

To Exit or Not To Exit?

How to get that Dream Acquisition Deal

Vienna, August 13th, 2018 - For advice on accepting the right acquisition offer, we spoke to our first flagship event winner mySugr. Just over a year ago, the Viennese health startup announced an acquisition by industry giant Roche - and so far it's proved a great decision. Read on for their insights or meet them and other healthcare innovators at Health.Pioneers on October 10th.

One year on from the deal, mySugr continues to grow under its original brand name and co-founding team. A dream exit scenario: plenty of benefits and none of the drawbacks. How did they manage it? We interviewed Frank Westermann, one of the four co-founders and CEO of mySugr.

“We were lucky to have a great board and a great relationship with them,” says Westermann. “I totally trusted them and we had great discussions about whether acquisition would be the right step - and at the end of day we decided that it was. But we were never forced or driven by our investors.”

And with multiple offers on the table, that personal connection was also critical in mySugr's decision to go with Roche.

“We'd been working with Roche for a long time already, so there was a level of trust with their people. We knew the company from inside and knew their goals and mission - and that ours aligned very well.”

Still, negotiation was important. There were boxes mySugr wanted to tick, if they were to accept an offer.

“Independence was one thing we insisted on,” says Westermann. “That we could continue to work with other companies in the diabetes space, even direct competitors. That would have been a deal breaker.”

So, with the deal made and that all-important freedom still in place, what have proven to be the biggest benefits for mySugr?

“Access to markets, access to resources and access to internal budgets,” he answers. “It wasn't our intention to start a company to make an exit. But as a founder you get into the system, and as soon as you raise capital from venture capital companies, exits are on your radar. But every case is different and individual, so it should be a very cautious decision. The most important thing is to get to know the people at the acquiring company.”

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“You also need to see what chances you have as an independent company to dominate a market, and if the chances are higher with a partner than alone.”

mySugr will be at the second edition of Health.Pioneers in Vienna on October 10th, as Westermann says it’s important to be keeping an eye on the next generation that might disrupt them.

“A lot of innovation comes from smaller companies than us, and it’s good for us to see what the industry and technology trends are. At events you can get a pulse of the direction things are going.”

“We met our first investor, Hansi Hansmann, at a Pioneers event, and now we attend to find companies in which we’d like to invest on a private basis,” concludes Westermann. “For every young company, these are a great opportunity to get in touch with investors, as well as pitch. It’s simply great for matchmaking!”

Startups hoping to meet this success story as well as other healthcare investors and corporates can apply for the chance to attend Health.Pioneers for free until August 17th.

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Note to the Editors

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