

Dassault Systèmes Acquires Accelrys

CIMdata Commentary

Key takeaways:

- *Dassault Systèmes announced the acquisition of Accelrys, a provider of scientific innovation lifecycle management (SILM) solutions, for \$750 million in cash, 4.6 times revenues*
- *Accelrys' SILM platform provides support for product development in chemistry, biology and advanced materials, and is quite complementary with Dassault Systèmes' PLM strategies and enabling solutions*
- *This acquisition will expand Dassault Systèmes addressable market and deepen their expertise in laboratory-centric product development*

On January 29, Dassault Systèmes announced their intent to acquire Accelrys (NASDAQ: ACCL) for \$750 million in cash. Accelrys is a leading provider of what they term “scientific innovation lifecycle management” software to support development in chemistry, biology and materials. Their data, process, and application platform capabilities include:

- Unified searching
- Scientific data interoperability
- Capacity and resource management
- Sample management
- Lab instrument connectivity and integration
- CAPA and deviation process management
- EH&S focused lab inventory management
- Partner enablement

Accelrys has been acquisitive over the last few years, and 2013 was no different with the acquisitions of Vialis and ChemSW. These helped them expand their industry coverage, a benefit that will now accrue to Dassault Systèmes.

CIMdata has had several calls with Accelrys in the last eighteen months, and their technology is very interesting. Particularly, their view of process is more expansive than in the PLM space. New projects can be built using a set of unit procedures that are supported by tools, best practices, and knowledge bases of content and past experience. Accelrys makes significant revenues selling content databases to support development: “To support their research activities, scientists can access our comprehensive, integrated and cross-referenced collection of factual databases and reference works covering bioactivity, chemical sourcing, molecular properties, synthetic methodology, metabolism and toxicology information. These resources can be accessed easily through the ELN, data management and informatics applications or via the Internet through the Discovery Gate portal and chemicals marketplace.”¹ Content databases provided 8% of total revenues in their last fiscal year. With 14% from services, their revenue mix is consistent with Dassault Systèmes’ strategy in that area, as is their high spending on R&D as a percentage of revenues.

¹ Accelrys, Inc. 10-K for the fiscal year ended December 31, 2012.

Based on our discussions, the Accelrys offering can continue to work in parallel with PLM strategies and enabling solutions, and can also be leveraged by PLM enabling solutions to execute parts of a larger effort. CIMdata sees this as a good move for Dassault Systèmes, one that was not too dear at 4.6 times revenues. It increases Dassault Systèmes' addressable market, and is a good compliment to the ENOVIA offerings, including Enginuity. CIMdata looks forward to learning more about how Accelrys will help Dassault Systèmes reach their strategic objectives and how it will fit into the 3DEXperience Platform.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. To learn more about CIMdata's services, visit our website at <http://www.CIMdata.com> or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 734.668.9922. Fax: +1 734.668.1957; or at Oogststraat 20, 6004 CV Weert, The Netherlands. Tel: +31 (0) 495.533.666.