

Four Firms Guide Apax Partners' \$397M Deal For Syneron

By **Matthew Perlman**

Law360, New York (April 3, 2017, 1:06 PM EDT) -- Private equity firm Apax Partners has agreed to purchase aesthetic medical device maker Syneron Candela in a deal guided by four law firms that's valued at \$397 million, the companies said Monday.

Apax Partners is being represented by Simpson Thacher & Bartlett LLP and Meitar Liquornik Geva Leshem Tal, while Syneron is being represented by Morrison & Foerster LLP and Gross Kleinhendler Hodak Halevy Greenberg & Co., according to a statement announcing the agreement.

Under the terms of the deal, an affiliate of funds advised by Apax Partners will acquire Syneron Medical Ltd. for \$11 per share, the statement said. The price represents a 33 percent premium to the company's 90-day volume-weighted average closing price through Feb. 10, when rumors of the deal first surfaced.

Syneron Candela makes devices used for non-surgical aesthetic medical applications including body contouring, hair removal, wrinkle reduction and tattoo removal. Founded in 2000, the company is headquartered in Israel and has offices in a dozen other countries in North America, Europe and Asia. Shimon Eckhouse, the co-founder and chairman of Syneron Candela, said in Monday's statement that the deal with Apax Partners will help the company grow and that it also represents a positive outcome for shareholders.

"This acquisition is a strong recognition of Syneron Candela's leadership in the aesthetic medical device market, its leading world-class technology and unique global footprint," Eckhouse said. "We are confident that Apax will add significant value and expertise as Syneron Candela executes on its growth strategy while delivering innovative technologies to our customers and patients."

The move still needs shareholder and regulatory approvals, the companies said, adding that Eckhouse has agreed to vote his 7.4 percent interest in favor of the transaction. The agreement also includes a "go-shop" period that ends on May 9, during which time Syneron Candela can actively solicit, evaluate and enter into negotiations with respect to alternative proposals from third parties, Monday's statement said.

Syneron Candela generated \$298.1 million in revenue last year, with a net income of \$179,000, according to its annual report. That's up from \$277.9 million in 2015, when it reported a net loss of \$6.3 million, the report said. Steven Dyson, partner and co-head of health care at Apax Partners, said the firm is interested in the company because it believes that the aesthetic device industry is poised for growth and that Syneron Candela is ready to take advantage.

“Syneron Candela is very well positioned to capture this opportunity, with its highly diversified geographic footprint, broad and market-leading products portfolio, exceptional [research and development] capabilities and cutting-edge technology,” Dyson said in Monday’s statement.

Apax Partners is being represented by Simpson Thacher & Bartlett LLP, with a team led by Michael T. Holick and Ryerson Symons.

Meitar Liquornik Geva Leshem Tal is also serving as a legal adviser to Apax Partners.

JP Morgan is serving as financial adviser to the firm.

Syneron is being represented by Morrison & Foerster LLP, with a team led by Jackie Liu, and including Patrick Huard, Jonathan Gowdy, Ali Nardali, Joy MacIntyre, Andy Campbell, Nan Ho and Katherine Shaia.

Gross Kleinhendler Hodak Halevy Greenberg & Co. is also serving as a legal adviser to Syneron.

Barclays is serving as financial adviser to the company.

--Additional reporting by Benjamin Horney. Editing by Emily Kokoll.