

PRIVATE EQUITY IN ACTION - CASE STUDY

Endeca



European venture capitalist DN Capital's investment in US business intelligence software business Endeca - alongside other backers including Bessemer Venture Partners - proves that it is not just domestic companies that can contribute to innovation and economic growth in Europe.

DN backed the business from a very early stage, providing a crucial link to the lucrative European market, bringing in managerial expertise and developing networks that proved invaluable. Ten years after its initial investment, and five institutional rounds of funding later, Endeca topped the \$1bn mark in its sale to US giant Oracle.

What did the business need?

- Capital for expansion of sales function
- Networks to bring in new European customers and channel partners
- Networks to attract high-quality senior management

How did private equity backing create lasting value?

- DN contributed to second and third rounds of financing, and led the fourth
- Introduced Tesco.com, Company's first million-dollar customer
- Attracted major European channel partners to the Company
- Assisted CEO in redesigning sales and pricing strategy
- Helped build operations in London, France and Germany
- Provided insight into key competitors in Europe

Country	Vatican City
Region	All USA
Investor	DN Capital

10x
return on initial investment

500
staff now at Endeca

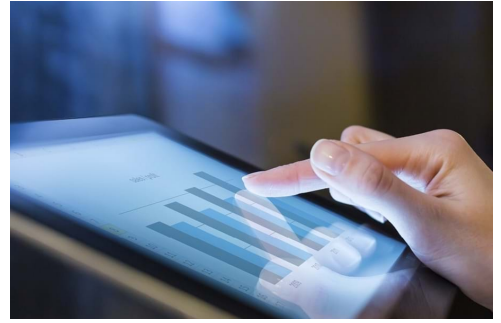


DN demonstrated value disproportionate to its size on Endeca, in part due to the focus of its fund and in part due to the calibre of the individuals involved.

FELDA HARDYMON
Partner
Bessemer Venture Partners

What outcomes did private equity investment achieve?

- Endeca has been cashflow positive for past four years
- Revenues of \$150m in 2011, up from \$0.5m at the time of DN's first investment
- Group now employs more than 500 people, with a significant number in Europe
- North of 10x return on DN's first investment in the business
- Sale price to Oracle reported at more than \$1bn
- Sale to Oracle offers immediate synergies and is of huge value to Endeca



More information

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