



HGGC To Exit Serena Software in \$540 Million Cross-Border Transaction

Transaction Will Be First Exit from \$1.33 Billion Fund II

PALO ALTO, Calif.—March 21, 2016—HGGC, a leading middle market private equity firm, today announced it has entered into a definitive agreement to sell Serena Software to UK-based Micro Focus International plc ("Micro Focus" LSE: MCRO.L) an international software product group, at an enterprise value of \$540 million in cash.

Headquartered in San Mateo, California, Serena is the world's largest independent provider of IT application development and deployment solution, helping nearly one million users in more than 2,500 global organizations streamline their IT processes to deliver applications faster, improve IT service performance and reduce IT costs.

Since HGGC and company founder Doug Troxel acquired the business in 2014, Serena has made significant progress, reducing net debt by nearly \$100 million, achieving double-digit growth in EBITDA (as defined in Serena's Credit Agreement, relative to the year ended January 31, 2014), and achieving EBITDA margins of approximately 50% each year. From a new business perspective, Serena generated software license revenue of more than \$30 million per year, due in part to a newly developed solution for DevOps Release Management.

"Over the past two years, we and Doug Troxel have had a fantastic and productive relationship with Serena CEO Greg Hughes and the management team," said Rich Lawson, Managing Partner and CEO of HGGC, who also serves as Chairman of Serena. "Working together, we have been able to move the business forward and achieve this great result for the company."

"Investing in Serena a second time was a big decision for me, but HGGC and I shared a vision for the business and were confident that we would be able to work with management to build value," said Troxel. "I am very pleased that our ambitions are now coming to fruition through this agreement with Micro Focus. The two companies have a long history together, and I am confident that MicroFocus will be a great home for Serena's technologies, customers and employees."

When completed, the sale of Serena will be the first exit out of HGGC's second fund, which closed on capital commitments of \$1.33 billion in March of 2015. Serena is one of 32 technology services transactions that HGGC has been involved in since inception, including the sale of Hybris to SAP in June 2013, and the sale of Sunquest to Roper Industries in July 2012 for \$1.4 billion. HGGC's current technology services platform investments include Auto Alert, Dealer-FX, Innovative, MyWebGrocer, Selligent, SSI, and iQor.

**About HGGC**

HGGC is a leading middle-market private equity firm with over \$2.4 billion in cumulative capital commitments. Based in Palo Alto, Calif., HGGC is distinguished by its “Advantaged Investing” model that enables the firm to source and acquire scalable businesses at attractive multiples through partnerships with management teams, founders and sponsors who reinvest alongside HGGC, creating a strong alignment of interests. Over its history, HGGC has completed nearly 50 transactions, including global platform investments, strategic add-on acquisitions, recapitalizations, and liquidity events with an aggregate value of over \$10 billion. More information is available at www.hggc.com

About Serena

Serena is the largest independent Application Lifecycle Management (ALM) vendor with more than 2,500 enterprise customers. Serena helps the highly regulated large enterprise move fast without breaking things – increasing velocity of the software development lifecycle while enhancing security, compliance, and performance. More information is available at www.serena.com.