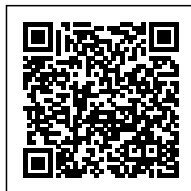


RE-DOMICILING A SPANISH COMPANY IN THE US

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Last summer, 100 per cent of the share capital of AlienVault, the cybersecurity company founded in Spain, was sold to AT&T. The financial details of the transaction have not been disclosed but online news articles mention a price ranging from €600 million to €800 million. This would make

the sale the biggest exit in cash of a start up in the Spanish market and, in any case, one of the most significant venture capital transactions anchored in the Spanish ecosystem and technology.

AlienVault was incorporated in Madrid in 2007 and their first offices were located in a basement. The founders' idea was to offer an integrated cybersecurity solution based on open source software.

Approximately one year later, AlienVault closed its first investment round with Adara (one of the earliest and most recognised venture capital funds in Spain) and, as secretary of the board, I had the opportunity to be a part of it and follow the company's journey.

In the months that followed, the company decided to open in Silicon Valley in the US, and began to search for US clients and US venture capital. They managed to attain various term sheets from significant venture capital firms in Palo Alto. Trident Capital was the winner, their knowledge and "good feeling" convinced the company.

The good news was that AlienVault now had the financing they needed to expand their business globally and they also had an expert in the US market on board. The bad news was that the new venture capital firm needed to invest in a US company. Thus, the company was re-domiciled in the US. The process of re-domestication is quite straightforward today, but at that time, it required a great deal of effort and imagination.

With the move to the US, AlienVault engaged a top management team led by Barmak Meftah, the current CEO of the company, and began its growth phase. The company appears to have had a smooth path: it hit quarterly targets and closed investment rounds periodically (D series raised \$26 million, E series raised \$52 million, with Kleiner Perkins, one of the most reputed Silicon Valley venture capital firms, leading the investment). But it was not that easy. The founder and first CEO of the company put a lot of energy into the work and did an amazing job creating a company philosophy which tried to amalgamate the Spanish and US teams/cultures, which was sometimes very hard. The company also underwent several dramatic pivoting movements, the most significant of which was probably the move from open source to a subscription product.

The steps that AlienVault took are reminiscent of a company that went by the book: (i) A and B series in Spain, (ii) re-domestication to the US, (iii) C, D and E series in the US (iii) study of a dual-track procedure (sale vs. listing) and (iv) sale. However, the challenge was that back in 2007, there was no "book" in Spain to speak of, and thus their experience indeed helped to write a relevant part of the Spanish ecosystem story.

In summary, AlienVault is a cybersecurity company with Spanish DNA that was acquired by one of the biggest world players, which was particularly interested in the company's people and talent. However, we will never know what would have happened if the company had gone public through an IPO, though it seems likely that it would have been the first unicorn in the Spanish technology market.

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