Expanding their Life Sciences Capabilities: Dassault Systèmes Acquires Medidata

CIMdata Highlight

Dassault Systèmes continues to expand their business, announcing their acquisition of Medidata, a US-based leader in clinical technology used to bring new treatments to the market. The all-cash offer of $5.8 billion is about nine times revenues and marks their largest acquisition to date.[1] This is a high multiple but not inconsistent with other acquisitions by PLM market leaders. It is also just over the company's pre-announcement market cap.

The acquisition of Accelrys in 2014 provided the core of a new brand for Dassault Systèmes, BIOVIA.[2] Before the acquisition, Accelrys referred to their emphasis on "scientific innovation lifecycle management." This made them a good fit for Dassault Systèmes and their long-time support for innovation enabled by digital tools. The company has continued to expand their efforts to build up the BIOVIA business and indeed it has been a source of significant growth for Dassault Systèmes. With the acquisition of Medidata, Dassault Systèmes expands their lifecycle offerings out of the lab and into clinical trials and supporting technology. Medidata does make physical products to support their vision and should benefit from a linkup with a PLM market leader. The company also has some cloud-based platform solutions that can become part of the **3D**EXPERIENCE platform, already morphed from a PLM orientation to support Dassault Systèmes **3D**EXPERIENCE Marketplace initiative.[3]

Dassault Systèmes life sciences customers must be thrilled as, with the expanded platform, they will be able to design new innovations using the traditional BIOVIA solutions and support them through clinical trial to commercialization, ultimately all on the same platform. While the notion of digital thread is not commonly discussed in the life sciences community, having full lifecycle information is essential to success in this competitive marketplace. CIMdata looks forward to learning more about the solution integration plans resulting from this exciting acquisition.

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.

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[1] https://www.3ds.com/press-releases/single/dassault-systemes-and-medidata-solutions-to-join-forces-to-accelerate-the-life-sciences-industry-innovation-for-patient-centric-experience-through-end-to-end-collaborative-platform/

[2] https://www.3ds.com/about-3ds/announcement/accelrys/

[3] https://www.3ds.com/press-releases/single/dassault-systemes-accelerates-the-global-industry-renaissance-with-launch-of-online-marketplace/