

STERIS CORP  
Form 8-K  
June 24, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): June 23, 2015**

**STERIS Corporation**

**(Exact Name of Registrant as Specified in Charter)**

**Ohio**  
**(State or Other Jurisdiction**

**of Incorporation)**

**5960 Heisley Road, Mentor, Ohio**

**1-14643**  
**(Commission**

**File Number)**

**34-1482024**  
**(IRS Employer**

**Identification No.)**

**44060-1834**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (440) 354-2600

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

### **Item 1.01 Entry into a Material Definitive Agreement**

On June 23, 2015, STERIS Corporation ( "STERIS" ) entered into a Stock Purchase Agreement (the "Stock Purchase Agreement" ) with General Econopak, Inc. (the "Company" ) and all Company shareholders. The Stock Purchase Agreement provides that, upon the terms and subject to the conditions set forth therein, STERIS will acquire all of the outstanding shares of the Company (the "Transaction" ). The Company is a Philadelphia, Pennsylvania based manufacturer of product solutions in the areas of sterility maintenance, barrier protection, and sterile cleanroom products for pharmaceutical, biotechnology and veterinary Customers. These products are complementary to STERIS's Life Sciences formulated chemistries business, and STERIS will integrate the Company into its Life Sciences segment.

The purchase price for the Transaction is \$175.0 million in cash, subject to a customary working capital adjustment. STERIS anticipates that the acquisition will qualify for joint election tax benefit under Section 338 (h)(10) of the Internal Revenue Code. Adjusting for the present value of the anticipated tax benefits, the purchase price is effectively reduced to approximately \$145 million.

STERIS is not assuming any Company debt, and intends to fund the purchase through a combination of cash on hand and borrowings under its Credit Agreement.

The Stock Purchase Agreement provides for customary representations, warranties, covenants, and agreements. The Stock Purchase Agreement also imposes customary confidentiality, non-solicitation and non-compete obligations upon Company shareholders, as well as prohibitions on the Company and shareholders from taking actions with respect to acquisition proposals. The Stock Purchase Agreement provides STERIS and the Company with certain termination rights. The completion of the Transaction is subject to the satisfaction or waiver of a number of customary conditions, including receipt of requisite Hart Scott Rodino Act approvals.

The above summary of certain terms and conditions of the Stock Purchase Agreement does not purport to be a complete discussion of that agreement or related documents and is qualified in its entirety by reference to the Stock Purchase Agreement.

### **Item 8.01 Other Events**

On June 12, 2015 STERIS acquired all the outstanding stock of Black Diamond Video, Inc. ( "BDV" ) through a merger of a wholly-owned STERIS subsidiary into BDV. BDV is a California based developer and provider of operating room integration systems and will be integrated into STERIS's Healthcare segment. The aggregate merger consideration, giving effect to the maximum post-merger earnout that may be payable, is \$51.0 million. No debt was assumed in conjunction with the transaction, and the portion of the merger consideration paid at closing was funded from cash on hand. The agreement and plan of merger provides for customary representations, warranties, covenants, and agreements.

Assuming a close of the General Econopak, Inc. transaction described above by the end of the second quarter of fiscal 2016, and including the BDV acquisition, STERIS anticipates that the impact of both transactions will be accretive to adjusted earnings per diluted share by approximately \$0.06 in fiscal 2016 and approximately \$0.15 in fiscal 2017 including synergies.

The combined purchase prices, after giving effect to the joint election tax benefit for the Company, equate to approximately 3 times the combined annual revenue of both the Company and BDV.



**Enquiries:**

**STERIS**

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Communications

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**Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

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Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **No Offer or Solicitation**

This communication is provided for informational purposes only and does not constitute an offer to sell, or an invitation to subscribe for, purchase or exchange, any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this communication in any jurisdiction in contravention of applicable law.

### **Forward-Looking Statements**

This communication may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to Synergy or STERIS or its industry, products or activities that are intended to qualify for the protections afforded forward-looking statements under the Private Securities Litigation Reform Act of 1995 and other laws and regulations. Forward-looking statements speak only as to the date of this communication and may be identified by the use of forward-looking terms such as may, will, expects, believes, anticipates, plans, estimates, projects, targets, forecasts, outlook, impact, potential, confidence, deliver, comfortable, trend, and seeks, or the negative of such terms or other variations on such terms or comparable terminology. Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or litigation, competitive factors, technology advances, actions of regulatory agencies, and changes in laws, government regulations, labeling or product approvals or the application or interpretation thereof. Other risk factors are described herein and in STERIS's other securities filings, including Item 1A of STERIS's Annual Report on Form 10-K for the year ended March 31, 2015 dated May 27, 2015. Many of these important factors are outside of STERIS's control. No assurances can be provided as to any result or the timing of any outcome regarding matters described in the communication or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results. References to products and the consent decree are summaries only and should not be considered the specific terms of the decree or product clearance or literature. Unless legally required, STERIS does not undertake to update or revise any forward-looking statements even if events make clear that any projected results, express or implied, will not be realized. Other potential risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, (a) the regulatory approvals required for the transaction not being obtained on the terms expected or on the anticipated schedule, (c) the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction, (d) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all and to successfully integrate the Company's operations into those of STERIS, (e) the integration of the Company's operations into those of STERIS being more difficult, time-consuming or costly than expected, (f) operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the transaction, (g) the retention of certain key employees of the Company being difficult, (h) changes in tax laws or interpretations that could increase our consolidated tax liabilities, (i) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, (j) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated, (k) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions,

including without limitation those relating to FDA warning notices or letters, government investigations, the outcome of any pending FDA requests, inspections or submissions, or other requirements or standards may delay, limit or prevent new product introductions, affect the production and marketing of existing products or services or otherwise affect STERIS' s performance, results, prospects or value, (l) the potential of international unrest, economic downturn or effects of currencies, tax assessments, adjustments or anticipated rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs, (m) the possibility of reduced demand, or reductions in the rate of growth in demand, for STERIS' s products and services, (n) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, or other issues or risks associated with STERIS' s business, industry or initiatives including, without limitation, the consent decree or those matters described in STERIS' s Form 10-K for the year ended March 31, 2015 and other securities filings, may adversely impact STERIS' s performance, results, prospects or value, (o) the possibility that anticipated financial results or benefits of recent acquisitions, or of STERIS' s restructuring efforts will not be realized or will be other than anticipated, (p) the effects of the contractions in credit availability, as well as the ability of STERIS' s customers and suppliers to adequately access the credit markets when needed, and (q) those risks described in STERIS' s Annual Report on Form 10-K for the year ended March 31, 2015, and other securities filings.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STERIS CORPORATION

By /s/ J. Adam Zangerle  
J. Adam Zangerle

Vice President, General Counsel and  
Secretary

Date: June 24, 2015