

Nvidia buys Israeli chipmaker Mellanox for \$6.9 bn

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California-based Nvidia struck a deal to acquire Israeli chipmaker Mellanox to create a bigger presence in high-performance computing

US computer graphics giant Nvidia said Monday it is acquiring Israeli data center firm Mellanox for \$6.9 billion, to expand its presence in the

high performance computing segment.

The combined firm will have the capacity to "optimize data center" performance for applications in cloud computing and artificial intelligence, according to a statement by the firms.

"The emergence of AI and data science, as well as billions of simultaneous computer users, is fueling skyrocketing demand on the world's data centers," said Jensen Huang, founder and chief executive of California-based Nvidia.

"Addressing this demand will require holistic architectures that connect vast numbers of fast computing nodes over intelligent networking fabrics to form a giant data center-scale compute engine."

The all-cash deal is expected to close later this year subject to regulatory and shareholder approval.

The deal will expand the offerings of Nvidia, which produces chips and other technologies for video games, facial recognition systems and autonomous vehicles.

The companies have previously collaborated in building the world's two fastest supercomputers, Sierra and Summit, operated by the US Department of Energy.

Eyal Waldman, co-founder and CEO of Mellanox, told a news conference in Tel Aviv he believes the tie-up can "build the future architecture of the future computing rooms."

"Together we will be able to create much more efficient systems of computing, of connectivity and of storage," Waldman said.

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