

HIGH GROWTH AMBITION

With increased funds, State support and innovative thinking, Irish companies have probably never enjoyed a better funding environment

One of the main barriers to growth faced by ambitious Irish entrepreneurs has been a relative lack of seed and equity capital. While Ireland has possessed a well-developed venture capital sector for many years, scale has been an issue. Today, however, the funding landscape is at least comparable to the UK and growth-oriented Irish businesses have a variety of options open to them.

“The landscape in Ireland is pretty good at the moment,” says Matt Scaif, a partner with Causeway Capital, one of the newest funders in the market. “Enterprise Ireland and the Irish Strategic Investment Fund have played a very important role in this and the situation is now very comparable with the UK – even though there are a lot more funds over there.”

Atlantic Bridge Capital investment director Dr Helen McBreen agrees. “The funding environment is very good in Ireland at present. There is a large number of funds active here but what companies need to do is figure out who is the best funding partner for them. Company owners need to ask who is best to help them realise their growth ambitions.”

Atlantic Bridge Capital is a global growth equity tech-

nology fund with over \$500 million of assets under management across five funds investing in technology companies in Europe, the US and China. “We are headquartered in Dublin and have offices and staff based in London, Dublin, Silicon Valley, Beijing and Hong Kong,” says McBreen.

According to McBreen, the firm is focused on investing primarily at the expansion capital and growth equity stages in companies that have started to scale in revenues with a proven business model with evidence of market uptake and customer adoption. The firm has developed its own differentiated strategy which focuses on specific technology themes and the implementation of the “Atlantic Bridge Model” for scaling companies internationally. This model accelerates the scale up of technology companies in the US and Chinese markets.

“This differentiated approach has delivered proven returns to date,” she says. McBreen heads the Atlantic

Bridge University Fund which is focused on investing in early-stage companies with global potential that are built from research generated at Irish third-level institutions and universities.

“This is a seed fund investing between €1 million and €2 million in partners,” she explains. “Our other funds invest at the series A or B funding round stage and that involves bigger cheques. This allows us to follow our investments through from an early stage. Our main focus is on growth stage tech companies. Investment themes specifically around software, hardware, big data, cloud, augmented reality, artificial intelligence and machine learning. The University Fund has a wider mandate and can invest in other related sectors such as connected health.

“We are looking to build companies and accelerate growth,” she adds. “We start out with a plan and we execute it. We figure out what we need to do to accelerate growth. The starting point is how we are going to



help the company to grow.”

Broadlake Capital also operates in that growth stage space but with some distinct differences. “What we do is a little bit different to most funders out there,” says chief executive Pete Smyth. “We take a collaborative approach to our investment partners. We invest in the range of €2 million to €10 million in businesses that are growing. We want to work with entrepreneurs who want to grow their companies. We want to help SMEs to grow and get to the next level – either organically or through acquisition or a combination of both. A lot of businesses we invest in already have significant business outside of Ireland. In some cases we have helped them with their first steps into overseas markets and we are now doing business in over 30 countries.”

For Smyth the key is the people in the firms they invest in. “We invest in a variety of different sectors and we don’t claim to be sector experts. In fact, we don’t really claim to be expert in anything. Our experience is in scaling. We bring support to build, to cre-



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Pete Smyth, chief executive, Broadlake Capital: A lot of investors are ex-bankers or accountants but we come from an operational background. We don't just invest capital, we bring expertise and experience

ate, to quicken, to accelerate, to help partners reach their goals. We complement their experience. This is not typical of investment partners. Most are finance oriented and spreadsheet driven.

"We want 80 per cent of board meetings to be spent looking out the window instead of the rear-view mirror. We always focus on looking ahead."

He takes a long-term view of the investments. "We invest for shares and their value will increase over time. At some stage the company will be sold and we will make our return then. We don't charge fees for loans or management time. If things go up we all go up together, if they go down we all go down together."

"The plan for the future is to continue investing. It is a long-term strategy. We are invested in seven different companies at the moment and would like to invest in one or two businesses each year. We have a portfolio of different businesses in different sectors all with above average growth."

He believes Broadlake is unique in an

Irish context. "A lot of investors are ex-bankers or accountants but we come from an operational background. We don't just invest capital, we bring expertise and experience."

"It is all about the team and the culture and you can't talk about those on a spreadsheet. These are assets that you can't see on a balance sheet. When we are looking for the ability to scale we look at non-balance sheet items."

Causeway Capital was established in



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– Dr Helen Breen



2015 and is investing between €2.5 million and €10 million in established Irish and UK SMEs with ambitious management teams and strong growth prospects.

"We are looking to invest in eight to 10 mid-growth phase businesses to help them to scale," says Matt Scaif. "Our investment team is made up of experienced entrepreneurs with experience across a variety of sectors including healthcare, technology, business services, and consumer markets. We are looking for good business models and good teams. We are looking for differentiated businesses that lead their sectors. We do not restrict ourselves to sectors or markets. We value innovation, ambition and growth prospects. We back talented and ambitious owners and managers with the vision to drive growth."

The type of business that Causeway invests in is one that has been around for a while and is focused on developing world-class products or services.

"We are looking at businesses that began life around six or seven years ago," says Scaif. "They are businesses that have come through the tough times and we are there to help them grow and get to the next level. Our exit could be a bigger investment round, a takeover or even an IPO."

With funds like these bringing significant amounts of capital to the market and increased interest being shown in Ireland by overseas investors, the funding picture really never has been brighter for Irish companies