

Cadence strengthens CAE portfolio with acquisition of Hexagon's D&E Business

Electronics industry solution provider accelerates expansion in Physical AI and System Design & Analysis

On September 4, 2025, Cadence Design Systems, Inc. (Cadence) announced that it had entered into a definitive agreement to acquire Hexagon AB's Design & Engineering (D&E) business, including the well-known MSC Software portfolio, for approximately €2.7 billion (~US\$3.16 billion). The transaction will be settled 70% in cash and 30% in Cadence common stock issued to Hexagon, and is expected to close in the first quarter of 2026, subject to regulatory approvals.

Cadence, a pivotal leader in electronic systems design, has steadily expanded its footprint into multiphysics engineering simulation over the past several years. Building upon its Intelligent System Design™ strategy and leveraging its Millennium™ Enterprise Multiphysics Platform, the company has complemented organic growth with strategic acquisitions—notably NUMECA & POINTWISE (2021), Future Facilities (2022), and BETA CAE Systems (2024). The Hexagon D&E acquisition now adds world-class capabilities in structural mechanics, multibody dynamics, and materials simulation, including MSC Nastran, Adams, Marc, and Cradle CFD, broadening Cadence's reach across aerospace, automotive, energy, and industrial equipment industries.

According to the company's press release, the Hexagon D&E business generated approximately €265 million in revenue in 2024 with over 1,100 employees worldwide. For Hexagon, divesting this unit sharpens its focus on core strengths in geospatial and data-driven technologies while unlocking shareholder value.

CIMdata views this acquisition as further evidence of the accelerating convergence of mechanical and electronic system design, with simulation and analysis playing a central role in enabling next-generation product development. The addition of Hexagon's D&E business strengthens Cadence's position as one of the few solution providers with a comprehensive System Design & Analysis platform spanning electronics, mechanics, and multiphysics simulation. This deal also underscores the growing strategic significance of simulation in enterprise digital transformation, as the Simulation & Analysis segment continues to outpace traditional CAD and PDM segments.

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 or email info@CIMdata.com.