Quadrivio outlines fundraising progress and zeroes inon targets across core sectors

Summary

- Silver Economy II fund launch planned
- Lifestyle Fund II exceeds EUR 250m commitments, targets EUR 400m
- AI-focused PE fund to make first investment in Italian software companies

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Italian private equity firm Quadrivio Group is progressing with a slew of fundraisings and acquisition efforts across its fund vehicles, CEO Walter Ricciotti told *Mergermarket*.

The firm is conducting final due diligence on the last investment for its Silver Economy I fund and expects the deal to close shortly, he said. This vehicle focuses on small and medium-sized healthcare enterprises that offer products and services to baby boomers and the over-70s demographic.

The target is a US-based company generating around EUR 70m in revenue and EUR 10m in EBITDA and the transaction is being pursued in partnership with a US fund under an exclusivity agreement. It is anticipated to close before September, Ricciotti said.

Once completed, this fund will be fully invested, he added.

Silver Economy Fund II

Quadrivio plans to launch a Silver Economy Fund II in 2026, with a targeted size between EUR 300m and EUR 400m. While Italy will remain a core focus for this fund too, the strategy is expected to expand internationally, particularly through add-on acquisitions, Ricciotti said. The timeline for a first close has yet to be determined.

The fundraise will be supported by placement agent Iroise Partners, a spin-off of Campbell Lutyens, with partner Jean-Philippe Keravec leading the process, the CEO noted.

Lifestyle Fund II

Meanwhile, Quadrivio's Lifestyle II fund is already on the road raising funds and has, according to Ricciotti, exceeded EUR 250m in commitments thus far. It has a target of EUR 400m and a hard cap of EUR 500m. Ricciotti said the team is on track to reach the hard cap, with a final close potentially occurring by the end of 2025 or early 2026.

The Lifestyle II fund has completed four investments so far, including a stake in Italian fashion brand Twinset, which it acquired from Carlyle last month, in partnership with Borletti Group. Despite challenging macroeconomic conditions, the portfolio is performing well, supported by disciplined entry valuations and a healthy pipeline, Ricciotti said.

The fund targets sectors such as food, furniture, and hospitality, with a focus on fragmented markets. Quadrivio is currently negotiating multiple deals, and pursuing exclusivity on several, the CEO said, adding that the firm is seeking companies with revenues between EUR 50m and EUR100m.

Elsewhere in the lifestyle vertical, Quadrivio's first Lifestyle Fund is now fully deployed, he said. It has completed one exit to date in the form of its 50.2% stake in Autry, which was sold to Style Capital in March last year.

Although several of Lifestyle Fund's portfolio companies are ready for sale, current market conditions have limited the exit activity, Ricciotti said and noted that two or three exits could have occurred in 2H25 under more favorable circumstances. That said, the fund's exposure to US tariffs is minimal, as most portfolio companies have limited sales in the US, and the impact on portfolio economics is seen as negligible, the CEO said.

AI strategy

As for Quadrivio's new AI-focused PE fund, it is expected to make its first investment later this year, which will involve a build-up of three Italian software companies, Ricciotti said.

The fund is not targeting the US market due to high levels of competition and capital saturation, he added.

Quadrivio announced in November last year that it had launched a EUR 300m Artificial Intelligence PE Fund in partnership with Microsoft. About 70% of the capital will be ploughed into Italy with the remainder earmarked for Europe and the US, it said at the time.

The fund is looking to invest in companies with revenues below EUR 50m, in areas including software, systems integration, cybersecurity, robotics, and advanced manufacturing, Ricciotti said. Microsoft is contributing to both deal origination and post-investment implementation. The fund's team includes individuals with both private equity and deep technology experience, including former software entrepreneurs, he added.

When it comes to Quadrivio's own plans, the firm is expanding its geographic reach, particularly in Asia. It now has two operating partners based in Hong Kong and is looking to develop in Shanghai to help European companies scale in China, Ricciotti said.