

IBM to Acquire Octo

Acquisition to bring Octo's expertise and agility together with IBM's reach and scale to help accelerate U.S. federal government digital transformation



ARMONK, N.Y., Dec. 7, 2022 /PRNewswire/ -- IBM (NYSE:IBM) today announced an agreement to acquire Octo, a U.S.-based IT modernization and digital transformation services provider exclusively serving the U.S. federal government, including defense, health, and civilian agencies. IBM's acquisition of Octo establishes one of the largest digital transformation partners to the federal government. Upon the close of the acquisition, Octo's approximately 1,500 employees will join IBM Consulting's U.S. public and federal market organization.

Octo will be IBM's eighth acquisition of 2022. Since Arvind Krishna became CEO of IBM in April 2020, IBM has acquired more than 25 companies, bolstering its hybrid cloud and artificial intelligence (AI) capabilities. Today's news builds on prior IBM Consulting acquisitions, including [Dialexa](#), [Neudesic](#), and [Taos](#).

Federal government agencies face significant challenges including technology skills shortages, rebuilding of U.S. domestic supply chains and more demand for citizen services. To address these complex challenges, agencies need an industry partner to help them navigate a scalable path to IT modernization with the power to leverage emerging technologies and applications, optimize costs and operational efficiencies, and improve security. The convergence of new hybrid cloud and AI technologies enables government to deliver rapid improvements and adapt to unprecedented challenges.

The acquisition of Reston, Va.-based Octo will complement IBM's existing strengths in IT modernization and digital transformation, enhancing its ability to support federal agencies with a flexible, modern approach to digital transformation and growing IBM Consulting's public and federal market organization to 4,200 highly-skilled employees. With a proven track record of enabling rapid IT modernization and seamless citizen engagement, Octo also brings deep federal mission experience, as well as certifications in the technologies most used across the federal government.

"Governments require agility and resiliency to meet the evolving needs of citizens directly and in real time," said John Granger, Senior Vice President of IBM Consulting. "The combination of Octo's highly qualified and respected team with IBM's consulting expertise, technical capabilities and strategic partner ecosystem will enable federal clients to transform faster and better serve

citizens."

Building on a shared commitment to co-creation, oLabs, Octo's 14,000 square foot innovation center with in-house computing capability, expands IBM's ability to work collaboratively with federal agencies to rapidly prototype emerging technology solutions – enabling greater impact for federal agencies and the people they serve.

"Octo was founded on the belief that digital transformation could be delivered at scale to modernize the federal government's approach to today's most pressing challenges – from public healthcare to national security, to defense and intelligence," said Mehul Sanghani, Chief Executive Officer of Octo. "Today, we are excited to join forces with IBM to continue to deliver these digital transformation capabilities with greater reach and scale."

IBM's acquisition of Octo from Arlington Capital Partners is expected to close in the fourth quarter of this year and is subject to customary closing conditions and regulatory clearances. Financial details of the deal were not disclosed.

About IBM

IBM is a leading provider of global hybrid cloud and AI, and consulting expertise. We help clients in more than 175 countries capitalize on insights from their data, streamline business processes, reduce costs and gain the competitive edge in their industries. More than 4,000 government and corporate entities in critical infrastructure areas such as financial services, telecommunications and healthcare rely on IBM's hybrid cloud platform and Red Hat OpenShift to affect their digital transformations quickly, efficiently and securely. IBM's breakthrough innovations in AI, quantum computing, industry-specific cloud solutions and consulting deliver open and flexible options to our clients. All of this is backed by IBM's legendary commitment to trust, transparency, responsibility, inclusivity and service. Visit www.ibm.com for more information.

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