

corporate financing *week*

Thoma Cressey Expands Into Software Niche

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Thoma Cressey Bravo, a buyout shop with \$2 billion under management, plans on beefing up exposure to the enterprise content management niche of the software industry, which helps businesses store, index and retrieve documents such as medical records, invoices and financial statements. The firm, based out of Chicago and San Francisco, made its first foray into a space last week after a two-year search, acquiring **Hyland Software** for a reported \$265 million.



Seth Boro

Seth Boro, v.p., said the firm has talked to as many people in the industry as possible but declined to say if the firm has already reached out to potential targets to add on to the Cleveland-based company. Hyland will use its own cash and additional equity from Thoma Cressey Bravo's \$765 million fund to support the expansion.

Boro said the firm found a tremendously fragmented market when it started its research into the space. Buyout firms like fragmented markets because they can establish a platform company which they can expand via acquisitions. "There were a number of smaller companies that we felt if we could find the right platform it would make for a very interesting investing strategy," he said. The firm has been in touch with Hyland's management over the last few years but began seriously discussing a deal in the first quarter, Boro said. It won over management with its plans for expansion and its history of supporting management teams at companies it acquires, Boro said. Senior managers are also investing in the deal. Calls to **Chris Hyland**, chairman and cfo, were not returned.

Boro declined to comment on financing for the deal. **Credit Suisse**, led by **Tina Longfield**, director, and **Ariel Boyman**, v.p., arranged debt funding.

Over the last five years, Thoma Cressey Bravo has made 30 transactions in software, building a portfolio that generates \$1.7 billion in annual revenues.