agreement contemplated hereby or thereby under

... the Buyer shall use reasonable best efforts to cooperate with the Seller in opposing (including by cooperating in litigation), (A) any Action, threatened or pending preliminary or permanent injunction or other Order, decree or applicable Law (including, in each case, to the extent related to the transactions contemplated by the Merger Agreement) that would adversely affect the ability of any party hereto to consummate the transactions contemplated hereby and ...

contemplated by this Agreement or the Merger Agreement or imposes any terms or conditions in connection with the transactions contemplated by this Agreement or the Merger Agreement (each, including the FTC Orders, an "Antitrust Litigation Action").

Plaintiffs' Witnesses

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Andrew Juntunen
Medtronic



Phil Ankeny
Harland



Danielle Petra
DSM



Greg Welsh
Alembic



Jared Hutar
Piraeus



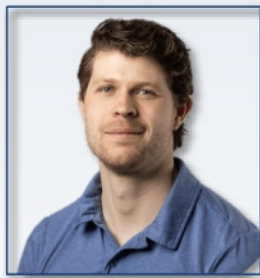
Patrick McCormick
Stryker



Andrew Senn
Integer



Himanshu Patel
Lumivascular



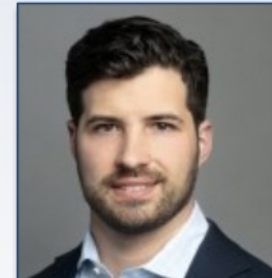
William Eccles
Scientia Vascular



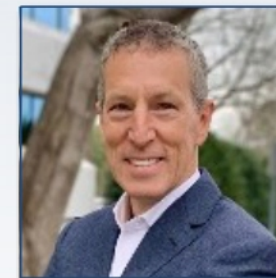
Brian Martin
Maduro Medical



Ann Gronda
Medtronic



Daniel DiPiazza
JLL Partners



David Stern
Contego



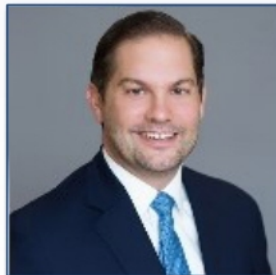
Dr. Aaron Fix
FTC Expert



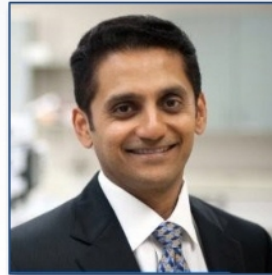
Joe Ventura
Surmodics



Jim Moran
Biocoat



Josh de Freitas
Biocoat



Gary Maharaj
Surmodics



Luke Marker GTCR



Bob Hergenrother
Biocoat



- 1. Introduction**
- 2. Legal Standard**
- 3. What are Hydrophilic Coatings?**
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- 8. Defendants' Burden**
- 9. Equities**

Section 7 of the Clayton Act (15 U.S.C. § 18)

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PUBLIC LAW 93-153—NOV. 16, 1973 [87 STAT.]

52 Stat. 114;
64 Stat. 21.

(d) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following new subsection:

"(m) Whenever in any civil proceeding involving this Act the Commission is authorized or required to appear in a court of the United States, or to be represented by any of its attorneys, the name by any of its attorneys formally notifying and complying with the requirements of section 10 days to take the action."

38 Stat. 721.

Investigative powers.

(e) Section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended by adding at the end thereof the following new subsection:

"Provided, That the exception to the Act to regulate commerce defined in clauses (a) and (b) shall not limit the Commission's authority to investigate, or to require any corporation, group, or individual engaged or is engaged only as a common carrier subject to the Act."

Temporary restraining orders; injunctions.

52 Stat. 114.

(f) Section 13 of the Federal Trade Commission Act (15 U.S.C. 47) is amended by redesignating subsection (b) as subsection (c) and by adding at the end thereof the following new subsection:

"(b) Whenever the Commission has reason to believe that any person, partnership, or corporation is about to violate, or is violating, any provision of this Act, it shall—

"(2) that the enjoinder of the Commission or set aside of the Commission in the interest of the public may bring suit in equity to enjoin any such act or practice, the equities and considerations of such action would in the defendant, a temporary restraining order or preliminary injunction may be granted with or without bond, and such order or preliminary injunction may be specified by the court as being subject to the provisions of this Act."

(g) Section 16 of the Federal Trade Commission Act (15 U.S.C. 56) is amended to read as follows:

"Sec. 16. Whenever the Federal Trade Commission has reason to believe that any person, partnership, or corporation is liable to a penalty under section 14 or under subsection (1) of section 5 of this Act, it shall—

"(a) certify the facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of such section or subsection; or

"(b) after compliance with the requirements with section 5 (m), itself cause such appropriate proceedings to be brought."

Enforcement proceedings.

15 USC 54.

Supra.

SEC. 7. That no person engaged in commerce or in any activity affecting commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no person subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of another person engaged also in commerce or in any activity affecting commerce, where in any line of commerce or in any activity affecting commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly.

Statutory Standard for Preliminary Injunction

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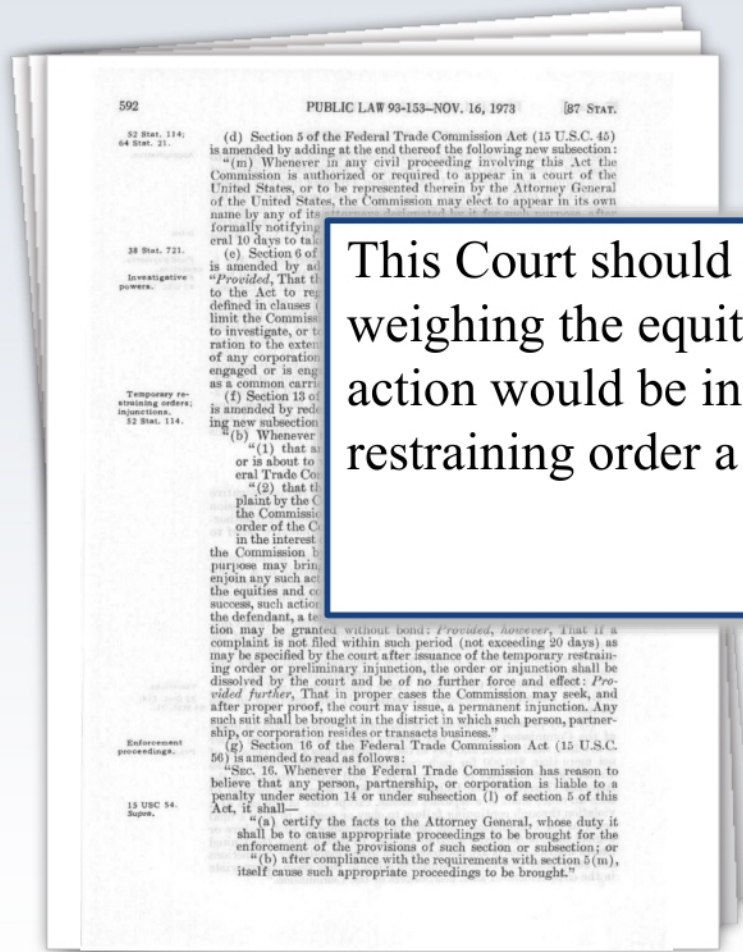
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This Court should preliminarily enjoin this acquisition “[u]pon a proper showing that, weighing the equities and considering the Commission’s likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant, a temporary restraining order a preliminary injunction may be ordered without bond.”

Federal Trade Commission Act § 13(b), 15 U.S.C. § 53(b)



Two Independent Theories of Harm

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1 Loss of Head-to-Head Competition

2 Presumptively Illegal Increase in Market Concentration

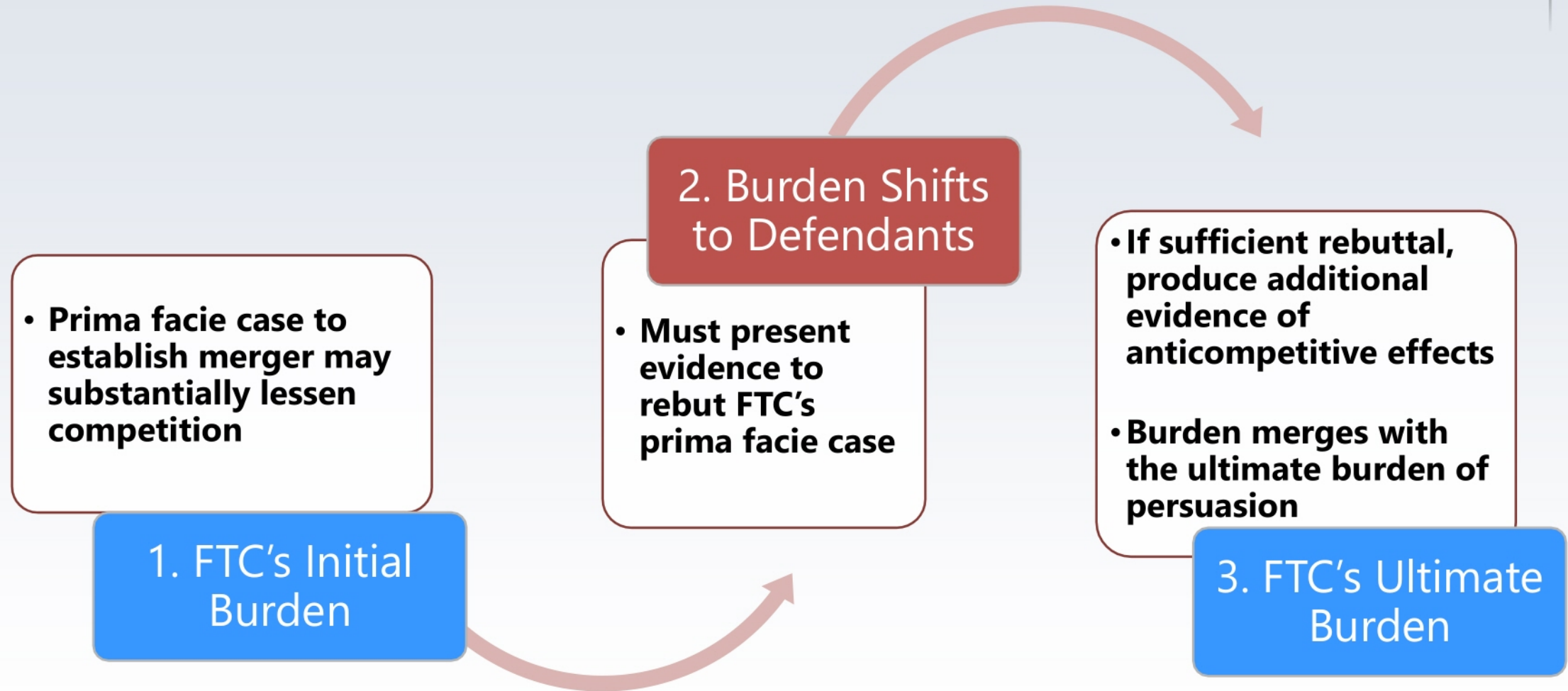
Courts Apply the *Baker Hughes* Burden Shifting Framework

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Proposed Remedy: Defendants' Burden

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Defendants bear the burden to show that any proposed remedy would adequately "offset the competitive harm of the merger"

FTC v. Kroger Co., 2024 WL 5053016, at *28 (D. Or. Dec. 10, 2024)



Defendants must show that the divestiture would "replac[e] the competitive intensity lost as a result of the merger."

United States v. Aetna Inc., 240 F. Supp. 3d 1, 60 (D.D.C. 2017)
(quoting *FTC v. Sysco Corp.*, 113 F. Supp. 3d 1, 72 (D.D.C. 2015))

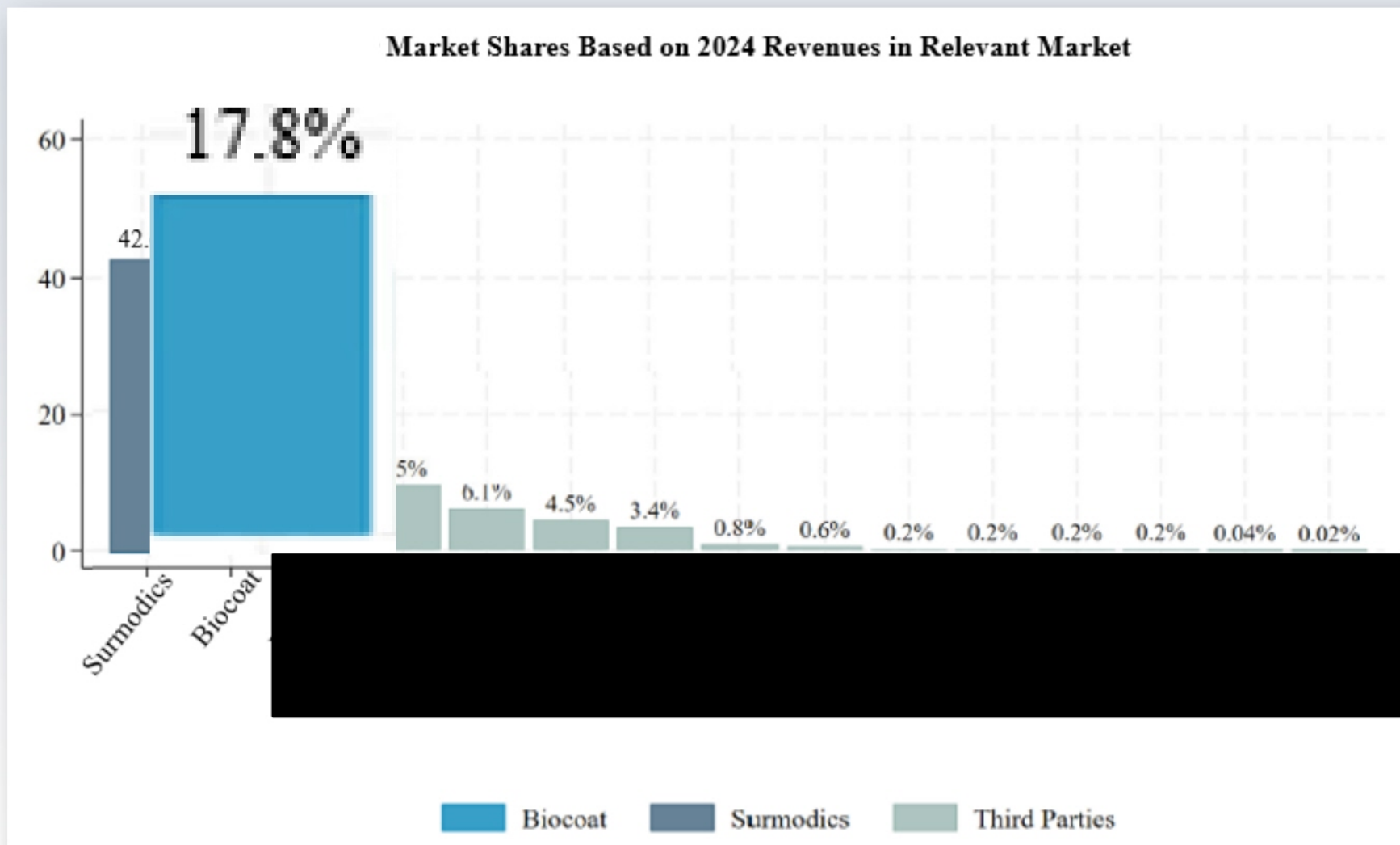
The Proposed Remedy Cannot Replace Biocoat

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PX4000 (Fix Report) Fig. 1



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Neurovascular & Cardiovascular Interventional Devices

FOIA-2026-00325

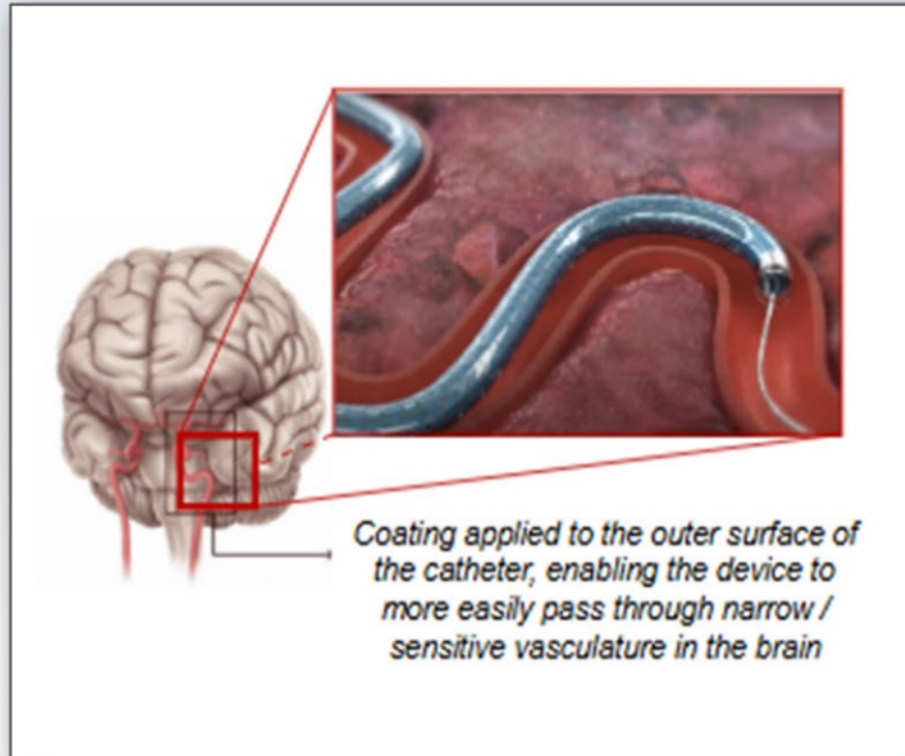
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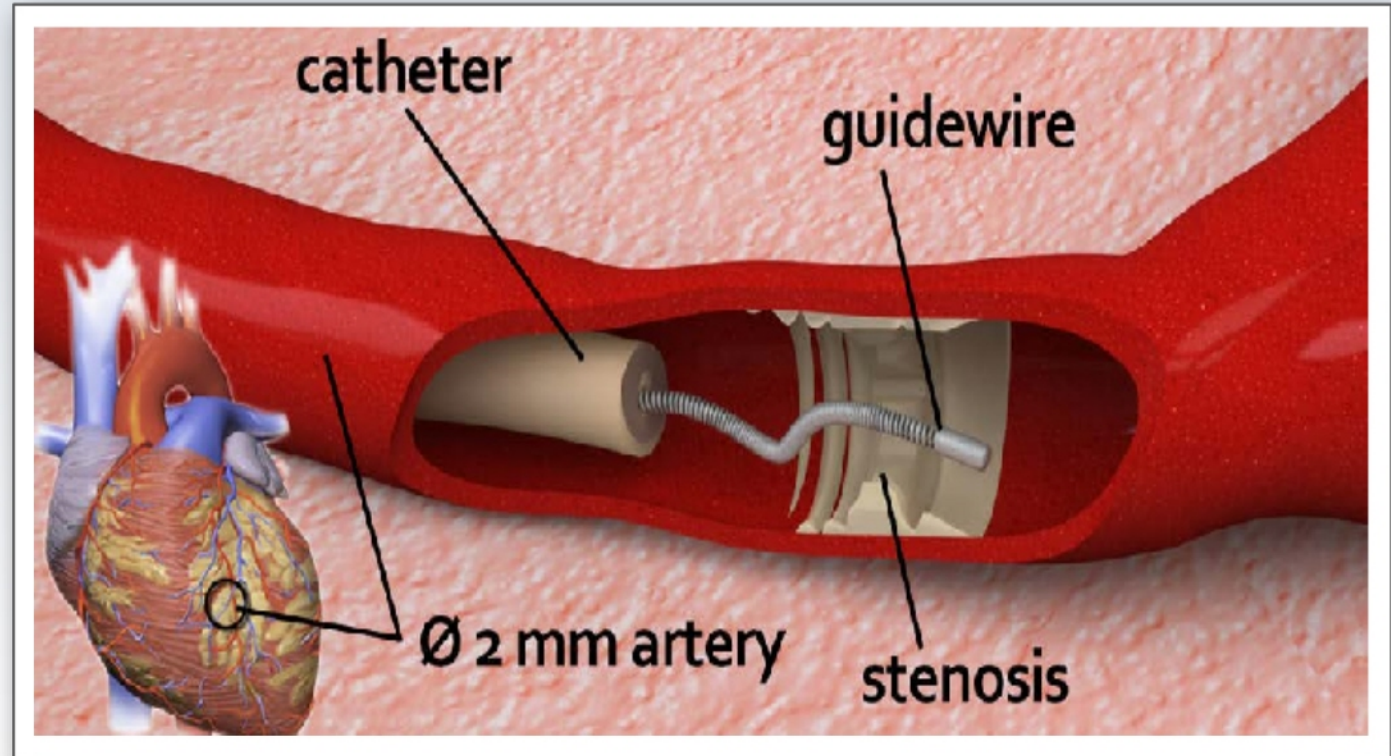


Neurovascular



PX1593 at 018

Cardiovascular



Hydrophilic Coatings: UV and Thermal Curing

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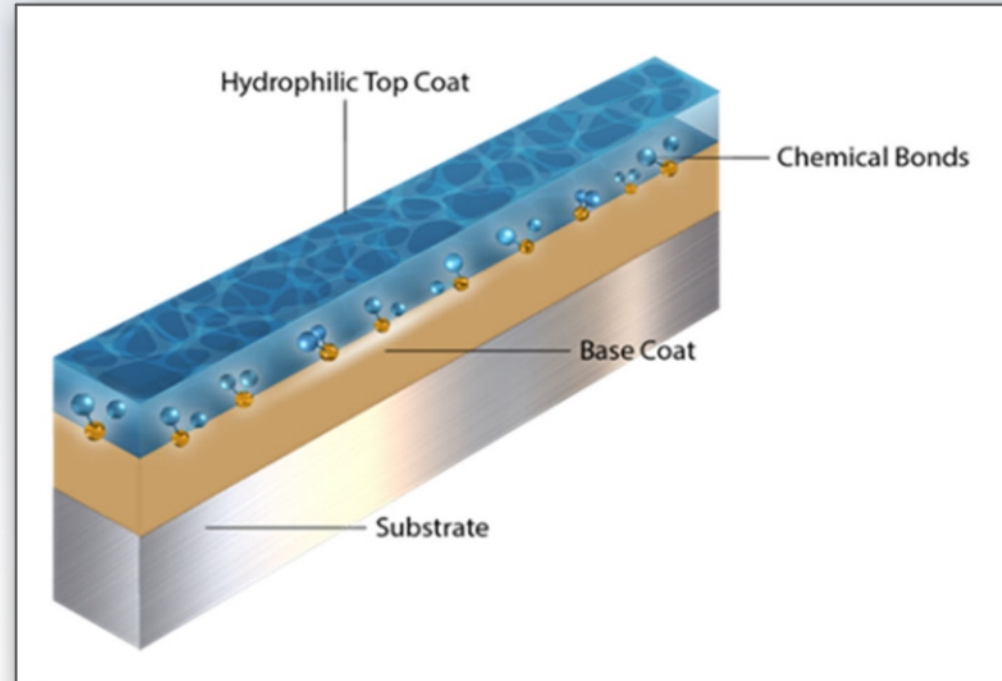
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BIOCOAT[®]
INCORPORATED

 **SURMODICS**

- Hydak
- Hydak UV



- Preside
- Serene

Customers Seek Coating Knowledge and FDA Experience

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Joe Ventura
Surmodics

hydrophilic coating technology requires a certain kind of knowledge that we believe resides only in a few companies.

We have master files that are maintained with the FDA, and those are an important part of the support activity regulatory

PX7020 (Ventura (Surmodics) Dep.) at 115:9-12r

Reputation and Trust are Key

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Gary Maharaj
Surmodics

[W]e would prefer to partner with somebody that has the expertise already and has a proven track record, such as Surmodics and Biocoat, with regards to their expertise.

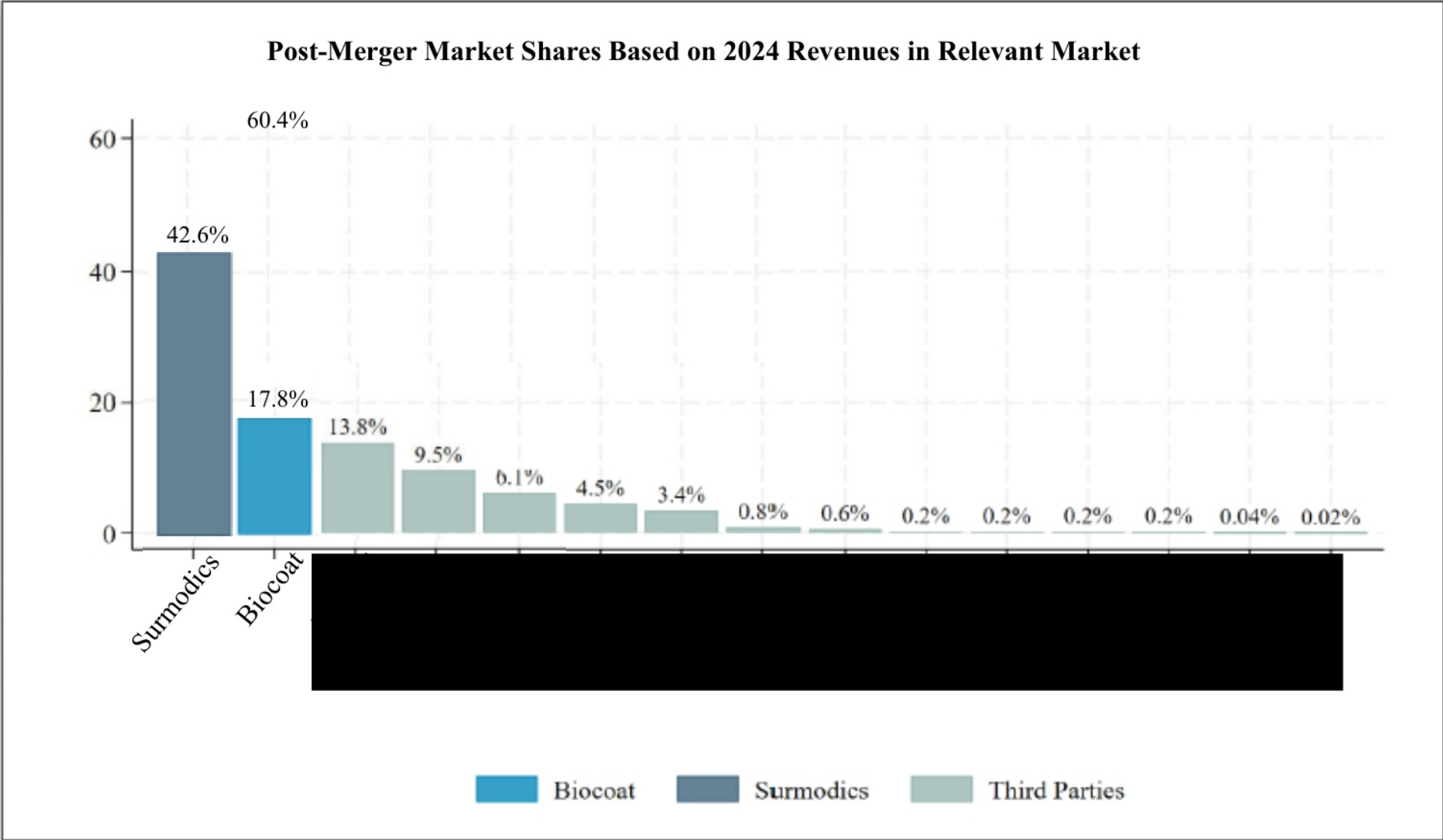
PX7016 (Maharaj (Surmodics) Dep.) at 146:19-22r



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Outsourced Hydrophilic Coatings Market Structure

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PX4000 (Fix Report) Fig. 1



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GTCR: "The Leaders Strategy" to Drive Profits

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like acquiring a significant competitor.

Q. Approximately what was the price difference for [REDACTED] before the acquisition versus after the acquisition?

A. Approximately at least 70 percent more.

[REDACTED]

GTCR Due Diligence: "They do go head-to-head"

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Surmodics and Biocoat considered the two leaders in complex hydrophilic coatings. They do go head-to-head

PX1196 at 001

Surmodics Executives: "The Coatings War is On!!!"

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Messages in chronological order (times are shown in GMT +00:00)



CHAT - OLC000000001 - 00106 - 2022/10/19

GM

Charlie Olson

10/19/2022, 10:51 PM

CO

Ok, thanks. The coatings war is on!!!

10/19/2022, 10:51 PM

GM

Gary Maharaj

10/19/2022, 11:07 PM



PX2006 at 002



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"Outsourced Hydrophilic Coatings": Defendants' Own Term

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Outsourced Hydrophilic Coatings Competitive Landscape

Company	Products		Services		Equipment	
	UV	Thermal	UV	Thermal	UV	Thermal
 BIOCOAT INCORPORATED	✓	✓	✓	✓	✓	✓
 SURMODICS	✓	X	✓	X	X	X
 DSM	✓	X	✓	X	X	X
 HARLAND MEDICAL SYSTEMS	✓	X	✓	X	✓	X
 Hydromer	✓	✓	✓	✓	X	X

Confidential

Biocoat, Inc | 8

Biocoat
Management
Presentation,
Summer 2022

PX1118 at 011

Two Frameworks for Defining the Product Market

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Two Widely Accepted Methods

***Brown Shoe* Practical Indicia**

- *Brown Shoe*, 370 U.S. 294, 325 (1962)

Hypothetical Monopolist Test

- *Merger Guidelines* § 4.3.A

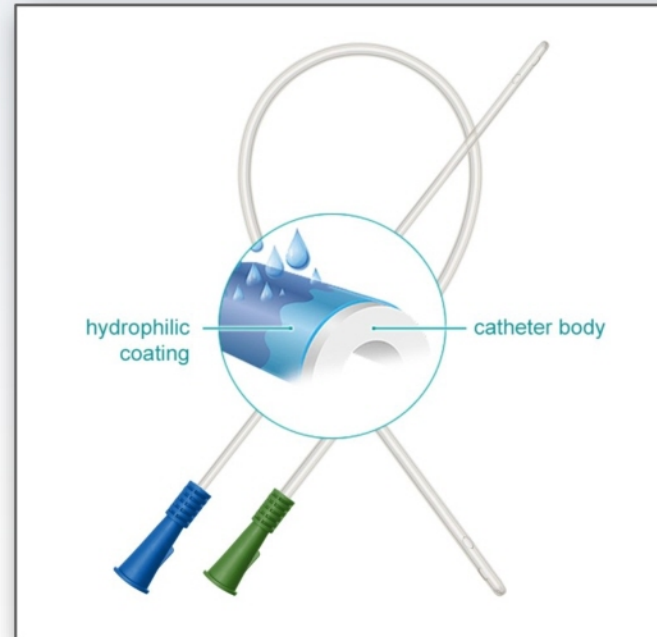
UV and Thermal: Two Curing Methods, One Purpose

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Biocoat's Primary Competitors

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The hydrophilic coatings solutions marketplace

How we prioritized our opportunistic marketplace

Primary Competitors

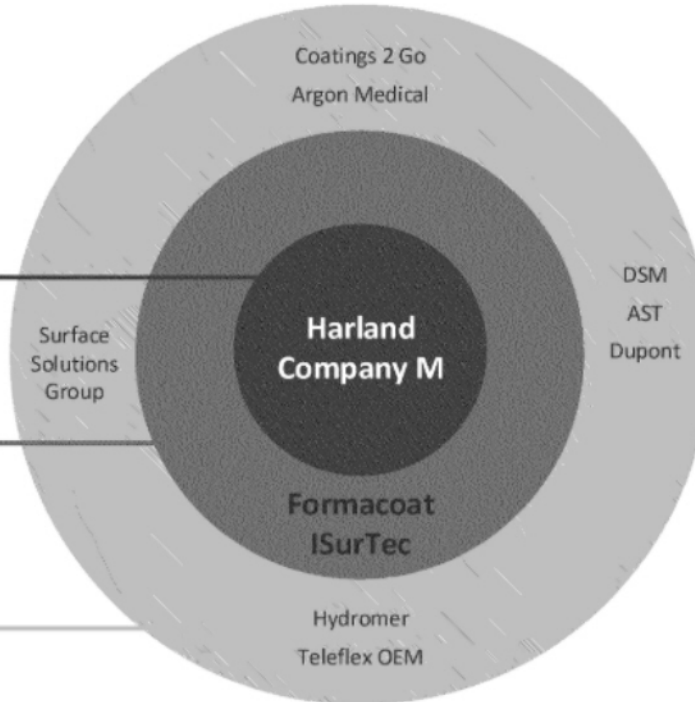
Companies in same consideration set that typically act as a source for or threat to your market share

Secondary Competitors

Companies that do not currently impact your market share, but may be in the same consideration set for which brand differentiation is necessary

Tertiary Competitors

Companies in the coatings market universe who do not directly impact our ability to be successful



Jim Moran
Biocoat

Q. Company M is Surmodics, correct?

A. That is correct.

PX7036 (Moran (Biocoat) Dep). at 261:2-3

PX1294 at 015

Thermal and UV Coatings Can Coat the Same Substrates

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Compatible Substrate List

Substrate
HDPE
LDPE
Polyamide (Nylon) 11
Polyamide (Nylon) 12
Polyamide (Nylon) 6
Polyamide (Nylon) 6/12
Polyamide (Nylon) 66
Pebax, Soft Durometer
Pebax, Hard Durometer
PEEK
PET
Polypropylene
Polyurethane, 60A
Polyurethane, 75D
PVC
Silicone
Stainless Steel
Nitinol
Gold
Platinum

Substrate
HDPE
LDPE
Polyamide (Nylon) 11
Polyamide (Nylon) 12
Polyamide (Nylon) 6
Polyamide (Nylon) 6/12
Polyamide (Nylon) 66
Pebax, Soft Durometer
Pebax, Hard Durometer
PEEK
PET
Polyolefin
Polypropylene
Polyurethane, 60A
Polyurethane, 75D
PVC
Silicone
Stainless Steel
Nitinol
Gold
Platinum



UV and Thermal Coatings Are Suitable for Many Customers

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[I]t doesn't make one bit of difference to us how the coating is cured.

Q. In your expertise, do you view both UV-cured hydrophilic coatings as suitable for the majority of medical devices?

A: Yes, I – I believe so. They – they serve the same purpose.

Hydrophilic Coatings Are the Gold Standard

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It has been the **gold standard** for a very long time. It's been the **gold standard** in this field

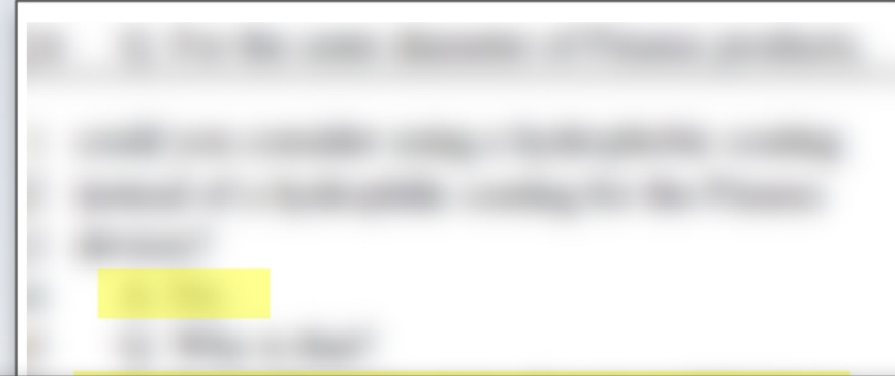
Customers Will Testify That Hydrophobic Is Not a Substitute

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A. It would not be even close to as lubricious as we would need.

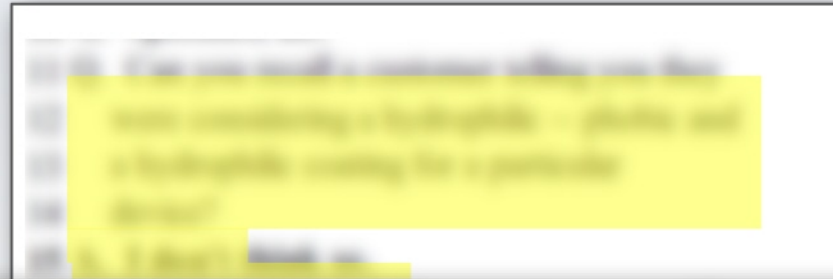
Competitors Will Testify that Hydrophobic is Not a Substitute

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Q. Can you recall a customer telling you they were considering a hydrophilic – phobic and a hydrophilic coating for a particular device?

A. I don't think so.



Outsourced Hydrophilic Coatings Do Not Compete with In-House



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Biocoat
NXT Key Questions and Diligence List
September 12, 2022

NXT
CAPITAL

Industry / Competitive Positioning:

- Discuss any preliminary takeaways from LEK regarding Thermal Cure vs. UV Cure technology:
 - Provide any further breakdown of thermal vs. UV cure market share by end-market (i.e. is neurovascular / ophthalmic weighted more heavily toward thermal). No specific breakdown on market share by end market. However, generally thermal curing seen more often in delivery systems that require a coating on the inner surface of the device (i.e., Keller funnel (breast augmentation) and IOL cartridge (ophthalmic)). Thermal curing also seen more often in neurovascular end-markets. UV curing seen more often in cardiovascular devices.
 - Discuss the market growth outlook of thermal and UV cure coatings. Any industry trends replacing thermal cure with UV cure and / or next gen and new devices trending toward UV cure? Thermal curing's share of the hydrophilic coating market is expected remain steady or marginally decline. This is due to time advantages that UV-curing provides; however, the shift is expected to be minor due to the fact that legacy products would not change coatings or curing processes as this would induce risk and regulatory concerns. In addition, certain products that have coated inner surfaces require thermal coating.

Biocoat's customer base does not have in-house developed coatings. It is highly unlikely that outsourced coatings will be replaced by in-sourced coatings

- Expected increased penetration at Formacoat, which provides Biocoat-coated film for Abbvie's Keller Funnel
- Several new prototyping projects are in the pipeline for UV cure coatings
- 25+ new projects are in the cardiovascular end market using Biocoat's new UV Cure product
- Stryker Biocoat is currently supporting the Surpass and Merci Retriever programs, both legacy and next generation versions used for neurovascular applications
- Medtronic Medtronic acquired Marlehead and Boss I and Boss II microcatheters with Biocoat coatings; opportunity for deeper product penetration for next generation of devices 6 current projects. Current pipeline of two UV product production opportunities in Cardio Structural Heart Division
- Is Biocoat sole source for each end product using its coating? Provide wallet share for top customers for applicable end products. Yes, Biocoat is the sole source for each individual end product using its coating. Top customers / applicable end products include:
 - (i) 20% J&J IOL inserter, (ii) 10% MicroVenton Sofia microcatheter, (iii) 10% Formacoat Allergan Keller Funnel, (iv) 10% Integer

Biocoat NXT Key Questions and Diligence List,
September 2022

PX1145 at 001

A. Because, as I mentioned, you know, in-house coaters, they use their own coating, and they don't sell it on the merchant market. So it's -- it's not a competitor. It's not competitive situation, I would say.

The Hypothetical Monopolist Test

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Test:

1. Start with a "candidate market" (e.g., outsourced hydrophilic coatings)
2. Could a hypothetical monopolist of all outsourced hydrophilic coatings profitably impose a small but significant and non-transitory increase in price (SSNIP) (5%) for at least one hydrophilic coating product?
 - a. If *yes*, HMT confirms the relevant market has been properly defined
 - b. If *no*, expand the candidate market

The Geographic Market is the United States

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Head-to-Head Competition: Vascular Market Segments

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CORE VASCULAR MARKET SEGMENTS AND ESTIMATED SRDX SHARE

Vascular Segment	Estimated WW Market Size	Coating Market Potential	Est. SRDX Share
Neuro Vascular	\$2.0-2.5 Billion	\$1.0 Billion	60%
Structural Heart	\$4.0-\$5.0 Billion	\$100-\$150 Million	55%
Peripheral Vascular	\$3.5-\$4.0 Billion	\$500 Million	15%

Key Competitors

- Biocoat
- DSM

- Harland
- Biocoat

- Harland
- Biocoat

PX2007 at 072

Head-to-Head Competition Happens at Every Phase

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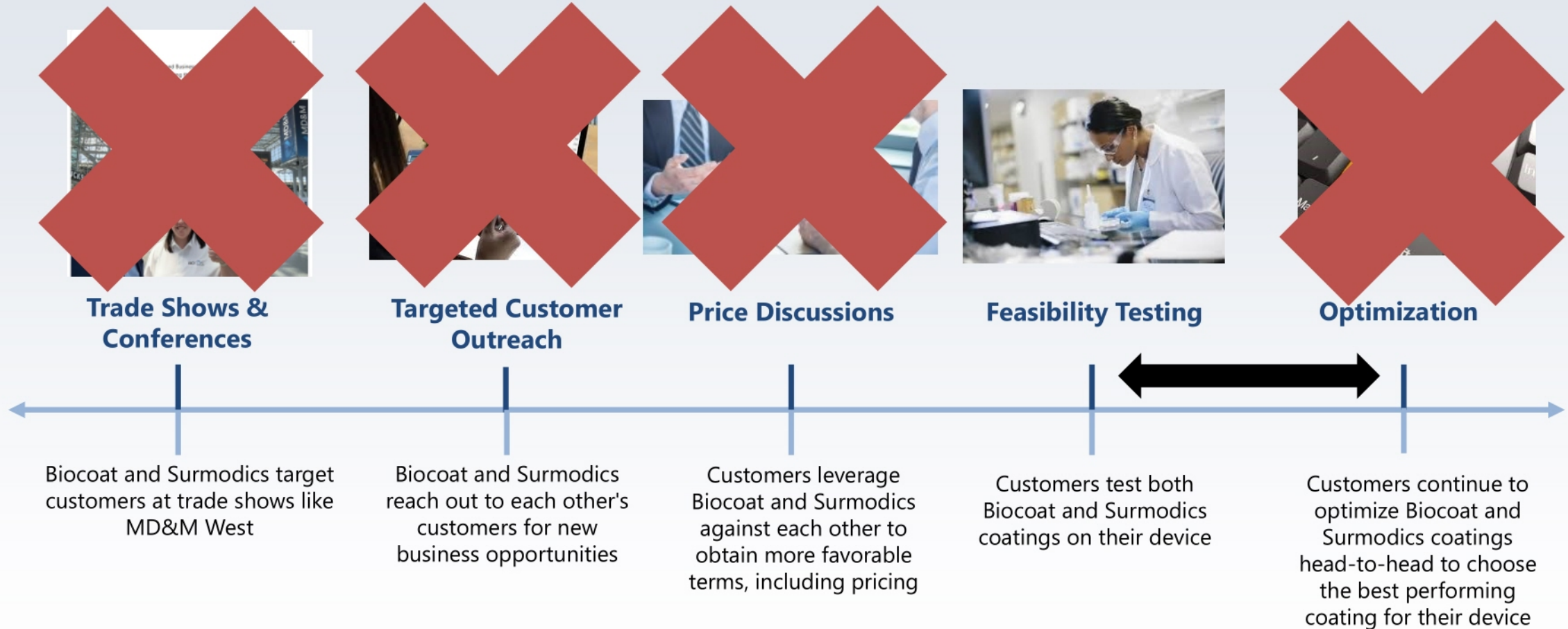
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Defendants' Artificially Narrow View on Competition:



Head-to-Head Competition: "Hunting for Conversion"

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it's clear that we are 'hunting for conversion' of Surmodics coatings

PX1060 at 002

Surmodics "Coming to Get the Biocoat Neurovascular Business"

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"Maybe this is the neuro coating Charlie was crowing to Mark and me about at MD&M – that he was coming to get the Biocoat neurovascular business. Said he's got his first 510(k) approval. Maybe the technical person is Syed Hossainy"

PX1018 at 001

Philadelphia National Bank Structural Presumption

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"Without attempting to specify the smallest market share which would still be considered to threaten undue concentration, we are clear that 30% presents that threat."

U.S. v. Philadelphia Nat'l Bank, 374 U.S. 321, 364 (1963).

Herfindahl-Hirschman Index (HHI) Confirms the Acquisition is Presumptively Illegal

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Indicator	Threshold for Structural Presumption
Post-merger HHI	Market HHI greater than 1,800 AND Change in HHI greater than 100
Merged Firm's Market Share	Share greater than 30% AND Change in HHI greater than 100

2023 Merger Guidelines at § 2.1

Table 3 Concentration in the Relevant Market	
Parties' Combined Market Share:	60.4%
Pre-Merger HHI:	2,483
Post-Merger HHI:	3,998
Change in HHI:	1,515

Note: See Exhibit 1 for notes and sources to Table 3.

PX4000 (Fix Report) at ¶ 1140



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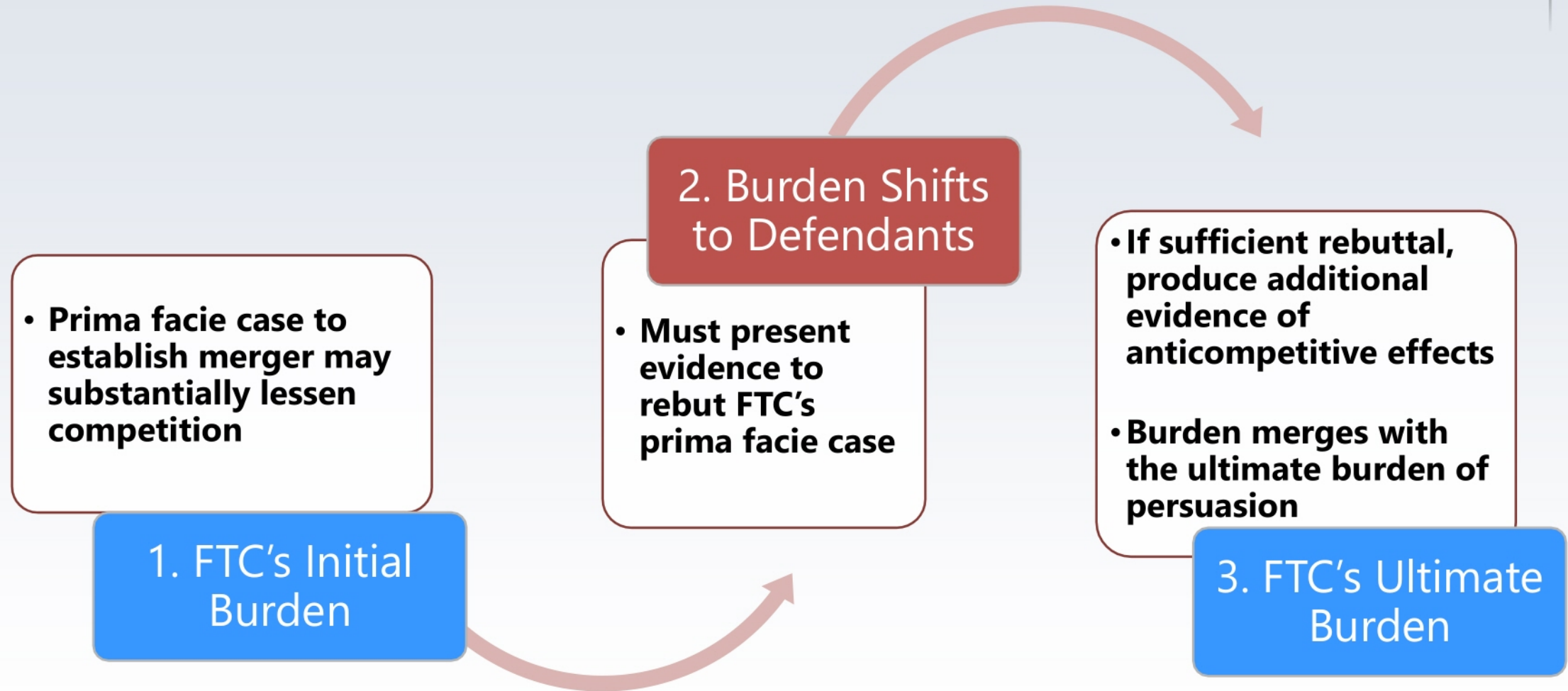
Returning To *Baker Hughes* Burden Shifting Framework

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New Entrants Face Significant Barriers

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So a track record is extremely important, and that makes it more difficult for new companies to come into the industry.

could you get there in ten years or eight years or – you know, maybe. The real tough part of the equation is the credibility you need to generate with the customers to be viable in their eyes,

Partial Divestitures Are Disfavored

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Kroger

"The divestiture package **does not represent a standalone, fully functioning company** but rather, as [proposed divestiture buyer's] chief executive officer described it, the 'assets' and 'supporting assets' that 'will create a company.'" (emphasis added)

FTC v. Kroger Co., 2024 WL 5053016, at *26 (D. Or. Dec. 10, 2024)



Sysco

"Having **only one-third** of the merged company's distribution centers will put [proposed divestiture buyer] at a **significant disadvantage** in competing for national customers."

FTC v. Sysco Corp., 113 F. Supp. 3d 1, 74 (D.D.C., June 23, 2015)

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The Proposed Remedy Is Not a Fix

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1. The proposal strips out core employees and excludes the main Biocoat coatings facility.
2. Key coatings are licensed back to the merged firm leaving Integer to compete with the merged firm without differentiated products.
3. Integer already tried and failed at running its own hydrophilic coatings business.
4. Integer remains dependent on the merged firm for critical inputs.
5. The proposal does not remedy the acquisition's anticompetitive harm.

Post-Divestiture Market Shares

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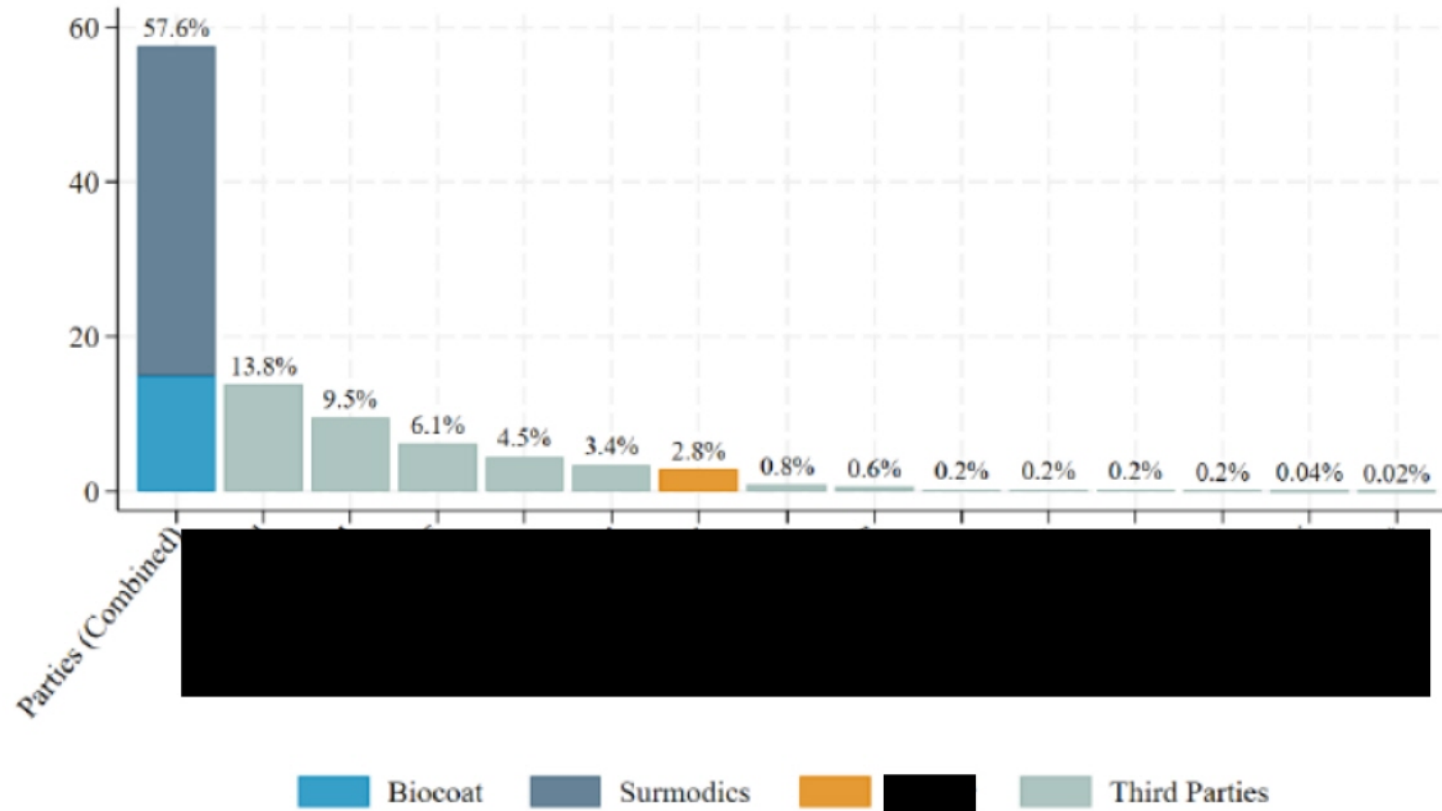
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Figure 7
Post-Merger Market Shares Based on 2024 Revenues in the Relevant Market
Including Proposed Divestiture to Integer



PX4013 (Fix Rebuttal) ¶ 221

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A. That -- because we had a choice. We had that choice available to make between Surmodics and Biocoat.

[illegible]

A. Having another options, you know, is always better than having no option. And pricing is only one important factor. There's other concerns about the -- you know, this continuity of supplier.

Alternative Suppliers: One is Better Than None

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From: [Redacted]
Sent: Thursday, May 20, 2026 11:50 AM
To: [Redacted]
Cc: [Redacted]
Subject: Surmodics Acquired by Private Equity
Importance: High
Hi [Redacted]

I did some quick research on the PE company that is purchasing them (GTCR). I'm concerned because they also own the Medical Device Coater, Biocoat. Biocoat was the #1 supplier we were planning to alternate source the Surmodics business to reduce risk. Now they are owned by the same parent company.

PX3171 at 001



- 1. Introduction**
- 2. Legal Standard**
- 3. What are Hydrophilic Coatings?**
- 4. Market Structure**
- 5. GTCR's Excellent Consolidation Play**
- 6. Market Definition**
- 7. Plaintiffs' *Prima Facie* Case**
- 8. Defendants' Burden**
- 9. Equities**

Weighing the Equities

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Without preliminary relief, it may be "more difficult to order effective relief after a trial on the merits by 'unscrambling' merged assets to 'recreate pre-merger competition.'"

FTC v. Advoc. Health Care, 2017 WL 1022015, at *16 (N.D. Ill. Mar. 16, 2017)
(quoting *FTC v. H.J. Heinz*, 246 F.3d at 726 (D.C. Cir. 2001)).

"The public has strong interests in the effective enforcement of the antitrust laws and in preserving its ability to order effective relief if it succeeds after a trial on the merits."

FTC v. Advoc. Health Care, 2017 WL 1022015, *16 (N.D. Ill. Mar. 16, 2017).



Pause GTCR's Proposed Acquisition of Surmodics

- **Preserves the status quo pending full trial on the merits**
- **Prevents irreparable competitive harm absent preliminary relief in the outsourced hydrophilic coating market through:**

 Elimination of substantial head-to-head competition

 Diminished innovation

 Higher prices

Thank you