

Akamai buys Linode for \$900M to create an edge computing powerhouse

Article

The news: Last-mile content delivery network **Akamai** is buying **Amazon Web Services (AWS)** competitor **Linode** for **\$900 million** as the trend of tech acquisitions continues in 2022.

What this means: Akamai's acquisition of Linode can help its goal to "become the world's most distributed compute platform, from cloud to edge," [per](#) The Register.

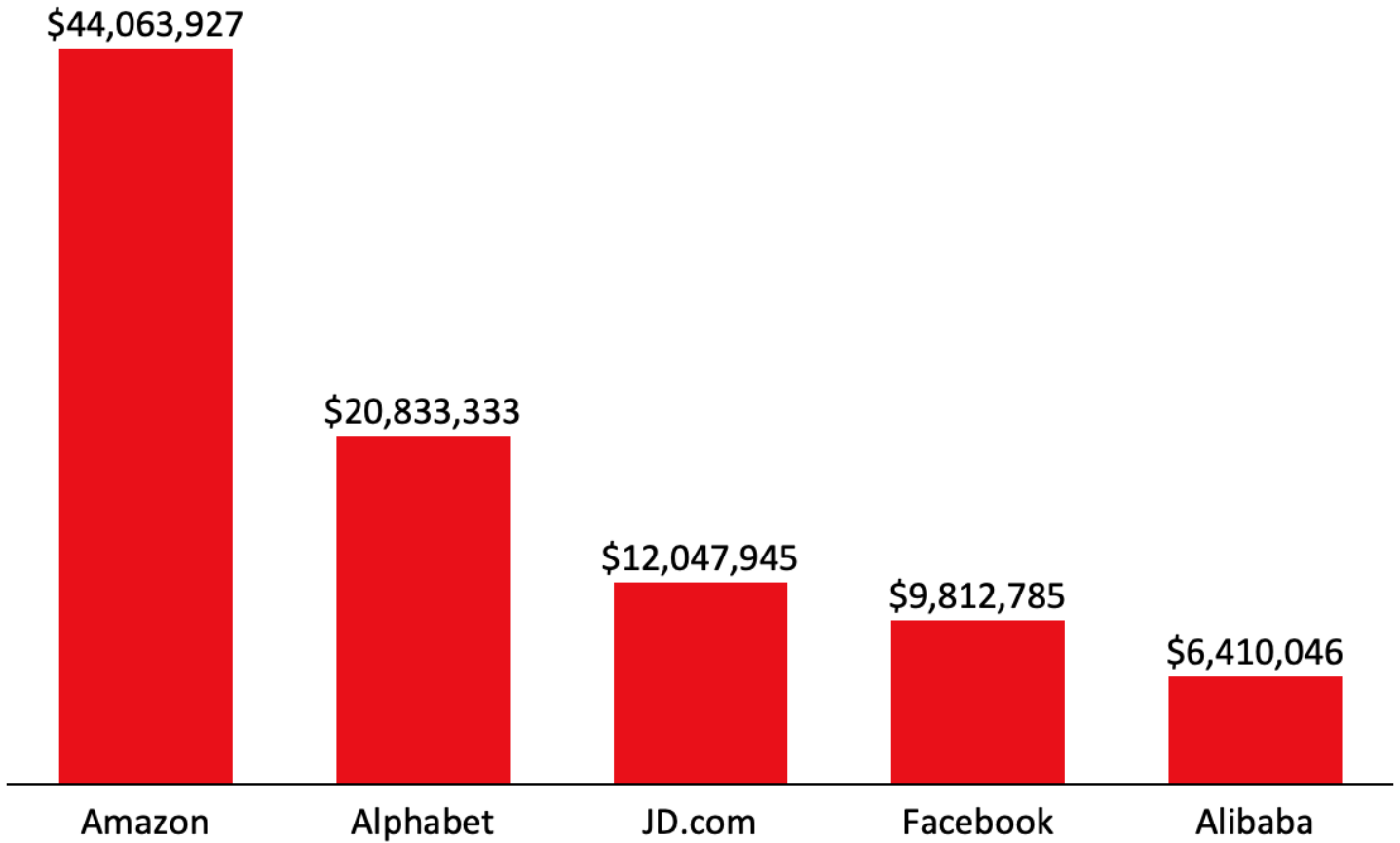
- “Linode’s developer-friendly cloud computing capabilities (combined with) Akamai’s market-leading edge platform and security services is transformational,” said **Dr. Tom Leighton**, Akamai CEO and co-founder.
- **Akamai operates 275,000 servers across 136 countries.** It has recently expanded its CDN offering into a wider edge computing platform.
- Linode, which caters to **400,000** companies, will continue to operate as usual for now, with Akamai saying that it has no “intention of changing what has made us successful.”
- **The combined company’s offerings provide an upside to ecommerce clients or metaverse operators** who can use Linode’s managed database solutions and cloud-computing services to crunch data with Akamai’s delivery network to stream content in real time.

What’s next? The deal is expected to close in Q1 2022, and the merger will add **\$100 million** to Akamai’s overall 2022 revenue.

- While there are clear synergies between the two companies forming a complementary business, **consolidating cloud services could overburden the existing internet infrastructure.**
- Akamai’s Edge DNS service was **taken down** by a “software configuration bug” in July and resulted in thousands of websites and apps going down, including **Amazon, Costco, FedEx, Delta Air Lines, Southwest Airlines, and McDonald’s.**
- A repeat of that Akamai service failure might affect Linode’s servers used by tens of thousands of developers, especially as the two companies become a more cohesive unit.

Biggest Revenue Losses Per Company in an Internet Outage

Revenue loss per hour



Source: Merchant Machine/The Cost of Shutting Down the Internet - April, 2021

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