




F

MERGERS AND ACQUISITIONS SERIES

Benefits of Private Equity Partnerships

Private equity investment is emerging as a powerful catalyst for Irish mid-market growth, with more companies turning to these partnerships to unlock new opportunities. Eoin O'Keeffe, Managing Director, discusses how PE can provide founders with strategic support and fresh capital to drive sustainable growth.



The landscape of M&A transactions is increasingly dynamic, offering multiple avenues for strategic growth and value creation.

One such avenue is through partnering with a private equity investor. For founders and shareholders of Irish mid-market companies, engaging with private equity can represent a transformative opportunity - unlocking new capital, accessing strategic expertise and accelerating expansion.

The journey into a private equity transaction, while promising, requires careful preparation, market insight and a clear understanding of how partnerships work. At FOCUS Capital Partners, our vast experience in M&A advisory and our long-standing relationships with leading private equity firms enable us to reliably guide clients through this process.

In this article, we explore why private equity (PE) has become such an attractive option for Irish businesses and how it can drive growth, resilience, and long-term value creation.

1. FLEXIBLE STRUCTURE: MAJORITY/MINORITY SALE

A PE partnership's structure can be tailored to the owners' specific needs, offering the option of both a majority and minority sale. This flexibility allows owners who wish to partially monetise their portion of the business, as well as those who desire to maintain a level of control in ongoing operations. Whether owners aspire to retire, start a new venture, or stay engaged with their current business, private equity can accommodate a broad spectrum of post-transaction scenarios.

2. DE-RISKING FOR OWNERS

Many founders have a significant portion of their personal wealth tied to their business. A PE partnership allows for diversification of personal net worth, enabling them to realise value, reducing exposure to economic shocks and business downturns, while also continuing to participate in the company's growth. It facilitates a safer environment for owners to pursue growth-centric strategies, backed by PE firms' risk-managed and high-growth agendas.



This partnership provides both capital and strategic backing to pursue ambitious growth initiatives, including acquisitions and new market entries, without over-reliance on debt financing. In this way, owners can reduce personal risk while positioning their business for long-term success.

3. OPPORTUNITY FOR A SECOND BITE

In most PE transactions, owners will usually retain a shareholding in the business post-investment, allowing them to benefit from the value increase driven by the PE firm's growth strategies – often referred to as a “second bite”. In essence, this allows owners to retain a stake in the business, allowing them to benefit not just from the initial transaction, but also from potential future exits.

After an investment, private equity firms typically support accelerated growth through strategic initiatives, standardisation, and expansion, positioning the company strongly for a more valuable future exit. This creates the opportunity for founders to participate in a second, often more substantial, capital event.

At FOCUS Capital Partners, our extensive experience and deep network within the private equity sector enables us to match businesses with the right investors, in order to maximise both the initial outcome and the potential for that “second bite”.

4. LEADERSHIP CONTINUITY

Navigating a change of ownership can be a turbulent period for any business. Continuity of leadership is a key factor in maintaining momentum during a transaction. Most PE investors actively seek to retain and support existing management teams, valuing their institutional knowledge and cultural influence.

Over time, PE investors tend to introduce additional senior expertise to complement existing strengths, helping the team scale effectively without disrupting the company's culture or direction.

5. EQUITY INCENTIVES FOR MANAGEMENT

Many PE investors extend equity participation to the broader management team, aligning incentives across all levels of leadership. Ensuring that there is a sense of shared ownership fosters a performance-driven, entrepreneurial culture, which encourages innovation and accountability throughout the organisation.



6. SECTOR EXPERTISE

PE firms bring deep sector-specific expertise, honed through years of investing across multiple industries. This insight into market dynamics, customer trends, and competitive positioning enables them to deliver targeted strategic guidance that drives performance.

Many firms also introduce seasoned executives or board advisors who can enhance leadership capability and strategic decision-making, bringing new energy and perspective to the organisation's growth journey.

7. ACCESS TO CAPITAL

PE firms are renowned for their ready access to capital. This financial strength cannot be understated, as it can be instrumental in fueling a company's growth plan, through strategic acquisitions, infrastructure upgrades, or attracting top-tier talent.

Additionally, they bring not only capital, but also the strategic experience to deploy it effectively. For many Irish companies, PE investment offers an attractive alternative to traditional bank debt, providing long-term funding without constraining cash flow or increasing leverage.

8. NAVIGATING GROWTH CHALLENGES

As businesses scale, they often grapple with new and complex challenges, ranging from governance and compliance to systems and reporting. PE firms are well versed in supporting this evolution, helping management teams strengthen structures, processes and strategic discipline. A more diverse and larger customer base may necessitate refined marketing strategies and customer relationship management systems.

Experienced PE firms are well-equipped in dealing with large-scale businesses across their multiple portfolio companies, providing valuable insights into best practices. This enables smoother transitions and sustainable growth as businesses mature.



CONCLUSION

The growing presence of private equity in the Irish market reflects its proven ability to deliver strategic growth, capital efficiency, and value creation. By offering flexible deal structures, sector-specific insight, and access to significant resources, PE partnerships continue to shape the next generation of successful Irish companies.

Successfully navigating a private equity transaction requires experienced guidance and a deep understanding of both investor expectations and business objectives. At FOCUS Capital Partners, we specialise in structuring and negotiating these partnerships, helping business leaders realise their ambitions while unlocking the full potential of their companies.

To explore how a private equity partnership could accelerate your company's growth journey, contact FOCUS Capital Partners for a confidential discussion.

HOW WE CAN HELP

At FOCUS Capital Partners, we collaborate closely with business owners to craft tailored strategies that align with your individual objectives. As every M&A transaction is unique, making the right strategic choice demands in-depth industry expertise, a strong grasp of the M&A environment, and skilled transaction management.

With offices across Ireland, the UK and the USA, we deliver world-class advisory services to middle-market companies with our client-first philosophy, personalised service, deep industry knowledge, and results-driven solutions.

AUTHOR



Eoin O'Keeffe
Managing Director



M&A PRACTICE TEAM

**Robert Adams**

Founder/CEO

radams@focuscapital.ie

+353 87 661 8452

**Alan Kelly**

Head of Mergers & Acquisitions

akelly@focuscapital.ie

+353 87 819 2370

**Brian Barrett**

Managing Director

bbarrett@focuscapital.ie

+353 87 264 9827

**Patrick Dooley**

Managing Director

pdooley@focuscapital.ie

+353 87 232 5028

**Owen Hackett**

Managing Director

ohackett@focuscapital.ie

+353 86 870 7015

**Barry Madden**

Managing Director

bmadden@focuscapital.ie

+353 85 718 8307

**Eoin O'Keeffe**

Managing Director

eokeeffe@focuscapital.ie

+353 86 806 1837