

ResMed to acquire Propeller Health for \$225M

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Medical Devices company, ResMed has announced that it has entered a definitive agreement to acquire Propeller Health, a digital therapeutics company providing connected health solutions for people living with chronic obstructive pulmonary disease (COPD) and asthma.

Propeller's digital medicine platform consists of small sensors that easily attach to consumers' inhalers and pair with a mobile app to automatically track medication use and provide personal feedback and insights.

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ResMed CEO Mick Farrell said, "Acquiring Propeller is a significant step for ResMed toward becoming the global leader in digital health for COPD. By working with Propeller's existing partners to offer digital solutions for respiratory care pharmaceuticals and building on our proven ability to support digital solutions at scale, we can positively impact the lives of even more of the 380 million people worldwide who are living with this debilitating chronic disease."

Richie McHale, President, Respiratory Care, ResMed "Helping inhaler users improve adherence and avoid hospitalizations perfectly serves ResMed's mission: to improve people's quality of life, reduce the impact of chronic disease and save healthcare costs across the out-of-hospital care spectrum."

David Van Sickle, co-founder and CEO of Propeller said, "ResMed shares our belief that connected health solutions create vastly better experiences and outcomes for people with chronic respiratory disease. Joining forces enables us to accelerate the adoption of Propeller's solutions at a global scale, and serve as a powerful platform for a broad set of pharmaceutical and healthcare partners."

Propeller is privately funded, and based in Madison, Wisconsin, with an office in San Francisco. It will continue to operate as a standalone business within ResMed's Respiratory Care portfolio. There will be no immediate changes to management, locations or business processes. Van Sickle will continue in his current role, now reporting to McHale.

Under the agreement terms, ResMed will acquire Propeller for \$225 million, which ResMed will fund primarily with its credit facility. Upon closing, the transaction is expected to have a dilutive impact on ResMed's quarterly non-GAAP earnings per share in the range of \$0.01 to \$0.02 during Fiscal Year 2019.

ResMed and Propeller expect to finalize the deal before the end of the third quarter of ResMed's fiscal year 2019 (March 30, 2019), subject to customary closing conditions, including regulatory approvals.