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## **Hexagon agrees sale of Design & Engineering business to Cadence for 2.7bn EUR**

Divesture advances portfolio focus, unlocks value and increases financial flexibility

**Stockholm, Sweden – 4 September 2025** - Hexagon AB today announced that it has entered into a definitive agreement to sell its Design & Engineering business (“D&E”), which includes the business formerly known as MSC Software, to Cadence Design Systems, Inc. The transaction is consistent with Hexagon’s ongoing portfolio strategy to create focused market leading positions and sharpen future investment behind core business areas. Under the terms of the definitive agreement, Cadence will pay approximately 2.7bn EUR for the business, with 30% of the consideration to be paid through the issuance of Cadence common stock to Hexagon AB and the remainder to be paid in cash.

“Today’s announcement is a step in our plan to streamline Hexagon’s portfolio and focus on the capture, measurement, and use of real-world data, while also strengthening our financial flexibility,” said Ola Rollén, Chairman of the Board for Hexagon. “Our D&E business is a leading provider of mission critical CAE software solutions and has delivered strong results since we acquired MSC in 2017, over which time we have been successfully transitioning the business to a subscription model. However, the engineering simulation market is evolving rapidly, with electronic design automation suppliers increasingly taking a leading role, a trend which is harder for Hexagon to follow. By transitioning D&E to Cadence, a global leader in this field, and establishing a long-term collaboration between our companies, we are creating a stronger future for our customers, employees, and shareholders.”

“D&E’s comprehensive portfolio of solutions is well positioned to support Cadence’s Multiphysics System Analysis business, with compelling opportunities for synergistic growth ahead,” said Anders Svensson, President and CEO, Hexagon. “As we simplify and focus our portfolio, we can accelerate innovation and capital deployment in areas that bring greater synergies across our businesses and augment our market leading positions, both across our sensor portfolio and remaining, core software businesses.”

The transaction is expected to close in the first quarter of 2026, subject to customary closing conditions and regulatory approvals. Proceeds from the transaction will be used for general

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corporate purposes, which may include de-leveraging and funding future acquisitions aligned with the strategies for long term profitable growth at both Hexagon and Octave, which if approved is still on track to be separated during the first half of 2026.

**Financial Impact:**

In terms of financial impact, the D&E business contributed approximately 265 MEUR to the revenues of the Manufacturing division in 2024, at a profitability level above Hexagon group averages.

The transaction will generate a gain, details of which will be disclosed in the third quarter 2025 interim report.

Following the disposal of D&E, and the potential separation of Octave, Hexagon will continue to have a strong footprint in and commitment to software & services, particularly in areas where there is a strong synergy with the portfolio of sensors and robotic solutions. Excluding both D&E and Octave, on a proforma basis software & services and recurring revenues would have accounted for above 40% and 25% of revenues respectively.

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**FOR MORE INFORMATION, CONTACT:**

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*This information is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 22:35 CET on 4 September 2025.*

**Advisors:**

Evercore is serving as financial advisor, and Jones Day is serving as legal counsel to Hexagon.

**About D&E:**

Hexagon's D&E business is a leading provider of Computer Aided Engineering (CAE) software, with a focus on structural mechanics and virtual manufacturing, providing highly



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accurate, fast, non-linear solvers and easy integration to support customer workflows across a wide array of industries.

The D&E perimeter includes MSC (acquired in 2017) and subsequent acquisitions including AMendate (2019), Romax (2020), CADLM (2020) and CAEfatiq (2020).

**About Hexagon:**

Hexagon is the global leader in measurement technologies. We provide the confidence that vital industries rely on to build, navigate, and innovate. From microns to Mars, our solutions ensure productivity, quality, and sustainability in everything from manufacturing and construction to mining and autonomous systems.

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 24,800 employees in 50 countries and net sales of approximately 5.4bn EUR. Learn more at [hexagon.com](https://www.hexagon.com).