

Siris Capital Group

Siris Partners IV, L.P.



US Middle Market Buyout: Technology

4th Quarter 2018

The Offering

Siris Partners IV ("Siris IV" or the "Fund") is being formed by Siris Capital Group ("Siris"):

- Siris is a New York-based private equity firm targeting deep value, mature technology businesses in their transition to growth
- Three founders have worked together for over 18 years
- ~\$5.5bn cumulative fund commitments; Invested \$4.7bn of equity across 14 investments¹

Strategy

Siris invests in transitioning technology companies that have both a strong **legacy** business (the "Bond") and robust **next generation** growth initiatives (the "Call Option")

- "Bond": Predictable cash flows; mission-critical products and services; leading market share²
- "Call Option": "Mega" technology trends with significant potential upside; target potential for outsized returns through strategic sale or IPO²

Highlights

- Differentiated and **value-focused** Bond / Call Option investment strategy targeting a **less-competitive** segment of the technology market
- Bond / Call separation facilitates **focus on returning capital to investors quickly** through dividend recapitalizations and asset sales; first liquidity event in 5/6 realized or partially realized investments took place in less than 24 months
- **Post acquisition operational improvements** the primary driver of returns
- Deep working relationships and **industry expertise** with Executive (operating) Partners
- **Research driven proprietary sourcing** targeting primarily publicly traded companies
- **Disciplined purchase price and conservative use of leverage** versus market
 - Siris' avg. acquisition multiple of 5.8x³

Track Record as of June 30, 2018⁴

Pro Forma for Polycom sale (Jul-2018), Web.com investment (Oct-2018), Intralinks sale (Nov-2018)

Siris III*/** (2015) - \$1.8bn Fund			
Fund	Invested (\$mn)	Net IRR	Net MOIC
Siris III + Co-Invest	\$2,545	22.0%	1.4x
Siris III Only	\$1,356	19.4%	1.3x

Siris II (2012) - \$641mn Fund			
Fund	Invested (\$mn)	Net IRR	Net MOIC
Siris II + Co-Invest	\$1,446	44.2%	1.7x
Siris II Only	\$561	16.4%	1.4x

Siris I - Core*** (2007) - \$500mn vehicle			
Fund	Invested (\$mn)	Gross IRR	Gross MOIC
Siris I + Co-Invest	\$254	62.2%	3.1x
Siris I Only	\$150	49.9%	2.9x

Illustrative Fully/Partially Realized Investments⁵



Fund key terms

Target size:

\$3.0bn (\$3.5bn hard cap)

Currency:

USD

Investment period:

5 years from final close

Term:

10 years from final close, subject to two 1-year extensions

Structure:

Delaware, L.P.

Management fee:

1.75% on committed capital during investment period

1.5% on invested capital thereafter

Carried interest:

20%

Hurdle rate:

8%

Siris commitment:

At least the lesser of 2% of total commitments and \$60mn

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