

Investing in European growth companies, a profile of Cipio Partners

With #QVCS, Maddyne profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Roland Dennert, Managing Partner at Cipio Partners.

Cipio Partners is investing in growth stage technology companies across Europe. We are an independent and partner-owned firm with decades of investment and operational experience in the global technology industry. Our experienced and agile team works closely with entrepreneurs and can take decisions quickly. Over the years, we have accompanied well more than 50 technology businesses through their growth stage and have seen them through to successful exits.

Can you tell our readers where and how it all began and talk about where you are today?

Cipio Partners celebrated its 20th anniversary in 2023. Simply put, we went through two phases. The first started in 2003, following the bursting of the dot-com bubble. Times were tough. It was entirely unclear if Europe could even have a technology industry. The owners of the few surviving technology

companies wanted to get out, almost at any cost. We were contrarians and believed in the future of technology investing even in its darkest days. The initial opportunity we seized was to acquire orphaned technology portfolios. In 2004 we were able to acquire portfolios from Deutsche Telekom and Daimler-Chrysler. In 2005, we added portfolios from Infineon and West LB. In 2007, we acquired Siemens Venture Capital and in 2009 a technology portfolio from 3i Group. The contrarian bet paid off.

In 2011, the industry was well on its way to recovery. Early-stage VC firms were alive and well, but few funds invested in the growth stage. That's what we started to focus on, and we have never looked back. Today, Cipio Partners is a pan-European growth fund.

Which industries are you working in?

We view ourselves as generalists and have a broad investment mandate. We believe that's essential for the long-term success of our firm. We cannot bet our company on one trend – such as AI or quantum computing. One wave will follow another, but we are building a long-term business and we want to ride them all. This said, there are common themes to our investments. We invest in information technologies products. Most of our portfolio companies have a B2B business model. We invest a lot in software or software-enabled businesses, and we like to do deeptech – even when it requires hardware.

What do you look for in a founder?

We typically work with companies that have already €10-30M in revenue. Of course, we want visionary founders with founder-market fit – as does everyone else. However, for us it is important to back people that can scale their companies much further. We want to help our management teams through the scale up of their business, which means adding a few C-levels and building a strong second level management team. But we really would like the core team to stay in charge and to be able to take the company to the next level. That is a very different skill than having a great idea, building the first product and making a few hero sales.

Can you talk about your current portfolio?

We have currently about twenty active investments, mostly across two funds. We have a truly pan-European strategy. About 1/3 of our companies are in Germany and 1/3 in France. The last 1/3 is more opportunistic. We have

investments in the UK, Ireland, the Nordics and we have started to look very actively into the Baltics and the CEE region even if we haven't invested there, yet.

In France we have invested in SaaS companies such as Welcome to the Jungle, Agorapulse and Launchmetrics and deeptechs such as MicroOLED and Silicon Mobility.

What does the future look like?

We at Cipio Partners are very bullish on European technology: We have great research and great talent in Europe. The mindset of the young generation has changed. Many talented young people don't want to join a large corporation, they want to chart their own course. They are willing to take the risk of starting a business; a business that has their values, their way of working. Think back to how business was twenty years ago, in terms of diversity, the way of working, the core values and look at it today. It's astounding how much has changed.

This said, there is still much to be done. We need to operate at a greater scale. Europe will lose big chunks of some well-established – mostly energy intensive – industries to new players such as China, South Korea and India. We need to build the industries of tomorrow. And to build industries, we need major players not just startups. We need vastly larger amounts of funding to do so. We need to build companies that can become global champions and European consolidators, rather than always selling out sooner or later.

What makes Cipio Partners different?

We have been in this business for twenty years. We have seen this industry develop, we have seen it go through two cycles, soon three. We are experienced – we have seen success and failure, we have made mistakes, but we are not making them twice. And we have done plenty of things right to be successful and become a major player in the European growth capital market. You can benefit from that. Entrepreneurship is charting a course through unknown waters. We understand that and will give you the freedom to explore. For us, the entrepreneurs take center stage. We provide funding, we help with casting, and we supply the props. You direct the movie.

What one piece of advice would you give

founders?

Be bold. As a founder, you have all to gain. Make your project as ambitious as you can. Build an amazing product, hire the best people, set the highest goals and raise the funding you need. You may succeed, or not, but you should be proud of your work. However, many creations will one day outlive its creator. If the day comes when you are no longer the driving force, but you start holding your company back, celebrate your success, set your company free and allow it to flourish.

Roland Dennert is Managing Partner at *Cipio Partners*.

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