

IBM to Acquire StreamSets and webMethods Platforms from Software AG

Deal Accelerates watsonx Data Ingestion Capabilities; Creates a Leading Application Modernization and Integration Platform

€2.13 billion Acquisition Demonstrates IBM's Continued Focus on Strategic M&A to Create Value and Bolster AI and Hybrid Cloud Offerings



ARMONK, N.Y., Dec. 18, 2023 /[PRNewswire](#)/ -- IBM (NYSE: [IBM](#)) today announced that it has entered into a definitive agreement with Software AG (FRA: SOW), a company majority owned by Silver Lake, to purchase StreamSets and webMethods, Software AG's Super iPaaS (integration platform-as-a-service) enterprise technology platforms, for €2.13 billion in cash.

As organizations continue to accelerate their digital transformations, application and data integration solutions are critical elements for application modernization and effectively deploying AI across the enterprise. StreamSets and webMethods are among the technology leaders in application integration, API management, and data integration. IDC predicts the worldwide integration software market will exceed \$18.0 billion in 2027 at a compound annual growth rate (CAGR) of 16.1%.¹

The acquisition of StreamSets and webMethods is further evidence of IBM's deep focus and investment in AI and hybrid cloud. StreamSets will add data ingestion capabilities to watsonx, IBM's AI and data platform, while webMethods will give clients and partners additional integration and API management tools for their hybrid multi-cloud environments.

The core offerings include:

- **StreamSets** - a cloud-native DataOps and data ingestion platform which allows enterprises to achieve consistent access and delivery of data across a wide spectrum of data sources and types. StreamSets also facilitates the design of smart data pipelines and the ingestion of real-time and batch data.

- **webMethods** - an integration and API management platform. The integration platform, deployed both on-prem and in the cloud, offers B2B integration, managed file transfer, and provides a modern API gateway to manage, monitor, and monetize APIs.

Software AG's Super iPaaS platform is growing, profitable and has a significant recurring revenue profile. StreamSets and webMethods serve more than 1,500 clients across the globe.

"Together with IBM's watsonx AI and data platform, as well as its application modernization, data fabric and IT automation products, StreamSets and webMethods will help clients unlock the full potential of their applications and data. This powerful combination helps drive innovation while preparing businesses for AI, no matter where applications or data reside," said Rob Thomas, Senior Vice President, Software and Chief Commercial Officer, IBM. "Today's news will give IBM clients and partners one of the most modern and comprehensive application and data integration platforms in the industry."

The pending acquisition follows a more than 20-year relationship between IBM and Software AG, with both StreamSets and webMethods expected to drive synergy with IBM's current portfolio, including watsonx, Red Hat, the company's IT automation products, as well as IBM Consulting. Additionally, StreamSets and webMethods are expected to benefit from IBM's global scale, operating in more than 175 countries.

"IBM is the ideal home for webMethods and StreamSets, the products at the heart of our Super iPaaS vision," said Sanjay Brahmawar, Chief Executive Officer of Software AG. "Combined with IBM's global scale and focus on hybrid cloud and AI, our people will have a fantastic opportunity to develop while helping enterprises everywhere get the most out of their applications and data."

"We believe that there is no business more iconic or better suited than IBM to continue investing in and growing these great platforms," said Christian Lucas, Chairman of the Supervisory Board of Software AG and Managing Partner of Silver Lake. "The opportunity to bring the StreamSets and webMethods teams together with IBM to innovate in building the future of hybrid cloud and next-generation AI solutions for the enterprise is uniquely compelling. We are pleased that our investment in Software AG helped spark that vision, reflecting Silver Lake's commitment to partner with the world's best management teams and technology leaders in driving exceptional value creation for customers, employees and other stakeholders."

StreamSets and webMethods will be acquired with available cash on hand. The consummation of the transaction is subject to customary closing conditions, including regulatory approvals, and is expected to be completed in the second quarter of 2024.

About IBM

IBM is a leading provider of global hybrid cloud and AI, and consulting expertise. We help clients in more than 175 countries capitalize on insights from their data, streamline business processes, reduce costs and gain the competitive edge in their industries. Thousands of government and corporate entities in critical infrastructure areas such as financial services, telecommunications and healthcare rely on IBM's hybrid cloud platform and Red Hat OpenShift to affect their digital transformations quickly, efficiently and securely. IBM's breakthrough innovations in AI, quantum computing, industry-specific cloud solutions and consulting deliver open and flexible options to our clients. All of this is backed by IBM's long-standing commitment to trust, transparency, responsibility, inclusivity and service. Visit www.ibm.com for more information.

Press Contacts:**For IBM:**

Tim Davidson, 914-844-7847

tfdavids@us.ibm.com

Sarah Meron, 347-891-1770

sarah.meron@ibm.com

¹ Source: IDC. Worldwide Integration and API Management Software Forecast, 2023–2027, July 2023, US51053823

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