

EXCLUSIVE | FUND NEWS

Midmarket Firm GenNx360 Raises \$865 Million Fund for AI-Fueled Transformation

New York firm will target a mix of AI-driven ‘picks and shovels’ businesses and AI-resistant service providers

By Maria Armental

Midmarket firm GenNx360 Capital Partners has raised about \$865 million to back companies that the firm sees as benefiting from artificial intelligence or as shielded from its disruption.

After successfully navigating a three-year fundraising cycle in one of the toughest environments for private equity, the New York firm is using its latest fund to zero in on such AI-resistant areas as aerospace and defense, data centers and other highflying industries along with everyday-service businesses such as commercial painters.

Ronald Blaylock, who founded the firm in 2006 with a group of General Electric veterans, said that firms like his can show company owners that they have the money and the know-how to close deals and help companies successfully navigate economic cycles.

“In this market, sellers want price,” Blaylock said “But they want certainty too.”

The fund

GenNx360 Capital Partners IV’s \$865 million final tally surpassed both the fund’s \$465.9 million predecessor and a \$600 million target that pension documents indicate it initially set in 2023.

Among fund backers that have publicly disclosed commitments are the New York State Common Retirement Fund and the Baltimore City Employees’ Retirement System which pledged \$150 million and \$30 million, respectively.

The firm has already committed about

\$285 million of the fund across five investments and notched one exit with the sale of Precision Aviation Group to publicly traded company VSE. That exit generated a gross internal rate of return of about 48% and a multiple of about 2.5 times invested capital, according to documents viewed by WSJ Pro.

“There’s great momentum in the fund,” Blaylock said, adding that the firm is negotiating four more deals and expects to have invested about half of the fund by the end of September. One deal in the works is for a company focused on data-center cooling, while another is for a multifamily-property commercial painting business, he said. He expects both will benefit from higher demand.

The strategy

GenNx360 focuses on the lower midmarket, taking control positions in North American industrial and business services companies that generate up to \$500 million in annual revenue. Target industries include infrastructure services, testing and inspection, and aerospace and defense.

The firm intends to stick to a buy-and-build playbook, often acting as the first institutional investor in companies it backs. Its equity checks average about \$70 million, backing overall transactions of up to about \$500 million including debt.

“In a very high technology-driven world, we want to be the picks and shovels of that world and the service element of that world,” Blaylock said. By balancing the “picks and shovels” investments with everyday-service businesses like commercial painting, the

firm creates a portfolio that functions as a hedge against AI disruption.

For example, he said he sees ample opportunity investing in areas that benefit from the data center boom, such as cooling equipment or pipe inspection services.

Similarly, he said there are long investing tailwinds in aerospace and defense maintenance, repair and overhaul companies. That is an area where AI can help with predictive maintenance analysis and inventory management, addressing supply-chain bottlenecks.

The context

GenNx360 started raising the latest fund in 2023, amid a fundraising crunch as exits stalled and compressed returns to investors. Like many of its peers, the firm navigated the dry patch partly through the use of so-called continuation funds to hold on to some of its best assets while giving an option to investors to cash out.

GenNx360 raised two single-asset continuation funds. In late 2023, the firm formed a \$400 million continuation vehicle backed by Neuberger Berman and Blackstone to hold on to Precision Aviation Group until its sale to VSE. A year later, it raised a continuation fund to extend its ownership of Cleveland gear maker Horsburgh & Scott.

Overall, the firm has returned more than \$1.3 billion to investors over the last year, according to Managing Partner Monty Yort.

© 2026 Dow Jones & Co. Inc.
Licensed Use: Post to corporate site
Licensed To: GenNx360
Expiration Date: 09/25/2027