

Expanding Xcelerator in Life Sciences

Siemens to acquire Dotmatics

On 2 April 2025, Siemens AG announced their intent to acquire Dotmatics, a provider of life sciences R&D software based in Boston, MA for US\$5.1 billion.¹ According to Dotmatics, they offer “the world’s most comprehensive digital science platform—best-of-breed software applications already used by more than 2 million scientists, together in a single ecosystem united by a powerful, flexible enterprise data platform. This is not flat data buried away in digital graveyards. This is dynamic, multi-dimensional decision-making.”² Their 800-person global team supports customers in over 180 countries. With this acquisition, Siemens can “combine its comprehensive manufacturing expertise, industrial simulation and AI capabilities with Dotmatics’ leading complementary applications, creating a first-of-its-kind end-to-end digital thread that connects data from research through to production in Life Sciences.”

The Siemens press release stated that Dotmatics is expected to generate \$300 million in 2025 revenue. They also described the company as highly profitable with mid-teens revenue growth expected. Siemens plans to pay for the acquisition by selling stock in their other businesses and expects it to close in the first half for their 2026 fiscal year (which started 1 October 2024).

Why did Siemens make this acquisition? Highly profitable software businesses with double digit growth prospects are always attractive. But Siemens is investing in life sciences, much as Dassault Systèmes has over the last decade, for the same reason Willie Sutton robbed banks: that is where the money is.³ Demographics in North America and Western Europe skew to older lifetimes, and life science innovators can capitalize on the market opportunities from aging populations. This market is rapidly evolving and expanding. Aging societies have growing medication needs and access to healthcare interventions. New treatment options arise as science advances. Much of this innovation requires increased collaboration and visibility across complex value chains. These trends underscore the need for digital transformation, with life sciences software spending expected to double over the next five years. Innovative PLM applications during the COVID pandemic highlighted the benefits of digital technologies in life sciences and healthcare applications, particularly with regulatory bodies.

CIMdata believes this acquisition puts Siemens in a strong position in this large and rapidly evolving space. Of course, it brings another digital platform into the Siemens Digital Industries Software portfolio, but the necessary integrations can be built to quickly bring Dotmatics into the Xcelerator fold. This move by Siemens also creates new battlefields for PLM market leaders Siemens and Dassault Systèmes.

CIMdata looks forward to learning more about this exciting development.

¹ <https://newsroom.sw.siemens.com/en-US/siemens-dotmatics/>

² <https://www.dotmatics.com/about-us>

³ <https://www.fbi.gov/history/famous-cases/willie-sutton>

About CIMdata

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