

The vastly underrated exit.

Long seen as a consolation prize, the acqui-hire has become a \$40 billion exit for some of tech's most successful startups.

01 The acqui-hire grows up

Acqui-hires have been around for decades, and they've usually been a polite word for failure: the company didn't work, so a buyer took the team. Since 2024, the largest tech companies have turned the idea into something else. They license a startup's technology, hire its founders and best people, and leave the company standing. They've spent about \$40 billion this way, including Nvidia's \$20 billion deal with Groq.

Deal	Size	Announced	License	Shares	Use of proceeds
Groq / Nvidia	\$20.0B	Dec 2025	Yes. Non-exclusive, AI chip technology	No	Paid to all holders. Investors cashed out at a \$20B value. Founder joined Nvidia
Scale AI / Meta	\$14.3B	Jun 2025	No	Yes. 49%, non-voting	Dividend. Investors paid out and kept their shares. Founder joined Meta
Character.AI / Google	\$2.7B	Aug 2024	Yes. Non-exclusive, AI models	No	Investor buyout at a ~\$2.5B value. Founders rejoined Google
Windsurf / Google	\$2.4B	Jul 2025	Yes. Non-exclusive	No	Split. ~\$1.2B to investors, ~\$1.2B to the founders and hires
Inflection / Microsoft	\$0.7B	Mar 2024	Yes. AI models, sold on Microsoft's cloud	No	Capital returned. Investors got 1.1x to 1.5x. Founders joined Microsoft

Sizes as reported. Sources: company announcements and press reports.

Antitrust regulators and lawmakers from both parties have taken notice, and with the Justice Department now examining the Nvidia and Groq deal, the largest versions may face a higher bar. The idea behind them isn't going away.

02 Why buyers do it

The buyer gets what it wants, the technology and the team that built it, without the rest of the company.

The technology and the team. The license gives the buyer the right to use the startup's technology, and the hires bring the people who know how to build on it. Together they're worth more than either one alone.

They paid only for what they valued. The buyers didn't take on customers, contracts or a payroll they never wanted.

They left the baggage behind. Debts, disputes and liabilities stayed with the old company.

Speed. These deals close in weeks. For the largest buyers, they also avoid a lengthy merger review.

03 Why sellers chose it

These are some of the most successful startups of the decade, and they chose this structure on purpose.

They were paid like a full exit. Groq's investors were paid at roughly three times a valuation set three months earlier. Character.AI's investors were bought out at about two and a half times their last round.

They kept the company. The license is non-exclusive, so the startup keeps its technology and can keep going. Scale's investors took a dividend and still own the business. Groq raised new money after its deal. Windsurf sold twice: its technology and leaders to Google, then the remaining company to Cognition within days.

It closed fast and for certain. There was no months-long review to wait through and no risk of a deal falling apart at the end.

The team got the best seat in the industry. Founders and key people moved to the companies with the most resources in their field. Inflection's founder now runs Microsoft's consumer AI, and Scale's runs Meta's new AI lab.

What it means for you

When a buyer mainly wants your technology and your team, this kind of deal is an avenue worth knowing about, and in the right situation it can beat a sale of the whole company.