

FOR THE EXCLUSIVE USE OF ERIC.STOUT@RSMUS.COM

From the Dayton Business Journal:

<https://www.bizjournals.com/dayton/news/2019/05/09/medical-device-company-triples-dayton-area.html>

Medical device company triples Dayton-area footprint, plans to double business in 2 years

May 9, 2019, 5:00am EDT

A medical device manufacturer has tripled its Dayton-area footprint and is planning to double the size of the business with its relocation to a new facility.

Aerobiotix, an FDA-registered company that manufactures products to reduce the risk of surgical site infections, recently began full production at its new location in Miamisburg. The 20,000-square-foot facility, located at 444 Alexandersville Road, is nearly three times the size of its former building in West Carrollton.

The move allowed Aerobiotix to bring much of the production it had been outsourcing in-house, and provided space to increase its manufacturing volume. It also enabled the company to bolster its research and development capabilities.

In addition, the new facility is equipped with a fully-ventilated mock operating room to test and develop the company's products.

"Since our medical devices are designed for operating rooms, we can use that to develop our products," said Aerobiotix President and CEO Dave Kirschman, who added the company's total investment in the facility was around \$200,000. "That's a neat thing we didn't have before."

Aerobiotix's main product is an FDA-approved medical quality system that removes bacteria and germs from operating rooms. Called "Illuvia," the device is used during surgery to reduce the risk of infections for patients undergoing the procedure.

There are multiple published papers demonstrating how its technology is effective in lowering contamination and infection rates in surgical procedures, Kirschman said. These studies can be found in medical publications such as The Journal of Arthroplasty.

Kirschman said his company's product can help save lives and reduce the economic impact of procedures that can cost billions of dollars to fix. He noted that 2.5 percent of patients who get a hip or knee surgery will become infected in the hospital. Seven percent of those patients die, he said, and another 7 percent have to receive an amputation, which results in the loss of limbs.



COURTESY OF AEROBIOTIX

Aerobiotix new facility at 444 Alexandersville Road in Miamisburg. The facility is three times the size of its former location in West Carrollton.

"It's a multibillion-dollar problem, and we've got the data that shows we can reduce those infection rates significantly," he said. "If someone gets an infection, say in an artificial knee, it has to be removed and redone. That can cost \$150,000 per infection. It's a high financial cost, but also a high human cost."

Illuvia has been on the market for four years, but the latest version of the device was launched at the beginning of 2019. Kirschman said the new-and-improved device went to market at the same time Aerobiotix started moving into its new facility.

In addition to its main product, Aerobiotix makes disposable cartridges that go along with the device. Kirschman said these cartridges need to be replaced on a regular basis, generating another source of revenue for the company.

Kirschman did not want to reveal exact revenue numbers, but he said sales have grown quarter after quarter, year over year. He added they are likely to double their revenue again this year.

Along with revenue growth, Aerobiotix has increased its staff to 22 people. Similar to its revenue projections, the company intends to double its employee base in the next two years. Several of these employees will be sales and marketing staff, who will help sell the company's products internationally and in the U.S.

Kirschman said the additional space at its new location will help the company achieve these growth targets.

"We have room for more employees, more manufacturing, shipping and receiving, warehousing and all that other good stuff," he said. "We're looking forward to continuing to grow the company."

Much of the manufacturer's growth is due to its expanding customer base, which includes hospitals such as the Cleveland Clinic, Medical Center at Elizabeth Place — a Dayton-based facility — and Ohio Valley Surgical Hospital in Springfield. Kirschman said they've added an average of four new hospitals every month. Illuvia is currently used by 40 facilities in 16 states, as well as Europe, Australia, Japan and South Africa.

"We're growing the business coast to coast and across the globe," he said. "We're humming right now."

Kirschman said more hospitals are buying into the company's technology in large part because of the data published in medical journals.

"That got us on the radar screen," he said. "We've got a lot of customers and prospective customers excited about our product. That's probably been the most important growth driver for us."

John Bush

Staff Reporter

Dayton Business Journal



