



Financial Press Release

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## ESI Group acquires Ciespace's technology assets for Cloud based CAE modeling

### Enabling ESI's Virtual Prototyping solutions for Cloud/SaaS offering

- **Launching a powerful catalyst to democratize end-to-end virtual product development**
- **Responding to a strong demand for Cloud, On-demand products and services driven by the digital 'Smart Factory' paradigm and lower cost of ownership**
- **An opportunity to win the SME market with an offer at minimal transactional costs**
- **A progressive roll-out through a flexible adaptive business strategy**

Alain de Rouvray, ESI Group's Chairman and CEO states: "*Riding the accelerated transformational wave of Information & Communications Technologies (ICT), Ciespace's leading edge CAE Cloud based modeling tool will provide ESI with a quantum leap in its Go-to-Market strategy. Enabling a full Cloud/SaaS offering of our Virtual Prototyping solutions will create considerable additional value to our existing and future customers; substantially lowering the cost of ownership and the need for in-house expertise. The flexibility and affordability of the Cloud/SaaS business model is expected to progressively attract new types of technical SME users, beyond the traditional community of CAE specialists. Furthermore Ciespace's high caliber engineering team will bring to ESI its advanced knowledge and proven experience in both CAE and Cloud technologies. The operation is well aligned with ESI's strategy to "enable Virtual Prototyping for all". After an initial integration phase, this acquisition should strongly accelerate the generation of new customers with an offer at minimal transactional costs.*"



The Ciespace platform is a result of many years of pioneering development. It is the first commercially available CAE Cloud solution with modeling capabilities built entirely on an open, web services platform. It was intended from its inception to deliver a new paradigm of engineering design and analysis solutions by seamlessly leveraging the potential of the Cloud. This highly innovative approach addresses critical technical challenges and delivers a full CAE solution under a Cloud/SaaS model; namely, scalable High Performance Computing (HPC), multi-tenant architecture, open application framework, real-time collaboration, browser based visualization, and a high level of web security. Combining Ciespace's Cloud technology with ESI Group end-to-end 'Art of CAE Modeling' will enable a new disruptive paradigm to transform how products are developed and manufactured in the engineering world. It will also allow ESI Group to easily and rapidly roll out all its offering on a Cloud platform accessible through the web on mobile and desktop devices.

#### **Launching a powerful catalyst to democratize end-to-end virtual product development**

This acquisition will also enable a new way to develop and deliver cost effective and reliable digital modeling for CAE solutions. The value of Ciespace's technology and its collaborative approach will accelerate the democratization of CAE to all engineers and designers and gradually to non-technical users in both small and large enterprises.

Ciespace's team of high level engineers will be integrated under the leadership of its most qualified and renowned CTO, Dr. Sanjay Choudhry, who will ensure the successful transfer and exposure of ESI's virtual prototyping and modeling technologies and domain expertise on Ciespace's engineering Cloud platform.

*"Our team is very proud to be joining ESI Group as we share the same passion for innovation and technological excellence through the "Art of digital Modeling". By leveraging ESI's worldwide distribution and development network, Ciespace's technology will be expanded and spread worldwide and in many new industrial sectors. We are confident numerous customers and prospects will appreciate the tremendous added value that will come from this combination of best in class physics, modeling and Cloud platform."* states Sanjay Choudhry.

#### **Responding to a strong demand for Cloud, On-demand products and services driven by the digital 'Smart Factory' paradigm and lower cost of ownership**

The digital 'smart' factory is expected to help manufacturers boost their competitiveness by rationalizing development costs, times and expertise, without sacrificing innovation. To pursue this



goal, the key leverage is to re-think all the development processes to achieve a single digital model that is easily accessible and widely sharable in the Cloud. All engineers and technicians involved in each of the product development phases (design, simulation & analysis, prototyping and testing) should be able to collaborate and observe the impact of their iterative improvements within the framework of a holistic and highly accelerated interactive solution.

Adapting a Cloud/SaaS model for its products deployment will create for ESI a unique opportunity to grow its business with its current customers by expanding the number of active users from a limited number of CAE specialists to the much broader set of engineers, technicians, designers, marketers and others working simultaneously on the product development model.

### **An opportunity to win the SME market with an offer at minimal transactional costs**

ESI Group's historic strategy has primarily focused on OEMs and their Tier1 suppliers. For the SME segment, ESI will now be poised to promote its highly-competitive solutions in a flexible manner adapted to the dynamic needs of companies with a lower investment capacity and expert availability than that of OEMs and their primary suppliers.

By integrating the Cloud technology, ESI Group will also significantly accelerate the deployment of its solution portfolio through a SaaS model with lower and more elastic cost of ownership for customers. Such an On-demand license rental and service oriented offering will allow customers to access ESI solutions and HPC resources tailored to their needs and consumption patterns, without fixed software and hardware capital expenditures.

### **A progressive roll-out through a flexible adaptive business strategy**

Following this acquisition, ESI will hold 100% of Ciespace's assets and will integrate its high profile engineering team. The first part of the integration will be the roll-out of some ESI solutions, including providing access to selected solvers and advanced modelling tools on the Ciespace Cloud platform. The objective will be to seamlessly deploy On-demand CAE modeling, enabling customers to access high Performance Computing (HPC) resources and post-process results so they can complete analysis and iterative improvement with minimal development and investment effort. In the near term, ESI will use its existing sales channels to address current and new users from its OEMs and Tier1 customer base. In the mid-term, ESI will adapt its commercial strategy to address SMEs and Tier2-3 suppliers with an end-to-end Cloud/SaaS product and solution offering targeted at a wide range of manufacturing companies.

For more ESI news, visit: [www.esi-group.com](http://www.esi-group.com)



## Investors Relations

### ESI Group – Europe

[Sylvie Delangle](#)

+33 1 53 65 14 14

[investors@esi-group.com](mailto:investors@esi-group.com)

### ESI Group – America

[Corinne Romefort-Régnier](#)

+1 415 994 3570

[investors@esi-group.com](mailto:investors@esi-group.com)

### NewCap

[Emmanuel Huynh](#)

[Louis-Victor Delouvrier](#)

+33 1 44 71 98 53

[esi@newcap.fr](mailto:esi@newcap.fr)

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## About CIESPACE



Ciespace Corporation is an emerging software technology company founded in 2007 by Dr Kenji Shimada, a worldwide expert in Geometric Modeling and Simulation. The company, based in Santa Clara, California, consists of a team of 10 highly qualified engineers that possess in-depth expertise in CAE/CAD and cloud/web technologies. It delivers an innovative Platform as a Service (PaaS), enabling ISV's of engineering design and analysis solutions to get to the cloud – faster.

## About ESI

[ESI](#) is a world-leading provider of Virtual Prototyping software and services with a strong foundation in the physics of materials and Virtual Manufacturing.

Founded over 40 years ago, [ESI](#) has developed a unique proficiency in helping industrial manufacturers replace physical prototypes by virtually replicating the fabrication, assembly and testing of products in different environments. [Virtual Prototyping](#) enables ESI's clients to evaluate the performance of their product and the consequences of its manufacturing history, under normal or accidental conditions. By benefiting from this information early in the process, enterprises know whether a product can be built, and whether it will meet its performance and certification objectives, before any physical prototype is built. To enable customer innovation, ESI's solutions integrate the latest technologies in high performance computing and immersive Virtual Reality, allowing companies to bring products to life before they even exist.

Today, [ESI](#)'s customer base spans nearly every industry sector. The company employs about 1,000 high-level specialists worldwide to address the needs of customers in more than 40 countries.

[ESI](#) is listed in compartment C of NYSE Euronext Paris and is granted "Entreprise Innovante" (Innovative Company) certification since 2000 by Bpifrance. [ESI](#) is eligible for inclusion in FCPI (venture capital trusts dedicated to innovation) and PEA PME.

*2014 awards: winner of the 2014 ASMEP-ETI/Bpifrance award in the Innovation and industrial strategy category and of the Grand Prix des Entreprises de Croissance, in the Software and IT Services category and winner of the "Ambitions d'Entrepreneurs" trophy in the International category.*

For further information, visit [www.esi-group.com](http://www.esi-group.com).

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