

ResMed Pays \$800M For Health Care Software Co. Brightree

By **Benjamin Horney**

Law360, New York (February 23, 2016, 12:49 PM ET) -- ResMed Inc. has agreed to buy health care administration software firm Brightree LLC from private investment firm Battery Ventures LP for \$800 million, the companies said Monday, boosting the respiratory treatment giant's portfolio of cloud-based software products for both internal and patient use.

Under the terms of the deal, ResMed will pay \$800 million in cash to acquire Brightree, an Atlanta-based software company that last year posted roughly \$113 million in net sales and about \$43 million in earnings before interest, taxes, depreciation and amortization. Brightree, which is majority-owned by Massachusetts-headquartered Battery Ventures, will remain headquartered in Atlanta, according to a joint statement.

The deal gives ResMed a company in Brightree that makes cloud-based software meant improve clinical and business administration, primarily as it relates to at-home care for patients with sleep issues like sleep-disordered breathing, chronic obstructive pulmonary disease and neuromuscular disease, among many others.

"This acquisition furthers ResMed's position as the leading tech-driven medical device company and gives our customers new tools to help them increase operational efficiency and improve cash-flow while delivering best-in-class patient care," Mick Farrell, CEO of ResMed, said in a statement.

"ResMed is already the recognized global leader in remote patient monitoring and connected health care solutions," he added. "This acquisition will enable us to add to our portfolio of digital solutions to drive operational excellence and improve outcomes for patients, providers and payers."

Dave Cormack, president and CEO of Brightree, said in a statement of his own that the company is "excited" to partner with ResMed "to help post-acute care providers navigate the inherent complexities of the health care system and ensure that patients get the care they need."

The deal is expected to be immediately accretive to ResMed's gross margins and non-GAAP diluted earnings per share. Upon the transaction's completion — it's expected to close before the conclusion of the fourth quarter of fiscal 2016 — Brightree will continue to operate as a separate entity under its already-established brand, with the company's employees continuing in their current roles.

ResMed, based in San Diego, California, boasts more than 4,000 employees across the globe. The company makes masks, machines and other products that treat or help manage sleep apnea and other

sleep-related issues, including various respiratory conditions.

A DLA Piper team featuring corporate partner Martin Nichols, senior counsel Jeff Shohet, associates Terence Chen, Jennifer Consul, Shehzad Huda, Amanda Fitzsimmons and Leilani Lipa, along with partner Nate McKitterick, advised ResMed on insurance matters, while partner Neil Balmert advised on tax matters and partners Jim Telfer and Mark Boxer advised on executive compensation and benefits.

William Blair & Co. is serving as exclusive financial adviser to Brightree, with Cooley LLP acting as its legal counsel.

Counsel information for Battery Ventures was not immediately available Tuesday.

--Editing by Rebecca Flanagan.