

Oracle to Buy PLM Specialist Agile for \$495M

May 16 2007

Oracle will spend \$495 million to acquire Agile Software, a developer of product lifecycle management applications, as it continues its relentless campaign to outgrow SAP through corporate buyouts.

Oracle continued its relentless campaign of cherry-picking enterprise application software companies with a May 15 agreement to buy Agile Software, a producer of product lifecycle management products, for \$495 million in cash.

Oracle has acquired about 30 companies large and small over the past four years to build up its enterprise application portfolio. The acquisitions have been in almost every category, from ERP (enterprise resource planning) to CRM (customer relationship management) and grid computing to business intelligence.

In the latest deal, Oracle agreed to pay \$8.10 per share to acquire Agile, based in San Jose, Calif., whose PLM applications help manufacturing companies plan the design, production and distribution of products of every description.

Oracle made it clear that the Agile acquisition is another building block in its project to outgrow archrival SAP by constantly expanding its product portfolio.

"The addition of Agile, which will serve as the foundation of our PLM offering, will further Oracle's strategy of delivering industry-specific

enterprise applications and allows us to offer yet another strategic application to SAP customers," Oracle President Charles Phillips said in a statement.

The Agile acquisition will enable Oracle to create an integrated, enterprisewide PLM environment, Oracle officials said.

"Profitable production innovation is critical to product-based industries, making PLM one of the fastest-growing application segments," the statement said.

Other major IT companies are building up their PLM portfolios through both development projects and corporate acquisitions. IBM announced in December 2006 that it is building a Product Development Integration Framework aimed at making PLM, along with product design and engineering, a strategic process.

IBM said it has recruited eight major PLM technology partners, including Agile Software, to collaborate in the development of the framework.

IBM and Dassault Systemes, another major PLM technology provider, announced on May 11 the release of 3DLive for Online 3D Collaborative Intelligence, a PLM support system that allows all stakeholders in a product development project to share information and documentation.

Siemens AG announced on May 8 that it had completed the acquisition of UGS, a PLM software and services provider. Siemens spent \$3.5 billion to acquire UGS, which has been renamed UGS PLM Software, a unit of the Siemens Automation and Drives (A&D) Group.

Agile's customers include Acer, Johnson & Johnson, GE Medical

Systems, Heinz, Lockheed Martin and Qualcomm. "With over 1,250 PLM customers and over 10,000 visualization customers globally, Agile has a proven track record of rapid successful implementations integration to a wide range of ERP and CAD systems," Agile CEO Jay Fulcher said in a statement.

"By becoming part of Oracle we can bring Agile's solutions to a wider audience and accelerate the advance of Enterprise PLM," the statement said.

Oracle expects the Agile acquisition to close in late July 2007, subject to stockholder and regulatory approval, company officials said.

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Citation: Oracle to Buy PLM Specialist Agile for \$495M (2007, May 16) retrieved 25 April 2024 from <https://phys.org/news/2007-05-oracle-plm-specialist-agile-495m.html>

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