

Smiths Group gets a better offer



[Elizabeth Cairns](#)

TA Associates has been [gazumped](#). The private equity shop was, a month ago, [all set to buy the medical unit of Smiths Group](#) in a deal worth \$2.3bn, but yesterday Smiths announced that it had decided to go with a “superior transaction”. This is a \$2.7bn cash-and-stock bid from the US hospital equipment supplier ICU Medical, which will net Smiths \$1.9bn in cash on closing – roughly \$50m more than it would have got from the deal with TA. ICU makes a logical partner. There are various operational synergies and complementary product lines. Smiths’ strength in syringes and drug pumps matches well with ICU’s technology, which is entirely geared towards the delivery of intravenous therapy and is principally used in vascular procedures and for critical care. The downside, of course, is the antitrust risk. The FTC has been getting more aggressive lately, and while [much of its focus is on pharma deals](#), the blending of two medical equipment suppliers might also attract its attention.

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