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Swiss pharma giant Roche buys Viennese diabetes app mySugr with 1 million users



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It's a big deal indeed for the Austrian startup scene: The Viennese startup [mySugr](#) was bought by Roche Diabetics Care. The subsidiary of the Swiss pharma giant F. Hofmann-La Roche AG (€50 bn revenue in 2016) now owns 100 percent of mySugr and intends to use the digital services of the company to advance their own digital strategy on the diabetes market. Yesterday, the acquisition agreement was signed and the employees informed. „It is the biggest deal in the digital health sector yet,“ says Austrian business angel Hansi Hansmann, who was personally involved in the negotiations as a long-time investor and backer of mySugr. It was agreed to keep the purchase price confidential.

mySugr as a fundamental „element of the new Roche ecosystem“

The startup mySugr was founded in 2012 by Fredrik Debong, Gerald Stangl, Michael Forisch und Frank Westermann. Currently, it serves one million users with its app that allows them to easily keep track of their blood sugar levels. mySugr considers itself as the global market leader in the field. As of now, the app is available in 52 countries and 13 languages.

„The partnership will be an essential element of our new, open digital ecosystem,“ says Marcel Gmünder, the global leader of Roche Diabetes Care. The negotiations were conducted by mySugr CEO Frank Westermann, Michael Forscih (product, legal & HR) and Anton Kittelberger (COO), together with the Viennese lawyer Wolfgang Renner.

Comprehensive service for diabetics

The deal permits mySugr to remain a separate company and further expand at the location Vienna. Thus, mySugr will not be integrated into Roche’s corporate structures, but instead remain an autonomous brand and subsidiary. In the next two years, the team is projected to expand from currently 47 to 200 employees. Furthermore, no restructuring measures are supposed to be undertaken due to the deal.

At the moment, there is a lot of movement in the market of digital solutions for diabetics. Just a few days ago, investors poured \$35 million in the startup Glooko, which offers a data platform for diabetics and doctors. In total, venture capitalists already invested \$71 million in Glooko.



The mySugr app serves as daily log or diary for diabetics. © mySugr

mySugr sees big potential in building a comprehensive service environment for diabetics. In cooperation with insurances, packages comprising glucometers, access to the app and measure strips for blood glucose shall be sold globally. On the German market, this service is already available for an annual price of 1,000 Euro. The growth opportunities look promising: Worldwide, approximately 400 million people currently suffer from diabetes. In Austria, an estimated 600,000 people are affected. It is also planned to connect the emrh fitness tracker and other medical devices with the app.

Network of Roche as multiplier

For rolling out the service globally, financial stability is needed – something that mySugr achieved thanks to the exit. The idea is to invest the fresh capital mainly into research and product development. „Thanks to the expertise and the global network of Roche, mySugr will become an indispensable companion for an easier life with diabetes,“ says Frank Westermann, CEO and co-founder of mySugr.

Back in March 2015, it was a Roche venture fund that invested another €4.2 million into the startup, together with the already invested XLHealth and iSeedVentures ([Trending Topics reported](#)).

What's the price?

Since the parties have agreed to keep the purchase prices confidential, we can only speculate about the price tag. Industry insiders suggest it to be around the size of Runtastic (€220 million) and Shpock (approx. €200 million), but definitely below €200 million. Other sources estimate a sales prices of €70-80 million.

By comparison, Runtastic was bought by Adidas in August 2015 for €220 million and had 70 million registered user at the time ([Trending Topics reported](#)). Just a month later, in September 2015, the Norwegian media corporation Schibsted bought 91 percent of the fleamarket app Shpock – they were serving ten million users at the time ([Trending Topics reported](#)). mySugr claims to have currently one million users.

The four founders Fredrik Debonk, Gerald Stangl, Michael Forisch and Frank Westermann owned just before the deal 45 percent of the company, business angel Hansi Hansmann 15.5 percent and the US venture capital fund iSeed 12 percent. Mediclass founder Christoph Sauermann (0.6 percent) and the family Püspök (4 percent) also get a cut from the successful exit.

—> [German version of the article](#) <—
