LUMO INSIGHTS

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Aldaron closes $950m fund to prove AI value in buyouts

Executive Summary

A private equity newcomer, Aldaron, closed its first fund at $950 /million to finance AI-driven portfolio transformations (www.financialcontent.com [1]). New research shows companies are spending and hiring to capture AI’s benefits, while investors and CFOs insist on evidence that these projects boost revenue or efficiency.

References:

[1] www.financialcontent.com — https://www.financialcontent.com/article/bizwire-2026-11-9-aldaron-closes-debut-fund-at-hard-cap-with-over-950-million-in-total-commitments#:~:text=this%20content%20If%20you%20believe,months%20of%20the%20initial%20launch

New fund targets AI transformation in portfolios

Aldaron, a new private equity firm focused on "transformation equity", announced the final close of its debut fund at a $950 /million hard cap on 9 November (www.financialcontent.com [1]). Investor demand exceeded $1 /billion for the oversubscribed fund, which is dedicated to applying advanced AI in established mid-market companies. Aldaron’s strategy pairs control-oriented investing with an in-house team of software engineers to rebuild how portfolio businesses operate (www.financialcontent.com [2]). The firm’s founders report that their first platform investment is already ahead of plan: initial AI initiatives at Oak Point, a US financial services company, delivered results "well ahead of what we underwrote" (www.financialcontent.com [3]). This early progress aims to validate that AI can drive substantial EBITDA improvement within a typical PE investment period, if technology initiatives are closely integrated with operations.

References:

[1] www.financialcontent.com — https://www.financialcontent.com/article/bizwire-2026-11-9-aldaron-closes-debut-fund-at-hard-cap-with-over-950-million-in-total-commitments#:~:text=this%20content%20If%20you%20believe,months%20of%20the%20initial%20launch

[2] www.financialcontent.com — https://www.financialcontent.com/article/bizwire-2026-11-9-aldaron-closes-debut-fund-at-hard-cap-with-over-950-million-in-total-commitments#:~:text=North%20America,requires%20a%20different%20kind%20of

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CFOs demand AI’s impact on the P&L, not just pilots

New guidance from Gartner underscores the pressure on companies to translate AI into financial results. In a 4 November briefing, Gartner warned CFOs that they should stop viewing AI primarily as a quick way to cut headcount, noting that productivity gains so far are often too small to dent costs or boost profits (www.gartner.com [1]). In a survey of 1,303 senior functional leaders earlier this year, 23% reported reducing headcount due to AI adoption, but 17% actually increased hiring for digital skills (www.gartner.com [2]). This suggests that while AI can automate tasks, it also demands new talent, and any efficiency gains won’t automatically improve the bottom line without deliberate action. Gartner advises finance chiefs to treat AI as a catalyst for transforming how work gets done rather

than a direct cost-cutting lever (www.gartner.com [3]) (www.marketscreener.com [4]). By actively redeploying the time saved and aligning AI projects with strategic goals, CFOs can ensure that automation benefits show up in operating margins and cash flow.

References:

[1] www.gartner.com — https://www.gartner.com/en/newsroom/press-releases/2026-11-04-gartner-idnetifies-three-steps-for-cfos-to-turn-ai-time-saavings-into-business-value#:~:text=as%20a%20Catalyst%20for%20Workforce,to%20redirect%20the%20additional%20workforce
[2] www.gartner.com — https://www.gartner.com/en/newsroom/press-releases/2026-11-04-gartner-idnetifies-three-steps-for-cfos-to-turn-ai-time-saavings-into-business-value#:~:text=guarantee%20headcount%20reductions,with%20strong%20AI%20and%20digital
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Sponsors balance AI opportunity with deal scrutiny

Private equity firms are ramping up investment in AI within their portfolios even as they tread carefully in acquiring tech businesses at risk of AI disruption. An EY survey of global GPs found that 80% have increased AI spending across their portfolio companies in the past year (www.ey.com [1]), often moving automation from small pilots into broad deployment to boost efficiency and growth. However, the same Q3 2026 survey shows that 40% of PE firms have walked away from at least one potential technology deal in the last 12 months due to uncertainties around AI's impact on the target's business model (www.ey.com [2]). This balancing act reflects a shift in focus towards improving existing portfolio operations versus betting on new tech acquisitions without clear proof of resilience. EY's analysis notes that some sponsors are investing in AI without a clear plan for where to apply it or how to govern and measure its impact, which can lead to wasted effort (www.ey.com [3]). To unlock value, firms are concentrating on specific use cases like process automation, data analytics, and customer service enhancements - and holding their portfolio CEOs accountable for demonstrating measurable gains in revenue, margins or productivity.

References:

[1] www.ey.com — https://www.ey.com/en_gl/insights/private-equity/pulse#:~:text=response,graph%20showing%20how%20aggregate%20AI
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[3] www.ey.com — https://www.ey.com/en_gl/insights/private-equity/pulse#:~:text=internal%20AI%2C%20data%20and%20engineering,the%20strategy%2C%20governance%20and%20data

Key Statistics

- 120 bps - EBITDA margin increase at Foundation Risk Partners from an AI programme (Partners Group)
- 40% - PE firms that halted a prospective tech acquisition due to AI disruption risk (EY survey, Q3 2026)
- 80% - GPs who increased AI investment across portfolio companies over the past year (EY survey, Q3 2026)
- 23% - Senior functional leaders reporting AI-driven headcount reductions (vs 17% reporting increases, Gartner survey 2026)
- $176.8 /billion - Enterprise AI spending in 2026 (year to date), up from $33 /billion in 2025 (Menlo Ventures)

KEY TAKEAWAY

Insist on measurable results from every AI initiative. Push portfolio CEOs to quantify AI-driven gains against clear baselines. Buyers and lenders are scrutinising AI claims, so only tangible improvements will add value at exit.

Sources

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https://www.partnersgroup.com/en/news-and-views/press-releases/investment-news/detail?news_id=1bcda79f-a47d-440b-84b4-c7adc3d6563c

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Menlo Ventures' 2026 State of Enterprise AI Report: Enterprise AI spending hits $177b, up 5.4× in one year as agents take over
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