

Athenahealth to buy Epocrates for about \$292M

The Associated Press

Healthcare technology company Athenahealth Inc. said Monday that it is buying medicine-app maker Epocrates Inc. for about \$292.2 million in cash in an effort to attract more physicians and offer them more services.

Under the terms of the agreement, the Watertown, Mass.-based company will pay \$11.75 per share for Epocrates. That's 22 percent above the San Mateo, Calif.-based company's Friday closing stock price of \$9.62. Epocrates stock jumped \$2.14, or 22 percent, to \$11.76 in premarket trading Monday.

Epocrates makes an app that allows doctors to look up data about medications on smartphones and tablets. Drugmakers provide most of Epocrates' revenue by buying ads within the app.

Athenahealth said buying Epocrates will boost the number of medical professionals it serves and expand its product offerings, particularly for mobile devices. Epocrates is used by about 330,000 physicians.

Athenahealth provides billing, clinical and other services to medical professionals through its online system.

Electronic medical records are designed to take the place of traditional paper records. They're designed to cut down on medical mistakes and can be shared online between medical professionals.

Epocrates shareholders representing about 17.5 percent of the outstanding common stock have agreed to vote their shares in favor of the sale, Athenahealth said. The deal, which remains subject to Epocrates shareholder and other approvals, is expected to close early in the second quarter.

Athenahealth plans to pay for it with available cash and debt.

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