CIMdata

NC Software and Services Market Assessment Report

Advance Packet of Key Data

Version 17

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Some Summary Observations and Comments

1. In 2007, the NC software market experienced solid growth of 7.9% at the direct vendor level as compared to the previously forecasted growth of 5.9%, and 7.2% growth at the end user level as compared to the previously forecasted growth of 6.9%.

2. 2008 should also be a good year and the market is expected to grow at approximately that of 2007. If so, it will be the fifth consecutive year of solid growth following four years of a negative or flat market.

3. In 2007, Dassault Systemes extended its lead over Siemens PLM Software (formerly UGS) as the largest NC software vendor on the basis of direct vendor revenues. Dassault Systemes and Siemens PLM Software are the clear market leaders, as the revenue level of each is approximately double that of PTC, the third largest vendor.

4. Delcam and Planit Holdings are now essentially even as the fourth and fifth largest CAM suppliers. Planit Holdings revenues include those from the EDGECAM, AlphaCAM, Radan, and Cabinet product lines.

5. The Japanese NC vendors appear to be in disarray, as the revenues of NDES (HZS), Graphic Products, and Nihon Unisys are all falling or remaining flat.

6. In 2007, Dassault Systemes was also the leading CAM vendor on the basis of end user payments with a 16.5% market share well ahead of Siemens PLM S/W with a 12.0% market share.

7. SolidCAM and Cimatron were by far the most rapidly growing vendors in 2007 with growth rates of 37.1% and 33.5% respectively. This was a dramatic growth for Cimatron after years of slow growth. In 2007, Cimatron increased their ownership in Microsystems, an Italian distributor, from a minority position to a majority position and this contributed significantly to their growth. SolidCAM continued its rapid growth, as they have consistently been one of the most rapidly growing vendors. Other rapidly growing vendors were OPEN MIND, Missler Software, and Dassault Systemes, as they each showed growth in the 20% range. The change in the exchange rate has helped European vendors, as the conversion rate for euros to dollars has increased significantly over the past year.

8. In 2008, Cimation and SolidCAM are again expected to be the most rapidly growing vendors with growth rates of 56.8% and 30.4% respectively. The acquisition of Gibbs will provide a major contribution to the Cimatron growth. SolidCAM is expected to stay on its rapid growth path.

9. CNC Software edged out Planit Holdings as the leading vendor in both 2007 and forecasted 2008 on the basis of industrial seats shipped. However, Planit Holdings remains as the largest vendor on the basis of industrial seats installed.

10. When the ranking is done by brand, Mastercam accounted for the largest number of industrial seats shipped in 2007, and they also have the largest installed base of industrial seats.

11. In 2007, CNC Software accounted for the most educational seats shipped and they also have the largest installed base of education seats.

12. Delcam and Planit Solutions have the most people in their CAM organization with 460 and 378 people respectively. This is significantly greater than Cimatron and Dassault Systemes who have approximately 250 people.

13. Delcam, Dassault Systemes, and Siemens PLM Software have the most people in CAM product development with 135, 110, and 98 people respectively. Cimatron and Missler Software each have 80 in CAM product development.

14. Step functions in the data typically correlate with acquisitions as they occur.

The reader is reminded that although CIMdata greatly appreciates input from vendors, CIMdata assumes full responsibility for all estimates and forecasts. Further, all information is CIMdata copyrighted material. Any usage of the material by vendors, which is encouraged, must give proper credit to CIMdata. Upon review of the material, any feedback to CIMdata is appreciated.

Year	Direct Vendor Revenues $M	Reseller Revenues $M	End-User Payments $M
1999	779	436	1,215
2000	802	394	1,196
2001	752	354	1,106
2002	765	336	1,101
2003	763	344	1,107
2004	800	380	1,180
2005	841	399	1,240
2006	882	419	1,301
2007	952	443	1,395
2008	1,020	484	1,504

Table 1. Size and Composition of the NC Software Market by Year

Year	End-User Market Size $M	Annual Growth Rate %
1998	1,125	9.4
1999	1,215	8.0
2000	1,196	-1.6
2001	1,106	-7.5
2002	1,101	-0.4
2003	1,107	0.5
2004	1,180	6.6
2005	1,240	5.1
2006	1,301	4.9
2007	1,395	7.2
2008	1,504	7.8

Table 2. Annual End User NC Software Payments and Growth Rates

Year	Vendor Revenues $M	Annual Growth Rate %
1999	779	5.4
2000	802	3.0
2001	752	-6.2
2002	765	1.7
2003	763	-0.1
2004	800	4.8
2005	841	5.1
2006	882	4.9
2007	952	7.9
2008	1,020	7.1

Table 3. Annual NC Vendor Direct Revenues and Growth Rates

Rank	Company	Growth Rate %
1	SolidCAM	37.1%
2	Cimatron	33.5%
3	OPEN MIND	22.9%
4	Missler Software	18.9%
5	Dassault Systemes	18.0%
6	Delcam	15.0%
7	Geometric Tech.	14.3%
8	Gibbs	13.0%
9	Planit Holdings	10.3%
10	IMS	9.4%

Table 14. The 2007 Most Rapidly Growing Companies Based on Vendor Revenues

Rank	Company	Number in Company/CAM Business Unit
1	Delcam	460
2	Planit Holdings	378
3	Cimatron	251
4	Dassault Systemes	250
5	Missler Software	220
6	NDES	200
12	Siemens PLM S/W	195
7	Vero Intl	180
8	Tebis	160
9	Sescoi	140
11	Graphic Products	130
10	OPEN MIND	130
13	CNC Software	112
14	CG Tech	110
15	SolidCAM	109
16	Nihon Unisys	90
17	DP Technology	88
18	Gibbs (Also included within Cimatron)	56
19	PTC	50
20	Spring	42
21	ICAM Technologies	40
22	Surfware	40
23	Geometric Tech.	37
24	EXAPT	35
25	COSCOM	32

Table 28. 2008 Ranking of Vendors by Total Headcount in CAM Organization