

Siemens Reinforces their Position as a Digital Transformation Leader

Leading PLM solutions industry provider acquires Altair, Inc.

On Wednesday, October 30, 2024, Siemens AG., the German multinational technology conglomerate, announced its intention to acquire Altair, Inc. (NASDAQ: ALTR) a global leader in physics-based simulation and analysis solutions, high performance computing (HPC), and artificial intelligence (AI) and data analytics.

While Siemens AG already has a significant digital transformation portfolio in its Digital Industries Software business unit, Altair expands their portfolio further with HPC, data analytics, and key simulation technologies such as CAD-neutral modeling and meshing tools, implicit and explicit dynamics solvers, electromagnetics solvers, and topology optimization, all integrated with state-of-the-art AI/machine learning (ML) capabilities. The simulation and analysis (S&A) segment of the overall PLM market will be most impacted by this acquisition. CIMdata estimates US\$10B annual S&A segment revenue in 2024 with near double-digit annual growth over the next 5 years. The combined Siemens and Altair S&A portfolio will be comprehensive and cover the major domains of multi-physics simulation, HPC, and AI-driven simulation technologies. When integrated with other Siemens Digital Industries Software offerings such as Simcenter, Teamcenter, NX, Polarion, and Electronic Design Automation, Siemens will have one of the most comprehensive digital engineering solution portfolios that spans the entire product lifecycle, from ideation, design, simulation, testing, validation, production, operations, through to recycle, reuse, and recovery.

The S&A segment has undergone consolidation over the last two decades, and CIMdata sees this acquisition as continuing that process. Beyond just increasing Siemens' S&A market share, it also supports the convergence of mechanical, electrical, electronics, and software solutions that enable digital threads and twins during the development of smart, connected products and systems. This announced US\$10.6B acquisition is one of the largest acquisitions made by Siemens AG and underscores the continuing need for the PLM market leaders to fill key technology gaps in their portfolios. Now the challenge for Siemens is to integrate these Altair technologies into their extensive PLM portfolio to provide expanded value-added capabilities to Siemens Digital Industries Software customers.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design, deliver, and support innovative products and services by identifying and implementing appropriate digital initiatives. For forty years, CIMdata has provided industrial organizations and providers of technologies and services with world-class knowledge, expertise, and best-practice methods on a broad set of product lifecycle management (PLM) solutions and the digital transformation they enable. CIMdata also offers research, subscription services, publications, and

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