CLOSER LOOK

Valeritas' V-Go insulin patch delivery device launches in Australia - August 28, 2018

On Thursday, Valeritas announced that it has launched V-Go, the 24-hour disposable basal-bolus insulin patch device, in Australia via an exclusive distribution agreement with AMSL Diabetes (Australasian Medical & Scientific LTD has been involved in provision of devices and pharmaceuticals in Australia and New Zealand since the early 1980s and has significant diabetes experience - they currently have distribution agreements for Tandem's t:slim X2, the Dexcom G5, and OneTouch's VerioFlex and VerioIQ).

Per the distribution agreement, Valeritas will maintain responsibility for product development, regulatory approval, quality management, and manufacturing, while AMSL Diabetes will oversee sales, marketing, customer support, and distribution activities in Australia.

Australia is the second and largest country outside the US in which V-Go is now available, and the timing aligns nicely with 2Q18 expectations for an Australia launch in 2018. Earlier this month, V-Go launched in New Zealand - the first international launch excluding Puerto Rico. As of the company's 2Q18 call, a subsequent launch in Italy is expected later this year, and new distribution agreements for the commercialization of V-Go in Austria, Germany, the Czech Republic, and Slovakia have been signed. Launches in these four countries are not expected until 2019.

Valeritas had a record 2Q18, with sales $6.5 million rising 36% year-over-year and 7% sequentially. This marked the largest YOY growth recorded in our model to date, and also marked four consecutive quarters of YOY increases. It will be interesting to watch the impact of these international launches - how much could they accelerate sales?

Per 2Q18 remarks, Valeritas plans to launch its Bluetooth-enabled dose capture accessory, V-Go SIM, "by the end of 1H19." V-Go SIM will include free integration with Glooko's cloud-based mobile and web diabetes data platform.

--by Maeve Serino, Adam Brown, and Kelly Close