HP Enterprise confirms rumours of the sale of its software unit as it offloads of "non-core software assets" to British IT consultancy Micro Focus in a deal worth $8.8 billion.



Among the unloved units making the cut is Autonomy, as ill-fated $11 billion acquisition makes a return to British ownership after all of 5 years under HP ownership. Other software assets sold cover application delivery management, big data, enterprise security, information management and governance, and operations management.

"Services and Software remain key enablers of HPE's go-forward strategy," HPE CEO Meg Whitman insists. "HPE will double down on the software capabilities that power and differentiate our infrastructure solutions and are critical in a cloud environment."

The deal creates a merged entity combining Micro Focus with the ex-HP units. The new company retains the Micro Focus name, but HPE has the power to appoint own execs to sit on the company's board of directors. The result, HPE hopes, will result in a company pushing estimated annual revenues of $4.5bn.

According to Reuters Micro Focus approached HPE back in February, 4 months before the Brexit referendum, after CEO Kevin Loosemore realised there is an opportunity in the management of what other companies consider as unloved older software. In fact, Micro Focus specialises in the upkeep of computers running older software at companies refusing to replace current hardware.

Prior to the HPE software acquisition the biggest Micro Focus deal was that of US firm Serana Software, an acquisition worth $540 million.

Go HPE Accelerates Strategy With Spin-Off and Merger of Non-Core Software Assets With Micro Focus

Go HPE Strikes $8.8bn Deal With Micro Focus for Software Assets (Reuters)