

Global corporation pays €63.5 m for local spin-out



Cathal McGloin (CEO of FeedHenry) and Craig Muzilla (senior vice president, Application Platform Business, Red Hat).

The celebrations are continuing this week at Waterford-based software firm FeedHenry, after it was acquired by US-based open source software specialist Red Hat for €63.5 million last Thursday.

Founded in 2010 by Waterford-based entrepreneur Barry Downes as a spin-out from the Telecommunications Software and Systems Group (TSSG) at Waterford Institute of Technology (WIT), FeedHenry specialises in mobile internet technology that allows big companies to create specialist mobile applications.

Aside from Waterford, the company has offices in Dublin, Staines, England and Burlington, Massachusetts and employs up to 70 people, but a company source has confirmed that the head office is to remain in Waterford when the transaction closes around this time next year.

A number of shareholders will benefit from the deal, including chief executive Cathal McGloin, who joined the firm in 2010 having previously served as head of sales in the US for Arantech, which was sold to Tektronix in 2009.

Other management in the firm and employees are also set to benefit, as well as minor shareholders Enterprise Ireland and WIT.

Mr McGloin said the acquisition will provide the FeedHenry team with the opportunity to bring their platform to a wider audience of global customers and partners.

"Since our inception, FeedHenry has embraced open technologies and the cloud for mobile development and management," he said.

"We are excited to become part of Red Hat, the leader in open source enterprise solutions and see this as confirmation of the combined power of mobile and cloud, the mass-market adoption of mobile application and MBaaS platforms, and the growing popularity of Node.js."

The mobile application platform is one of the fastest growing segments of the enterprise software market, according to Craig Muzilla, Red Hat's senior vice president, Application Platform Business.

"As mobile devices have penetrated into every aspect of enterprise computing, enterprise software customers are looking for easier and more efficient ways for their developers to build mobile applications that extend and enhance traditional enterprise applications.

"FeedHenry will help us enable customers to take advantage of the capabilities of mobile with the security, scalability, and reliability of Red Hat enterprise software."

The news has been welcomed by Dr Ruaidhrí Neavyn, President of Waterford Institute of Technology (WIT), who described the acquisition as a "critical validation of the quality of the Company's innovative technology, its management and staff".

"Given FeedHenry's origins as a spin out of TSSG, this news is also a powerful endorsement of TSSG's capacity as an international centre of excellence capable of translating its research into high value products and services.

"The investment is hugely significant for Waterford and the South East and further serves to build on the development of a mobile services cluster in the region.

"It is a clear example of the very powerful impact which WIT and TSSG has as a leader, innovator and driver of growth regionally, nationally and internationally."