

## Sovos to Gain New Investment by Hg Saturn and TA Associates, Fueling Continued Growth as Digital Transformation of Tax Accelerates Worldwide

August 20, 2020

BOSTON – August 20, 2020 – Global tax software provider Sovos today announced that Hg – a leading global software investor, partner and supporter of the expansion of Sovos for more than four years – will lead a further, majority investment in the company through the Hg Saturn 2 Fund. TA Associates, a leading global private equity firm with more than four decades of software investing experience, will also join as a significant minority investor to support the next wave of Sovos’ growth. Following this new investment, Sovos is poised to continue its geographic expansion, deepen its partner ecosystem, and respond rapidly to emerging tax and regulatory changes around the world.

Sovos has grown substantially since Hg first invested in the company in 2016. Since then, Sovos has acquired more than 10 companies across North America, Latin America and Europe; more than doubled its customer base to 8,000-plus, including half of the Fortune 500 companies; and added more than 1,000 employees working across 10 countries. With the continuity of support from Hg and the added resources and experience from TA Associates, Sovos will advance its initiatives in adjacent segments, as well as the overall growth strategy integral to its mission to Solve Tax for Good<sup>®</sup> everywhere its customers do business.

“Hg’s new investment in Sovos is a sign of their confidence in our market, our position and our unique ability to deliver a complete solution for modern tax, including tax determination, continuous transaction control compliance and tax reporting,” said Andy Hovancik, CEO, Sovos. “With the renewed support from Hg and the additional backing of TA Associates, Sovos is ready for the next stage of growth at a crucial time, as the digital transformation of government, technology and business converge.”

“In 2016, Hg invested in the Sovos vision to put tax compliance software where it belongs – in the modern, digital financial core,” said Jonathan Boyes, partner at Hg. “Since then, Sovos’ team has executed perfectly on a formidable strategy. In addition to strong organic growth generated from a robust recurring revenue model, Sovos has also executed on its targeted acquisition strategy, bringing new entrepreneurial founders into the business. As we move further into a world of digitized tax and regulation, Sovos is a trusted, future-ready solution for its multi-national customers.”

“Sovos leads a large, acyclical, global sector driven by increasingly complex tax regimes,” said Hythem El-Nazer, managing director at TA Associates. “Without a global solution, the rise of digital taxation has the potential to disrupt supply chain and finance transformation efforts. Sovos recognized that, and its leadership team has built the regulatory expertise, product innovation and business strategy to address it. We believe Sovos is ready to execute globally, and TA Associates is ready to support the company as it enters this next stage of growth.”

“Sovos has been a cornerstone partnership for Hg as we’ve expanded into the U.S. over the years,” said Gero Wittemann, partner and co-lead of Hg’s New York team. “The new Hg investment marks a new stage for the business, with Sovos offering an increasingly valuable proposition for customers with complex multinational operations. We’re absolutely delighted to continue our support for the Sovos team.”

The terms of the deal, which is expected to close in the second half of 2020 pending regulatory approvals and closing conditions, were not disclosed. William Blair and Jefferies served as financial advisors to Sovos. Hg (as manager of Saturn 2) was advised by Goldman Sachs and Shea & Company, and TA Associates was advised by Barclays.

## **About Sovos**

Sovos was built to solve the complexities of the digital transformation of tax, with complete, connected offerings for tax determination, continuous transaction control compliance, tax reporting and more. The company supports more than 8,000 customers, including half of the Fortune 500, operating in over 70 countries. Its SaaS products and proprietary Sovos S1 Platform integrate with a wide variety of business applications and government compliance processes. Sovos has employees throughout North America, Latin America and Europe. For more information visit [www.sovos.com](http://www.sovos.com).

## **About Hg**

Hg is a leading investor in software and services, focused on backing businesses that change how we all do business. Deep technology expertise, complemented by vertical application specialisation and dedicated operational support, provides a compelling proposition to management teams looking to scale their businesses. Hg has funds under management of over \$30 billion, with an investment team of over 140 professionals, plus a portfolio team of more than 35 operators, providing practical support to help our businesses to realise their growth ambitions. Based in London, Munich and New York, Hg has a portfolio of over 30 software and technology businesses, comprising over 30,000 employees across the UK, US and Europe. For further details, please visit the Hg website: <https://hgcapital.com/>.

## **About TA Associates**

TA Associates is a leading global growth private equity firm. Focused on targeted sectors within five industries – technology, healthcare, financial services, consumer and business services – TA invests in profitable, growing companies with opportunities for sustained growth, and has invested in more than 500 companies around the world. Investing as either a majority or minority investor, TA employs a long-term approach, utilizing its strategic resources to help management teams build lasting value in high quality growth companies. TA has raised \$33.5 billion in capital since its founding in 1968 and is committing to new investments at the pace of over \$2 billion per year. The firm's more than 85 investment professionals are based in Boston, Menlo Park, London, Mumbai and Hong Kong. More information about TA Associates can be found at [www.ta.com](http://www.ta.com).