

PTC To Acquire Vuforia

CIMdata Commentary

Key takeaways:

- *Augmented Reality solutions are being rapidly adopted in automotive, aerospace, and other industry sectors with particular use in design and service applications*
- *Recent CIMdata research on augmented reality and mixed reality applications suggests that industrial companies are just scratching the surface with the enablement of potential use cases*
- *The Vuforia acquisition should enable PTC to provide significant new capabilities for product design, operational management, and service*

PTC announced it has signed a definitive agreement to acquire the Vuforia business from Qualcomm Connected Experiences, Inc., a subsidiary of Qualcomm Incorporated (NASDAQ: QCOM), for \$65 million. Vuforia is a mobile vision platform that enables applications (“apps”) to see and connect the physical world with digital experiences. Today, Vuforia is supported by a global ecosystem of developers in 130 countries and has more than 200 million apps installed worldwide. Under terms of the agreement, PTC will acquire the Vuforia business, including the developer ecosystem. PTC stated that they are committed to continued investment in the Vuforia platform and to the ongoing support and growth of the Vuforia ecosystem. The transaction is expected to close by the end of calendar year 2015, subject to customary closing conditions.

Augmented Reality (AR) is a live direct or indirect view of a physical, real-world environment whose elements are augmented (or supplemented) by computer-generated sensory input such as sound, video, graphics, or GPS data. AR technology is rapidly emerging in automotive, aerospace, industrial, retail, and other industry sectors. It is particularly useful for supporting operational and service activities and personnel by overlaying digital visualization and information related to the physical product or item. CIMdata recently completed research into AR and mixed-reality (MR) applications in the automotive industry, and believe that companies have just scratched the surface in how these technologies may be applied to a wide range of industries and use cases.

Users can view product-related details and information in virtual space or in real-world settings. For example, when performing a service activity they can request additional details such as 3D expansions, technical specifications, or service instructions to be displayed on a device such as a tablet while they are looking at, or working on, the actual product, such as a piece of machinery or an automobile. During the design process a user could highlight or mouse over a component in the design and have detailed information such as material, cost, weight, specifications, etc., displayed so that they can make faster, more informed design decisions.

PTC should be able to apply Vuforia technology across its product suite--CAD design, lifecycle management, service, and IoT applications to provide integrated solutions that will enable users to have a better understanding of the state and status of designs and products, and be able to operate them and service them in a faster, more efficient manner. This addition will also help PTC expand their “digital twin” vision, going beyond just sensing the real-world environment experienced by a product, but leveraging this data in multiple applications. This was a gap in their offerings when compared to the other leading PLM solution providers, and this acquisition fills it nicely. Vuforia’s ecosystem-centric business

model is also consistent with PTC's acquisition of ThingWorx. The net effects from such business models can result in a strong pull for solutions, but of course PTC still needs to integrate the technology and business to achieve this result.

CIMdata believes that when coupled with PTC's IoT, design, lifecycle management, and analytics platforms the Vuforia augmented reality and computer vision technology should provide new ways to design products, to monitor and control products, to maintain products in the field, and to instruct operators and technicians in the most effective methods of use and service.

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.