Mergermarket

Quadrivio targets c.EUR 180m second close for AI fund by the summer

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by Valentina Caiazzo

- Targets long-term and new institutional investors with sector knowledge
- Anticipates achieving EUR 400m hard-cap by 1H27
- Plans to close three new investments in 2026, with focus on cybersecurity

Italian private equity (PE) firm Quadrivio expects to complete an intermediate EUR 170m-EUR 180m second close for its Artificial Intelligence PE Fund by the summer, CEO and co-founder Alessandro Binello said.

Talks are underway with several LPs, Binello said, adding widespread interest is supported by a growing primary deals pipeline, which is originated via the PE's proprietary network.

The fund is working to build a diversified investor base among Italian and foreign institutional investors and family offices, he said.

While it plans to strengthen relationships with long-time investors that have backed the PE across multiple strategies, Quadrivio also aims to establish new relationships with large institutional investors with knowledge of the AI sector, with the potential to enhance co-investment opportunities, Binello said.

Quadrivio's institutional investor base is already consolidated, but its AI fund could also attract a wealth-management base, supported by potential distribution agreements with banks, he added.

Quadrivio's AI fund reached a first close at EUR 100m in September last year.

After the second close, it expects to reach its EUR 400m hard-cap by the first half of 2027, surpassing its original EUR 300m fundraising target, Binello said.

Quadrivio believes it can fully execute its investment strategy at EUR 300m, including co-investments. However, given the strong interest in its sector thesis and the broader market potential, it can favourably look to reach its hard-cap target, which would allow it to pursue larger add-ons across its portfolio companies, he said.

"The fundraise has not seen significant delays to date, but one needs to be aware of the LPs' investment windows", Binello said. However, decision-making processes remain lengthy overall, and as a result delays can occur, he added.

Deployment plans

Quadrivio's AI fund aims to make between eight to 10 investments, acquiring platforms that operate in different areas of AI, Binello said.

Given its buy-and-build strategy, the total number of investments may ultimately result in a larger number of transactions, he said, pointing the fund's first investment.

In December 2025, it acquired three firms, namely Pipeline, One4 and MDM. The companies, which have combined revenues of EUR 25m and a profit margin of over 15%, work in systems integration and digital solutions underpinned by AI and will form a first platform, with a target of EUR 100m revenues in three years, as reported.

The fund has a built a strong pipeline and is already working on its next investments. It expects to sign a deal in the first half of the year and to complete two more acquisitions by the end of 2026, Binello said.

When it established the fund in November 2024, Quadrivio clinched a strategic partnership with Microsoft, which supports the fund and helps identify targets among providers of technologies and digitisation services for SMEs specialised in areas including software, systems integration and robotics.

The fund's current M&A focus is on cybersecurity, Binello said, adding it is also targeting Italian systems integrators, software houses and providers of robotics and automation services.

About 70% of the fund's capital is expected to be deployed in Italy, with the remaining allocation potentially invested in other European markets, he said.

Desirable candidates generate revenue in the EUR 30m-EUR 100m range, he said, adding that companies active in its targeted space have an average 25%-35% annual growth rate.

Quadrivio Group has raised and managed cumulatively over EUR 2bn from institutional investors, family offices, and HNWIs, as per its website.

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Relationships

Bidders

Quadrivio AI Fund

Related Companies

Quadrivio Group Italy Srl

Geography
Italy

Sector
Financial Institutions

Topics
Fundraising (Funds)
Fund Focus
GPs & LPs
Private Equity M&A
Companies Looking to Buy - Bolt-on
Companies Looking to Buy - Large
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