

## **Merit Medical Signs Agreement to Acquire Thomas Medical Products, a Unit of GE Healthcare**

Globe Newswire

Merit Medical Systems, Inc., a leading manufacturer and marketer of proprietary disposable devices used primarily in cardiology, radiology and endoscopy, today announced that it has entered into a stock purchase agreement to acquire Thomas Medical Products, Inc. ("Thomas Medical") from GE Healthcare in an all-cash transaction valued at approximately \$167 million, subject to customary post-closing adjustments.

Thomas Medical, based in Malvern, Pennsylvania, designs and manufactures catheter-based vascular access delivery devices for diagnostic and therapeutic procedures in electrophysiology ("EP"), cardiac rhythm management ("CRM"), interventional cardiology and interventional radiology applications, primarily on an OEM basis. Merit believes Thomas Medical's products are recognized as "gold standard" by many of the leading CRM and EP market participants. Merit currently anticipates that during the year ending December 31, 2012 Thomas Medical will generate revenues of approximately \$37 million and have gross and operating margins of approximately 55% and 44%, respectively, on a pro forma basis.

Merit intends to finance the full amount of the purchase price through the expansion of Merit's existing credit facility to \$275 million, which Wells Fargo Bank has committed to provide in a single bank transaction. Merit expects the acquisition to be immediately accretive to its net earnings on a non-GAAP basis, adjusted for deal costs, one-time purchase accounting directives and amortization of intangibles. Furthermore, Merit has identified substantial growth and pull-through opportunities from the anticipated integration of Thomas Medical's products within its existing OEM business and capitalizing on its direct sales or dealer presence worldwide. Merit also expects it will be able to take advantage of tax benefits with approximately \$43 million of net present value.

"We believe this transaction will help expand our market presence into new product categories, particularly in interventional cardiology,"

said Fred P. Lampropoulos, Chairman and Chief Executive Officer of Merit. "A majority of cardiac rhythm access procedures utilize products of the nature manufactured by Thomas Medical. We believe substantial international expansion opportunities exist, especially in China, Japan, Russia and the Gulf States, as well as significant new product development opportunities based on know-how and existing intellectual property."

"In addition, Thomas Medical has a number of existing electrophysiology products that are distributed by the larger medical device companies, as well as other EP

products being developed," Lampropoulos continued.

"We believe this segment of the business, which likewise represents potential expansion into new product categories, has the potential to be a driver of substantial future growth."

Tom Gentile, President and Chief Executive Officer of GE Healthcare's Healthcare Systems division, said, "We are confident this transaction will provide Thomas Medical new capabilities to maximize its opportunities in the single-use vascular access product space and enable GE Healthcare's Cardiovascular segment to remain focused on its core strengths as a provider of total Integrated Cardiology Lab solutions. In addition, we believe Merit Medical will bring a huge amount of expertise in these segments to take Thomas Medical to the next level."

The transaction has been approved by Merit's board of directors and is subject to the satisfaction or waiver (in accordance with the provisions of the stock purchase agreement) of certain closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary conditions. Merit currently anticipates that the proposed transaction will close prior to December 31, 2012. The transaction is not subject to a financing condition, as Merit has secured a commitment from Wells Fargo to expand Merit's existing credit facility to an amount that Merit believes will be sufficient to consummate the proposed transaction.

In connection with the proposed transaction, Piper Jaffray & Co. served as financial advisor to Merit and rendered a fairness opinion to Merit's board of directors. Raymond James Financial, Inc. also rendered a fairness opinion to Merit's board of directors. Parr Brown Gee & Loveless served as the legal advisor to Merit. Moelis & Company LLC served as financial advisor and Paul Hastings LLP served as legal advisor to GE Healthcare.

## **Conference Call**

Merit will host a conference call to further discuss the details of the proposed acquisition today, November 26, 2012, at 5:00 p.m. Eastern (4:00 p.m. Central, 3:00 p.m. Mountain, and 2:00 p.m. Pacific). The domestic phone number is (888) 549-7750 and the international number is (480) 629-9722. A live webcast as well as a rebroadcast of the conference call can be accessed through the Investors page at [www.merit.com](http://www.merit.com) [1] or through the webcasts tab at [www.fulldisclosure.com](http://www.fulldisclosure.com) [2].

## **Piper Jaffray Healthcare Conference**

On Wednesday, November 28th, at 12:30 p.m. ET, Merit's management will give a 30-minute presentation regarding Merit's history, products, financial performance and prospects, as well as the agreement to acquire Thomas Medical, at the 24th Annual Piper Jaffray Healthcare Conference being held at The New York Palace.

## **About Merit**

Founded in 1987, Merit Medical Systems, Inc. is engaged in the development, manufacture and distribution of proprietary disposable medical devices used in interventional and diagnostic procedures, particularly in cardiology, radiology and endoscopy. Merit serves client hospitals worldwide with a domestic and

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international sales force totaling approximately 165 individuals. Merit employs approximately 2,600 people worldwide with facilities in Salt Lake City and South Jordan, Utah; Angleton, Texas; Richmond, Virginia; Maastricht and Venlo, The Netherlands; Paris, France; Galway, Ireland; Beijing, China; Copenhagen, Denmark; and Rockland, Massachusetts.

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