



Extreme Networks Announces Intent to Acquire Ipanema's Ipanema SD-WAN Business

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Cloud-Managed SD-WAN, Application Intelligence, and SASE Ecosystem to Strengthen ExtremeCloud Portfolio, Helping Customers Accelerate to the Infinite Enterprise

SAN JOSE, Calif., Aug. 10, 2021 /PRNewswire/ -- [Extreme Networks](#), Inc. (Nasdaq: EXTR), a cloud-driven networking company, today announced the intent to acquire a newly created entity called Ipanematech SAS ("Ipanema"), the SD-WAN division of Ipanema. The acquisition will expand Extreme's market-leading ExtremeCloud™ portfolio, offering new cloud-managed SD-WAN and security solutions required to power the Infinite Enterprise.



The way people work, connect, and interact has become more fluid and highly distributed, further extending the edge of the network and in turn creating the Infinite Enterprise. Extreme's solutions power the Infinite Enterprise by leveraging a scalable cloud infrastructure to extend the connectivity required to power consumer-centric experiences anywhere and everywhere.

Ipanema's solution automatically and dynamically adjusts application traffic flows based on real-time network conditions, providing increased performance and improved quality of experience, even under diverse conditions across various types of cloud-managed WAN connectivity. Extreme plans to leverage these capabilities to establish an infinitely distributed and secure solution within the ExtremeCloud portfolio – progressing the company's position as one of the world's most advanced cloud platforms. This will add more flexibility, capability, and security when connecting locations, applications, and devices, enabling Extreme to provide the best possible experience to customers and their consumers, wherever they are in their journey toward the Infinite Enterprise.

The addition of Ipanema will establish a second technology center of excellence for Extreme in Europe and deepen the company's European customer presence. Ipanema has established partnerships with managed services providers and systems integrators across Europe to help customers implement, manage, and scale their cloud-driven SD-WAN installations. Ipanema's solutions are currently deployed in over 100,000 sites and serve more than 400 customers.

Industry Analyst Views of SD-WAN and SASE

- According to a May 2021 report from IDC[1], the SD-WAN market grew 18.5% in 2020 to \$3 billion worldwide, with the Europe, Middle East, and Africa (EMEA) region accounting for 27% of the market. IDC forecasts the SD-WAN market to grow 18.9% per year through 2025, with a similar growth outlook for the EMEA region. The report cites that SD-WAN remains one of the fastest growing segments of the network infrastructure market.
- According to a June 2021 report from 650 Group[2], the SASE (Secure Access Service Edge) market is expected to grow from a \$2.9 billion market in 2020 to roughly \$10 billion by 2025, at a five-year CAGR of 30 percent.

Executive Quotes

- "By acquiring Ipanema, Extreme extends its market leadership position in cloud with features that will help to reduce complexity for customers when it comes to operating and managing their increasingly distributed networks. Tapping into the fast-growing and developing market segments of cloud-managed SD-WAN, and, in the future SASE, accelerates our topline growth potential and expands our opportunity to grow recurring revenue with additional SaaS applications. Further, we'll extend our go-to-market and R&D footprint in Europe, where Ipanema is an established player. We're excited to welcome the Ipanema team to Extreme, where together we'll drive towards our next phase of accelerating growth." - **Ed Meyercord, President and CEO, Extreme Networks**
- "Ipanema expands the ExtremeCloud portfolio by providing new cloud-managed SD-WAN connectivity and security capabilities, accelerating Extreme's ability to meet the needs created by the Infinite Enterprise. In isolation, SD-WAN technology barely scratches the surface of its potential, and we believe Ipanema's technology will play a critical role in helping us continue provide fast, secure, and superior consumer experiences. By building upon Ipanema's innovation and performance, we'll be able to provide customers more flexible and secure cloud-managed solutions to connect locations, people, applications, services, and devices with even greater speed and finesse." – **Nabil Bukhari, Chief Technology Officer, Extreme Networks**

Transaction Details

Extreme expects that Infovista will enter into a definitive purchase agreement with Extreme for purchase and sale of €60 million (or approximately \$73 million) in an all-cash deal, subject to customary adjustments. Ipanema is a privately held company, currently part of Infovista and majority owned by Private Equity firm Apax Partners with a minority stake owned by Thoma Bravo. The acquisition is expected to close in October 2021, pending works council consultations. Moelis & Company LLC is serving as a strategic financial advisor for Extreme Networks.

Financial Implications

Extreme expects the acquisition of Ipanema to be neutral to Non-GAAP EPS in FY22 (July 1, 2021 - June 30, 2022) and accretive to non-GAAP EPS in FY23 (July 1, 2022 – June 30, 2023).

Conference Call

Extreme Networks will host a conference call at 8:30 a.m. Eastern (5:30 a.m. Pacific) today to discuss the announcement. The conference call will be available to the public through a live audio web broadcast via the internet at <http://investor.extremenetworks.com>. The conference call may also be heard by dialing 1 (877) 303-9826 or 1 (224) 357-2194 from outside the U.S. Supplemental information to be discussed during the conference call will be posted at <http://investor.extremenetworks.com>. The encore recording will be available through August 17, 2021 on the investor section of the Extreme [website](#), or it can be accessed by dialing 1 (855) 859-2056 or 1 (404) 537-3406 from outside the U.S. using conference ID # 6949067

About Extreme Networks

Extreme Networks, Inc. ([EXTR](#)) creates effortless networking experiences that enable all of us to advance. We push the boundaries of technology leveraging the powers of machine learning, artificial intelligence, analytics, and automation. Over 50,000 customers globally trust our end-to-end, cloud-driven networking solutions and rely on our top-rated services and support to accelerate their digital transformation efforts and deliver progress like never before. For more information, visit Extreme's [website](#) or follow us on Twitter, LinkedIn, and Facebook.

Extreme Networks, ExtremeCloud and the Extreme Networks logo are trademarks or registered trademarks of Extreme Networks, Inc. in the United States and other countries. Other trademarks shown herein are the property of their respective owners.

¹ IDC, Worldwide SD-WAN Infrastructure Market Shares, 2020: Growth Remains Strong as Market Evolutions Continue, Doc # US47628721, May 2021

² 650 Group Secure Access Service Edge (SASE), Quarterly Market and Long-Term Forecast Report, 1Q21, June 6, 2021

Cautionary Statement Regarding Forward-Looking Statements

This press release contains "forward-looking statements" including, without limitation, statements concerning plans, expectations, underlying assumptions and timing relating to Extreme's planned acquisition of Ipanema, and other statements, which are not statements of historical facts. Forward-looking statements may be identified by the use of words like "expect," "estimate," "will," "may," or expressions of similar meaning. Forward-looking statements reflect management's evaluation of information currently available and are based on the Extreme's current expectations and assumptions about its planned acquisition of Ipanema. Specific factors that could cause future results to differ from those expressed by the forward-looking statements include, but are not limited to, risks related to the occurrence of any event, change or other circumstances that could give rise to the termination of or failure to complete Extreme's planned acquisition of Ipanema or the agreements and transactions contemplated thereby; the failure of Extreme to meet the conditions to closing of its planned acquisition of Ipanema, including those conditions related to works council; costs related to the proposed acquisition of Ipanema; the ability of the post-acquisition company to meet its financial and strategic goals; Extreme's ability to successfully integrate the acquired businesses; the ongoing impact of the COVID-19 pandemic and those factors discussed in the Company's Annual Report on Form 10-K for the year ended June 30, 2020, Quarterly Report on Form 10-Q for the quarter ended December 31, 2020 and March 31, 2021, and other documents of the Company on file with the SEC (available at www.sec.gov). The forward-looking statements included in this press release are made only as of the date hereof and are not a guarantee of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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