



BVP Investment Managers Report

2024



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Managers' Report

○ The Economic Outlook for 2024 & 2025

Amid the varying narratives presented by Modified Domestic Demand (“MDD”), Gross Domestic Product (“GDP”), and Gross National Product (“GNP”) regarding the evolution of Ireland's economic activity in 2023, we foresee a unified trajectory of expansion for all principal indicators in the coming years.

ESRI projections are set for MDD to experience a 2.3% increase in 2024, followed by a 2.5% rise in 2025. Furthermore, they anticipate a progressive decrease in the unemployment rate, indicating an underlying economic fortitude, with forecasts of 4.3% for 2024 and a further improvement to 4.2% in 2025. The labour market maintains its robust stance, nearing full potential. Concurrently, inflation rates are predicted to ease during 2024, setting the stage for a revitalisation of real income growth. The steadying of growth in the domestic economy, points towards a degree of resilience despite the inflationary pressures and higher interest rates.

○ The Impact on our Companies

At BVP, our investment approaches have culminated in well-diversified portfolios that are aware of the potential impacts that a recession or unfavourable economic trends may have on our Fund Companies. This awareness has been ingrained in our investment decision-making process from the outset. Our first BVP Fund was launched in 2007, and its investments commenced in 2008, coinciding with the onset of the last recession.

In the context of Ireland's economic forecast, which points to growth across key indicators like MDD, GDP, and GNP, coupled with a downward trend in unemployment rates and easing inflation pressures, we see these factors reinforcing the robustness of our investment strategy. Additionally, with inflation expected to drop and real incomes likely to rise, we see good opportunities for our investments to prosper. The anticipated stabilisation within the Irish economy suggests not only endurance but also potential growth opportunities for our portfolio companies amidst the landscape of inflationary pressures and higher interest rates.

Managers' Report

○ ESG

By implementing best practice management techniques that consider environmental, social, and governance (ESG) factors, BVP aims to both mitigate risks and seize opportunities, thereby enhancing the long-term value of its portfolio companies. BVP is fully committed to facilitating responsible investments that generate sustainable, long-term value in collaboration with the management teams of its investee companies.

Acknowledging the significant influence of the venture capital and funds industry on society and the environment, BVP emphasises the integration of ESG factors throughout its investment process. As a signatory of the PRI (Principles for Responsible Investment), BVP is dedicated to aligning its investment management with the interests of diverse stakeholders.

○ Outlook

As we move into 2024, BVP Investments maintains a careful but optimistic stance on the Irish economy, expecting steady growth despite ongoing concerns over inflation and interest rates. Our outlook is shaped by a comprehensive analysis of market trends and economic indicators, allowing us to adapt our strategies proactively to navigate potential challenges.

Our approach to investment is grounded in vigilance and adaptability. We constantly monitor global and local economic developments, adjusting our portfolio management strategies to mitigate risks and capitalize on emerging opportunities. This proactive stance ensures that we are not only reacting to changes but also anticipating them, allowing us to make informed decisions that align with our long-term investment goals.