

# Renesas Acquires Altium Limited

## To create system-level lifecycle management platform

On February 15, 2024, Renesas, a leading global provider of microcontrollers, announced that they have entered into an agreement to acquire Altium Limited, a global leader in printed circuit board (PCB) design tools.<sup>1</sup> Renesas will acquire all outstanding shares of Altium for a cash price of A\$68.50 per share (US\$44.53 at today's exchange rate of 0.65 A\$ to US\$), a total equity value of approximately A\$9.1 billion (approximately US\$5.92B). This is part of Renesas digitalization strategy announced in October 2023.<sup>2</sup>

The two companies' shared vision is to establish "an integrated and open electronics system design and lifecycle management platform that allows collaboration across component, subsystem, and system-level design." They plan to leverage Altium's existing platform capabilities, including their cloud-native Altium 365 offering. Since its introduction in May 2020, Altium has expanded Altium 365s capabilities and announced a number of partnerships supporting the solution.

This is the second acquisition in the electronic design automation (EDA) space in recent weeks, following close on the heels of Synopsys announcing a very sizable US\$35B deal to acquire global simulation leader Ansys. CIMdata has long spoken about the trend toward smart, connected products, and how both EDA and software development capabilities are critical to developing these new products in a wide variety of industries. (Software development tools have been popular acquisition targets in recent years as well.)

Altium was targeted by Autodesk in 2021 but the companies could not agree on a price. Renesas came in with a much richer offer that apparently could not be refused (US\$38.50/share<sup>3</sup>). It will be interesting to see what the combined companies will do to achieve their vision. Renesas has great experience in using EDA tools and likely has some internal software capabilities that might help them achieve this broad vision for the combined company. For example, Renesas is an Aras customer, which might have given them some platform ideas.<sup>4</sup> Altium has had early and sustained success with Altium 365. But while electronic components are vital to smart, connected products, they are still only part of the complete product, whose development is most often defined and managed using solutions from PLM leaders such as Dassault Systèmes, PTC, Siemens Digital Industries Software, and their many competitors. Renesas wants an open system, but it will take time and effort to form allegiances with PLM solution providers and "coopetition" can hinder their efforts. CIMdata looks forward to learning more about this new combined entity and getting more details on their solution plans.

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<sup>1</sup> <https://www.renesas.com/us/en/about/press-room/renesas-acquire-pcb-design-software-leader-altium-make-electronics-design-accessible-broader-market>

<sup>2</sup> <https://www.renesas.com/us/en/about/press-room/renesas-announces-new-organizational-structure-accelerate-next-phase-growth>

<sup>3</sup> <https://www.reuters.com/technology/asx-listed-altium-rejects-39-bln-buyout-offer-us-peer-autodesk-2021-06-07/>

<sup>4</sup> <https://www.aras.com/en/resources/all/cs-renesas-integrated-company>

## About CIMdata

CIMdata, a global strategic management consulting firm, provides services designed to maximize an enterprise's ability to design, deliver, and support innovative products and services. For more than forty years, CIMdata has provided industrial organizations, providers of digital technologies and services, and investment firms with world-class insight, expertise, and best-practice methods on a broad set of product lifecycle management (PLM) topics and the digital transformation they enable. CIMdata also offers research, subscription services, publications, and education through certificate programs and international conferences. To learn more, visit [www.CIMdata.com](http://www.CIMdata.com) or email [info@CIMdata.com](mailto:info@CIMdata.com).