IBM to Acquire Instana as Company Continues to Advance its Hybrid Cloud and AI Strategy

- Acquisition to help businesses use AI to better manage complexity of modern applications that span hybrid cloud landscape; Builds on IBM's industry-leading AI-powered automation capabilities

ARMONK, N.Y., Nov. 18, 2020 /PRNewswire/ -- IBM (NYSE:IBM) today announced a definitive agreement to acquire Instana, an application performance monitoring and observability company. The acquisition will help businesses better manage the complexity of modern applications that span the hybrid cloud landscape. Today's news further advances IBM's Hybrid Cloud and AI strategy and strengthens its AI-powered automation capabilities. Financial details were not disclosed.

With the acquisition of Instana, IBM will help companies overcome the challenge of managing application performance across multiple teams, and across 2 to 15 clouds, on average.[i] And it is another example of how IBM is building on its AI-powered automation capabilities, including:

- the launch of IBM Watson AIOps earlier this year, IBM's AI offering for automating how enterprises self-detect, diagnose and respond to IT anomalies in real time;
- its acquisition of WDG Automation to provide clients with broader access to intelligent automation through software robots;
- its expanded partnership with ServiceNow to develop a joint solution to help companies reduce operational risk and lower costs by applying AI to automate IT operations;
- and continued updates to IBM Cloud Pak for Automation designed to help companies drive innovation across their expanding IT environments and accelerate digital transformation.

"Our clients today are faced with managing a complex technology landscape filled with mission-critical applications and data that are running across a variety of hybrid cloud environments – from public clouds, private clouds and on-premises," said Rob Thomas, Senior Vice President, Cloud and Data Platform, IBM. "IBM's acquisition of Instana is yet another important step that we are taking to provide companies with the most complete portfolio of AI-automated solutions to tackle this enormous challenge and help prevent unforeseen IT incidents that can cost a business in lost revenue and reputation."

Headquartered in Chicago, with a development center in Germany, Instana provides businesses with capabilities to manage the performance of complex and modern cloud-native applications no matter where they reside – on mobile devices, public and private clouds and on-premises, including IBM Z. Instana's enterprise observability platform automatically builds a deep contextual understanding of cloud applications and provides actionable insights to indicate how to best prevent and remedy IT issues that could damage the business or reduce customer satisfaction -- such as slow response times, services that aren't working or infrastructure that is down.

Once Instana's capabilities are integrated into IBM, companies will be able to feed these insights into Watson AIOps. The information could then be compared to a baseline of a normal operating application, with AI triggering alerts to resolve issues quickly before negative impacts to that transaction or activity. This can help eliminate the need for IT staff to manually monitor and manage applications, freeing these employees to focus

on innovation and higher value work.

"With the added responsibility of ensuring the build and run quality of the software they develop, DevOps teams need a new generation of application performance monitoring and observability capabilities to succeed," said Mirko Novakovic, co-founder and CEO, Instana. "Instana's observability capabilities combined with IBM's AI-powered automation capabilities across hybrid cloud environments will give clients a full view of their application performance to best optimize operations."

Instana will offer both SaaS and on-premises solutions depending on the client's unique needs.

Developers can try the Instana offering by utilizing the free sandbox and trials, already available through their website.

The transaction is subject to customary closing conditions. It is expected to close within several months.

For more information on today's announcement, please visit https://www.ibm.com/cloud/blog/ibm-and-instana.

To learn more about IBM's AI-powered automation capabilities, please visit:
https://www.ibm.com/products/watson-aiops

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[i] "Assembling your cloud orchestra: A field guide to multicloud management." IBM Institute for Business Value. October 2018. https://www.ibm.com/downloads/cas/EXLAL23W

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