



**Ideagen PLC** - IDEA Acquisition of Medforce Technologies Inc

Released 07:00 06-Apr-2018

RNS Number : 0387K

Ideagen PLC

06 April 2018

6 April 2018

**Ideagen PLC**  
**("Ideagen" or the "Group")**

**Acquisition of Medforce Technologies Inc**

Ideagen PLC (AIM: IDEA), a leading supplier of Information Management software to highly regulated industries, is pleased to announce the acquisition of the entire issued share capital of Medforce Technologies Inc ("Medforce") for a net consideration of \$8.7m payable in cash on completion ("the Acquisition").

The consideration for the Acquisition will be financed partly from the Company's existing cash reserves and partly from existing debt facilities.

*Acquisition summary*

- The Acquisition is the Group's first acquisition of a US company;
- Medforce is a growing, profitable and cash generative healthcare software company having developed the 'Center' suite of enterprise information management, workflow and compliance software;
- 'Center' is used by over 300 US based healthcare customers including a number of Fortune 500 companies to support business process productivity and legal compliance;
- Based in Suffern, New York, USA currently employs 29 staff;
- Medforce achieved for the year ended 31 December 2017 revenue of \$4.7m of which 82% is recurring and EBITDA and PAT of \$1.0m before costs of \$0.4m associated with the primary vendor and a senior manager that will not recur following completion;

- The Acquisition is expected to be earnings enhancing in the Company's accounting period beginning on 1<sup>st</sup> May 2018.

### *Acquisition rationale*

Medforce represents the company's first US acquisition.

Ideagen is currently experiencing strong growth in the US which generated over 50% of all new logo wins and 70% of all new SaaS wins in the first half of the current financial year. The Acquisition will provide infrastructure and a platform for further growth in this important market as Ideagen continues to execute its global growth plan.

The Acquisition broadens Ideagen's relationships in our existing core sector of healthcare, enhances Ideagen's geographic customer footprint and provides an additional source of recurring revenue.

### **David Hornsby, CEO of Ideagen, commented:**

"Medforce is a valuable addition to the Group and is in line with our strategy of acquiring business that have valuable IP and strong recurring revenues. Medforce has established an extremely compelling value proposition and brings to the Group a complementary solution offering, a talented workforce and long-term customer relationships which further strengthens our position in the US Healthcare market."

### *About Medforce*

Medforce was founded in 2002 and has in excess of 300 customers within the US Healthcare sector. The Medforce Center product suite supports productivity and legal compliance through its workflow and Information Management tools. Center helps to streamline and automate operational processes, whilst controlling critical content to ensure healthcare organisations are ready and fit for audit. This in turn drives improvements in business performance and maintains a clear view of conformity to legal and regulatory requirements.

Medforce is debt free with current cash balances of approximately \$0.3 million. As at 31 December 2017 Medforce had gross assets of \$0.5 million. The gross consideration for the Acquisition is \$9.0 million.

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

### **Enquiries:**

Ideagen plc  
David Hornsby, Chief Executive  
Graeme Spenceley, Finance Director

**01629 699100**

finnCap Limited  
Stuart Andrews/Henrik Persson/James Thompson  
(Nomad)  
Stephen Norcross (Corporate Broking)

**020 7220 0500**

### **About Ideagen plc**

**Ideagen** e: [info@ideagen.com](mailto:info@ideagen.com) w: [www.ideagen.com](http://www.ideagen.com)

Ideagen is a UK company quoted on the London Stock Exchange AIM market (Ticker: IDEA.L).

Ideagen is a supplier of Information Management software with operations in the UK, the United States and the Middle East. The Company specialises in GRC (Governance, Risk and Compliance) and Content and Clinical solutions with a primary focus on organisations operating within highly regulated industries. With an excellent portfolio of software products, Ideagen can provide complete information lifecycle solutions that enable organisations to reduce risk, meet their regulatory and compliance standards, helping them to reduce costs and improve efficiency

The Group has a customer base of over 3,000 organisations using the Ideagen of products, including many blue chip names such as BAE Systems, Emirates, Shell and the European Central Bank as well as 150 hospitals in the UK and US.

For further information please visit [www.ideagen.com](http://www.ideagen.com)

This information is provided by RNS  
The company news service from the London Stock Exchange

END