

# Altair Completes IPO

## *CIMdata Highlight*

Altair Engineering, one of the pioneers of the Computer-Aided Engineering (CAE) software market, recently completed a highly successful Initial Public Offering (IPO) on the NASDAQ Stock Exchange. Altair sold 12 Million Class A shares in the IPO which represent a minority interest in the company. The stock opened at \$13/share on November 1 and then surged to end the first day up 41%, closing at \$18.31/share. It now trades under the ticker symbol ALTR.

Best known for its flagship finite element (FE) modeling and simulation software, HyperMesh, Altair has significantly expanded its HyperWorks multi-physics simulation and analysis (S&A) portfolio over the past decade via substantial investments in product R&D, as well as a number of strategic acquisitions in new engineering disciplines. In just the past year alone, Altair has acquired Componeering Inc., a Helsinki, Finland-based technology company specializing in structural analysis and design of composite structures; MODELiS, a supplier of electronic design automation software for circuit modeling, system design, and simulation tools; Runtime Design Automation (Runtime), a Santa Clara, California-based technology company specializing in scalable solutions for high performance computing (HPC) used to design semiconductor devices and; Carriots, a Spanish company which develops Internet of Things (IoT) applications for the industrial, telecommunications, and "smart cities" sectors. As evidenced by the engineering domains above, Altair has expanded well beyond its traditional core strengths in structural and durability analysis.

This business strategy and investments have now positioned Altair as one of the major S&A platform providers in direct competition with the S&A market leaders: ANSYS, Siemens PLM Software, The MathWorks, and Dassault Systèmes. While the automotive/transportation and aerospace & defense industries still represent the largest percentage of Altair's revenue base, Altair has also experienced significant growth in the heavy equipment, manufacturing machinery, process/petrochemical, and high-tech electronics industry segments.

A particular strength of Altair is their large and highly experienced staff of engineering consultants who provide a wide range of engineering services support to ensure the rapid and successful adoption of Altair's broad suite of product development technologies. Altair's engineering staff is often located on-site working side-by-side with their customer, in some cases for extended periods of time, as dedicated members of project teams.

Mr. Jim Scapa, founder and CEO of Altair, has publicly stated that the reasons for the IPO are to provide cash for paying down debt, as well as for continuing investments in the business by supporting R&D expansion and strategic acquisitions. While Mr. Scapa and his senior management team are expected to remain with the company for the foreseeable future, CIMdata sees an additional benefit for Altair shareholders, many of whom are long-time employees of the company. The IPO provides employees with an enhanced level of readily available market liquidity for their Altair shares, which was not available as a privately-owned entity.

The bottom line: CIMdata sees the Altair IPO as a very positive development for the PLM industry as a whole, for Altair, and for its employee shareholders. Altair's senior management team is highly experienced and very focused on continuing to expand the business by meeting the needs of their customers across the entire product development lifecycle. It will be interesting to track the progress of the company's growth now that it will be reporting its financials publicly on a quarterly basis.

## About CIMdata

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