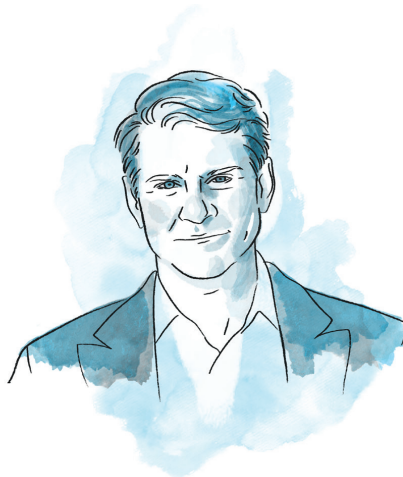


## DOSSIER

BREAKFAST WITH

# Robert Covington Is Setting Records With Braemont Capital



His private equity group, which invests in founder-led and family-run companies, came to market with the largest inaugural growth equity raise in Texas history.

story by **BEN SWANGER**

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AT 24, AFTER EARNING AN MPH FROM YALE University, Robert Covington dumped his doctor dream to launch a software business. “Who leaves Yale to start a company?” he rhetorically asks. “People don’t do that. I had a screw loose.” But in June of 1999, the former aspiring doctor created Firstdoor, a company that provided web-based HR services. Covington rapidly scaled the company to employ 75 people and persuaded Marsh McLennan, Willis, and ADP to become clients. But by 2001, the dot-com bubble had burst, and Covington was forced to make some tough decisions. “These were people who believed in a 24-year-old kid,” he says. “They were dependent upon the business, but we had to shrink.”

With more cuts looming, Covington decided to sell instead. “If we sold it, we could save the jobs,” he says. So, that’s what he did. Lawson Software purchased Firstdoor in 2001. Ten years later, Infor, a multibillion-dollar software business, bought Lawson for \$2 billion. Firstdoor is still operating today as a division of Infor.

As Covington and I settle in for breakfast at the in-house restaurant at Old Parkland, where his new venture, Braemont Capital, is based, the business veteran admits there’s been times when he regrets selling his first company. But he’s all eyes forward now as Braemont Capital, where Covington is the managing partner, recently came to market with the largest inaugural growth equity raise in Texas’ history at \$525 million. “I didn’t

expect us to be Texas’ largest first-time growth fund, but I’m flattered,” he says. “That says people believe in us, and they trust us with their money. I’m never going to take that for granted.”

Prior to founding Braemont, which focuses on family-run and founder-led companies, Covington founded the Dallas office of RedBird Capital, where he served as co-managing partner and, later, partner of the firm. Most notably, he spearheaded the first institutional capital investment in Compass Datacenters, when the business—which is set to be acquired by Canadian investors for more than \$5 billion—was just an idea. Prior to that, he spent time at The Stephens Group and SSM Partners, garnering a passion for growth-oriented investing.

And that’s exactly what Covington is doing with Braemont. To date, the company has deployed three investments representing more than \$250 million in commitments. Its inaugural investment was in RedTeam Software, a construction management platform. The fund then invested in Vixxo Corp., a tech-enabled facilities maintenance company. Most recently, the fund invested in Incline P&C Group, an Austin-based insurance firm. “All the businesses we’re targeting are growing two to three times GDP,” he says.

Although Covington is focused on filling out his portfolio under the first fund, his gears are turning on a second raise. “Considering our pace of deployment, we’ll be looking to raise our second fund in the fourth quarter of 2024 or first quarter of 2025,” he says. Expect the second raise to come in above the record-setting first but less than \$1 billion. “We’re trying to build companies that nobody can beat when they’re at their best,” Covington says. **D**