

Aveva buys OSISOft for \$5bn as virus fuels cloud demand

August 25 2020

British industrial software group Aveva on Tuesday announced it had agreed to buy US rival OSISOft for \$5 billion, as the coronavirus pandemic pushes clients to expand their online cloud services.

In a statement, Aveva pointed to strong growth this year at OSISOft, "as the imperative for digital transformation has continued through the COVID-19 crisis".

As the virus causes office staff to work from home and carry out meetings online, companies are seeking expanded cloud systems for securely housing and accessing their data.

Aveva on Tuesday said it was "capitalising on the technological megatrends that are driving digital transformation of the industrial world.

Part of French group Schneider Electric, Aveva said the purchase would allow the British company "to accelerate the market adoption and expansion of OSISOft Cloud Services and other cloud-based offerings".

Aveva added that during the pandemic, demand for its own software had been "robust, due to its ability to drive efficiency, flexibility and sustainability for customers across a wide range of industries, with particularly good demand for cloud solutions".

Aveva chief executive Craig Hayman said the acquisition "will

accelerate the enlarged group's role in the digitisation of the industrial world, which is being driven by a need for sustainability, the industrial internet of things, cloud, data visualisation and artificial intelligence".

Headquartered in California and employing around 1,400 staff, OSIsoft has customers across 127 countries using its PI data system that will sit as a business unit in the enlarged group.

"Together we will be better able to service the largest digital transformation projects in history," said OSIsoft chief executive J. Patrick Kennedy.

"The next chapter in PI's fifth decade will be exciting for our employees and customers," he added.

The two companies added that in addition to combining their industrial software and data management, cost savings would be realised thanks to their "significant shared customer base".

They hope to complete the deal by the end of 2020 following shareholder approval.

Another group set to benefit strongly from the workplace digital transformation is cloud data warehouse startup Snowflake, which on Monday filed with US regulators for an initial public offering of shares in a keenly anticipated stock market debut.

Snowflake has grown quickly since its start seven years ago in Silicon Valley, and was valued at some \$12.4 billion in a private funding round early this year despite not being profitable.

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Citation: Aveva buys OSIssoft for \$5bn as virus fuels cloud demand (2020, August 25) retrieved 24 April 2024 from <https://techxplore.com/news/2020-08-aveva-osisoft-5bn-virus-fuels.html>

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