

Francisco Partners to Acquire The Weather Company Assets from IBM

Upon close, The Weather Company to become standalone company, unlocking new growth potential



ARMONK, N.Y. and SAN FRANCISCO, Aug. 22, 2023 /PRNewswire/ -- IBM (NYSE:IBM) and Francisco Partners, a leading global investment firm that specializes in partnering with technology businesses, today announced that the two companies have signed a definitive agreement under which Francisco Partners will acquire The Weather Company assets from IBM. Specific terms of the transaction were not disclosed.

The assets being acquired by Francisco Partners include The Weather Company's digital consumer-facing offerings, The Weather Channel mobile and cloud-based digital properties including Weather.com, Weather Underground and Storm Radar, as well as its enterprise offerings for broadcast, media, aviation, advertising technology and data solutions for other emerging industries. The Weather Company will also bring its forecasting science and technology platform to Francisco Partners.

The Weather Company provides highly accurate weather data to consumers and businesses and is among the top 10 most trusted brands in America¹. The Weather Company serves an average of more than 415 million people each month through its consumer-facing digital properties, including The Weather Channel mobile app and website, Weather Underground and Storm Radar, and more than 2,000 businesses across a variety of industries through its enterprise offerings.

IBM will retain its sustainability software business, including its Environmental Intelligence Suite (EIS) to help clients curate, measure, report and operationalize ESG data to inform decision making, improve performance and meet regulatory requirements. IBM intends to continue leveraging The Weather Company's weather data for EIS, which spans various climate related use cases. EIS also uses a geospatial foundational AI model powered by NASA's satellite dataset and offered as part of watsonx, IBM's AI and data platform. This model has a wide range of applications, including tracking changes in land use, monitoring natural disasters, and predicting crop yields.

Through increased investment and resources from Francisco Partners, The Weather Company will look to move beyond forecasting alone and bring new tools and experiences to users to help them understand how weather impacts all aspects of their lives, starting with health and well-being. For businesses, The Weather Company plans to offer more actionable insights so organizations can provide greater value to their customers. With its advertising platform, The Weather Company will continue to

provide quality real-time experiences for the ad and subscription media industry, while complying with all consumer privacy laws and regulations.

"We're proud of what The Weather Company team has accomplished with IBM, and we are confident that the best path forward is as a standalone company benefiting from Francisco Partners' expanded investment, dedication and expertise. We're excited to see the next phase of The Weather Company's journey," said Rob Thomas, Senior Vice President, Software and Chief Commercial Officer, IBM. "Over the last few years, we've evolved IBM to be a hybrid cloud and AI company. We regularly review our portfolio to make sure our business areas are core to that strategy, and today's news reflects our continued focus on these two transformational technologies."

Since its launch over 20 years ago, Francisco Partners has invested in over 400 technology companies, making it one of the most active and long-standing investors in the technology industry. Francisco Partners' investments have focused on companies that provide the best possible products and service for its customers and partners. Francisco Partners also has extensive experience partnering with corporations to execute divisional carve-outs with transactions such as Dell Inc.'s Dell Software business and Discovery Inc.'s Discovery Education business.

Alan Ni, Partner at Francisco Partners said "Amid the growing volatility of weather, The Weather Company's unique set of consumer, media, and industry-specific products provide mission critical, data-driven weather insights to individuals and businesses around the world. We are excited to partner with the management team to grow The Weather Company's robust portfolio of technology offerings and deliver a great product experience for its customers."

Mei Shi, Principal at Francisco Partners, added "We have a long and successful track record of executing divisional carve-out transactions and look forward to helping The Weather Company drive crucial focus in executing on organic and inorganic growth strategies."

The transaction is expected to close by the end of Q1 2024 and is subject to regulatory approvals, completion of local labor processes and other customary closing conditions.

About Francisco Partners

Francisco Partners is a leading global investment firm that specializes in partnering with technology and technology-enabled businesses. Since its launch over 20 years ago, Francisco Partners has invested in over 400 technology companies, making it one of the most active and longstanding investors in the technology industry. With approximately \$45 billion in capital raised to date, the firm invests in opportunities where its deep sectoral knowledge and operational expertise can help companies realize their full potential. For more information on Francisco Partners, please visit www.franciscopartners.com.

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. Thousands of 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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¹ <https://pro.morningconsult.com/analyst-reports/most-trusted-brands-2023>

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