

Product Launch Capacity Addition

Organization: Manufacturing

Project Sponsors: Dave Sutton, Mike Anderson



Request: \$2.9M for manufacturing equipment for ICM Gen 1 which will provide business units the capacity to support 2019 and future high end volume forecasts.

Strategic Objective:

- Develop and commercialize an insertable cardiac monitor for use in AF and syncope patients as a competitive response to Cardio Care FITCARE 3.
- Product will match competitive 1.2 cc size, 3 year battery life, and implant experience.
- Estimated US submission timeline in Q1 2019 and a US launch date in Q2 2019.

Alternatives Considered:

- Alternative and contingency measures include additional shifts.
 - The addition of a 3rd shift for Batteries would not meet demand after Q1 '19.
 - Feedthru does not have sufficient sub-assembly capacity.

Financial Highlight:

Total Current Request: **CAPEX: \$2.961M; OPEX: \$0**

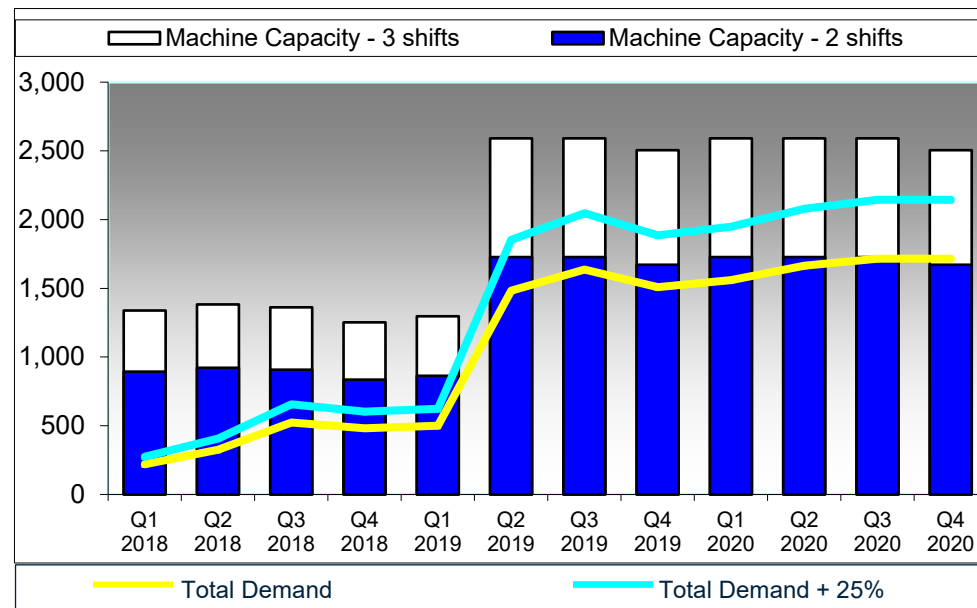
Project cost in budget: **Yes – within 2018/2019 AH Capital Plan**

Cash Flow:

Subassembly	Equipment	Q4 '18	Q1 '19
Batteries	Pelletizer		\$60K
	Utilities (replace ceiling tile, dry room construction, Brady and Blow Up The Line relo)	\$830K	
Feedthru	Braze Oven		\$375K
	BFT Braze Oven		\$100K
	Thermal Shock		\$100K
Mods	Flex Test System		\$810K
	Flex Test System: Exatron Handler		\$300K
	Flex Test System: Additional Test Equipment, Contingency		\$386K

Other Notes:

- Capacity vs. Demand Example: Batteries Pelletizer



Capacity vs. Demand for other equipment can be found in attached material