



## DigitalNet.ai searches for 4th acquisition target and eyes future IPO – CEO

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- 20%-25% organic growth expected
- Targets profitable, founder-led companies with healthcare expertise

DigitalNet.ai, an enterprise-focused AI company, is searching for targets following its October 2025 launch and considering an IPO in about two years, CEO Ken Bajaj told *Mergermarket*.

Bethesda, Maryland-based DigitalNet offers persona-based agentic AI and was formed through the acquisitions of Harmonic AI, Zillion Technologies, and Axis Group.

It currently reports annual revenue of USD 170m, the CEO said.

Looking ahead, the just launched business intends to seek an IPO in about two years, Bajaj said. The timeline is possible, he added, drawing on his experience taking AppNet public on a similar timeline. Founded in 1997, AppNet went public in 1999.

“We are as good as the managers who surround us,” he said.

The CEO, a lifelong technology entrepreneur and PhD, said he came out of retirement for the AI revolution. The CEO explained in the mid-1980s he was part of the team that put robots into GM’s factories. “We started factory automation, so I have that background,” he said.

While advisors for the listing have not yet been selected, Bajaj previously worked with Goldman Sachs and JP Morgan on prior deals and said DigitalNet would likely use a top-tier bank.

Ulysses Management is its financial sponsor, with equity syndicated among multiple investors, the CEO said. Nobody holds a majority position, Bajaj added, noting that the founders of the acquired firms retain equity and remain on staff.

Bajaj said he prefers profitable, founder-led companies in the USD 30m–USD 100m range, particularly those with healthcare domain expertise and that are building applications.

“AI can bring just a lot of opportunities and efficiencies in the healthcare space,” he said, citing use cases such as patient care, drug discovery, fraud detection, and X-ray analysis.

The CEO said he passed on healthcare-focused targets previously but hasn’t been looking since the formation of the company, focusing on integration and sales.

Additional capital for acquisitions could be raised from existing investors, he said.

Debt financing for the initial acquisitions came from JP Morgan and Bank of America, with Bajaj confirming the total price was USD 200m.

The company’s platform introduces more than 2,000 persona-based cognitive agents that can be trained in minutes, enabling organizations to collaborate with persistent, human-like intelligence. These agents demonstrate advanced decision-making and adaptability skills, he said.

Bajaj outlined an aggressive growth plan and believes DigitalNet’s combination of platform and services positions it strongly for growth.

“Most enterprises are saying, ‘Give me a roadmap,’” he said. “Look at my functions and tell me how to introduce AI for revenue generation, efficiency, and customer service.”

DigitalNet expects 20%–25% organic growth this year without acquisition, but with an additional deal accelerating expansion.

Currently, 94% of the company’s work is commercial, with 6% in government. DigitalNet’s preferred verticals are financial services, insurance, healthcare, and government sectors.

Bajaj sees significant potential for AI-driven digital transformation in these verticals, including automating insurance policy management and improving customer service.

A December 2025 minority investment in Electrossoft, a Reston, Virginia-based federal IT services contractor, is expected to strengthen its government business, the CEO said.

Competitors include Palantir and C3.ai, Bajaj said.

by James Ward