Raleigh software company Insightsoftware draws a $1 billion investment

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Raleigh-based Insightsoftware has drawn a nearly $1 billion investment from a London-based private-equity firm.

Hg, the investment firm, said Tuesday that it will invest around $1 billion into Raleigh software maker Insightsoftware—an investment that will value the company at $4 billion.

The equity investment will give Hg—along with Boston-based private-equity company TA Associates—joint control of Insightsoftware.

Based in an office off Six Forks Road in North Raleigh, Insightsoftware was formed out of the 2018 combination of Raleigh-based Global Software and Hubble Software, which had been bought by TA Associates and ST6, a consulting firm started by software executives.

Insightsoftware makes financial reporting and budgeting software, as well as other products targeted toward chief financial officers and accountants. Over the past three years, it has grown aggressively through acquisitions, buying 16 other software firms. Just this year, the company has bought firms such as Izenda, Logi Analytics and Certent.

It now says it has 28,000 customers and employs more than 1,000 employees around the world. Around 350 of them are based in its Raleigh office. Last year, the software company named Jim Triandiflou, the former head of Morrisville-based Relias, as its CEO.

Most of the $1 billion investment is going to buy out existing shares from TA and ST6, but Triandiflou said Hg is giving the company plenty of money to use.

Part of it will be going toward beefing up its sales and marketing teams, but Triandiflou said to expect Insightsoftware to continue its aggressive acquisition spree. In fact, it could close another one in the coming weeks, he said in an interview.

"We'll do more acquisitions, and we want to do bigger acquisitions," he said. "Most of the companies we've acquired were under $50 million in revenue. We're looking to acquire some bigger companies now."

Usually after it acquires a company, Insightsoftware will leave its existing teams in place. Through acquisitions, it now has offices all across the globe, from Australia to Europe.

That gives the company a lot of flexibility in how it hires new workers going forward, Triandiflou said, though the Raleigh office will likely be the biggest beneficiary of any employee growth going forward.

Insightsoftware is among an elite group of local startups to reach a valuation of at least a billion dollars. Other Triangle-based firms to reach similar valuations as startups include Epic Games (which has a $29 billion valuation) and Pendo ($1 billion).

Mark Friedman, the company's executive chairman and a managing director at ST6, said that even before the most recent investment, Insightsoftware was growing quickly. In 2018, the business had around $35 million in revenues and is now approaching $350 million, he said.

"Part of that will just come from organic growth," Triandiflou added. "We are growing, double digits from an organic growth perspective, and

then some will come from acquisitions."

Triandiflou said that while the company is charting ambitious growth, the company isn't aiming for an initial public offering in the future.

"Our plan is to remain a private company," he said, "but anything is possible."

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