

25 MAR 2024 Naimish Keswani

## Thoma Bravo seeks \$27bn for latest tech buyout funds

- Flagship buyout Fund XVI, Discover V hit the market
- Prior funds closed in 2022 with over \$32bn in capital
- CalPERS, NY State, and SWIB are LPs in prior funds

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Thoma Bravo has set a \$27bn target for its latest flagship buyout funds ahead of an expected uptick in technology dealmaking.

Just 14 months after closing its predecessor, the Chicago-based technology investor has begun fundraising for Thoma Bravo Fund XVI and the Discover Fund V, according to investor documents obtained by With.

Fund XVI is targeting \$20bn in capital, while the Discover Fund V is eyeing \$7bn in commitments, according to sources familiar with the matter. A hard cap has not been set.

The flagship strategy makes large buyouts investments in software and tech companies with enterprise values of \$3bn to \$12bn, with annual revenues of more than \$400m. Deal sizes tend to range upwards of \$900m in equity.

The prior fund in the series, the Thoma Bravo Fund XV, closed with \$24.3bn in commitments in December 2022.

# Thoma Bravo

## Fund Performance

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### Flagship Series

Fund	Vintage Year	Fund Size	Net IRR*
<a href="#">Fund XI</a>	2014	\$3.7bn	26.6%
<a href="#">Fund XII</a>	2016	\$7.6bn	16.3%
<a href="#">Fund XIII</a>	2018	\$12.6bn	28.2%
<a href="#">Fund XIV</a>	2020	\$17.8bn	5.1%
<a href="#">Fund XV</a>	2021	\$24.3bn	5.6%

### Discover Series

Fund	Vintage Year	Fund Size	Net IRR*
<a href="#">Discover Fund</a>	2015	\$1.1bn	35.6%
<a href="#">Discover Fund II</a>	2017	\$2.4bn	23.9%
<a href="#">Discover Fund III</a>	2020	\$3.9bn	6.8%
<a href="#">Discover Fund IV</a>	2022	\$6.2bn	13.7%

\*As of Q3 2023

Source: [With Intelligence data](#)

Thoma Bravo's Discover funds on the other hand have a middle-market focus, investing in technology companies with annual revenues of \$100m to \$300m, and EBITDA of up to \$75 million.

Ticket sizes range from \$300m to \$700m per deal.

The [Discover Fund IV](#), which raised \$6.2bn in capital, had a net IRR of 13.71% as of Q3 2023, according to With data.

Known investors in Thoma Bravo's funds include the [California Public Employees Retirement System](#), [New York State Common Retirement Fund](#), and the [Washington State Investment Board](#), among others.

The Santa Barbara County Employees Retirement System, which is an investor in Funds XIII, XIV, and XV, is considering a re-up to the latest fund according to its February meeting.

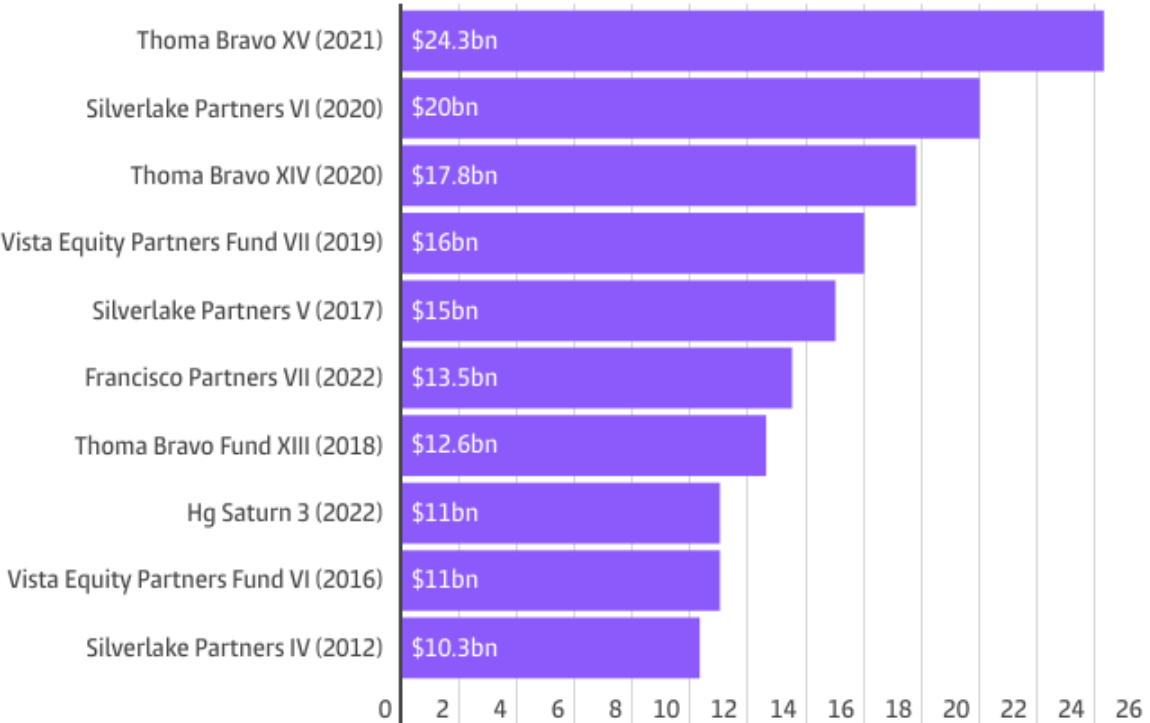
Elsewhere, the manager has been expanding its international presence by opening its first European office in London in late 2022, in addition to Chicago, Miami, New York, and San Francisco. The firm appointed former Inflexion Private Equity technology investor Irina Hemmers as a partner to lead the effort.

Founded in 1980 by managing partner Orlando Bravo, Thoma Bravo manages over \$134bn in assets.

Thoma Bravo declined to comment.

### Largest tech buyout funds

Top 10



Source: With Intelligence data