



Daragh Lane, director of Cardinal Capital; Stephen Minogue, investment director at MML Growth Capital Partners; Mark Sykes, investor at BGF and Adrian Benson, partner in corporate M&A, Dillon Eustace



Peter Ryan, senior debt restructuring manager at CKS Finance; Aaron Mooney, chief executive of Action24 and Gavin Pitcher, head of corporate finance at CKS Finance

Maura Hickey

# RAISING CAPITAL SUMMIT

## showcases a booming investor market

After a difficult 18 months, 2021’s summit highlighted the resilience of Irish businesses, and revealed remarkable amounts of local and international funding currently looking for a home, writes **Roisin Kiberd**

Taking place at the Radisson Blu hotel in Dublin, 2021’s Raising Capital Summit brought together founders and investors to discuss a shifting environment, rich in investment opportunities for businesses with the right combination of strategy, good management and good timing.

After a welcome from the summit chair, broadcaster Jonathan Healy, the programme began with a panel discussing “the state of play for investment in Irish companies”.

Mark Flood, director of Renatus Capital, said that while the pandemic “definitely made people pull back”, it was also “a catalyst for perhaps the most active year of deal-making in living memory”. Dr Helen McBreen, a partner at Atlantic Bridge, said lockdown had posed a challenge for companies in retaining customer focus, but that companies had shown resilience and an ability to scale: “The numbers across the board are really interesting. In Ireland the figures are €900 million. There have been some mega-rounds, and we’re seeing twice as much money going into series A companies.”

Dr Fergal McAleavey, senior investment director at the Ireland Strategic Fund, discussed high tech valuations: “I think the money going into this industry is only going to grow . . . Think of manufacturing, farming: very little tech has yet gone into these sectors.”

A second panel covered ‘Understanding the best financial options to achieve your growth strategy’. John Mullins, executive chairman at Amarencio, discussed his decision to put his entire pension into his company after initially failing to secure funding: “We gradually built up an equity base . . . it started with a failure, and progressed through all these avenues. My advice is to never give up, and knock on as many doors as you can.”

Aisling Teillard, chief executive of Our Tandem, created her company when she couldn’t find a similar product on the market, raising €5 million to create software for facilitating feedback and performance management in the workplace “In some ways the pandemic served us well,” she said. “People needed to manage in a very dispersed way, and our technology was a natural fit.”

Devan Hughes, chief executive and co-founder of Buy-Mie, said that a combination of crowdfunding, through 382 shareholders, and investment from friends and family had helped the organisation get started: “The capital journey depends on the kind of company you want to build . . . Whatever timeline you expect it to be, double it.”

Philip Reynolds, managing director of the NDRC and Dogpatch Labs, said that they sought out the most ambitious companies they could find: “This is early stage, risk capital. There aren’t huge data points; it relies on the founding team.”

Beginning a ‘spotlight series’ of talks given by founders, Fidelma McGuirk, chief executive and founder of Payslip, talked about her organisation’s path to investment, and the dos and don’ts of raising capital. She discussed the increasing number of automated processes in the average business, identified by Gartner in its 2019 announcement of ‘global payroll technology’ report category, and her company’s role in helping large organisations rapidly open offices in new countries.

### High-risk business

McGuirk was followed by Bobby Healy, founder and chief executive of Manno Aero, who talked about how his drone delivery company had raised €25 million for growth. Describing a “chaotic” life of building businesses, beginning with a short-lived video game company in the late 1980s, Healy said his current venture, “hardware that flies”, posed a particular challenge.

“Safety is the only thing between us and scale. This is a high-risk, capital-intensive business. We’re live in Oranmore and Balbriggan, which makes us the world’s biggest drone delivery company.”

Ger Rabbette, chief executive of Uniphar Group, gave the final talk in the series, on bringing businesses to IPO. With a workforce of over 3,000, and trading in over 160 counties, Uniphar moved from debt and decline to raising €150 million in funding, nine acquisitions and an IPO in 2019.

“I believe you cannot be too ambi-



Mark Flood, director of Renatus Capital; Dr Helen McBreen, partner at Atlantic Bridge and Dr Fergal McAleavey, senior investment director at Ireland Strategic Investment Fund



Philip Lea, partner in corporate M&A, Dillon Eustace; Katharine Byrne, partner at BDO Ireland; Jonathan Healy, the conference host; Orla O’Gorman, non-executive director at OR Advisory and Pierce Casey, investment director at Causeway Capital

tious,” said Rabbette. “We planned for the IPO three years in advance. It’s gruelling, but ultimately, with the right team, you’ll meet a fascinating bunch of people.”

After a short break, Leo McAdams, divisional manager of the investment services director at Enterprise Ireland, delivered “an in-depth look into EI funding options and initiatives available to fund your growth strategy”. McAdams said that 2030 exports for EI client companies had remained steady, and even increased slightly, during 2020. “We saw gains in the eurozone, and losses in the UK.”

Speaking on ‘the IPO journey for smaller companies’, Niall Jones, head of listing for Ireland and the UK at Euronext, and Keith McGrane,

chief executive at Corre Energy, ran through the long and complicated process. “We’ve seen a huge amount of activity in 2020 and 2021,” said Jones, “with 111 IPOs last year and 151 new SME listings this year so far.”

McGrane said the decision to IPO came from watching other organisations finding funding this way: “In January of this year, in part driven by Covid-19, and because we are working with non-proven technologies, we decided to go through this process, which has been extremely demanding but is also the best decision we’ve ever made.”

They were followed by a panel on ‘Structuring the deal’. Philip Lea, partner in Corporate M&A at Dillon Eustace, discussed the legal side of contracts: “The key point is around preparation. Make sure you’re clear on the ownership of assets, in particular IP.”

Katharine Byrne, partner at BDO Ireland, said it was important to understand what success would look like for your business. “That will dictate the type of funding and where it comes from. An im-

portant point is this: how do you align the goals of the different founders with the goals of investors?”

Orla O’Gorman, non-executive director at OR Advisory, said “getting your house in order” should be the first step, followed by refining the investment pitch: “Focus on what’s bringing value to your business . . . if you finance your business properly you’ll give it the best chance of growing up. The wrong finance can kill it.”

Pierce Casey, investment director at Causeway Capital, said exiting depended on each individual situation, but was unlikely to be done overnight: “You need a really coherent plan, not only for expanding the business, but for what underpins that.”



Keith McGrane, executive director and chief executive of Corre Energy and Niall Jones, head of listing - Ireland and UK at Euronext



Philip Reynolds, managing director of NDRC, Dogpatch Labs; Devan Hughes, chief executive of BuyMie; Aisling Teillard, chief executive of Our Tandem and John Mullins, executive chairman of Amarencio

### Competitive landscape

After a lunch break, a panel addressed the question of how organisations can secure venture capital in a competitive landscape. Mike Brennan, principal at Finch Capital, spoke on the current, competitive market for investment in Ireland and abroad: “We’re seeing huge amounts of liquidity throughout Europe, and founders need to leverage this market quite wisely.”

“Taking on too much capital early on can become a problem later.”

Gillian Buckley, investment manager at the Western Development Commission, said that securing capital was hard work at an early stage: “You have to listen, but you need to have faith in yourself as well. Every entrepreneur needs to have an ego.”

Richard Watson, managing partner at DBIC Ventures, said international funds were coming in, not at seed stage but at later stages, and seeking to invest in Irish businesses: “Once there’s a market

and a product that’s differentiated, it comes down to the management team.”

They were followed by a panel on private equity partners moderated by Adrian Benson, partner in Corporate M&A at Dillon Eustace. Daragh Lane, director at Cardinal Capital, said he identified potential investments by spending time one-on-one with companies, and making sure that expectations were aligned.

Similarly, Mark Sykes, an investor at BGF, said there were no hard and fast rules for structuring a deal, and that investors could be creative and find a way to make funding work on a case-by-case basis.

Stephen Minogue, of MML Growth Capital Partners Ireland, said that growth capital, in an Irish context, could help business owners “de-risk, some what” by taking some

cash off the table: “I think one of the main advantages is the advice and guidance you can get from an experienced investor, as opposed to a bank.”

The final panel of the day was a “call to action” for debt finance, with Aaron Mooney, chief executive of Action24, Gavin Pitcher, head of corporate finance at CKS Finance, and Peter Ryan, senior debt restructuring manager at CKS Finance.

“You have to park your ego, because otherwise nothing will get done,” said Mooney.

“There are all these different elements which need to be managed throughout the process,” Pitcher added, “and we have to keep everyone looped in.”

The day ended with a “fire-side chat” between Charlie Gleeson, chief executive and founder of Zipp Mobility, a scooter-sharing service, and Chris Burge, chief executive of Spark CrowdFunding, on the subject of equity funding.

“We decided to go for Spark crowdfunding because we quickly realised we weren’t ready for series A funding,” said Gleeson.

“We raised roughly one million in two months, with half of it coming from Spark.”

After a difficult 18 months, 2021’s Raising Capital Summit highlighted the resilience of Irish businesses, exploring the highs and lows of the funding process, and showcasing a booming market, currently attracting remarkable amounts of local and international funding.



Fidelma McGuirk, chief executive and founder of Payslip



Leo McAdams, divisional manager, of the Investment Services Division, Enterprise Ireland



Martina Fitzgerald, chief executive of Scale Ireland