

Tapping into the Irish market

As MML Ireland approaches its 10th anniversary, Neil McGowan and Rory Quirke, partners and co-heads of investment, discuss the Irish private equity market, MML's leading place in it, and their distinctive investment style

Congratulations on your anniversary! How would you introduce MML Ireland?

Rory Quirke: We are delighted to celebrate 10 years of MML Ireland! We invest in Northern Ireland and the Republic of Ireland (in a roughly 20%:80% split) and support businesses that want to scale, typically providing equity of about €5-20m as the first institutional investor into a business.

The MML ethos is the same across our Dublin, London, New York or Paris offices: a focus on partnership investing alongside management teams. Our growth focus means we do not over gear businesses or rely on leverage to drive our returns.

We have built an excellent team, all based in Dublin, who source, execute, manage and exit our investments. The senior team, led by Neil and myself, has worked together for at least seven years.

Why did MML choose to open an office in Ireland?

Neil McGowan: We saw an opportunity to raise a fund around the same time as the Irish state

began looking to diversify the funding landscape through its indigenous development agency, Enterprise Ireland, and its sovereign wealth fund, the Ireland Strategic Investment Fund.

Before the financial crisis, the Irish SME market had over-relied on bank financing, and as the economy recovered there was a need and an opportunity to provide an alternative in the form of partnership equity capital. We built on that foundation with a range of other international investors.

How would you describe your position in the Irish private equity market?

Quirke: We are the most active private equity team in the Irish market, having completed 20 platform investments, investing around €200m and supporting our portfolio companies to complete a further 15 bolt-ons. We have been at the forefront of a very positive growth story for the private equity sector in Ireland.

How has the Irish private equity environment



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developed over the past 10 years?

McGowan: The greatest change has been the market's understanding of the impact a supportive private equity investor can have on a business's growth. Much of this comes from pointing to our track record and management team testimonials – we find this is a powerful selling point.

Looking at external factors, the economy here is stable. The government has a strong fiscal position and is addressing the cost-of-living crisis and interest rate issues while keeping a budget surplus. It has a pro-business track record going back decades, and we do not expect that to change.

Are the Brexit-related special arrangements for trade in Northern Ireland a concern or an opportunity?

Quirke: We see great opportunity for Northern Irish companies uniquely enjoying unfettered access to UK and EU markets. This, on top of the stable business environment and access to a young well-educated workforce, creates very positive conditions for growth.

How would you describe MML Ireland's investment style?

McGowan: We aim to partner with ambitious management teams, with proven capabilities as operators, that we can work alongside to support growth. That means teams with strong trading track records who have reached a point where scaling requires capital investment or investment in people. So we support them with bespoke investment structures, providing the confidence to unlock further ambitious growth opportunities while understanding the line between supporting businesses and becoming overly involved with day-to-day operations. We do not bring a management consultant-stamped business plan but instead offer a more collaborative, partnership-driven approach.

We are not fixated on being a majority shareholder – our ownership generally hovers slightly above or below 50%, with management retaining significant equity participation in every transaction we do.

Quirke: This is an essential component to ensure alignment of interest – we want everybody to be rewarded for delivering growth!

In what sectors does MML Ireland invest?

Quirke: The diversity of our portfolio reflects the Irish economy. Many large multinationals have a meaningful presence here, which spawns an amazing ecosystem of Irish SMEs that provide top-quality services to that sector. Those SMEs often take the opportunity to also provide their services to the multinational overseas. This has been the origination of many of our portfolio companies and continues to offer an exciting backdrop for future growth.

We have also invested in a range of other sectors, such as manufacturing, healthcare and logistics, reflecting our focus on MML's partnership approach, rather than sector specialism.

How would you describe the firm's approach to ESG?

McGowan: The MML group is committed to delivering attractive returns in a responsible way, being a signatory of the UN PRI since 2019 and carbon neutral since 2021. We have an ESG working group, which oversees our policies and approaches and includes representatives from across our offices, ensuring a 'one MML' approach.

ESG is fully integrated throughout our investment processes and we aim to promote ESG progression with bespoke roadmaps for each company. Our efforts have been welcomed by our investors and our portfolio companies, who often face ESG questions from their multinational customers.

How does the relationship between MML Ireland and the rest of the MML group work?

Quirke: It is very collaborative. As our companies expand, we tap into resources across the MML network, which has been putting capital to work very successfully for 35 years. This allows us to combine an on-the-ground collaborative partnership with access to international reach and experience.

McGowan: The wider MML team is a very tight group – we know everybody well and enjoy meeting in-person as often as we can! ●

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