

CLIPPERTON

The Journey from Venture Capital to Private Equity:

THE 2025 GUIDE FOR TECH STARTUPS



How Private Equity funds have become one of the most appealing exit options for VC-backed companies & what they need to achieve to succeed

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ABOUT CLIPPERTON

Since 2003, Clipperton has been dedicated to assisting leading innovators over the long-term in their strategic and financial development. With a track record of over 500 transactions in the broader Technology industry, we have played a pivotal role with entrepreneurs, top-tier investors and corporates in complex cross-border M&A, growth financing and leveraged buyouts.

Clipperton is dedicated to assisting European companies with international ambitions. On top of our core execution hubs in Paris, London, Berlin, and Munich and our Senior Advisors in Asia and the US, we are the Tech team of the Natixis global M&A Alliance, with a collective strength of 500+ dedicated M&A professionals spanning more than 35 countries worldwide.

500+

Tech transactions
since 2003

70+

Tech bankers
globally

100%

Processes w/international
counterparts

20+

Years since
creation

ONE OF THE MOST ACTIVE M&A ADVISORS IN EUROPE FOR TECH BUYOUTS

Selected Credentials

Vertical SaaS

RETAILTECH Sold a majority stake to 	OFFICE OF THE CFO Received an investment from 	TRAVELTECH Sold a majority stake to 	ESG Received \$500m from 	OFFICE OF THE CFO Sold a majority stake to 	IIOT Sold a majority stake to 	HEALTHTECH Received an investment from 	FSM Received an investment from
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Horizontal SaaS

REGTECH Sold a majority stake to 	ADTECH Sold a majority stake to 	MARTECH Raised \$160m with 	OPEN SOURCE Raised \$90m with 	LEGALTECH Received an investment from 	HR TECH Sold a minority stake to 	TRANSLATION Sold a majority to 	RETAILTECH Sold to
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Other Tech Segments

MARTECH LBO with 	MARTECH LBO with 	DATASCIENCE Received an investment from 	DATASCIENCE €330m take-private with 	RETAIL LBO with 	E-COMMERCE Sold a majority stake to 	HR TECH LBO with 	HARDWARE Sold a majority stake to
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Antoine Ganancia joined Clipperton in 2010, and focuses on SaaS, healthtech, and consumer applications. In the last decade, he has orchestrated over 80 transactions, including landmark VC-to-PE deals such as the sale of Braincube to Scottish Equity Partners and the sale of Rydoo to Eurazeo. His extensive experience provides him with valuable insights into the evolving trend within the European Technology ecosystem.



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Laurence joined Clipperton in September 2024 to head our Debt Advisory practice. A seasoned corporate finance expert, she brings over 18 years of experience gained at DC Advisory, Oddo BHF, and Clearwater International, where she was heading the Paris team and led business development for Europe. Laurence has advised mid-market clients across various sectors, including Technology, consumer goods, industrials, and services.



WILLIAM POIRSON

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William joined Clipperton in October 2024. Before joining Clipperton, William Poirson worked in the Debt Advisory team at Clearwater International, advising mid-market companies and PE funds on acquisition and growth financing transactions across diverse sectors. William started his career at LCL in Leveraged Finance.



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Ismail Roqaichaoui has played a significant role in completing successful transactions across various sectors, including healthtech, Travel, NewSpace, Point of Sale (POS), and E-Commerce. Highlights in his career include the sale from Tilak Healthcare to Elaia and Cap Horn, the acquisition of Travelsoft by CAPZA, and the acquisition of Praxedo by MBO+.



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In 2003, Stéphane Valorge co-founded Clipperton and led its expansion into Germany in 2013. For the last 20 years, Stéphane has had the opportunity to observe the transformative journey of the European Technology ecosystem. He has witnessed the widespread pan-european digitalization across various industries and the changing landscape of investors, moving beyond traditional Venture Capital.

FOREWORD

Welcome to the second edition of our report on the Journey from Venture Capital to Private Equity (further referred to as “VC” and “PE”). Since our first edition in 2023, the macroeconomic context has seen two major wars, including one in Europe; increased inflation with the natural bridge between Europe and the US (especially when it comes to cross-border M&A) currently experiencing some turbulences; AI is also disrupting the Tech world with major shifts underway. One thing has not changed: the golden age of 2021-2022 is gone, and Venture Capital money has become scarcer – more in line with the pre-COVID era.

As a result, the key reasons for the mere existence of this report are now fully in play: in this ‘new world’ we described in 2023, founders and VCs have no choice but to get more creative when it comes to exit strategy to maximize their chances of success. Since 2006, buy-out deals have grown from a mere 8% of VC-backed exits in Europe to a whopping 24% in 2024. Private Equity as an exit avenue for Tech businesses is a credible alternative scenario to consider. The boundaries between PE and VC continue to blur, and this trend is speeding up.

For two decades, Clipperton has served as a trusted advisor to Europe’s Tech sector. We have witnessed first-hand the ascent of PE deals, from a niche alternative to traditional M&A exits or IPOs, which have become today a vital part of the exit playbook for Tech entrepreneurs.

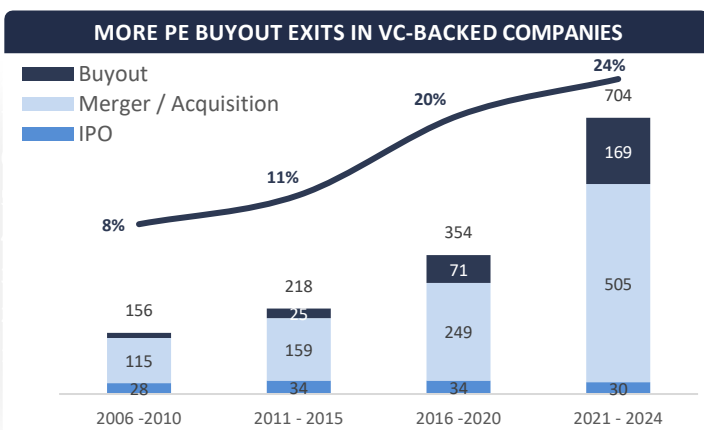
This report, “the Journey from VC to PE: the 2025 Guide for Tech Startups” aims to assist startup founders and VC firms in optimizing their chances for a successful PE exit. Building on our extensive experience of LBO and debt transactions and dialogues within both VC and PE players, as well as interviews with entrepreneurs who have “done it”, this paper delves into the unique challenges and adaptations required, offering insights, strategies, and actionable tools, including debt instruments, to help you successfully navigate the intricacies of the PE world.

We hope this guide will serve as a valuable resource as you prepare for your next stage of growth and discussions with Private Equity funds.

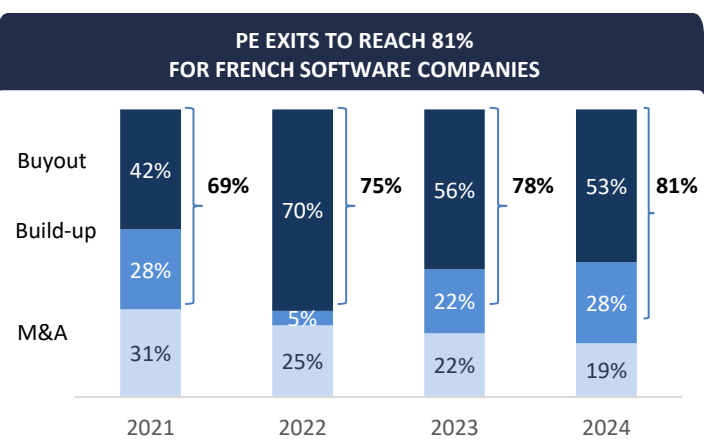
Laurence, Antoine, and Stéphane, Clipperton

KEY TAKEAWAYS

→ As stated in our initial report in 2023, the exit landscape for VC-backed startups has undergone a substantial transformation over the past decade; notably thanks to the emerging trend of what we like to call "VC-to-PE deals". While exits to PE funds made up just 8% of total exits for VC-funded companies between 2006 and 2010, that figure has surged to a whopping 24% for the years 2021 to 2024* (see below).



→ A look at another set of transactions gives an even clearer picture: for exits exceeding €50m involving French software companies over the last four years, 81% were PE-led, either through LBOs (53%) or build-ups where the acquirer is already PE-backed** (see illustration below).



→ This shift has reshaped the way Tech companies need to approach exits. This trend is likely to endure, and it has become crucial for both VC firms and Tech entrepreneurs to understand how to successfully prepare their companies for a PE exit.

→ The benefits for entrepreneurs and VC firms are plenty:

- maintain a degree of independence, allowing teams to uphold their vision and strategic direction;
- high chance of success (vs M&A deals with strategic acquirers and IPOs which tend to be more hazardous);
- high level of flexibility (to decide who gets to cash out, stay on board, partial cash-out, etc);
- compelling structured incentives for managers (PE deals are often accretive in terms of cap table for the management team);
- access to debt financing to minimize management dilution and provide additional funds for future external growth ;
- on-board a financial partner to drive a consolidation play through external acquisitions.

→ To qualify for an exit via a private equity firm, VC-backed companies need to display specific attributes that appeal to PE firms: they should be profitable or mature enough to provide a clear path to profitability, show capital efficiency, steady growth display, and have a robust customer retention track record along with a solid plan for external expansion. Management quality and leadership are also undoubtedly crucial factors that will be considered by PE funds.

→ VC-to-PE deals are much more complex than a vanilla fundraising: see pp. 22-29 for LBO 101. Tech companies contemplating PE buyouts must therefore be carefully prepared before launching their process.

→ As PE is now a major potential exit strategy in the world of Venture Capital, the roadmap to success is clear: thorough preparation, access to expertise, and strategic advice (including from investment bankers and specialized lawyers) are essential components of a successful transition from VC to PE.

*For European companies having raised more than €5m. Source: Mergermarket, Pitchbook, press review – Clipperton analysis

**For exits over €50m in value. Source: CFNews – Clipperton analysis



SECTION 1 MARKET CONTEXT

VC-TO-PE DEALS: WELCOME TO THE NEW (OLD) WORLD

Founded in September 2003, during the aftermath of the first Internet bubble crash, Clipperton has spent the last two decades as a corporate finance advisor exclusively focused on the Technology sector. From this unique perspective, we have witnessed the pivotal financial trends and exit strategies shaping Europe's Technology industry.

As such, we have experienced first-hand a truism that, to some extent, still endures: Venture Capital and Private Equity are different breeds, and might as well be estranged relatives when it comes to dialogues on deal-making.

This occurs in a world where, on the one hand, Technology is increasingly becoming the lifeblood of multiple sectors and a level of maturity that makes it sensitive to macroeconomic fluctuations.

On the other hand, the 'traditional' Private Equity world has been broadening its economic horizons, tiptoeing more aggressively into the Technology sector and emerging as a formidable liquidity avenue alongside conventional IPO and M&A routes.

This dissonance was one of the primary motivations for this paper back in 2023. We now know for a fact that the VC-to-PE deal phenomenon (i.e. the sale of VC-backed Technology companies to PE funds) is a mainstay in the financial lexicons of the foreseeable future.

For Tech companies and their existing VC stakeholders, recognizing and planning for this emerging scenario is not just advisable but indispensable in charting a nuanced roadmap for business development.

WHEN SIBLINGS UNITE: THE CONVERGING PATHS OF VENTURE CAPITAL AND PRIVATE EQUITY

As anecdotal evidence, a notable transaction made headlines in 2019: Kyriba, a VC-backed global leader in cloud-based finance and IT solutions with French origins, was acquired by Bridgepoint, a major UK Private Equity fund, for a valuation exceeding one billion euros (\$1.2bn), alongside a \$160m capital raise to foster its growth.

For a company that posted \$110m in revenue the year before, this transaction has not only proven lucrative for historical investors, including Bpifrance and US VC fund Upfront Ventures, but also helped provide Kyriba with the right partner for its next phase of growth.

However, not too long ago, there was little to suggest that such convergence was possible.

Rewinding to a time when late VC mega-rounds were common daily news, one might have easily believed that collaboration between VCs and PEs suffered from structural and innate divergences.

If we picture VC and PE¹ as two siblings in the broader Private Equity family, VC is the audacious younger sibling who thrives on taking risks and ventures into uncharted territories in the quest for gems that will provide tremendous returns. On the other hand, PE, the

older sibling, takes a more calculated and measured approach, scrutinizing established markets and seeking out proven, profitable assets to optimize their value.

The simplified table below delves into the specific differences between VC and PE.

	PRIVATE EQUITY BUYOUT	VENTURE CAPITAL
TARGET COMPANIES	Mature companies with established business models, generally profitable, and cash flow generative	High-growth companies focusing on growth rather than profitability
TARGET INDUSTRIES	All sectors with well-established markets and reference products/services	High-growth sectors like software, Artificial Intelligence or biotechnology
EXPECTED IRR	15%-25%	30%-50%
LIQUIDITY HORIZON	Both funds have an average exit timeframe around 5 years; However, we observe longer exit timeframes for VC funds	
	3-5 years	5-7 years
TYPICAL TRANSACTION	Acquisition of ordinary shares or preferred shares but typically with no liquidation preference and with a structured management package	Acquisition of preferred shares containing a liquidation preference
INVESTOR FOCUS	Buy and build approach	Focus on product market fit and organic growth
FINANCING STRUCTURE	Equity and debt financing (senior and mezzanine debt) to leverage returns and fund future acquisitions	Primarily equity financing
STAKE ACQUIRED	Often one fund aiming for majority control (mostly through secondary) of the target company	Typically a syndication of funds acquiring a minority stake in the target company (through capital increase)

¹ In this research, we use the term 'Private Equity' in the context of Private Equity Buyout funds. These funds primarily acquire existing shares of a company, whether it's a minority or majority of the capital, using partial debt financing. The level of leverage may vary depending on the company's capacity to manage the additional pressure on cash flows. This is in contrast to Venture Capital (VC), which primarily invests by acquiring newly issued shares through a full equity capital raise, often involving convertible bonds.

DECODING THE DNA OF VENTURE CAPITAL AND PRIVATE EQUITY INVESTORS

In the high-stakes world of Venture Capital, investors have developed a keen eye for identifying the next potential "fund returners", usually loss-making companies with hyper-growth potential.

They fund these companies through successive equity raises in the hope that they will become the undisputed leader in a new category within a disrupted value chain (think of Amazon with E-Commerce or Uber with taxis). They operate within the startup ecosystem, offering not only funding but also strategic guidance, mentorship, and industry connections.

Risk is the name of the game, and venture capitalists are all in, fully aware that a significant portion — often more than a third — of their portfolio companies may not succeed as anticipated when making the investment. Yet, it is a gamble they are willing to make for the potential windfall of returns that can soar to 10x or even 100x their initial investment. Venture Capital has emerged as a dynamic force in the private capital ecosystem fueling the growth of highly innovative companies, with its roots back to the mid-50s in the US and the development of the Silicon Valley in California. Despite its pivotal role in nurturing entrepreneurial projects, the VC industry remains a small slice of the broader Private Equity pie.

In stark contrast to their Venture Capital counterparts,

Private Equity investors are seen as prudent investors, focusing on later-stage and less risky assets, particularly in profitable companies.

PE investors invest in established companies with solid track records and growth potential, both organic and external. They aim to acquire sizable ownership positions in companies, pursuing either majority or important minority stakes. They often use debt as leverage to maximize returns and to fund a buy-and-build strategy (see Section 2, pp 25-29 on Financing mechanisms), and generally target cash on cash multiples in the 2-4x range within five years, with a very high success rate.

Both VC and PE investors play indispensable roles by injecting capital into the economy, fostering innovation, and spearheading the mutations of the economy.

Each with their unique *modus operandi*, both ensure a dynamic balance between supporting innovative ideas and backing established companies.

LIQUIDITY OPTIONS FOR VC-BACKED COMPANIES: THE RISE OF PRIVATE EQUITY EXITS

Just like any investment fund, VC fund general partners (GPs) find themselves under amplified pressure, given the elevated expectations for multiples and IRRs set by limited partners (LPs) within the Private Equity value chain. Consequently, GPs of VC funds are now showing a growing fixation on achieving liquidity.

Liquidity events serve as a twofold validation — first, they are the litmus test for a VC firm's investment acumen; second, they fulfill the fiduciary responsibility to return profits and capital to limited partners (LPs), usually within a decade.

THE TRADITIONAL EXIT ROUTES FOR VC-BACKED COMPANIES HAVE LONG BEEN THROUGH EITHER:

M&A (mergers and acquisitions)

Share of exits 2006-2015: 73%

The sale of portfolio companies to an industrial player, typically a strategic acquirer, provides a premium in value by integrating part of the synergies created by this acquisition into the offered price.

IPO (initial public offering)

Share of exits 2006-2015: 16%

The listing of such portfolio companies on a public market allows existing investors to sell their shares to the public.

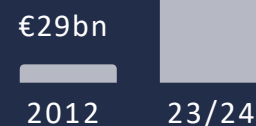
While M&A can be applicable for companies at any stage of their development (from early acqui-hires to mega deals in the billions), IPOs are a labyrinthine process requiring a perfect storm of public interest, performance metrics, and favorable economic conditions.

In a nutshell, IPOs are not suitable for everyone nor at any moment, and certainly not for the faint-hearted, as recent times have demonstrated heightened volatility.

M&A deals and IPOs are subject to high fluctuations in investor sentiment, economic conditions, and geopolitical factors. These factors can significantly impact valuations and demand for VC-backed companies. As of today, the IPO window is scarcely open, while M&A activity in 2024 was still down - significantly lower (four times!) than the peak year of 2021.

In parallel, the amount of liquidity raised by PE funds investing in Europe has surged, increasing from €29bn in 2011 to €141bn in H2-23/H1-24.

Source: Invest Europe



PE funds have progressively become more proactive in exploring the adjacent Technology segment, becoming more open to doing business with less mature companies than before while offering exciting growth opportunities.

They typically began with IT services companies and then moved on to niche players in the software space, such as vertical ERPs.

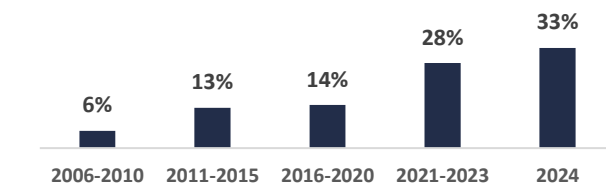
Today, the Technology sector is the fastest-growing segment for Private Equity Buyouts worldwide, representing a third of the value of buyouts in 2024, according to consulting firm Bain & company (26% in volume).

EXITS OF FRENCH SOFTWARE COMPANIES BY TYPE OF DEAL (2021-2024, % deals)

	2021	2022	2023	2024
Buyout	42%	70%	56%	53%
Build-up	28%	5%	22%	28%
M&A	31%	25%	22%	19%

Source: CFNews (EV>€50m), Clipperton analysis

SHARE OF TECHNOLOGY IN TOTAL PE BUYOUT VALUE (2006-2024, %, Global)



Source: Privitas (fka Value/Add), Bain, Dealogic, Clipperton analysis

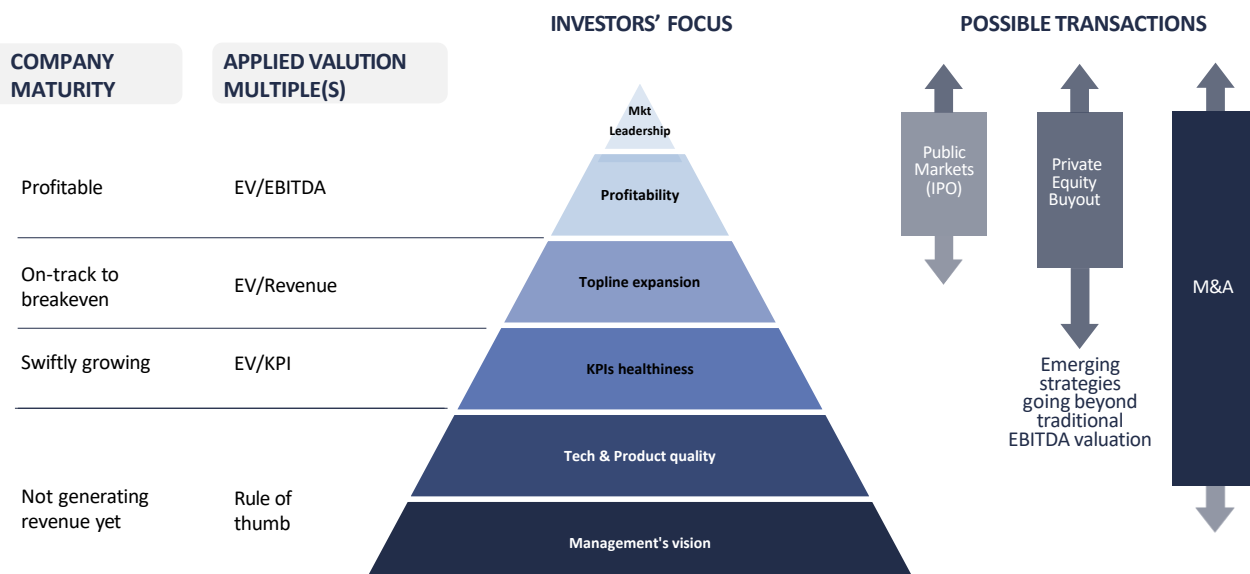
Conversely, a zoom on exit of French software companies in the last four years gives a complementary view: PE deals, either through an LBO or the sale to a PE-backed company (build-up) has gradually increased from 70% in 2021 to 81% in 2024.

Lastly, Private Equity funds, operating on relatively long cycles (typically five years, more in some cases), also tend to offer a more stable exit route compared to the risky path of an IPO or the occasionally uncertain negotiations with industrial acquirers, who are often publicly traded and subject to quarterly pressures regarding their strategy and financial performance.

As seen in the illustration below, PE exit is a viable option for more mature companies valued by EBITDA multiples. It is also suitable for companies in transition towards profitability, as PE funds have been able to value companies that are still not profitable based on multiple revenues, particularly for SaaS models.

Now, we believe that Private Equity has clearly emerged as a compelling 'Third Way' for VC-backed companies seeking liquidity while ensuring their next phase of growth.

EXIT VALUATION METHODOLOGY DEPENDING ON THE MATURITY OF THE COMPANY



Source: Clipperton analysis





One of the most appealing aspects of a PE buyout is the smoothness of the transition it affords. Unlike M&A deals, which can often result in a loss of identity and autonomy for the acquired company, a PE-backed exit often

leaves the existing management structure largely intact. Private Equity buyouts also offer a high degree of flexibility in terms of capital structure and timing (see next chapter).

PE EXITS: A MASSIVE BUT MISUNDERSTOOD OPPORTUNITY BOTH FOR ENTREPRENEURS AND VCFUNDS

From our perspective as financial advisors exclusively focused on the Technology sector, we view this trend as a tremendous opportunity for VC funds and entrepreneurs, offering an exciting exit route.

VC funds are now increasingly engaging in discussions with their 'Private Equity siblings' to orchestrate these exits. This represents significant opportunities for not only the VC fund but also the entrepreneur and management, as shown in the chart below:

KEY BENEFITS IN ENGAGING IN A BUYOUT DEAL FOR THE ENTREPRENEUR AND THE MANAGEMENT	
<div>HIGH CHANCE OF SUCCESS</div> <div></div> <div>PE exits happen faster and with a higher success rate than M&A or IPOs. PE firms specialize in deals, have strong relationships with stakeholders, and face fewer regulatory hurdles compared to IPOs and major M&A deals.</div>	<div>STAY INDEPENDANT TO BECOME THE MARKET CONSOLIDATOR</div> <div></div> <div>PE funds & debt providers empower entrepreneurs, providing them with fresh capital and a buy-and-build approach. This enables them to expand by acquiring value chain participants or competitors, creating synergies and boosting market competitiveness without compromising their autonomy.</div>
<div>HIGH LEVEL OF FLEXIBILITY</div> <div></div> <div>PE funds & debt providers offer customized deal structures to meet the entrepreneur's and VC funds' specific needs, including management packages, equity rollovers, investor flexibility, and manager stake retention, among other options.</div>	<div>COMPELLING STRUCTURED INCENTIVES FOR MANAGERS</div> <div></div> <div>PE funds offer management attractive incentives, including equity-based compensation and cash rewards upon a successful exit, aligning their interests with long-term company success during the investment period, typically four to six years.</div>

VCs NOW SEE PRIVATE EQUITY AS A PLAUSIBLE EXIT ROUTE

In the past, PE interest in VC-backed scale-ups would typically occur during challenging times, such as after a crisis (e.g. the dot-com crisis, the great recession of 2008, etc.), when PE funds

would swoop in to acquire promising but beleaguered firms at slashed valuations, capitalizing on market downturns and then try to turn companies around.

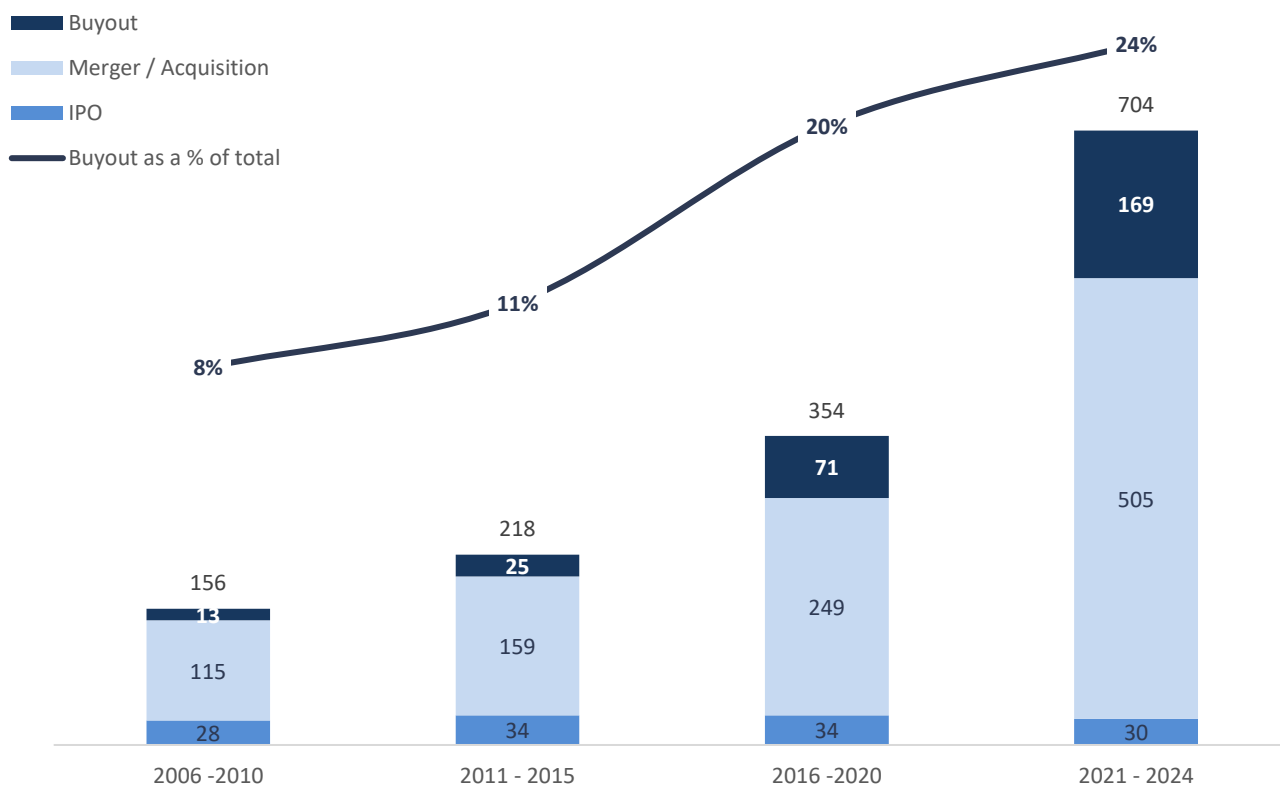
However, as Technology has become ubiquitous in the global economy, PE funds expanded their footprint in the Tech arena, including through the development of crossbred funds that integrate both cultures for growth and profit.

For VC-backed companies that raised more than €5m, there have been more than twice as many VC-to-PE exits in the last four years than during the period from 2016 to 2020.

Consequently, the market has witnessed a significant increase in VC-backed companies exiting to buyout funds.

PE exits accounted for about 24% from 2021 to 2024 of all exits in Europe, from a meager 8% in the 2006-2010 period.

PE BUYOUT EXITS HAVE GAINED MOMENTUM IN VC-BACKED COMPANIES

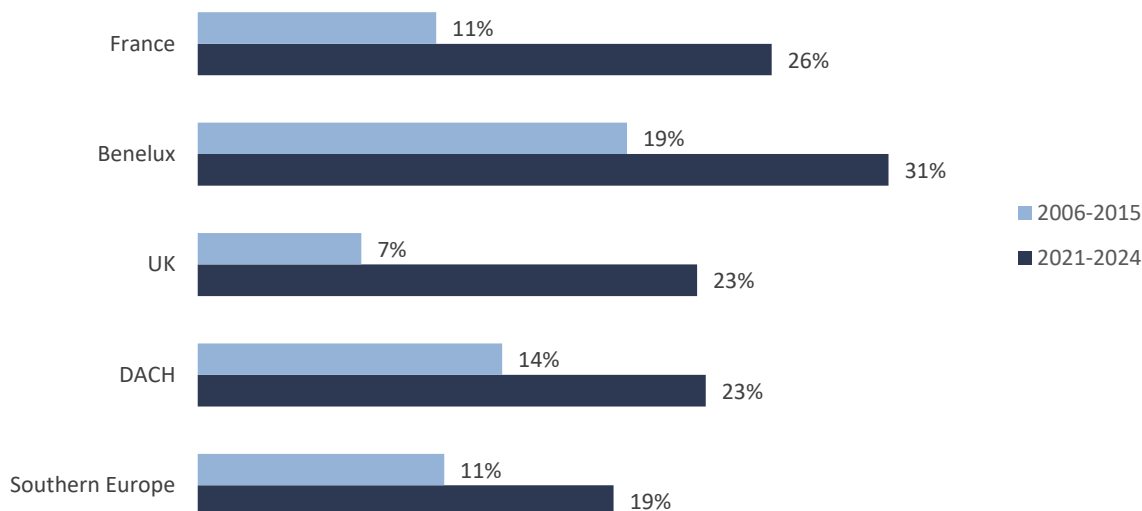


Source: Clipperton analysis, based on data from Pitchbook, Mergermarket data and press review

Exit count per exit type for European companies having raised more than €5m.

In the last four years, France and Benelux have paved the way for this phenomenon, with almost 30% of exits led by PEs, while Southern Europe lags a bit behind at 19%. In the UK, we observe a similar trend as c. 23% of exits were led by PE firms since 2021 (vs. 7% in the 2006-2010 period).

FRANCE AND BENELUX ARE LEADING THE VC-TO-PE TREND IN EUROPE



Source: Clipperton analysis, based on data from Pitchbook, Mergermarket data and press review

Buyout as % of total exits for main European geographies

We have listed over 200 eligible VC-to-PE transactions that have taken place in Europe since 2018. Several funds are notably active, with Verdane leading the group with ten acquisitions. Close behind are PSG and Bridgepoint.

Additionally, other proactive investors have made their mark in this space, including Scandinavian fund Nordic Capital as well as Anglo-Saxon funds Oakley Capital and Marlin Equity, among others.

ANGLO-SAXON AND SCANDINAVIAN FUNDS ARE FRONT RUNNERS IN VC-TO-PE TRANSITION



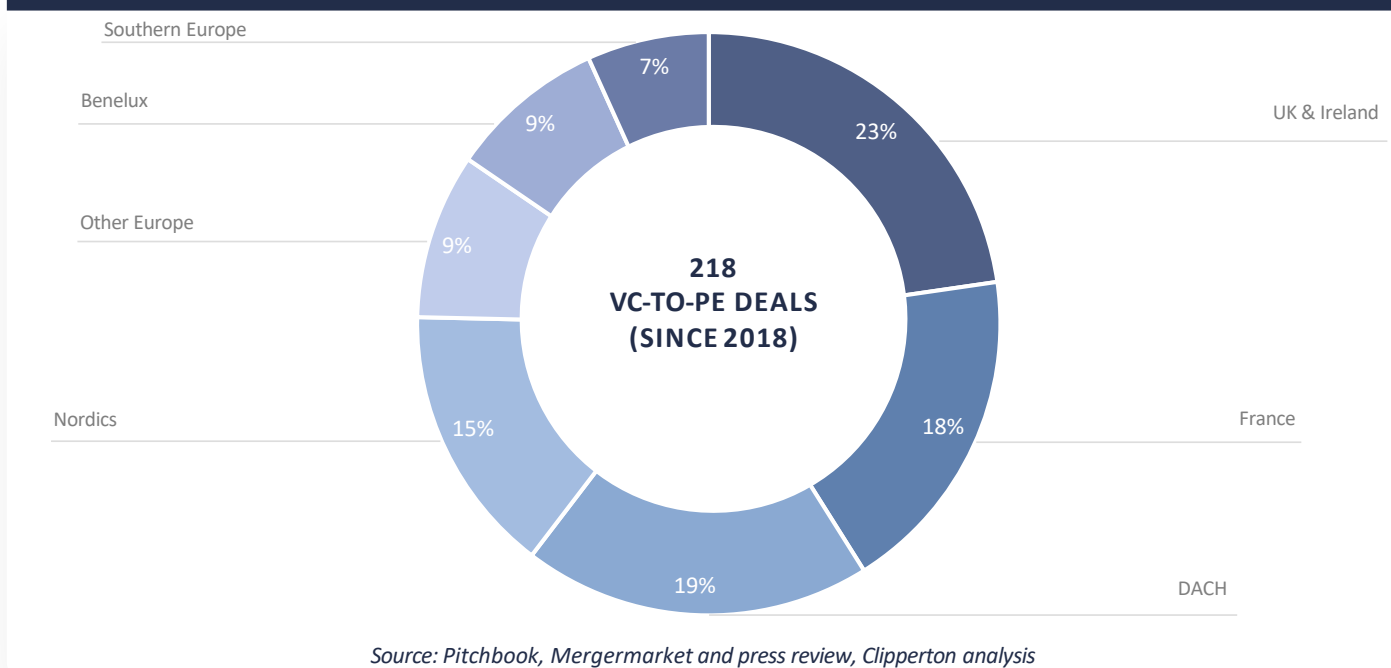
Source: Clipperton analysis, based on data from Pitchbook, Mergermarket data and press review

Most active buyout funds in the VC-to-PE transition, and selected acquisitions between Jan-18 and Dec-24

The same data set shows, not surprisingly, that the target countries (i.e. the ones where the VC-backed company is located) are the biggest and most mature countries when it

comes to Tech & VC ecosystems: France, Germany and the United Kingdom account for 52% of the transaction volume, followed by Sweden the Netherlands and Spain.

+50% OF VC TO PE EXITS ARE LOCATED IN FRANCE, GERMANY AND THE UK



Split of VC-to-PE transactions between Jan-18 and Dec-24, by target country /region

SIDENOTE ON BUILD-UP TRANSACTIONS: ANOTHER INTERESTING ROAD

While this paper focuses on VC to PE transactions - where a VC-backed Tech company is acquired by a Private Equity fund to continue its growth journey with a financing partner - it's important to note that PE funds also act as financing partners for their existing portfolio companies, potentially targeting your company as an add-on acquisition (or build-up). In our research on VC-backed companies in Europe, out of thousands of deals reviewed, around 700 were build-ups compared to 200 buyouts. These add-on transactions offer insight into which funds are most active, with Hg Capital leading with nearly 50 transactions, followed by TPG, KKR, PSG, Ardian, and General Atlantic.

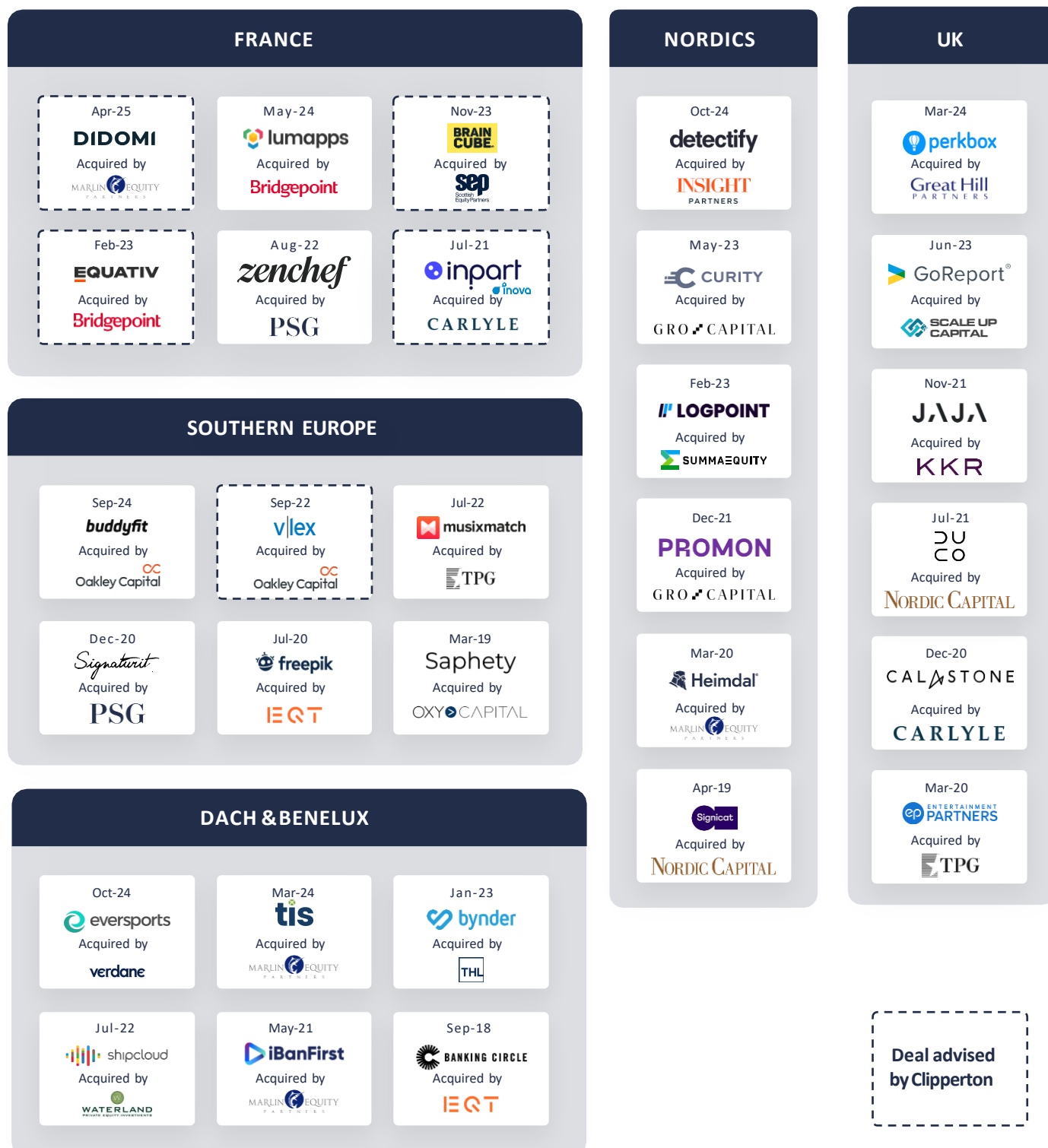
Notably, Hg Capital's portfolio company Visma alone accounts for over a third of its transactions.

If your company is more likely to be acquired than to acquire, it is beneficial to engage with PE-backed buyers because:

- they are often actively seeking M&A opportunities (unless they are on sale themselves);
- they tend to be experienced dealmakers;
- this scenario, bridging pure M&A and PE tracks, might allow you to retain a stake in future value creation.

SELECTED VC-TO-PE DEALS BY TARGET REGION (2018-YTD)

We have compiled a comprehensive list of over 200+ transactions that occurred in recent years in Europe, effectively showcasing the VC-to-PE trend. From this extensive dataset, we have selected six transactions per key European region in the last five years, highlighting the most active investors shown page 15 as well as the variety of sectors and verticals.





Xavier ZEITOUN

Co-Founder of

zenchef

AN OPPORTUNITY TO CHANGE GEAR!

- Vertical: Hospitality POS (SaaS)
- EV range: €50m-€150m
- Exiting VCs: Elaia, Edenred Capital Partners
- Acquisition by PSG in September 2022

Founded in 2011 by Xavier and Thomas Zeitoun and Julien Balmont, Zenchef is a fully-integrated SaaS platform for restaurants enabling reservation, venue management, CRM and mobile payment.

What drove the decision to move from VC funding to being acquired by a PE firm?

We had experienced 10 years of growth, and at that point, we were looking for a new partner that could accompany our international ambition with the necessary skills and resources. The Private Equity firm brings not just money, but also strategic and operational know-how. It's like having an experienced co-pilot guiding us. PSG was the ideal partner with a strong track record in accelerating growth for software companies.

How did the transition process go, and what were the main challenges?

It was a bit of a rollercoaster, but we managed to keep things smooth. The biggest challenges were aligning everyone's expectations and handling the legal and financial details. For instance, in a PE transaction, the incentive plan for managers inherently creates different treatment compared to exiting VCs, so clear communication was key. We made sure everyone was on the same page throughout the process.

How does the support from the Private Equity firm differ from the VC, and how does it influence your long-term strategy?

PSG's team collaborates closely with Zenchef's founders and management to support us in our day-to-day strategic decisions, focusing on sustainable growth and operational optimization.

This allows us to concentrate on strategic initiatives such as market expansion and continuous software improvement. Their expertise in build-up strategies across Europe has been instrumental in our strategic acquisitions. Since PSG's investment, we have acquired several companies internationally, notably Formitable in the Netherlands and Resengo and Tablebooker in Belgium. These acquisitions have solidified our leadership in these countries and expanded our presence to 15 countries overall. Thanks to this support, Zenchef now serves over 20,000 restaurant partners across Europe.

What advice would you give to other entrepreneurs considering a similar transaction?

Definitely prepare well and surround yourself with a solid team, including financial and legal advisors. Choose a Private Equity partner whose vision aligns with yours and keep the communication open and transparent. That's how you make the transition as smooth as possible.

How has this transaction affected your company culture and employee motivation?

Zenchef now has 200+ employees, and in the last two years, has become a European leader, making 3 strategic acquisitions, quadrupling its revenue, and reaching profitability. So it's been a positive change, to say the least! Our team sees this as an opportunity to grow and develop. We've put initiatives in place to keep everyone engaged and motivated, focusing on transparency and involving everyone in our growth strategy. It's all about making sure everyone feels part of the journey. After 13 years with Zenchef and 2 years after PSG became our majority partner, I recently stepped back from daily operations and welcomed Thomas Jeanjean as our new CEO. With major scale-up experience at PayFit, Criteo and Google, Thomas' hiring illustrates Zenchef's next phase of growth, that I'm happy to assist with the more strategic position of a Board Member, shareholder, and advisor. Zenchef is now perfectly positioned to scale and make an even bigger positive impact on the restaurant industry in the years to come. Stay tuned, this is just the beginning!!

SECTION 2

MAIN CHARACTERISTICS OF A PE EXIT

All Technology assets showing healthy metrics can be targeted by PE funds. However, SaaS business models have aroused most PE's interest due to their structural profitability as they are asset-light with robust margins and provide strong visibility on revenue streams. Prime candidates for Private Equity investments are SaaS businesses with a combination of steady ARR growth, capital efficiency (i.e. break-even cash flows or a clear path

to near-term profitability) and strong customer retention capabilities. These attributes form the foundation for the risk-return profile that buyout funds aim to underwrite. Once onboard, PE investors wield an arsenal of value-creation strategies during their investment period, with the main levers being operational improvement, accretive M&A, and multiple expansions upon exit.

WHAT ARE PE FUNDS LOOKING FOR WHEN EVALUATING VC-BACKED COMPANIES?

1. THE PRIMACY OF CAPITAL EFFICIENCY

Capital efficiency plays a crucial role in identifying suitable candidates for PE investments. Businesses that can achieve breakeven cash flows or have a clear path to near-term profitability are highly appealing to PE funds. This characteristic indicates that the company has efficient cost management practices in place, enabling it to generate positive cash-flows.

When a company achieves breakeven cash flows or demonstrates a clear path to profitability, it means that the business has struck a harmonious balance between expenses and revenue generation. This suggests that the company has implemented efficient cost management strategies, enabling it to generate positive cash flow. Achieving positive cash-flows is critical for sustaining operations, funding growth initiatives and ultimately delivering returns to investors. By investing in such businesses, PE funds can seize the potential for enhanced profitability and cash returns.

2. THE PILLAR OF CUSTOMER RETENTION

In the world of investment, predictability is golden. A loyal customer base offers a stable and predictable revenue stream, which is of particular significance to investors in pursuit of consistent cash flows and long-term profitability.

The revenue generated from existing customers forms a robust foundation for the company's financial performance, diminishing the reliance on acquiring new customers to sustain growth.

Furthermore, high customer retention rates indicate that customers perceive the company's product or service as valuable, reducing the likelihood of clients exploring alternative solutions. This, in turn, lowers

customer acquisition costs and enables the company to allocate resources more efficiently towards enhancing customer satisfaction and expanding its customer base.

Together, the combination of i) steady ARR growth, ii) high capital efficiency, and iii) defensible customer retention establishes a robust foundation for the risk-return profile that PE funds aim to underwrite.

By investing in SaaS businesses possessing these attributes, PE funds can strategically allocate their capital to companies with the potential for sustainable growth, profitability, and a competitive advantage in the market.

VC CANDIDATES ELIGIBILITY

	Great	Good	Less Likely
YoY Growth	>150%	50%-150%	<50%
Gross Margin	>75%	50%-75%	30%-50%
Net Dollar Retention	120 %	100%-120%	<100%
CAC Payback	6-12 months	12-18 months	>24 months
Burn Multiple	<1x	1.0x-1.5x	>2x

PE CANDIDATES ELIGIBILITY

	Great	Good	Less Likely
Business Model	B2B (SaaS or Recurring)	B2B (Software and Services)	B2C
Revenue/ARR	>€30m	€10m - €30m	<€10m
Growth	>30%	15% - 30%	<15%
Gross Margin	> 75%	50% - 75%	<50%
EBITDA Margin	>20%	0% - 20%	<0%
Net Dollar Retention	>120%	90% - 120%	<90%
CAC Payback	6-12 months	12-18 months	>24 months
Post deal ownership (Including primary & secondary)	>50%	30%-50%	<30%
Management roll-over (1-% cash-out)	>80%	50%-80%	<50%

3. TACTICAL OPERATIONAL IMPROVEMENTS

Operational improvements led by PE funds for their portfolio companies often involve implementing a repeatable go-to-market (GTM) strategy to optimize sales and marketing efforts, recruiting top talents, and enhancing back-office infrastructure.

Additionally, PE investors bolster the management team by bringing in experienced professionals, adding strategic expertise, and enhancing leadership capabilities.

4. BUY-AND-BUILD: THE COMPOUND STRATEGY

PE investors leverage a buy-and-build strategy to drive value creation within their portfolio companies. This approach involves acquiring complementary businesses and integrating them into the existing operations, creating synergies and expanding market presence. The buy-and-build strategy enables economies of scale,

expansion of product or service capabilities, and access to new markets (TAM expansion). Furthermore, add-on companies can be bought at attractive multiples and using debt leverage, increasing the overall value of the combined entity, which benefits from its platform status to trade at higher multiples.

5. MULTIPLE EXPANSION AND EXIT STRATEGIES

Companies with critical size, which have achieved significant growth and established a attractive to strategic buyers and larger buyout strong market position, become highly funds. When the moment for exit arrives, PE funds excel at staging competitive sell-side

processes with the goal of maximizing the exit multiple. These processes usually entail engaging investment banks and advisors to conduct structured auctions, inviting multiple potential buyers to participate in the auction and compete for the acquisition.

EXAMPLES OF DIFFERENT COMPANY PROFILES AND THEIR CHANCES OF SUCCEEDING IN AN LBO TRANSACTION

COMPANY A

- Activity: Combination of SaaS and software licensing
- Revenue: €40m
- Annual Revenue Growth: +15-20%
- EBITDA Margin: 30%

DEFINITELY

→ Clipperton's Analysis:

The company's size, revenue growth, profitability, and business model make it a very attractive candidate for the majority of Private Equity funds targeting businesses of its size. While the annual revenue growth rate has been consistent, it can probably be boosted through external acquisitions. Upon acquiring the company, the PE fund is likely to propose a buy-and-build strategy to optimize the company's growth and consequently, its return on investment at the end of the investment period.

COMPANY B

- Activity: Vertical SaaS
- Revenue: €15m ARR
- Annual Revenue Growth: +30%
- EBITDA Margin: (5%)

PROBABLY

→ Clipperton's Analysis:

The company's substantial revenue level, robust growth profile, and a clear path to profitability make it a credible candidate for a range of Private Equity funds that prioritize growth over immediate profitability. Despite not being profitable yet, and being relatively low on the Rule of 40, PE funds may see an investment case by leveraging the company's growth trajectory and the scalability of the SaaS business model to attain strong levels of profitability.

COMPANY C

- Activity: B2C ecommerce
- Revenue: €100m
- Annual Revenue Growth: +40%
- EBITDA Margin: (10%)

UNLIKELY

Clipperton's Analysis:

Achieving a successful exit with a PE firm may be challenging for the company due to its current lack of profitability and potential cash-flow / working capital issues. Furthermore, the B2C ecommerce sector is characterized by non-recurring transactions, which may not align with the typical investment patterns of private equity funds. Despite the company attaining significant scale and demonstrating encouraging yearly expansion, the inherent risks tied to its business model and financial profile will likely fall outside the comfort zone of PE funds.

SELECTION OF TECHNOLOGY BUYOUT FUNDS THAT ARE INVESTING IN VC-BACKED BUSINESSES IN EUROPE, BY REGION OF MAIN EXECUTION TEAMS IN EUROPE



Methodology: We selected the funds based on the following criteria:

1. Funds able to do both minority and majority deals
2. Funds able to invest >€20m ticket size (excluding small cap funds)
3. Analyses of the last years processes

FOCUS ON FINANCING MECHANISMS

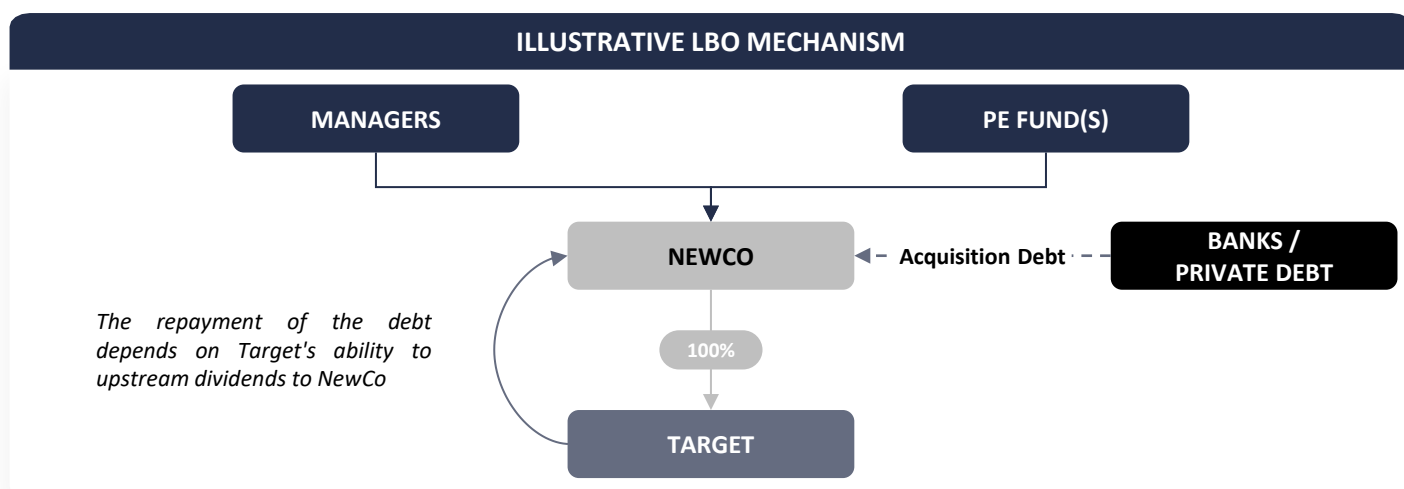
1. HOW DOES A LEVERAGE BUY OUT WORK?

A Leverage Buy Out transaction consists in acquiring a company (a “Target”) through a dedicated holding company (“NewCo”) financed with a mix of:

- equity from PE fund(s) alongside the management team;
- debt provided by banks and/or debt funds at NewCo’s level.

The debt service consists in interests and, if the debt is amortizing, principal which is paid back by NewCo to lenders with dividends from the Target.

At exit, usually after 4 or 5 years, the shareholders receive the total value of the Target less any remaining debt.

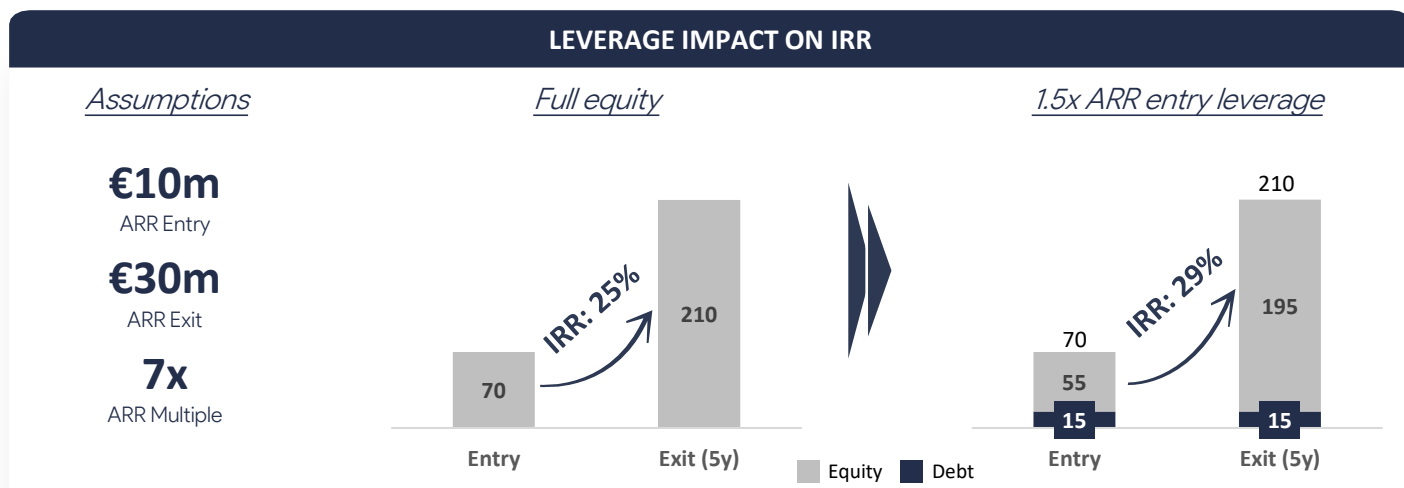


As the repayment of the acquisition debt depends on the Target’s ability to upstream cash, the acquisition debt needs to be properly calibrated in accordance with the Target’s cash flow generation profile to avoid any payment default and to maintain day-to-day operations.

In LBO transactions, funds rely on debt to leverage

the Target which will then partially repay its own equity value, thus reducing the amount of equity needed at entry and enhancing the project Internal Rate of Return (“IRR”).

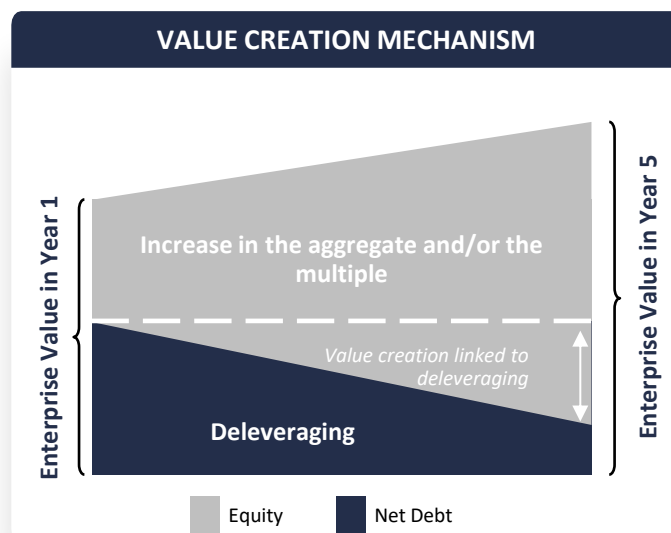
This mechanism offers also the opportunity for an accretion mechanism of management teams, when reinvesting a percentage of their proceeds.



VALUE CREATION IN LBO

Value creation for shareholders in LBO transactions is driven by:

- Increase in:
 - (i) reference aggregate (e.g. EBITDA or ARR) organically and/or through external growth and/or;
 - (ii) valuation multiple.
- Target's deleveraging in connection with debt amortization and/or EBITDA increase.



WHAT ARE THE KEY BENEFITS & RISKS RELATED TO LBO MECHANISMS?

KEY BENEFITS

- Reducing dilution for the management team
- Enhancing project IRR thanks to the leverage effect
- Debt can include acquisition facilities which can be drawn for build-ups to minimize the dilution

KEY RISKS

- Less flexibility on cash flow use of proceeds as a portion is dedicated to paying back the acquisition debt
- If the debt quantum is not properly calibrated in accordance with the Target cash flow profile, NewCo may have difficulty paying back its debt

BUY-AND-BUILD STRATEGY: WHEN FINANCING SUPPORTS VALUE CREATION

As previously mentioned in this section, PE funds often pursue a buy-and-build strategy to drive value creation within their portfolio companies.

The acquisition of add-on companies can be financed using debt without new equity, meaning no further dilution for management teams and contributing to the overall value creation if the acquired company has been bought at a lower multiple compared to the Target's entry multiple.

Lenders generally offer committed and/or uncommitted undrawn facilities for add-on acquisitions, which are included in the initial financing package alongside the acquisition debt.

In exchange of a fee, committed facilities offer the ability to finance the acquisition of an add-on company within a short timeframe, which represents a competitive advantage in auction processes.

2. ARR FINANCING

Over the last years and driven by the rise of PE deals in software, a new financing type emerged consisting in using ARR as key metric to leverage a Target.

Unlike classic LBO financings, recurring revenue financing is a loan based on an ARR multiple rather than an EBITDA multiple to ease the financing of growth-stage companies just breakeven and or non-normative EBITDA but with a road to profitability.

Provided by debt funds, ARR financings generally feature a “covenant flip”, where the reference aggregate flips from ARR to EBITDA 2- or 3-year post closing, implying a transition from a hyper growth phase towards a more profitable phase.

As ARR financing is riskier than traditional LBO financing and is still in its early days, liquidity is less abundant with only few players providing this type of financing, and with strict investment guidelines.

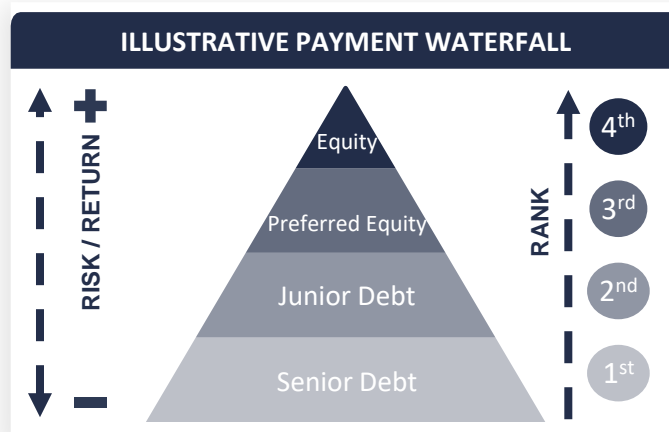
3. LBO FINANCING

Classic LBO financing is based on the Target’s debt service capacity, implying a more mature and profitable financial profile.

SENIOR DEBT: THE MOST COMMON LBO FINANCING

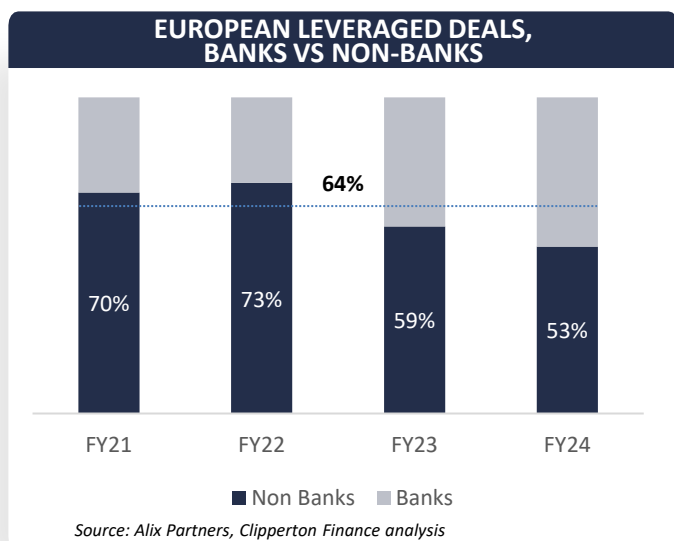
Senior debt is either provided by banks and/or private debt funds which are in direct competition when it comes to finance LBO transactions.

Senior debt is ranking senior in the payment waterfall, meaning banks and debt funds will be paid back before any junior debt and/or equity in an event of liquidation, explaining the lower expected returns than other instruments higher in the capital structure.









Over the last decade and driven by (i) restricted liquidity in leverage loans from banks due to regulatory constraints and (ii) a strong interest from institutional investors for private debt, the LBO market has seen a disintermediation from traditional banks.

In fact, private debt financings accounted for 64% of European LBO transactions in the last four years and gained market shares over banks thanks to (i) greater leverage, (ii) large dry powder dedicated to buy & build strategies and (iii) higher flexibility, to justify greater pricing.



SENIOR DEBT: PRIVATE DEBT VS. BANK DEBT

CRITERIA	- / +	RATIONALE
LEVERAGE AT CLOSING		<ul style="list-style-type: none"> Private debt generally offers greater leverage than banks to compensate higher pricing
REPAYMENT PROFILE		<ul style="list-style-type: none"> Bank loans can include an amortizable portion whereas private debt is 100% bullet*
PRICING		<ul style="list-style-type: none"> Driven by a capital cost less expensive than private debt, banks are more competitive
IMPLEMENTATION / FLEXIBILITY		<ul style="list-style-type: none"> Private debt financing tends to be easier to implement and more flexible as the number of counterparties is limited
BUY AND BUILD STRATEGY		<ul style="list-style-type: none"> Greater portion of Target's cash flow available to finance acquisitions as private debt is 100% bullet
DAY TO DAY FINANCING		<ul style="list-style-type: none"> Not provided by private debt when banks finance day-to-day operations as part of a global relationship

▼ Bank ▼ Private debt

A FEW WORDS ON JUNIOR DEBT

Junior debt is commonly used in LBOs to bridge the gap between senior debt and equity, enabling PE funds to leverage more and minimize management dilution.

It generally features:

- subordination link to senior debt, implying that in the event of liquidation, senior debt lenders are paid back in priority, junior debt coming after – but before equity providers in the payment waterfall;
- PIK interests** and no amortization until the maturity, after the senior debt;

- Higher returns than senior debt as junior debt is riskier because of its ranking payment and repayment profile.

Junior debt is generally provided by debt funds.

Overall, junior debt is attractive to management teams seeking less dilution and comfortable taking higher debt costs and more risk. For lenders, it offers potentially high returns for accepting the increased risk in connection with a smaller equity cushion.

*Bullet loan: final payment due at the maturity of the loan.

**Pay-In-Kind interests: amount of interest expense charged by a lender which accrues towards the principal.

4. MAIN CRITERIA FOR LENDERS

Lender analysis on credit quality of an asset differ from Equity investors as they have no or limited interests in transaction upsides.

For that reason, lenders are more sensitive to historical financial track record, recurring revenues, business resilience and/or risks on a given market which will ultimately impact the Target's cash flow generation than to a skyrocketing business plan.

For ARR financings, credit criteria differ from traditional cash flow-based lending with more focus on:

- Predictable and contracted revenues (underlying market, B2B vs B2C);
- Client portfolio quality, strong retention rates, limited concentration, mission-critical services;
- A larger equity contribution from PE funds than for classic LBO financing in a Loan-to-Value approach.

ARR lenders define the debt quantum depending on the strengths of the Target and not its cash flow generation whereas in classic LBO financings lender analysis mostly relies on:

- Target's position on its markets and barriers to entry;
- Historical financial track record and visibility on revenues to assess the ability to deliver forecasted growth;
- Cash flow as key metric to define the debt quantum with premium on CAPEX light & low working capital businesses.

Those criteria allow lenders to assess and calibrate the leverage and ultimately define the quantum of acquisition debt for a Target.

SELECTION OF LENDERS ACTIVE IN LBO TRANSACTIONS

EUROPEAN BANKS



Deutsche Bank



J.P.Morgan



DIRECT LENDERS / PIK PROVIDERS

CASH FLOW BASED LENDING



ARR FINANCING



SECTION 3

HOW TO SUCCESSFULLY PREPARE A VC-TO-PE TRANSITION AND OPTIMIZE DEAL TERMS

As investment bankers, we are often asked by founders and VCs what is required for a Technology business and its investors to consider a Private Equity buyout exit. Here is a short guide to help you understand the way PE investors think.

1. EXECUTION OF A BUSINESS PLAN WITH PROFITABILITY AS THE ULTIMATE OBJECTIVE

Profitability should be the primary objective for a VC-backed business considering an LBO. The management must implement a business plan that places profitability at the core, prioritizing sustainable revenue growth and efficient

management of operational expenses. The ability to isolate growth-driven investments (new countries, new products for example) in the P&L will be key to help PEs understand the company's normative EBITDA level.

2. MANAGEMENT'S QUALITY & EXECUTION SKILLS

Management quality and leadership are crucial factors to consider in an LBO. The ideal candidate for Private Equity funds would be a company led by an experienced management team with a profound understanding of its industry, a long-term strategic vision, the ability

to long-term strategic vision, and the ability to establish itself as a category leader. Additionally, they must excel in utilizing existing resources and have the capacity to develop a business model capable of sustained scalability.

3. METICULOUS TRACKING OF KEY PERFORMANCE INDICATORS (KPIs)

To ensure accountability and measure progress, the company should reinforce the tracking of their KPIs, especially for SaaS businesses (e.g. NRR, Upsell, Churn, ARPA, CAC, Magic Number, Rule of 40, etc.). These KPIs should align with the company's growth objectives

and provide transparency into its financial and operational health. Vigilant monitoring of these metrics will enable the management to make data-driven decisions and demonstrate value to potential investors.

4. ACTIVELY SEEK EXTERNAL GROWTH OPPORTUNITIES

Private Equity funds are renowned for their appetite for executing buy-and-build strategies. As such, the ideal candidate should be proactive in the search for potential targets. The company should identify potential acquisitions that can serve as accelerators for geographical expansion and/or product development.

Working on an activable external growth plan before launching a PE process can instill confidence in investors regarding the potential to build a category-leading platform.

5. STRUCTURATION OF SUPPORT TEAMS

In preparation for the process, it is crucial to establish well-structured internal support teams (financial in particular but also legal and, in some cases corporate development). These teams will be responsible for navigating the complexities of PE processes, which include conducting due

diligence, negotiating agreements, and ensuring compliance with regulatory requirements. Additionally, the team will oversee external growth operations with the financial support of the new investor in the event of a successful deal.

6. THE NECESSITY OF EXPERT GUIDANCE: WHY ENTREPRENEURS SHOULD CONSIDER ADVISORS FOR BUY-OUT DEALS

Unlike some Venture Capital deals, where entrepreneurs may forgo external counsel, those pursuing a PE exit face a complex process requiring strong financial skills, thorough preparation, and intricate planning and execution.

Engaging investment bankers is common and boosts management confidence in this route. Entrepreneurs should also leverage the strategic insights of their VC shareholders/board advisors who are increasingly involved in these exits.

Board advisors and investment bankers will help entrepreneurs to assess the feasibility and risks of a PE exit. Investment bankers lead in evaluating LBOs, offering market intelligence, industry trends, and competitive insights.

Their expertise often stretches beyond pure advice, assisting in the crafting of a persuasive equity story and the required and complex operational documentation, among other tasks.

Investment bankers also provide valuable support during roadshows, leveraging their

extensive networks to target potential investors aligned with the company's profile.

They leverage these connections to identify and target potential investors who align with the company's profile.

Investment bankers actively initiate investor outreach, organizing meetings and presentations to generate interest and foster competition among funds. Additionally, they assist in managing intense processes and provide support to entrepreneurs during thorough due diligence phases.

Investment bankers serve as representatives for their clients, working diligently to protect their interests. They engage with management and shareholders, steering the deal toward a successful outcome through meticulous negotiation of term sheets. Their goal is to secure the most advantageous deal possible for their clients, including the best deal terms for exiting investors and an attractive incentive package for the management.

7. TRANSACTION STRUCTURE AND FINANCING

PE transactions often entail debt financing, which needs to be structured in the most favorable and efficient manner to facilitate the deal and to execute the business plan. It is important to ensure also to contact potential lenders in parallel to PE funds to ensure debt liquidity through a Lender Education Process.

A Lender Education process consists in fostering liquidity from lenders for a contemplated leverage

buyout transaction by disclosing the sell-side information package and giving them access to management.

As PE funds selected in Phase II of an M&A process must provide certainty of funds for the debt and the equity commitments when submitting a binding offer, the Lender Education needs to be fully integrated into the M&A sell-side process to ensure deadline are respected.

In conclusion, for entrepreneurs navigating the complex world of LBOs, experienced investment bankers and lawyers are not a luxury but a necessity. They provide a comprehensive view of the LBO landscape, from planning to execution. As LBOs become an increasingly popular exit strategy in the world of Venture Capital, the mantra for success is clear: preparation, expertise, and strategic advice.

SECTION 4 CONCLUSION

LAST WORDS

In conclusion, the landscape of deal-making in the Technology sector has now clearly shifted. The traditional distinctions between VC and PE realms are blurring as the Tech industry matures and economic landscapes shift.

The VC-to-PE deal phenomenon is now material and here to stay. The convergence of VC and PE pathways marks a significant shift, resembling two siblings within the broader Private Equity family.

VC embodies audacity, seeking high-risk ventures and innovative gems, while PE adopts a measured approach, focusing on established, profitable assets. Despite their differences, both play indispensable roles in injecting capital into the economy, fostering innovation, and influencing economic shifts.

The rise of PE as a compelling 'Third Way' for VC-backed companies seeking liquidity and growth is a massive opportunity for entrepreneurs and VC funds. Assets demonstrating capital efficiency, steady ARR growth, strong customer retention capabilities (mostly SaaS models, but not only), and potential for value creation, are prime targets for PE investors.

To successfully transition from VC to PE, companies must emphasize management quality, prioritize profitability, actively seek external growth opportunities, and meticulously track KPIs. Structuring robust internal support teams is crucial to navigate the complexities of the transition and LBO process.

In this dynamic financial landscape, the VC-to-PE transition offers a strategic and promising route for Technology companies aligning with their growth objectives and providing stability and flexibility in capital structure.

As the Technology industry continues to evolve, understanding and embracing this transition is essential for businesses to chart a nuanced roadmap for sustainable growth and success.

WHAT IS NEXT?

In the next 5 to 10 years, we anticipate the confirmation of the transformation we described 2 years ago in the financial landscape. VC and PE are set to break free from their traditional molds and embrace a new era of collaboration and innovation. This shift has reshaped the way investments are made, and how companies are nurtured for growth.

OUR VIEW ON THE VC-TO-PE TREND IN THE UPCOMING YEARS

I - FURTHER BLURRING OF DISTINCTIONS

The line between VC and PE will continue to blur, with both types of firms adopting hybrid strategies and approaches, and even hybrid funds. These funds offer a comprehensive approach, providing early-stage funding, nurturing startups through growth phases, and later facilitating strategic buyouts.

This approach allows for a seamless transition and comprehensive support throughout a company's lifecycle.

II - INCREASED VC-TO-PE DEALS

VC-to-PE deals will become more commonplace. As the Technology industry continues to mature, successful startups will look to PE as a viable exit strategy.

This trend will be fueled by the desire for more stable and flexible exit options compared to the uncertainties and fluctuations often associated with IPOs and M&As.

III - RISE OF ARR FINANCING

We'll continue to see the development of ARR financing, along the rise of PE deals in software.

More debt funds will join the "early adopters" of these financing instruments (see p. 24) to assist the specific needs of SaaS companies eligible for an LBO transaction.

IV - COLLABORATIVE ECOSYSTEM

VC and PE firms will increasingly collaborate rather than compete. They'll form symbiotic relationships where VC firms identify and nurture startups, and PE firms provide an established path for growth and liquidity.

This collaboration will optimize resources and expertise, benefiting both entrepreneurs and investors.

V - MORE PE FUNDS WILL TARGET QUASI-BREAKEVEN ASSETS

PE firms will further invest in businesses that are not breakeven yet but showing a clear path to profitability. They'll adopt a more proactive approach to exploring and investing in promising but slightly less mature companies. This shift will be driven by the need to capture high-growth potential and diversify their portfolios.

ABOUT CLIPPERTON

EUROPE'S LEADING TECH INVESTMENT BANK

Unmatched experience in arranging Tech transactions since 2003.

20+
Years

€50bn
Accumulated advised deal value

500+
Transactions

30
Technology deals
per year

100%
Processes involving international
counterparts

50+
Bankers in Europe

Growth Financing
Focus on Series B/C onwards
(€15m-€150m tickets).

M&A / Trade Sale
Focus on smid-cap market
(enterprise value €40m-€500m).

Tech LBO
Focus on smid-cap market
(enterprise value €40m-€500m).

Debt Advisory
Focus on smid-cap market
(debt quantum €20m-€500m).

WORKING WITH TECH CATEGORY LEADERS.

Welcome
to theJungle

Brevo

WITHINGS

Sinequa

vade

rydoo

ARLETTIE

Amelkis

travelsoft

Redslim

swile

EQUATIV

Eskimoz

BRAIN
CUBE

Ekimetrics.

odoo

ecovadis

webedia/.

botify

Teads

ARAMISGROUP

"Clipperton serves as the trusted partner to innovative Technology businesses, assisting entrepreneurs and investors on their strategic transactions on a global scale."


CONSUMER
INTERNET


SAAS


DIGITAL SERVICES &
MEDIA


HEALTHTECH


NEW HARDWARE &
TELECOM


FINTECH

SELECTED TRACK-RECORD

REGTECH - SAAS



- Vertical: Legal Tech (SaaS)
- EV range: €100m-€300m
- Exiting VCs : Elephant Ventures, Breega, bpifrance
- Announced in April 2025

- Didomi is a leading compliance solution provider of Privacy User Experience (user consent management, data privacy management etc.)
- Marlin Equity Partners became Didomi's largest shareholder while Management and historical investor Breega have reaffirmed their strong commitment

IIOT - SAAS



- Vertical: IIOT (SaaS)
- EV range: €100m-€300m
- Exiting VCs: IRIS, Next47
- Announced in November 2023

- Braincube is a leading platform for data-driven manufacturing / IIoT and autonomous production
- The investment from Scottish Equity Partners and Bpifrance aims to support Braincube's global expansion and to consolidate its international leadership in industrial AI

LEGAL SAAS



- Vertical: Legal Tech (SaaS)
- EV range: €50m-€150m
- Exiting VCs: Caixa Capital Risc
- Announced in 2022

- vLex is a profitable legaltech player and has consistently generated double-digit revenue growth in recent year thanks to strong management, differentiated product offering and market tailwinds
- Oakley's investment will help vLex's management accelerate its strategic goal of building a cost-effective leader in the fragmented market for legal research, through organic growth and M&A

HEALTHCARE SAAS



- Vertical: Health Tech (SaaS)
- EV range: €50m-€150m
- Exiting VCs: Nextstage
- Announced in 2021

- The Carlyle Group supported Inpart 's international expansion, along with strengthening its presence in China and the US, enabling strategic acquisitions and investing in the company's product portfolio
- The Carlyle Group became Inova's largest shareholder while Management and historical investor NextStage have reaffirmed their strong commitment

E-COMMERCE ENABLEMENT SAAS



- Vertical: Retail Tech (SaaS)
- EV range: €50m-€150m
- Exiting VCs: Alven, Kima Ventures, Serena Capital, Arkéa, Bpifrance
- Announced in 2021

- Asset positioned as a leading player in the e-commerce landscape with direct access to transactional data from a wide spectrum of e-commerce platforms
- Majority sale to Marlin Equity Partners, with the view to becoming Marlin's investment platform for a broader e-commerce play

MARTECH SAAS



- Vertical: Martech (SaaS)
- EV range: €100m-€300m
- Exiting VCs: Partech
- Announced in 2020

- Brevo (formerly Sendinblue) is a pure SMB-SaaS business model, combining a scalable and efficient self-service engine with high capital efficiency
- Bridgepoint will support Brevo's international growth through organic development and M&A while reinforcing its leading market position in Europe

CLIPPERTON

**FORWARD THINKING
INVESTMENT BANKING**

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