



Financial Press Release

Paris, January 6, 2016

Acquisition of ITI GmbH, a global leader in the realistic simulation of mechatronic and multi-domain systems

A strategic extension of ESI Group's positioning in virtual engineering modeling

- **A company recognized in its field; with a strong and diversified installed base**
- **A promising interconnection of two modeling universes**
- **Delivering commercial synergies in the short term**
- **An accretive operation fully in line with the Group's strategic objectives**

Alain de Rouvray, ESI Group's Chairman and CEO, says: *"This operation will enable two leaders and two complementary types of model representation in virtual engineering to come together: ESI, which has unique expertise in multi-domain solutions for virtual physical prototypes of components and assemblies of industrial products in a detailed 3D-4D space, and ITI GmbH, a specialist in the fast and accurate system simulation in the 0D-1D space. These different representations necessarily interface to each other and are intimately complementary when designing an integrated, dynamic and complex product such as an automobile in motion. This acquisition allows ESI to expand upstream its positioning in the industrial product manufacturing value chain. The advantage becomes critical and disruptive when innovation changes the system component interaction, which is increasingly common. ESI Group's collaborative virtual engineering platform will provide direct access to a product's functional features and enable more efficient and faster decisions to be made at the system level. We are very confident in this unique and disruptive operation's value-creating potential, driven by the substantial and effective commercial and technological synergies in the short term and immediately accretive. The operation fully supports the strategic growth and profitability objectives of ESI."*



A company recognized in its field; with a strong and diversified installed base

ITI GmbH, whose commercial and technological success is based on its flagship product, *SimulationX*, enjoys a global reputation with a portfolio of 700 clients from every industrial sector in 27 countries. In 2014, ITI GmbH recorded sales of €5.4 million; more than 60% of it from outside Germany and up 25% on the previous year.

A promising interconnection of two modeling universes

ITI GmbH's technological platform, supporting the Modelica open-source language, stands out through its flexible, easy-to-use and open architecture. The comprehensive nature of its integrated library of realistic physical models also represents a major asset that has enabled ITI to establish itself as the indisputable reference in a variety of industrial fields where the intersection of physics disciplines (including mechanics, electronics, control) is increasingly advanced (e.g. electric or hybrid powertrain applications).

This acquisition thus provides an opportunity to significantly extend the field of application of ESI Group's virtual engineering solution, which will henceforth be able to offer the combined real-time simulation of two fundamental, but separated stages in a product's development cycle: concept development enabled by realistic modeling of 0D-1D systems and multi-domain virtual prototyping deployed in a 3D-4D immersive environment.

Andreas Uhlig, CEO of ITI GmbH, says: *"Totally convinced of the highly-complementary nature of the simulation technology of ITI GmbH's functional systems on the one hand and virtual engineering on the other, we are particularly enthusiastic about joining the teams at ESI Group. The incorporation of our two technologies within one offer will bring a new and disruptive value proposition that we believe will significantly accelerate the democratization of virtual engineering."*

Delivering commercial synergies in the short term

This new value proposition, building on mature technologies, has substantial commercial potential given the geographical and sectoral complementarities of the client portfolios. The quality of ITI GmbH's commercial base, including prominent players, such as Ford, Liebherr, Nikon, Siemens, and Total, in diverse industrial sectors, represents powerful leverage to accelerate the adoption of ESI Group's virtual engineering platform.



An accretive operation fully in line with the Group's strategic objectives

Following this operation, ESI will have 96% of its partner's capital and the possibility of acquiring the remainder within 3 years. The entire workforce will become an integral part of ESI's global operations immediately. The acquisition is entirely financed through bank debt within the framework of the syndicated bank facility signed in November 2015. It is directly accretive and in line with the Group's objectives to improve its profitability.

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About ITI GmbH

ITI GmbH based in Dresden, Germany, was founded in 1990 and is an international IT and engineering service provider. ITI develops and distributes the simulation software SimulationX for applications in model-based product development throughout various industries and the education and research sectors. The company supports the development of new products with comprehensive engineering and programming services throughout the entire design process. Workshops and seminars at the ITI Academy complete the spectrum of services. More than 700 customers worldwide trust ITI's simulation solution ranging from the automotive, energy, medical technology, aerospace and mining industries to mobile machinery and the oil and gas sectors. ITI's customers include renowned names like ABB, BMW, Baker Hughes, Caterpillar, Daimler, Hitachi, Honda, Husky, Liebherr, Nikon, Schaeffler, Siemens, Veolia, Volkswagen and ZF. ITI has about 70 employees. With partners around the world, the company has a vast network of distributors and service providers for its simulation software SimulationX.

For more information about the company, visit www.itisim.com.



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 more than 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.

For further information, go to www.esi-group.com.



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