

## Clearlake Announces Sale of NetDocuments to Warburg Pincus

*Warburg Pincus to join Cove Hill as a partner supporting the Company's growth*

**Santa Monica, CA and Salt Lake City, UT – May 25, 2021** – Clearlake Capital Group, L.P. (together with its affiliates, “Clearlake”) today announced it has entered into a definitive agreement to sell its interest in NetDocuments Software, Inc. (“NetDocuments” or the “Company”) to an affiliate of Warburg Pincus. Cove Hill Partners, L.P. (together with its affiliates, “Cove Hill”), who invested in NetDocuments in 2019, will retain its interest in NetDocuments. Transaction terms were not disclosed, and the transaction is subject to customary closing conditions and regulatory approvals.

NetDocuments is a growth oriented vertical SaaS platform and the leading provider of secure cloud-based content services and productivity software for law firms, corporate legal teams, and compliance departments. Clearlake invested in NetDocuments in 2017.

Over the course of Clearlake’s investment, NetDocuments executed on an investment thesis focused on accelerating growth for an industry leading technology platform. In partnership with management, Clearlake implemented its *O.P.S.*® framework to scale NetDocuments. Organic growth initiatives were focused on expanding the Company’s reach across the legal market by growing the inside sales team and SMB law strategy, as well as growing beyond the core legal market into both corporate and government end-markets. These efforts were supplemented by successfully executing on several strategic tuck-in acquisitions, which alongside significant organic investment in engineering resources, further bolstered NetDocuments’ product offering.

The combination of these organic and inorganic initiatives drove annual recurring revenue (ARR) growth of 250 percent during NetDocuments’ four-year partnership with Clearlake.

“Our original investment thesis was to partner with NetDocuments’ management team and implement our *O.P.S.*® framework to aggressively grow the platform through focused product and go-to-market initiatives,” said Behdad Eghbali, Managing Partner and Co-Founder, Clearlake. “We are proud of this outcome, as the transaction represents the strong recognition of the Company’s success and our vision to scale the platform and generate significant value.”

“The NetDocuments’ team and I have had a powerful partnership with Clearlake, as we have built the Company into a leading SaaS platform for the legal industry. Clearlake and their software investment expertise have been instrumental in the tremendous growth of our Company, and we are proud of what we accomplished together,” said Josh Baxter, CEO, NetDocuments. “This new growth investment highlights NetDocuments’ success and provides a strong base to help drive our continued growth. We look forward to working with Warburg Pincus and continuing our partnership with Cove Hill as we execute our strategy and deliver the highest quality technology solutions to our customers worldwide.”

“It has been a tremendous journey with Josh and the NetDocuments team. Clearlake’s software investing approach includes partnering with and scaling vertical application SaaS leaders and the NetDocuments success story is a great example of that strategy at work,” added Prashant Mehrotra, Partner, and Ben Kruger, Vice President, Clearlake. “The Company’s leading product vision and technology combined with Clearlake’s software investment best practices and resources enabled accelerated growth and strategic acquisitions. We thank the Cove Hill team for a successful collaboration, and we wish the NetDocuments team every success for the future.”

William Blair & Company LLC acted as the exclusive financial advisor to NetDocuments. Sidley Austin LLP acted as counsel to NetDocuments and Clearlake.

### **About Clearlake**

Founded in 2006, Clearlake Capital Group, L.P. is an investment firm operating integrated businesses across private equity, credit and other related strategies. With a sector-focused approach, the firm seeks to partner with experienced management teams by providing patient, long term capital to dynamic businesses that can benefit from Clearlake’s operational improvement approach, *O.P.S.*® The firm’s core target sectors are technology, industrials, and consumer. Clearlake currently has approximately \$35 billion of assets under management, and its senior investment principals have led or co-led over 300 investments. The firm has offices in Santa Monica and Dallas. More information is available at [clearlake.com](http://clearlake.com) and on Twitter @ClearlakeCap.

### **About NetDocuments**

Founded in 1999, with more than 3,150+ enterprise customers worldwide, NetDocuments is the legal industry’s most trusted cloud-based content services and productivity platform. Complete with state-of-the-art built-in security, compliance, and

governance solutions, NetDocuments offers document management, email management and collaboration technology complete with disaster recovery, enterprise search, and matter centricity features. For more information about NetDocuments, please visit [netdocuments.com](http://netdocuments.com).

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